

Always look on the bright side of Brexit



*Is there a bright side to Brexit, even for those who voted for the UK to remain in the EU? **Nauro F Campos** reasons that there is at least one undeniable positive from Brexit: we are now more willing to ask questions about European integration than we were before the referendum. In doing so, our knowledge about economic integration might increase, helping us to design better informed policies for the future.*

Since early 2015, political life in the United Kingdom has produced countless memorable moments. Most of them unforgettable for the wrong reasons. From a very crowded field, my favorite is the [Cameron hum](#). After announcing his resignation, David Cameron walks back to Number 10, humming. Feverish speculation lingers about [which song](#) he chose but, in my mind, I can only hear Monty Python's "Always Look on the Bright Side of Life."¹

That would be appropriate for at least three reasons. First, there was [chillax](#). Second, there are the reasons given to why Europe needs the UK. And third, because it forces us to seriously think about "what is the bright side of Brexit?" Because I am an economist, I only feel comfortable tackling the last two.

The song makes me think of the reasons why Europe needs the UK. All emanate from the moderate and pragmatic approach associated with the British. The UK is needed because it can strike a balance between France and Germany. Because it is the voice of reason. The UK will always push for free markets, for competition and for meritocracy. I guess this was a valid argument in the 1970s and early 1980s. But, after so many enlargements, it has lost traction: we have other grown-ups in the room that can surely champion these causes when required.

"[Always look on the bright side](#)" raises other fascinating possibilities. One is that the whole world admires and envies the Brits: they are [cool](#) (and thus will be missed.) They gave the world The Beatles (and then The Clash and The Jam; in order of importance). They gave us Monty Python. They can't go.

Perhaps there is a gap between perceived and actual contribution. All of these (and endless others) are cultural contributions. They are deeply ingrained, but they are also basically public goods. You can take the UK out of the EU, but you will never be able to take [John Lennon](#) out of our upbringings. The UK will be missed, for sure, but it will not be missed by as much as the cultural, diplomatic and academic contribution indicates.



Credit: [European Council President \(CC BY-NC-ND 2.0\)](#)

Now I turn to the really difficult question: What is the bright side of Brexit? (Does it have any? [I hear you say.](#)) I think it has at least one. A Brexit dividend, to coin a phrase. Brexit has prompted a lot of research on the political economy of integration, much of it simply wasn't pursued before. For example, to even raise the question about the monetary value of EU membership before Brexit was practically academic taboo. Few similar and related questions were asked and as a consequence we found ourselves ill-prepared to inform and influence the debate. On 23 June 2016, tea time, econometric evidence was found wanting.

The Cameron [renegotiation](#) did away not only with "ever closer union" but it also opened up to scientific scrutiny a whole set of questions that were considered undeserving until not long ago. One of the few Brexit dividends I can see is to bring such important and long-neglected questions to the fore. First and foremost, Brexit destroyed the hopes of any economist who has ever argued for the primacy of an economics-only approach. The commonplace lament about the difficulties that European integration created because it was "also a political project" has now been stopped in its track. Political economy became mainstream economics two decades ago; except when it comes to European Integration. Such a shift is needed and welcome.

European integration is better understood from a [political economy perspective](#). The role of trust and self-enforcing cooperative behaviour, the institutional question and the effects of mis-timed economic policies in driving populism (we may still not know what Brexit means but we know what it is: populism) are all issues now at the top of economists' research agenda.

Another important area that opened up was [trade](#). The role of global value chains, inter-industry trade, technological change and the rise of services (including the difficulties it creates when increasingly bundled with goods) are all prominent research issues now. Even the original 1950s debate about free trade areas versus customs unions has been reinvigorated thanks to the emergence of the "deep integration" literature.

Research on migration has also been revived after Brexit. A particular healthy development is the recognition of the many remaining challenges and the renewed openness to take on board insights from [other disciplines](#) (even when based on unfamiliar methods.) Last but not least, research on FDI has progressed hugely. Consider that a few years before the referendum there were no available estimates of its net benefits (the answer to "how much does EU membership [increase](#) FDI inflows" was a long and embarrassing silence.)

If there is a Brexit dividend, it is to push us to ask questions that we spent too long away from. In doing so, our knowledge about economic integration, in general, and European integration, in particular, will increase and help us to design better informed policies in the future. There are many ways to conclude, but I can't think of a more appropriate one (because it is such a perfect ode to Brexit) than to transcribe the opening lines from "[Always look...](#)": "This is a total bloody disaster. All my knights have fled, and we're lost in a dark and very expensive forest. Well, it could be worse!"

1. Halfway through, I googled the title and found out Dutch TV [beat me to it](#). Well, it could be worse.

This article originally appeared on [EUROPP](#). It gives the views of the author, not the position of LSE Brexit or the London School of Economics.

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