# Article information:

Unravelling deep integration: Local labour market effects of the Brexit vote | CEPR
<https://cepr.org/voxeu/columns/unravelling-deep-integration-local-labour-market-effects-brexit-vote>

# Article summary:

1. The Brexit vote and the threat of trade barriers had a substantial effect on labour demand in the UK, particularly in regions more exposed to potential future barriers on professional services exports.

2. The impact was mainly visible in higher skilled job adverts, with a particular impact on postings for executives, managers and professional occupations in financial services, information services, engineering and legal services.

3. The threat of future tariffs on goods did not seem to have had an effect on online job adverts, and the decline in job postings was felt from Q2 of 2018 onwards coinciding with heightened uncertainty over future trading policy arrangements with the EU.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

The article "Unravelling deep integration: Local labour market effects of the Brexit vote" by Javorcik et al. (2020) provides insights into the impact of the Brexit referendum on local labor markets in the UK. The authors use a high-frequency dataset consisting of almost all job adverts posted online in the UK between January 2015 and December 2019 to study how the outcome of the Brexit referendum affected labor demand in the UK.

The authors find that regions that were more exposed to future trade barriers on professional services exports experienced a decline in online job postings after the referendum, relative to less exposed regions. This decline was economically meaningful, with a one standard deviation increase in exposure to potential future barriers leading to a 3.1% decrease in monthly job postings. The effect was mainly visible in higher skilled job adverts, with a particular impact on postings for executives, managers, and professional occupations.

However, there are some potential biases and limitations to consider when interpreting these findings. Firstly, the study only focuses on online job postings and may not capture all aspects of labor demand. Secondly, it is unclear whether these findings can be generalized beyond the specific time period studied or whether they will hold true once Brexit negotiations are finalized.

Additionally, while the authors acknowledge that no deal has been reached between the UK and EU at present, they do not explore potential risks associated with this scenario or consider alternative outcomes that could arise from ongoing negotiations. Furthermore, while they note that their study adds new insights by focusing on barriers to trade in services as well as goods, they do not provide an explanation for why services barriers had a greater impact than goods barriers.

Overall, while this study provides valuable insights into how local labor markets have been affected by Brexit uncertainty thus far, further research is needed to fully understand its long-term implications and potential biases should be considered when interpreting its findings.

# Topics for further research:

* Potential risks associated with a no-deal Brexit scenario
* Long-term implications of Brexit on the UK labor market
* Impact of Brexit on industries beyond professional services
* Alternative outcomes that could arise from ongoing Brexit negotiations
* Comparison of the impact of services barriers versus goods barriers on the labor market
* Studies on the impact of Brexit on other aspects of the UK economy
* such as trade and investment.

# Report location:

<https://www.fullpicture.app/item/37fb722c13a54edd904a497b3fe3b3a9>