

What the present can teach about Brexit? No: What history can tell about Brentry!

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A couple of days after Christmas, I was travelling on my own to Florence where I would spend New Year's Eve with a group of friends. On my way to the marvelous and pictorial city of Dante and Beatrice, I sat on the train, crowded with families and tourists either coming back from the various Christmas gatherings or drifting south to greet the New Year in a rather more estival and tepid setting. While I was clearly already fed up and tired by all the hustle and bustle of Italy's beautiful, yet chaotic, cities I started skimming through the newly bought Christmas edition of *The Economist*. I understand it's a double edition and I recognize that Switzerland is a 'nearly' barricaded island in the middle of the EU's unified market when it comes to the import/export of goods and therefore everything is lightly, yet disturbingly, more expensive, still, 15\$ for a magazine contributes to help me reach the limit of my appetite for weekly news magazines. And maybe that's exactly at this point that I started childishly wondering about the one possible future consequence of *Brexit* for me as a Swiss: Will the price

of *The Economist*, being a British magazine, drop after the infamous art. 50 will be triggered? No way. Maybe. I don't know. Economics: Not my forte. Needless to say, at page 31 of the Christmas special I had in my hands, presented the following title "*Domesday Economics: Brentry*" and the subtitle hinted at its content: "*How the Norman conquest shaped the English economy*".¹ 'Who cares', I first thought myself. Yet, I had missed the real meaning of *Brentry*. 'No, it's not some kind of lost shrunken village in the interior of England, it is the antonym of *Brexit*'. Clearly. It took me five shameful minutes to get it, but it finally caught my attention and a couple of minutes later I was already half-way through the article. The two-page article nicely introduced the Norman conquest of England, by William 'the Conqueror', Duke of Normandy, in the year of 1066 in a very brief but concise manner and built parallels between the consequences of the conquest on the English econ-

¹ For the original article follow this link: <<http://www.economist.com/news/christmas-specials/21712047-england-indelibly-european-how-norman-rule-reshaped-england>>, accessed on 30.12.2016.

omy back then and what could be the future of today's UK after the referendum to leave the EU was accepted. I would like to replicate and shorten its content and elaborate some information, just because I found it a very good article.

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The Norman Conquest was the last time England was conquered. Now, you can imagine the parallel made by the article: The UK conquered by the EU. Even Nigel Farage, the leader of brexit-supporting party UKIP, is known to periodically dress in a tie depicting the Bayeux tapestry, a long piece of embroidery portraying the event, to remind Brits of the last take-over by foreign entities.



Definitely a felicitous act, if you want to underline the domination by unidentifiable EU institutions.

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The conquest was bloody and cruel, not silent or relatively painless like the one the brexit-supporters gather they've faced with the EU. It jokingly reminded me of the

boiling frog principle, which is an anecdote describing a frog slowly being boiled alive. The premise is that if a frog is put suddenly into boiling water, it will jump out as soon as it touches the water, but if it is first put in cold water, which is then brought to a boil slowly, it will not perceive the danger and will be cooked to death. The story is often used as a metaphor for the inability or unwillingness of people to react to or be aware of threats that arise gradually. Anyways. The point is the UK faced the exact contrary today. Even back in the 11th century, William's conquest changed England's economy. Institutions, trade patterns and investment all improved. It literally brought England into European circles of trade (thus: 'Brentry') triggering a long-lasting economic boom in the Isles.

In order to best assess the economic impact of the Norman Conquest, one has to peak into the 'Domesday Book', a survey of the English wealth ordered by William, showing data (e.g. both on who the owner of 13,418 estates was and how valuable it was measured by how much land tax it could yield in a year) relative to three time periods: 1066, 1086 and an intermediate period shortly after 1066. This makes possible to perform a before-and-after analysis of the impact William's conquest had over the English economy.

In the short term, the Conquest unquestionably affected England negatively; because of the war and especially where William's army landed. But in the long term the invasion ended up boosting the English economy.

The Economist's journalist has an incredibly structured way to explain why and lists several consequences of the invasion.

Immigration tends to boost trade: newcomers are familiar with their home markets and like to export there.

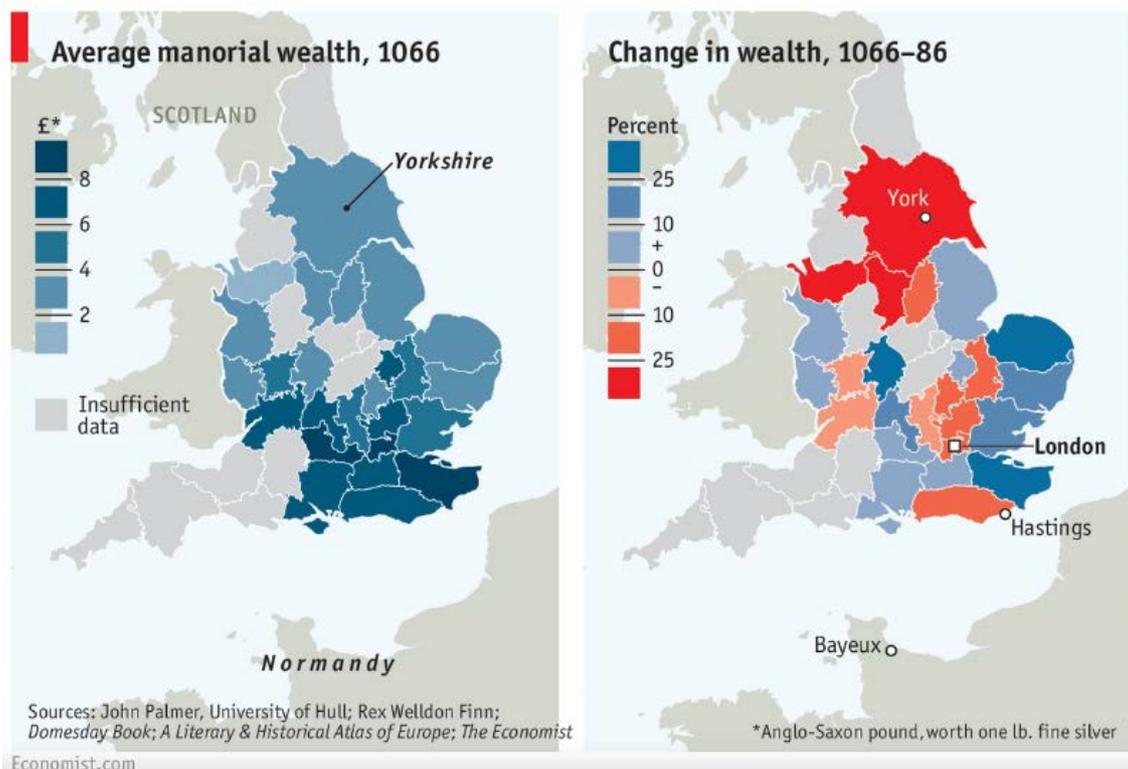
Brentry also helped with the elaboration and development of the financial system. William had the Jews invited to England and introduced a network of credit links between his new English lands and his French ones. In fact, Jews were the only ones unimpeded by Christian usury laws, making them the predominant lenders at the time.

Moreover, the Normans ramped up infrastructure spending. Within a couple of decades every English cathedral, church and most big abbeys had been razed to the ground, and rebuild in a new continental style. New castles and palaces came too, leading to an increase in work. All these little, yet significant, changes helped the economy along.

Real GDP growth in 1086-1300 was probably two to three times what it was in the pre-conquest period. Productivity improved and to fund the infrastructure projects peasants were taxed heavier, which probably forced them to work harder and more.

People had more money. More money, more spending. Trading and supplying bloomed as the economy expanded. Labour became more specialized, and more people became self-employed or worked for wages. Over 100 new towns were founded in 1100-1300, while the population jumped from 2.25m to 6m.

Though the entire country was thriving, not every part of it equivalently did. Interestingly enough, the openness towards the rest of Europe created a wealth gap between the north and the south part of England. A divide that still shows to this day. The conquest was longer-lasting and more violent in the north. William found more resistance there and consequently the scale of devastation was larger. If you take a look at the numbers of Domesday Book you can already see that before the conquest estates in southern England were slightly wealthier than northern ones. Still, with Brentry, the gap leaped: by 1086 southern estates were four times as valuable, and with more time the country grew even more unequal. The north has always shown a



bigger tendency towards poverty, it has poorer land and a worse climate; but specifically, is farther from markets and the rest of Europe. The history of England's economy shows that older events can leave permanent marks. William's invasion could well explain, in part, the northern poverty that gives modern England Europe's highest regional inequality. The Economist even contains a curious nice-to-know fact: Even today, after so many centuries, students with Norman names (e.g. Darcy, Mandeville, Percy or Glanville) and descendants of the conquerors still tend to be wealthier and more privileged. As a matter of fact, Norman names are still overrepresented at top universities such as Oxford and Cambridge.²

After so much said, the journalist concludes by connecting the story line of the past with the one of modern England. It is therefore not so that the regions which were hit harder by the conquest were also the ones who have voted to leave the EU or, for want of a better word, to 'elude' the modern Norman yoke in the Brexit referendum. An economic relief will, however, hardly be the consequence of the vote. History teaches. The Domesday Book shows improvement only years after the invasion. Maybe the 'EU invasion' just needed a little bit of time to assess. The circumstances must also be taken into account: A worldwide economic crisis hit the entire world in 2008 leaving not only EU countries in despair but most of the countries in the world. Maybe it was really just a matter of time, maybe not. I must admit, I like the idea of more sovereignty by the states, yet reason also tells me some things can't be done efficiently if not through cooperation, with 'trade' being the tip of the spear.

Nevertheless, from those tumultuous decades on, England was indelibly European - and a lot stronger for it. The Norman Conquest made England. Europe made England. It was just a matter of patience.

² For further information see also: <<http://www.telegraph.co.uk/news/newsttopics/howaboutthat/8424904/People-with-Norman-names-wealthier-than-other-Britons.html>>, accessed on 02.01.2017.

