

People's Democratic Republic of Algeria



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**Brexit: The Impact Of The Withdrawal On The UK's Economy**

Dissertation submitted in partial fulfillment of the requirements for the degree of *Master* in  
Literature and Civilization

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**Academic Year: 2020/2021**

### **Dedication:**

This work is sincerely dedicated to my beloved parents, who have been my source of inspiration and gave me the strength to carry on. To my family who provides their moral, emotional and financial support.

And lastly to my twin and my dear friend A. SAIDI and S. AIT AHMED who shared their words of advice and encouragement to finish my work.

### **Acknowledgments:**

I would like to express my special gratitude to my supervisor Dr. RAOUTI for her helpful guidance and encouragement in completing my work, without her support it would have been impossible to complete the work. My thankfulness also goes to the members of the jury Dr. MOUSSAOUI and Dr. SALMI for their time to read and judge my work.

## **Abstract**

On June 23, 2016, the United Kingdom (UK) held a referendum to choose whether it should leave or remain as a member of the European Union (EU). This vote is popularly referred to as Brexit, which also signifies Britain exit. This decision was after when the United Kingdom wanted to change its relationship with the European Union on trade, security and migration. Since the United Kingdom decided to exit from the European Union, the country will now find it hard to survive on its own. There is no doubt that, Brexit has had massive economic repercussions, and many businesses were affected. Industries are affected as well Some of the UK's leading companies have been hit hard by Brexit. Immigration and the economy were the two main topics of discussion throughout the UK's Brexit referendum campaign. This thesis aims to investigate the impact of this withdrawal focusing on trade and migration, and the challenges the country faced to achieve its target.

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**List of acronyms:**

DUP: Democratic Unionist Party

EEA: European Economic Area

EEC: European Economic Community

EU: European Union

FTA: Free Trade Agreement

GDP: Gross Domestic Product

ONS: Office for National Statistics

UK: United Kingdom.

WTO: World Trade Organization

# **General introduction**

Brexit took place on 31 January 2021, when the United Kingdom legally repealed its membership from the European Union. A referendum was held where most of the UK's residents voted in favour of exiting while, the minority voted for remaining as part of the union.

Started with EU birth After World War II, Europe wanted a solution to the damage inflicted by the world war. Therefore, it was suggested that creating a group as a way to help and spread peace among the European states, which was named at that time, The European Economic Community (EEC). The kingdom was not an original member at first and it was refused twice by the French president, "Charles de Gaulle", because he believed that the UK was incompatible with Europe. Only two years after joining, the United Kingdom held its first national referendum on whether it should stay or leave the European Union.

In 1992, the European Union was officially created and the organization shifted not only to become an Economic one but also a Political. Shortly after, the union introduced the "Euro" to be adopted among all member countries in the bloc which is known as Euro-zone, however, the United Kingdom stood out of the practice owing to the fact that, it did not want to change its currency "the pound sterling".

Likewise, the Schengen area, which allows free movement between Schengen region without the need to show the passport even, and still the kingdom not part of it too. Then, why exactly did this referendum happen in the first place? The main reason was that, there were critics and uncertainty about the UK's membership within the union.

However, David Cameron the prime minister promised that in case he won the elections, he will hold a referendum about whether the UK will remain or leave the bloc, the Prime Minister decision was related to the fact that his conservative party had hesitation about the UK's membership, though he was in favour of remaining. Additionally, Cameron kept his promise

and the referendum happened, for him the result was shocking. A high percentage voted to leave and it ended up with David Cameron, announcing his resignation and being replaced by <sup>1</sup>Theresa May.

The new prime minister adopted the Brexit, and for the first time the “Article 50” was activated. Then came the planning phase for the European and British negotiators. Theresa May; was trying to seek for solution to reduce the damage that will be caused later. Indeed, she has disagreed with the idea of Brexit without a deal. Theresa May proposed her draft agreement, but in the light of what was a representation of her failure to achieve the Brexit, she also announced her resignation to be replaced by Boris Johnson.

The prime minister agreed on the UK's exit from the EU by modifying some decisions on Theresa May's deal and the transitional period for negotiation began to keep any trade agreements between them. After the United Kingdom achieve its target finally by leaving the union, the question arises now what's next? The biggest fear was mainly on the economy which will be highly affected by Brexit, trade and immigration were two dominant issues in the Brexit debate.

However, Britain's exit from the European Union drew reactions on the international stage, raising many concerns regarding the reasons for Britain's decision to leave. And each one had his own view; from people to the parliament up to the supreme power the queen mainly on the purposes behind this withdrawal and how they influence each other to make the final decision and vote to leave. And several forecasts arise about the impact of Brexit on UK growth and which way the government will choose, the soft Brexit or the hard one?

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<sup>1</sup> Article 50: Article 50 is the European Union (EU) member state's only legal mechanism for leaving. A short article in the Treaty of Lisbon approved in 2009 by all EU Member States outlines the actions to be taken by a nation to withdraw from its obligations under the Treaty (Institute for Government; 1).

In light of this, this dissertation aims to explore the economic impact of Brexit on the United Kingdom and unfold the reason behind its departure from the European Union. The study will analyze the predictions about how Brexit will affect the UK economy in the long term.

Therefore, the objective of this study is to draw acceptable findings from the following questions:

- 1.What is the Brexit? and What process was made to achieve it?
- 2.What was the purpose behind the breaking free from the EU?
- 3.Did this withdrawal impact the British economy?

As a result of the study questions stated above, it may be predicted that:

1.Brexit is the name applied to the United Kingdom's decision to leave the European Union. During a 2016 referendum, Britain voted to leave the European Union.

2.From the moment the concept of Britain joining the EU was first proposed, the country began debating its benefits and disadvantages. Being part of the European Union made Britain feel like it was being governed by a foreign authority, with no right to make its own decisions.

3.Europe is Britain's most significant export market, and foreign investment is the greatest source of income for the British. Also, London's status as a worldwide economic capital was enhanced by her participation in the EU.

In addition, Brexit would bring the end of free movement, which is the freedom of people from other parts of Europe to live and work in Britain. People who wanted the United Kingdom to leave the European Union believed that immigration was a national problem and that each country should be able to decide who they wish to enter. The Remain campaign argued that leaving the EU would not solve the migrant problem.

This research will use different statistics data showing how the referendum was and the possible forecasts that may happen after Brexit.

This work will be divided into three chapters, the first chapter aims to bring up an overview of Brexit's roots and the processes that led up to it, which began in 2016 and are still ongoing in 2021.

The second chapter is going to likely talk about some of the key factors that led to the emergence of Brexit, such as the popular opinion in the UK and how Parliament reacted to it. The research work also will explore the queen's role in all of what have been mentioned.

The third chapter reveals the impact of the UK's withdrawal from the European Union based on a study of the country's economic development and an emphasis on trade and immigration.

# **Chapter I:**

## **Introduction to Brexit**

## **Chapter I: Introduction to Brexit**

### **1.1- Introduction:**

The United Kingdom has surprised its British community as well as the whole world through its decision to leave the European Union after years of being a loyal member and coordinator in what has been coined as the Brexit. The referendum that determines if the United Kingdom should leave or stay as a part of the EU was held on 23 June 2016. This decision was taken after the UK's deterministic step to change its trade, security and migration relationship with the European community. However, many individuals around the world including individuals in the UK do not have a clue to what Brexit is all about. This choice has several factors that lead and influence people to vote for the Brexit. This chapter aims to give a view about the history of Brexit, its origins, and the processes that had been taken to reach the final withdrawal from the European Union that started from the year 1975 and still prevalent in 2021.

### **1.2 History of Brexit:**

26.3 million people across the UK went to their closet voting place in a national referendum on 23 June 2016. This referendum was not the first when people asked about their viewpoint concerning the relationship of the United Kingdom with the European Union. Earlier in 1975 at the primary referendum ever to be held in the United Kingdom, an earlier generation of electors had been asked whether they wanted or not to remain in what was called the European community (Harold 24). To this end the majority of the people voted to remain as part in the European community.



### **1.2.1. UK's reasons to hold in the EU companionship:**

The decision to stay was due to two factors. Primarily, was a poor national economy that had left the United Kingdom with an insidious variation of severe inflation, Enhanced unemployment, poor productivity and instability in manufacturing. But that was not really surprising since the United Kingdom stared at the economy across the sea with envy (Harold 25). Furthermore, the second factor was a very powerful and widespread sense of allegiance to the major political parties, which they competed in a stable parliamentary party. They were supported by what was known as a largely deferential electorate who collaborated and recommended people to vote for remaining and that was what they did(Harold 25).

### **1.2. 2. The David Cameron Brexit Crisis:**

On the contrary, during the 2016 referendum, the results and wider contexts were so different than the 1975's. David Cameron, the country's conservative prime minister had promised to hold the referendum and that was during his, 'Bloomberg Speech'. In fact, in London, headquarters of Bloomberg news, David Cameron started his speech by outlining a continent of Europe that looked radically different from the one that UK had looked at with envy during 1970. The EU had grown from nine countries in the 1970s to 28 Members States by 2013, some of which had much smaller economies than their equivalents in Western Europe (Harold 25). The Great Recession, and a global debt crisis, especially serious in southern EU member states like Greece, Spain and Portugal, had hit the continent hard (Harold 25).

In a marked contrast to the image faced by Prime Minister Harold Wilson in 1975, Cameron now spoke of a continent that had been challenged by a lack of competition,

unnecessary regulation, a lack of political responsibility, and that had removed so many powers from individual member states. The Conservative Party asked the public for a vote to pursue a new treaty with the EU as the contest came, in which it would hold an 'in or out' referendum. Cameron started: "it is time for the British people to have their say. It is time to settle this European question in British politics. I say to the British people: this will be your decision" (Harold 26). It is noteworthy to mention that in a national referendum on electoral reform, aimed to maintain the "first-past-the-post" electoral system, David Cameron could maintain the United Kingdom by winning a referendum on Scottish independence in 2014 and he could not only return to power in 2015 but produce something to the Conservatives that they had not had for almost 20 years. To this vein, while proposing a vote on EU membership, a step that could possibly and deeply change the status of the United Kingdom in the world, David Cameron had put himself on a course that would take the country to a referendum on its EU membership by committing the country to a vote.

According to the referendum results issued, a great part was hoping that Cameron would win. About 87% thought the country would opt to stay in the EU and just 5% expected a Brexit (see Jenwings and Fisher, cited in Harold 27). In the end, voters would choose to stay in the EU, in fact, they were motivated by the belief that they would take the least dangerous option and remain with the status quo. The idea was supported by what we call "le Duc's law", a regularity in people's voting behavior in referendum discovered by Larry le Duc (2003), a professor of political science at the University of Toronto. Le Duc noted that, while people often expressed support for the "change option" at the start of the campaign they would increasingly side with the status quo, the less risky option, as they progressed (Harold 27).

Eventually, on the night of 23 June, when the votes were counted, 51.9% of the electors had voted to leave the EU, a number that jumped to almost 54% in England. A minority voted in support of leaving the EU. Through doing so, they decided to ignore their prime minister's advice (Harold 28), much of the Cabinet, a vast number of their elected MPs, and countless corporations from the World Bank to the International Monetary Fund, major government figures and international organizations. The vote marked the first occasion in the history of the country that the House of Commons was asked to follow a legislative recommendation that had been rejected by about three-quarters of MP's. (Bogdanor, Vernon, cited in Harold29)

Thus, all of this demonstrates the need for studying the reasons that led the United Kingdom to vote for leaving the European Union. Some claim that the main cause behind the vote is due to the public fears over the possibility of losing European Union's personal liberty. At the meantime, others took into account the economic side when they saw the referendum as a way by which they express their profound dissatisfaction about both their relative inequality and the immigration issues.

### **1.3. Origins of Brexit:**

Started with EU birth after World War II, Europe wanted a solution to the damage inflicted by the global disaster. For this purpose, it was suggested that creating a group serves to end the bloody wars between the European states would be the proper way to survive. Although the group changed its identities several times and eventually added members, all of which will take advantage of the basic laws of procedure, the general rule of law and the Governing Principles. This is also, in fact, a benefit to the Member States' economies, since it is capable of freely transferring goods, capital and human resources between Member States (Staughton, JohnA2).

Almost from the moment the proposal was brought up, in the years following World War II, Britain discussed the benefits and disadvantages of membership in a union of European nations. Thereafter, during the 1960s, it applied twice for membership in what was then the European Economic Union, only to be rejected by France both times. Besides, Europe is the largest export market for Britain and its widest source of foreign investment, and the European Union. As a global financial center, this membership has helped London maintain its status.

### **1.3.1. The Referendum:**

After the United Kingdom took place in the European Union and became member of it, suddenly decided to withdraw from it by conducting a referendum deciding whether the United Kingdom should leave or stay. Hence, a referendum was held in the United Kingdom on June 23, 2016, which allowed almost everyone in the country to vote on whether the country would remain within the United Kingdom or separate and be fully independent of the union. For months leading up to the vote, the argument and debate take part on. In the outcome of the election, the majority were in support of staying while the minority were in support of leaving. What most people do not actually understand that this vote was largely recommending and not governed by statute, regarded that no formal withdrawal processes had been starting. added to that, the United Kingdom in past received an unequal treatment from the European Union, which made her no longer want to be part from the union.

### **1.4.Processes of reaching Brexit:**

Britain was able to take the decision to secede from the European Union as a result of several reasons, and to achieve this, Brexit went through many events, from the kingdom accession to the union until the final exit from the bloc.

#### **1.4.1. The struggle to be an EU member:**

Sixty years ago, after the world wars that caused an abnormal destruction and death to the European continent, a simple theory was formed in order to gather stronger economic ties between countries and thus the possibility of fighting each other would be weak. Back then in 1975 Belgium, France, Italy, Luxembourg, the Netherlands, and West Germany on the treaty and the European Economic Community was formed, but it did not include the United Kingdom despite its attempt to join in 1963 and 1967, but French President Charles de Gaulle prevented it because he did not trust neither the British nor their allies, namely the USA. Despite this, the main reason and de Gaulle's decision was that the United Kingdom economy was not compatible with the European economy. But after a few years, and as soon as de Gaulle left power, the United Kingdom became a member of the European Community in 1973, but the idea was not supported by everyone, as only two years after joining the United Kingdom held its first national referendum whether it should stay or leave the European Union. the years that followed, the European economic community became known as the European Union and expanded to 28 member states, by setting countless laws and reforms that created political growth in an economic region of 500 million citizens, in many ways, individual countries from Europe decided that they would be in better situation economically and geopolitically as European Union result of forming a unified state group which was a good decision, but the development that made the UK's final exit likely was the adoption of the

Lisbon Treaty in 2009. Not only did it make the central institutions of the European Union more efficient and powerful, however for the first time it gave its 24 members a formal mechanism to leave(Brexit Explained00:29min).

#### **1.4.1.1. The Cameron Factor and Article 50:**

It is important to highlight that, it is called ‘Article 50’, around the same time the world was hit by a severe recession faced with a difficult re-election, British Prime Minister David Cameron promised to do so if he won, as he set a date for a referendum on whether the United Kingdom should leave the European Union. When he won, he used his victory as authority to successfully renegotiate some of the secondary terms of the United Kingdom membership. Although he changed little, Cameron liked it as a victory and it was the first time an existing European Union member country had been permitted to have its own special deal, David Cameron said: “Britain will be permanently out of ever closer union, never part of a European super state. There will be new restrictions on access to our welfare system for EU migrants, no something for nothing” (Brexit Explained). A deal of its own was allowed to be made by the new European Union member state. The deal was dependent on Britain deciding to stay in the union. Cameron also held a referendum on what kind of time he would spend on the job, providing an extra reason to push for Brexit. One of the strongest points being that one of the richest nations in the Union was the United Kingdom. Evidently, it contributed a lot of money to the European Union budget and terrorism, which was mainly carried out by immigrants, was another aspect that moved the UK out. The UK agreed to withdraw, by a vote of 51.9 % to 48.1 %. Cameron resigned and the British pound depreciated and now is down by around 15% to the dollar. The consequences were quick (Brexit Explained).

The United Kingdom is in an awful negotiating situation that has put the leadership of the European Union in a hard position. Why does the EU encouraged the united kingdom to leave while keeping the better parts of the membership of the union? In this case the United Kingdom will face two options either soft Brexit or hard Brexit. soft Brexit will, to a large degree, keep it the same as they are today, with the continuing free flow of products and people from the continent, whereas a hard Brexit would result in import taxes on goods and services in all ways. Hard would also limit the movement of EU people to the United Kingdom (Norway can be example of soft Brexit). In order to preserve the legitimacy of the EU, it has to set an example outside of the UK that must show its members that leaving has very real consequences. Those who have voted in favor of the Brexit, regretting their decision, have felt this confusion. As it becomes clear that independence would not be so perfect, opinion polling regularly suggests that the results will be reversed if the referendum were to be held again. So, is there any risk that the UK will change course (Brexit Explained).

Article 50 was triggered on 29 March 2017 and a two-year duration from the date of the countdown was officially launched. Then there was a planning phase for the negotiators from the European side and the British one, and it lasted until June 2017, when talks began. Meanwhile, Theresa May called early elections in the hope of strengthening the Conservative parliamentary majority and strengthening the government's bargaining power with European leaders, the proposal saw a shocking reaction, when the conservatives lost their majority and found themselves forced to form an alliance with the Democratic Unionist Party (DUP). Some claim that this has greatly undermined the government's position, as approval of the final deal would need the help of the DUP in Parliament (Brexit Explained).

#### **1.4.1.2. Brexit Negotiations:**

Negotiations officially began on 19 June 2017, with the UK accepting a phased negotiation timetable proposed by the EU's chief negotiator, Michel Barnier. The first phase concluded in December 2017, with agreements on a financial settlement ranging from 35 to 39 billion pounds sterling, in addition to flexible solutions to the Irish border issue, despite the approval of the British Council of Ministers, this deal was vetoed by the European Union in September 2018. Michel Barnier, the Union's chief negotiator, noted that the EU's single market as a whole is non-negotiable and that the United Kingdom cannot choose portions of the single market. The single market is based on the "four freedoms": the freedom to move goods, work, services, and capital. The Checkers deal only offered concessions on the free movement of goods, which prompted Barrier's statements. The key sticking point was how to realistically run the border between Northern Ireland and Ireland, particularly if the two sides were unable to negotiate on a feasible trade deal during the transition. This is because the European Union cannot accept a clear border with a country which has separate customs arrangements. After several months of negotiations, Theresa May proposed her draft agreement, which was the location of the failed Checkers agreement, and this agreement contained the new step towards the UK's exit from the EU. Included in this agreement is a plan for trade during the transition period, the Irish border, and the rights of UK and EU citizens (what is meant by Brexit7).

However, it seems that Theresa May had no supporters as ten ministers criticized her plan and most cabinet members, including Brexit Minister Dominic Raab, resigned, but on 25 November, the EU leaders' summit expressed their approval of the agreement. On January 15, 2019, this agreement suffered a crushing defeat, as many members of Parliament said the draft agreement was the worst ever and they could not support it, especially the part related to Irish support. Theresa May tried to come up with an alternative plan, but failed for the second time.



Here the MPs expressed their desire to avoid Brexit without any agreement (what is meant by Brexit17).

On March 13, 2019, the vote was taken in an attempt to avoid leaving without any agreement, although this vote was not legally binding on the EU or the member states, but it indicated that there is strong support for reaching a final agreement before the UK leaves the EU. Theresa May's return to her plan with a request to extend Article 50 was the third defeat for Theresa. In April 2019, a second extension was requested to postpone the Brexit deadline to October 31, 2019, by allowing the UK to leave before October 31, but only if the Commons agreed to Theresa's agreement on the departure.

In the absence of a clear way forward, Theresa May announced her resignation in light of what was described as a failure to achieve Brexit, to be replaced by Boris Johnson in July 2019. Boris Johnson proposed what some termed a final proposal to the European Union in early October in an attempt to address the Irish border question. The Prime Minister's proposal is for Northern Ireland to be a part of the EU Customs Union for both manufacturing and agricultural products. This agreement is subject to ratification by the Assembly of Northern Ireland in Stormont, which must authorize it for an interim period, and every four years afterwards. However, Northern Ireland will leave the EU Customs Union with all other sectors, while the rest of the United Kingdom will leave the EU Customs Union completely. In principle, this would bring an end to lengthy queues at border crossings on the island of Ireland. The proposal was received with anticipation in the European Union, but European leaders accepted the compromises reached by the British Government. On October 8, the Prime Minister decided in Parliament to give time for the Government to prepare for the Royal Speech and the launch of the new Parliamentary Session, which will take place on October 14.

The legislative session before the postponement was the longest in British history in 839 days. On 9 September 2019, MPs voted to prevent a UK from leaving the EU without an agreement, and the result was a great loss for Johnson so he must pass a new agreement to Parliament (what is meant by Brexit<sup>34</sup>).

#### **1.4.1.3 The Realization of Brexit:**

Finally, Boris Johnson agrees to the UK's exit from the EU. The deal is a modified version of former Prime Minister Theresa May's proposal to remove the Irish pillar, which was one of the most controversial points. Eventually, on January 31, 2020, the UK leaves the EU, and the transitional period for negotiations between the UK and the EU began to try to keep any existing trade agreements between them, as the EU sent a draft of the trade agreement to the UK containing provisions related to security, foreign policy and fisheries, and disputes were still pending about the principle of equal opportunity for business, government and public rights. After 47 years of membership and more than three years after the referendum, in 1 January 2021 UK officially left the EU (Mueller, Benjamin<sup>13</sup>).

#### **1.5. Conclusion:**

Going back to time on June 23, 2016, an entire country went into the unknown yet, in 2021, the whole issue was solved despite infinity of hindrances. This is the day in which 16.4 million people voted in the UK to become the first country to leave the EU. The biggest problem remains whether Britain's exit from the European Union is difficult or not, especially with regard to immigration and trade. UK population will find a few immediate changes so that

they are no longer related to the European partner. Most EU regulations will remain in force- including the free movement of individuals.

Discussing the history of Brexit and its origins started from the day UK joined the EU until it left mentioning the most important events and famous figures that were the factors that helped achieving the Brexit. The following chapter will discuss the desired goals behind breaking free from the EU mainly their intended economic goals.

**CHAPTER TWO:**  
**The reasons behind the**  
**Brexit**

## **chapter two: The reasons behind the Brexit**

### **2.1.Introduction:**

On 23<sup>rd</sup> June 2016, Britain voted through a referendum, in favor of its exit from the European Union. Absolutely, this event had reactions on the international scene in general and on the Union and Britain in particular, and this provoked several questions about the reasons that prompted Britain to leave the Union, taking into account the opinion of the public and the British Parliament, along with the Queen's reaction on this event.

This chapter will discuss the real causes that led to the Brexit, mainly the reaction of the UK public opinion and how parliament managed to deal with the referendum, and of course the queen position from all this.

### **2.2. The Public opinion against Parliament:**

The impact of the Brexit is probably going to be one of the biggest likely financial effects on London and United Kingdom, in both short and long terms. Notwithstanding, the extent of these effects remain mysterious since it relies on the possibility of Brexit, and of course the kingdom's economy after Brexit as exchanging and free movement.

Again, it is hard to exaggerate the importance of public opinion when it comes to Brexit. The decision to leave the European Union was itself a result of the public vote.

As the processes of Brexit begin and as evidence to what the public thinks, some people believe that there will be a huge shift which might let the public opinion reconsidered about the referendum that was held in 2016.

According to some researchers and experts, the public viewpoint was not looking at what happened in the referendum itself, but at what's coming next, Britain now is changing since the Brexit did not only destroy the political side but, it also disturbed many aspects.

### **2.2.1.The Results of The Referendum**

Working with the result of the referendum that was held on 23 June 2016, more than 33,5 million persons arrival at the polling stations, The turnout was 72.2% compared to 66.4% in the general elections that took place last year. 17.41 people million supported Brexit and 16.14 million opposed it – which means that 51.9% of the voters (vs. 48.1%) refused EU membership. The four regions making up the United Kingdom voted as follows: in England, representing 84% of Britain's population, likewise, in Wales, the majority chose to leave (53.4 and 52.5% of the votes); while in Scotland and Northern Ireland 62% and 55.8% of the voters chose to stay in the European integration. Turnout rates of the above-mentioned regions were 73.0%, 71.7%, 67.2%, and 62.7% respectively (BBC;2016). Although the referendum had only advisory status (i.e., not legally binding), its result is taken very seriously by national authorities and institutions both in the UK and abroad – and all act accordingly. Therefore, a second vote is highly unlikely, just like Scotland (or Northern Ireland) keeping their EU membership in case if Britain leaves. Since several member states worry about secessionist trends (e.g., Spain), they are not likely to encourage or agree to the precedent of swift accession of successor states to the EU in case the United Kingdom disintegrates (m; somai2).

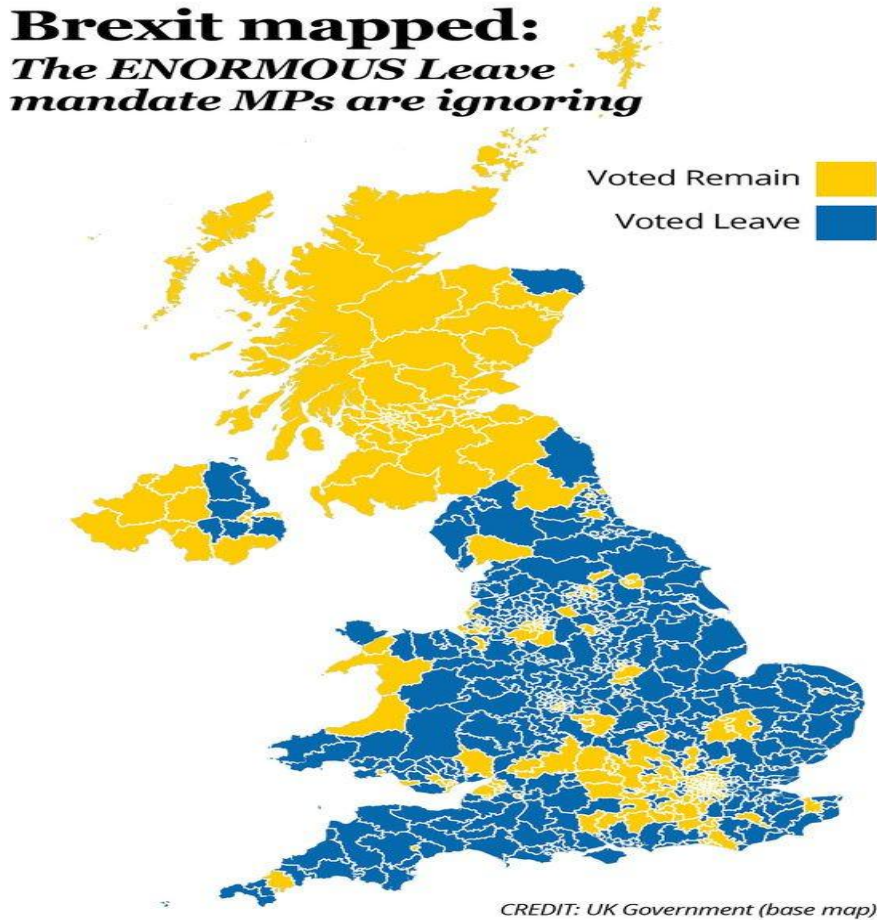
The British voted in the referendum on Britain's exit from the European Union, and decided to change politics' destination in Europe, where if Brexit happens, it will cost the European Union a greater loss. Opinions diverse between supporters and opponents of the United Kingdom's secession from Europe. The stakes are high for the British people, as the British

economy has become an essential part of the European continent, and cut off its relationship will lead to a disruption of this system. On the other hand, Brexit supporters proclaim that Britain would be better off in the long run outside the EU, with sovereignty and control over immigration and economic systems.

Brexit would upset the system as it would pose a major threat to the other members of the Union, and Britain's exit could become the first step towards the disintegration of the European Union in general. Some people who favor Britain's withdrawal from the European Union argue that Britain's membership weakens the parliamentary sovereignty of the United Kingdom, and conversely, individuals who support Britain's membership in the European Union believe that its withdrawal will pose a danger to the Kingdom's economy because of the trade barriers that will be created between the Kingdom and the European Union, they argue that leaving the European Union, will lead to job losses, and increase risks to companies large and small ones.

*Figures 1*

*Brexit mapped: the enormous leave mandate MP's are ignoring*



Note1 this map Demonstrates the construction of the votes cast by constituency. Adapted from: express newspaper (Wiki media commons).

The trustworthy source is the first figure that shows the construction of votes cast – to say who voted with yes and who voted with no, it can draw two assumptions based on topographical data where the first represents that most electors in London and good larger metropolitan areas such as Liverpool, Manchester, Edinburgh, Glasgow, Belfast, and some training/research centers benefiting from their global character (Oxford, Cambridge), as well as in nearby zones, voted to Stay. However, in de-industrialized districts (Birmingham, Sheffield), urbanism did not guarantee support for reconciliation. To this end, neither



urbanism nor reconciliation-based factors matters for the traditional opposition to England's economic, political, and social domination incarnated in Scotland's past based on rebellion, so it's no surprise that 62 percent of Scots supported retaining a part of the EU (Collett.M).

### **2.2.2. parliament strategy**

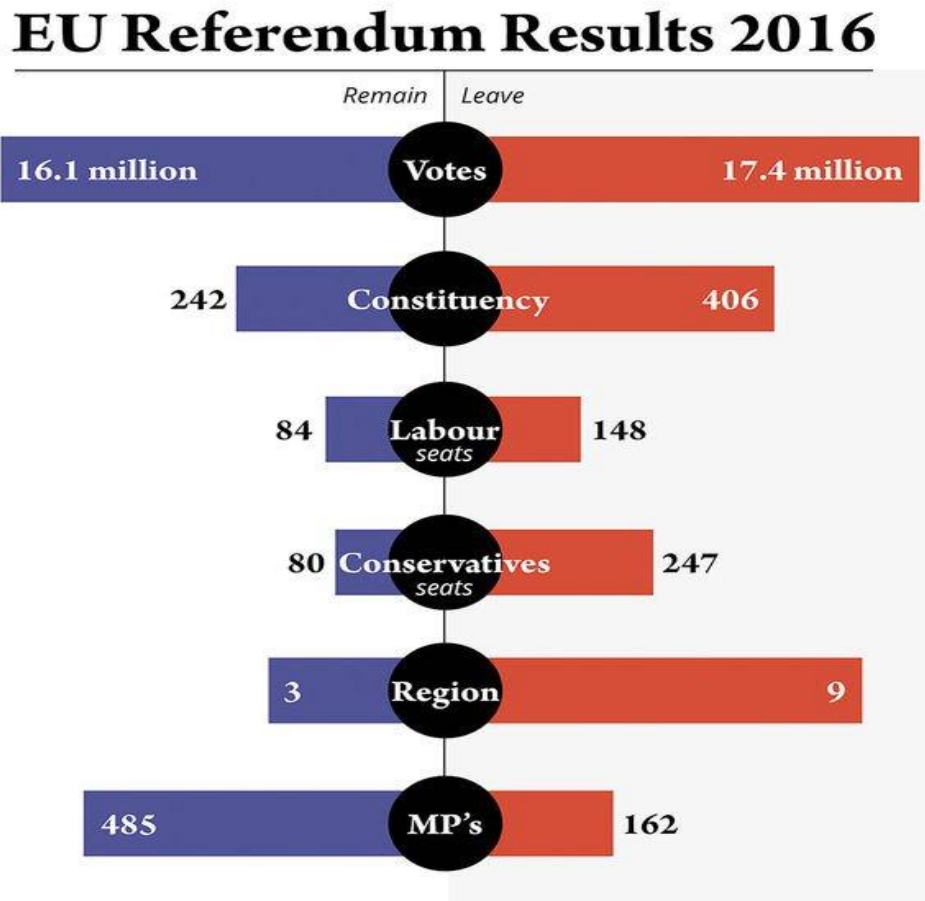
Many average individuals accepted - and still accept - that Brexit would achieve a positive change in their conditions. Lisa Mackenzie (Middlesex University) says that their voices have been disregarded for a very long time, and the rich ridicule their relationship with leaving the European Union. The opportunity has arrived to find out about the orderly manner by which the middle class has been prohibited from British society. Theresa May has told the public she is "on their side", laying the blame for the delay to Brexit squarely with MP's.

Speaking from Downing Street, the prime minister said that people were "tired of infighting and political games" and it was "high time" politicians made a decision on the next steps. Earlier, Mrs. May wrote to EU Council President Donald Tusk requesting to delay Brexit until 30 June (Kuenssberg; L1).

Under the title “don’t blame the working class, blame the party”. From the second it was uncovered that Britain referendum to leave the European Union, there were two expectations, either the Brexit would not happen at all, or they will provide a complete and clear promise of Brexit in name only, only after the referendum. Both of these expectations proved correct in the case of Brexit, when the European union tried to delay Brexit until a new submission, as well as to force Brexit out of the European Union, Since David Cameron's decision to abdicate as a response, Theresa May delaying to prevent the activation of Article 50 directly by the “Theresa May deal”, which she pointed to at the time as "nothing like an agreement" except for not giving up on the European Union. That would have kept Britain secured something more awful than its entrance in the European Union, however now the Brexit adventure has occurred and Parliament chose Prime Minister Boris Johnson as the new leader of Brexit.

Figure 2:

*EU referendum Results 2016.*



Note.

The figure shows the referendum results among MP's. Adopted from (EXPRESS NEWSPAPER)

In this sense, taking a glance at the numbers that show the results of the EU referendum results 2016, it was proven that, by looking at how participants voted in the referendum and how members of parliament are voting in parliament according to the second figure, there is now 650 parliamentary organization electorate in the UK. It also represents that there is a remarkable political split between individuals and parliament. To specify, 406 members voted

to leave, compared to 242 others who voted to remain, giving a 63 per cent leave to 37 per cent remain split. According to this data structure, 408 members voted to leave, and 241 members chose to stay, voters were also divided between conservative and labour resulting 148 voted to leave while, 84 voted to stay in the labour seats comparable, in the conservative seats 80 voted to remain while 247 chose to leave.

The majority of MP's addressing certain voting demographics feel differently from the individuals they are supposed to address; as a matter of fact, the stance taken by MP's is virtually the opposite of the individuals, with only 162 MP's voting to abandon the referendum. While 485 voted to stay, that leaves three bodies of electorate unaccounted for. Nonetheless, based on those numbers, which are almost complete, only 25 MP's support leaving while, 75 voted to remain. These figures clearly demonstrate that on the subject of Brexit, the public is divided. (Collet.M)

In comparison to the issue of Brexit, the MP's are standing for the very opposite of what their constituents want. Before Brexit there were some cases when parliament ignored the people but the difference remains that, this time the Brexit would impact everyone in the United Kingdom, including citizens and politicians and even on the international level, which is something that cannot be ignored. so, it can be said that the MP's succeeded to influence people to vote, these last (referring to people) took their chance and voted to leave the union.

Another key point to consider is that, even the world's more powerful country had an offensive view point about Brexit, where the Russian president Vladimir Putin, announced that the referendum was the result of the arrogance of the British government from the beginning (Berenson; T).

### **2.3. Brexit and pragmatism:**

It is noteworthy to discuss the idea of Brexit and pragmatism, after the referendum and taking the opinion of both the parliament and the public opinion, Britain will face problems to deal with after her breaking up from the union, and one of these issues is the economy. Now the Brexit seeking to pragmatic solution, British Prime Minister Theresa May said she would seek a “pragmatic solution” to a parliamentary impasse over the terms on which Britain leaves the European Union when she tries to reopen talks with Brussels (MacLellan ;k1). With the period that Britain left the bloc, concerns are growing over the risk behind leaving with no deal. Thus, the member of parliament who already rejected May’s Brexit deal have ordered her to return back to Brussels in order to negotiate the arrangement for the post Brexit borders between United Kingdom and Ireland, but the European Union rejected that.

### **3.1Terresa may deal:**

Teresa May declared; “When I return to Brussels I will be battling for Britain and Northern Ireland, I will be armed with a fresh mandate, new ideas and a renewed determination to agree a pragmatic solution that delivers the Brexit the British people voted for”(Maclellan; K7). Addressing the support of keeping an open border on the island of Ireland if, the United Kingdom and the European Union fail to reach long term trade arrangement, before the transition period ends.

From a British perspective, the advantage of the proposed approach would be to keep trade in goods with Europe as frictionless as possible, avoid a hard border in Northern Ireland and also, retain the freedom to strike deals with non-European partners. “No deal would be better than a bad deal”(Rishabh; B7). As starting point the United Kingdom government determined

its aim for both United Kingdom and European Union to save the goods between both, if United Kingdom will keep ongoing with European Union rules. Allied to this, a new facilitate arrangement will be set which would remove the need for checks and controls between United Kingdom and European Union as if it is a common territory (Rishabh; B3). To help understand how United Kingdom transportation of goods work, it is considered like, one truck among millions of trucks moves through UK' ports and each year, it takes goods from factories, without anyone stopping it.

Since the United Kingdom joined the European Union the customs barriers for Europe trade were removed as part of the customs union, since that time the trucks being used to move trade have raised. Then, leaving the European Union would be able to sign its own trade deals between European Union and United Kingdom, and it will be hard because the return of border controls will create diplomatic issues regarding trade regulations and visa permits. And that is what Teresa May is trying to do by putting ideology aside and be pragmatic by saving the trade and protect both European Union and United Kingdom economy (UK chamber of shipping).

Even so, it seems weird that the United Kingdom has chosen to remain mysterious about the financial side. Given that the United Kingdom is a net exporter of services to the European Union. And what about immigration? anxiety over immigration has appeared since it was one of the necessary keys in the success of leaving the union. However, that gave way to end free movement of labor, the key tenet of the single market (Rishabh; B6). But that was not easy hence, the United Kingdom should develop a way to facilitate work and travel out of it.

### **2.3.2. Boris Johnson's Brexit new deal**

After the queen approved the prime minister Boris Johnson plan to leave the European Union before deadline. But the opposition parties had another vision about that. Senior Tory backbencher and former attorney general Dominic Grieve said that “the move by Mr. Johnson could lead to a vote of no confidence - something opposition parties have left on the table as another option to stop no deal. "(parliament suspension<sup>3</sup>). Through what he said, the senior Tory is willing to stand against the conservative government. since it persists in an illegal course of action. Aside from Scotland's First Minister Nicola Sturgeon, they all want to stop and put an end to the UK democracy.

The UK Prime Minister Boris Johnson, has secured the changes to the withdrawal agreement, and now after the European Union have agreed on the changes in the Brexit deal, the United Kingdom facing the challenge of gaining the parliament support to make it real. one indirect tax manager at a fresh goods producer said: “It is still difficult for me to see how they are going to decide what the destination of goods are when they enter the ferry in the UK heading to Belfast.” (P. wiseman<sup>2</sup>). but other politicians had another view about the deal, according to them if really trade was the goal behind Brexit, probably the United Kingdom will remain as part of the single market and customs union. Further, Johnson in his deal seek for big free trade zone which was seen as the worst trade deal that the United Kingdom had as a European union member, the United Kingdom choose to leave because of the sovereignty and not trade. Moreover, the Brexit deal has been agreed by the United Kingdom and the European Union. The new deal was mainly focusing on costumes and regulation on goods, discussing also the free movement issue within the transition period.

### **2.3.2.1. Customs**

The customs union is an agreement between EU countries not to charge taxes called tariffs on things coming from other EU countries, and to charge the same tariffs as each other on things coming from outside the EU (reality check team4). Leaving it will give United Kingdom chance to strike trade deals with the other countries. Legally there will be a customs border between Northern Ireland (which stays in the UK) and the Republic of Ireland (which stays in the EU), but in practice things won't be checked on that border (reality check team4). The taxes will have to be paid on goods being moved from Great Britain to Northern Ireland.

### **2.3.2.2. Regulation on goods**

When it comes to the regulation of goods, Northern Ireland should follow the rules of the EU rather than the rules of UK, which will remove the need for checks on goods (as food and agriculture product).

### **2.3.2.3. Transition period:**

During this period the citizen of UK in the EU and the citizen of EU in UK will retain their residency and social security rights after Brexit.

There may be some divisions over the deal, but at least it should be better than leaving without deal. If the new deal goes ahead, United Kingdom will be able to enter the transition period and move to trade negotiation with European Union.

### **2.3. The queen position toward Brexit:**

The Brexit was one of the biggest events which changed the United Kingdom destiny with Europe, the country as a whole was falling apart from all aspects. But the strange thing is that,

Britain as a whole reacted to Brexit, except the queen, why she chooses to not involve herself with this case. London over the last few years, as Britain has divided into warring tribes over its exit from the European Union, Queen Elizabeth II has retained sphinx like neutrality, imperturbably getting on with the business of conveying knighthoods and hosting garden parties (Ellen; B.1). The political crises of 2019, especially after the change in the prime minister ship from Theresa May to Boris Johnson, have shattered some of the assumptions surrounding the Sovereign's constitutional and political role (H. Kumarasingham.2). This context has appeared due to the tensions and divisions that followed 2016 referendum, which end up with "yes to Brexit" which means the breaking up of United Kingdom from the European Union.

The queen through her speech she highlighted some main points about the Brexit saying:

my Lords and members of the House of Commons my government's priority has always been to secure the United Kingdom's departure from the European Union on the 31st of October ,my government intends to work towards a new partnership with the European Union based on free trade and friendly cooperation, my ministers will work to implement new regimes for Fisheries agriculture and trade seizing the opportunities that arise from leaving the European Union, a new immigration bill ending free movement will lay the foundation for a fair modern and global immigration system,, my government remains committed to ensuring that resident European citizens who have built their lives in and contributed so much to the United Kingdom have the right to remain the bill will include .measures that reinforce this commitment steps will be taken to provide certainty stability and new opportunities for the financial services and legal sectors, my government's new economic plan will be underpinned by a responsible fiscal strategy investing in



economic growth while maintaining the sustainability of the public finances measures will be brought forward.... (NBC).

The queen also delivered to Brexit mentioning, “respecting different points of view” and “coming together to seek out the common ground.” (Ellen; B.3) a politician said that the queen trying to be neutral for political purposes and that she is worried about this situation and about being involved in. Therefore, it was that on Tuesday evening, she referred to Brexit in an oblique way. She told the king and queen of the Netherlands that Britain is looking “toward a new partnership with Europe” and that shared values between Britain and Europe are “our greatest asset. (Karla; A2), the secret behind her long-term ruling is she rules by not ruling because she is not interested in politics.

#### **2.4.Conclusion:**

Brexit took place when the UK legally repealed its membership with the EU, the referendum divided between supporter and opposer but the parliament had another opinion, this chapter highlighted the role of the MP's in finishing the final negotiation of Brexit and the queen's role in this event. The next chapter will show the consequences of Brexit on the United Kingdom economy mainly trade and immigration.

**Chapter three:**  
**The economic consequences**  
**of Brexit:**

## **chapter three: The economic consequences of Brexit**

### **3.1.Introduction:**

The United Kingdom's exit from the European union, shows a step-change in the country's economic relationship with the union, and it may be a chance to reopen the door to direct trade negotiations with non-European nations. This chapter aims to show the impact of the Brexit on UK's economy based on the analysis of the economic growth of the United Kingdom and the focus on trade and immigration.

### **2.The immediate consequences of the Brexit vote:**

The economic status was one of the essential parts of Brexit debate, which influence the MP's opinion and how they will manage to find a solution to save the UK's economy. The treasury predicts that the consequence of Brexit would lead to an immediate recession. They thought, at first, that the threat of leaving the EU, and confusion about the way it would happen, would frighten enterprises and limit their investment immediately, Second, the Bank of England anticipated it would not do anything, Thirdly, they expected the government would react to a "Leave" vote by announcing an emergency budget to increase taxes and cut spending immediately. And former Chancellor George Osborne already warned about this being possible before the referendum (Tetlow; G and Stojakovic; A.9).

All of these analyses have tried to provide answers to the question: if the UK leaves the EU, her future economy would it be larger or smaller than it would have been and would the UK remain member of the bloc?

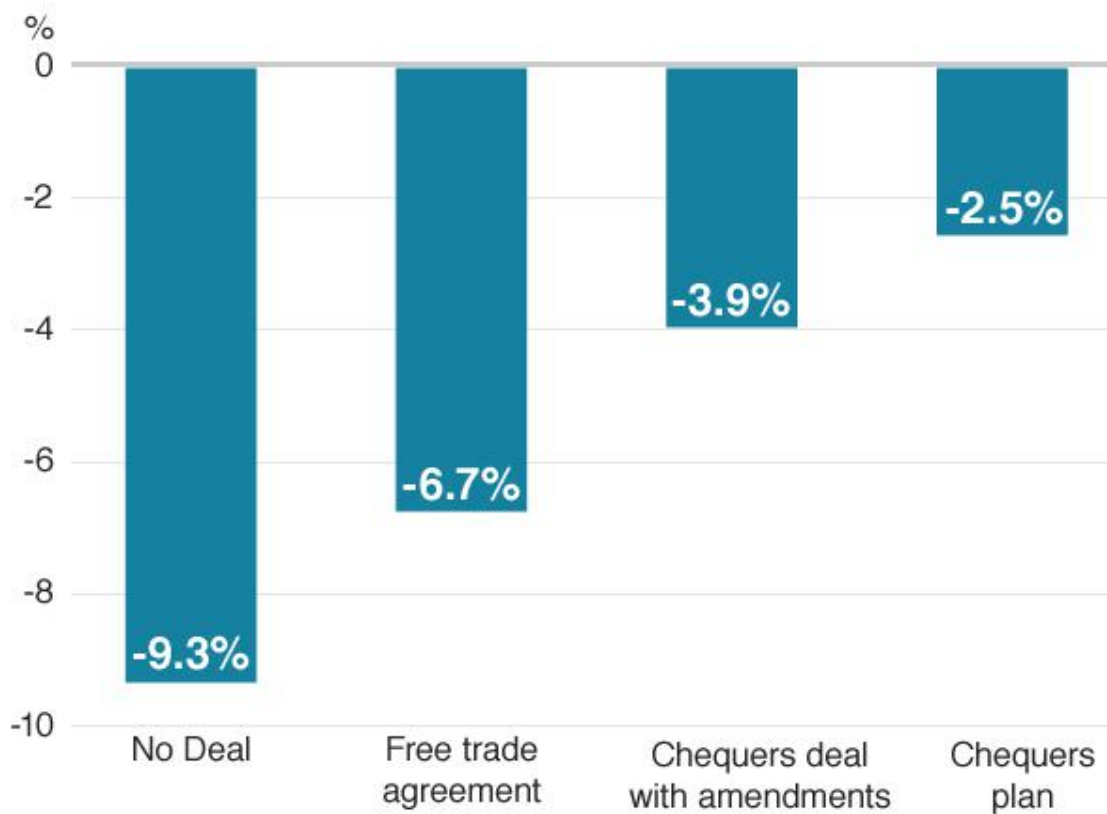
### 3.2. Analyzing the Brexit impact on UK's economic growth:

Figure 3.

*How Brexit affect UK growth*

## How Brexit will affect UK growth

Figures estimate impact on GDP 15 years after the UK leaves the EU



Note: Each scenario has a range of outcomes, these figures show the middle point assuming 100% reduction in migration.

Source: Office for National Statistics, Bank of England

BBC

Note: This figure represents the impact of Brexit on the UK's GDP 15 years later. Adopted from (office for national statistics, bank of England).

Based on the figure, the UK's economy could be less with 3.9% after 15 years under Theresa May's Brexit deal, compared with staying in the bloc. On the other hand, a non-deal Brexit could shoot 9.3% hits in the economy. However, the majority of studies show that the Brexit will reduce the economic growth Mrs. May said "Our deal is the best deal available for jobs and our economy, that allows us to honor the referendum and realize the opportunities of Brexit,"(Brexit will make UK wors1). Most of the economic models used to predict the impact of Brexit did not look for some details that could be useful for the MP's to understand which of the proposed deals could be effective. These details, represented on the variation between different types of business, regions of the country, and among the richer and poorer individuals. (Tetlow; G and Stojanovic; A.9).

### **3.1 NO-deal Brexit: the United Kingdom horror scenario:**

The UK government under the Prime Minister Boris Johnson, has planned for no-deal Brexit but many sees that this scenario will not be enough to reduce the consequences of Brexit, and should be avoided at all costs. However, Former Prime Minister Theresa May's Brexit deal with the EU is unacceptable to her government. This is true of the so-called "Irish backstop", which was meant to prevent a hard border between Ireland and Northern Ireland (which is a part of the UK). Only in the unlikely event that, the UK and EU failed to strike a trade deal would the backstop be activated. Brexiteers in the government want to renegotiate that, even though the EU has not indicated to redraw the deal or backstop.(Ellyat; H6)

In relation to that, most of Brexiteers believed that the United Kingdom should commit with the deadline to leave the bloc. Brexit without a deal would entail a sudden departure from the EU with no transition period, which would have allowed businesses to prepare to life outside the trade bloc - the U.K.'s largest trading partner as a group. WTO (world trade

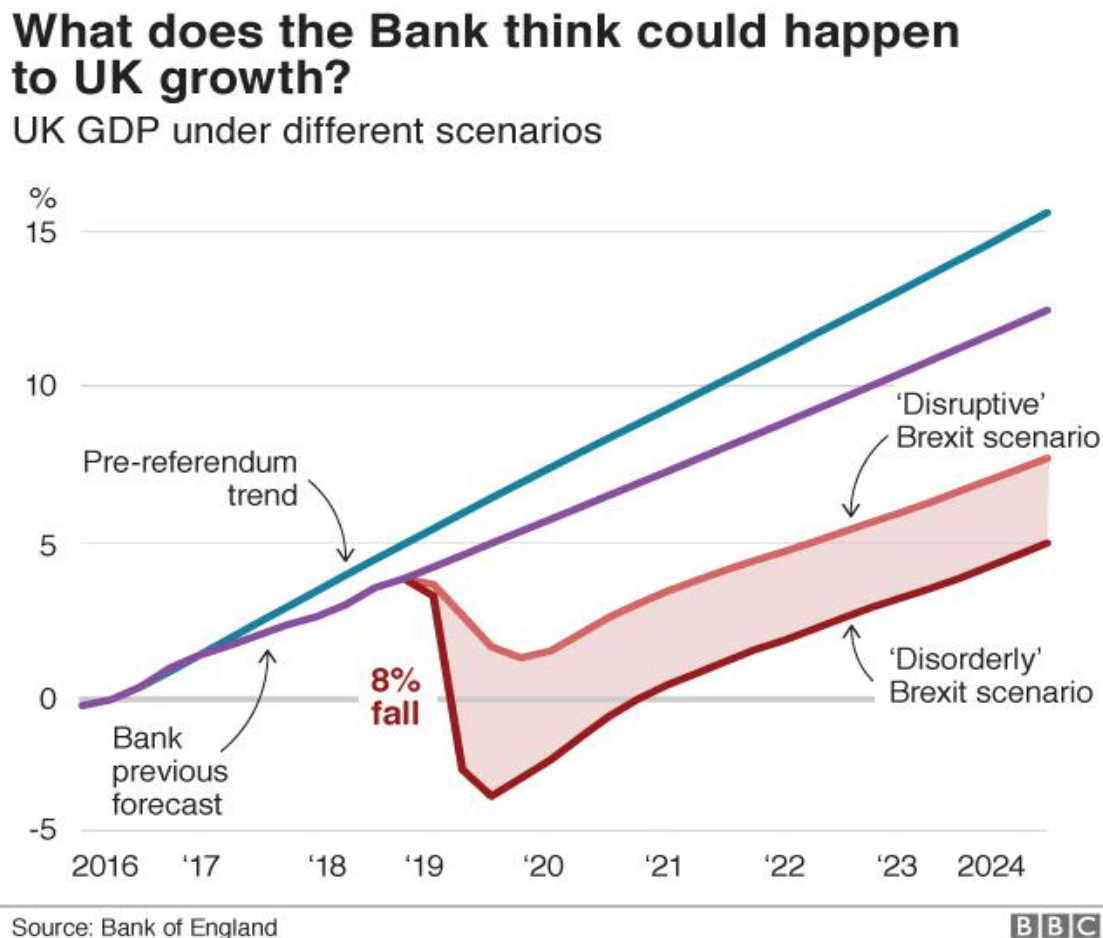
organization) regulations and automatic import taxes would also be under application in the U.K., which may harm commerce, the transportation of products and, ultimately, consumption. (Ellyat; H11).

### **3.3.the bank worries about non deal Brexit:**

This scenario represents the worst case that could happen under any form of Brexit (soft or hard). The Bank of England has warned that UK economy could shrink by 8% in the immediate aftermath the Brexit, if there was no transition period, while house prices could fall by almost a third. The Bank of England also warned the “pound” could fall by a quarter (Jill Treanor<sup>1</sup>).

Figure 5.

*What does the bank think could happen to UK growth*



Note. This figure indicates the UK growth under different scenarios. Adopted from (bank of England).

Based on what the bank predicts about the United Kingdom economy, almost every scenario makes the UK even worse than it would have been if she remains as a member in the EU even though, there is a wide difference between the Brexit with the deal no-and the deal as well. In both, it is not good but still with a deal, it could reduce the damage of Brexit while the no-deal will be a total disaster.

### **3.4.The forecasts about the economic impact of Brexit:**

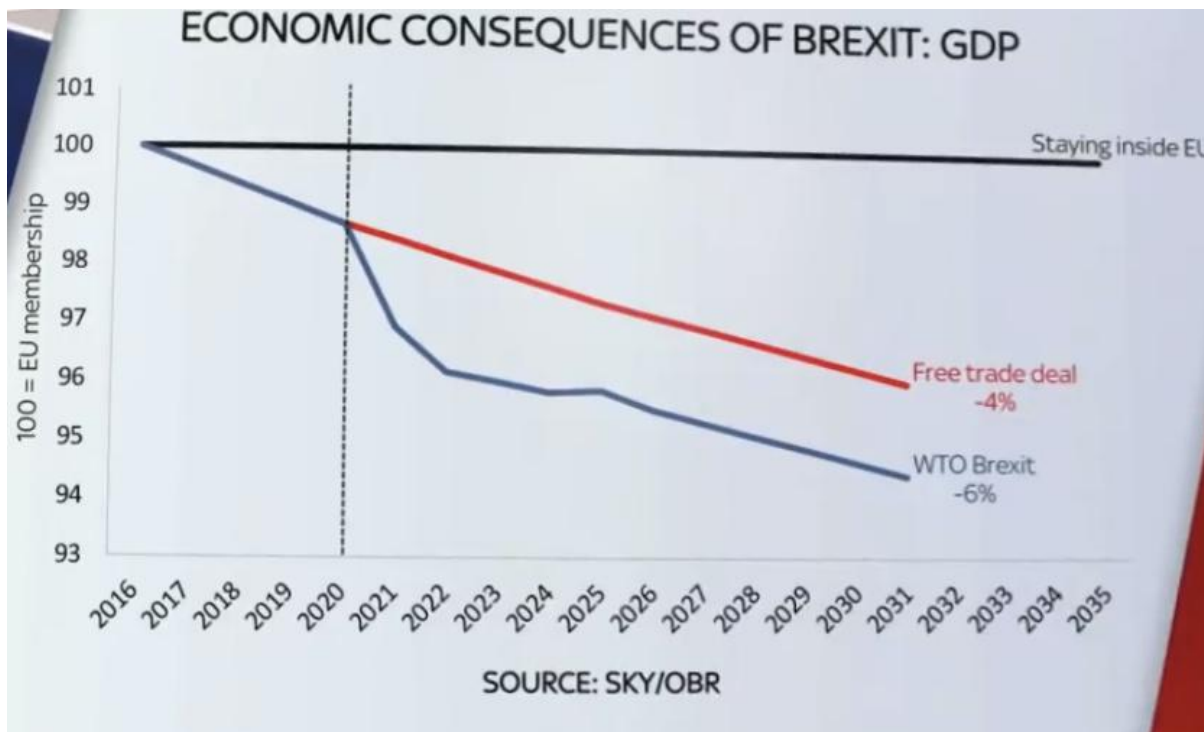
Basically, when it comes to Brexit, everyone will ask about how is the economic impact going to be? based on a possibility forecasts which show what could happen. Sky news, used a data to analyze the GDP (Gross Domestic Product) as measure of UK's economic growth if it stays in the bloc comparing to if/or/ when it leaves.

The redline refers to the free trade deal, while the blue line is for the no-deal Brexit, and of course, the black line shows if the UK stays inside the EU. Looking at this data it can be seen that, a free trade deal is taking destination so down about 4% by the 2030s, comparable to the no-deal Brexit which is down by 6%. Therefore, the UK economy will be down with any Brexit scenario, The United Kingdom already lost 1.51.8% of the potential growth of UK GDP (Conway; E1min).



Figure 6.

*Economic consequence of Brexit: GDP.*

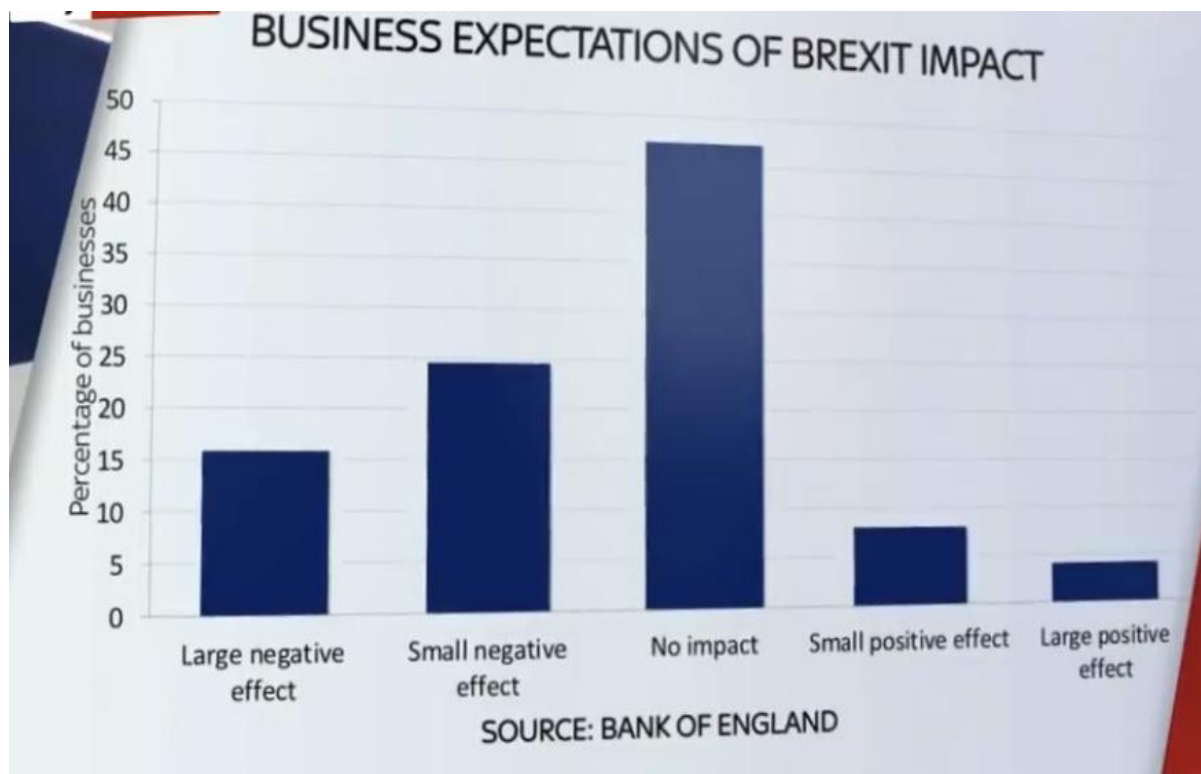


Note: this figure gives a comparison of GDP between the UK's stay in the union and its exit. Adopted from (SKY/OBR).

Not only GDP was the UK concern, but also business who look for how Brexit will damage their balance sheets. As the bank of England shows here the different businesses despite how the Brexit may impact them.

Figure 7.

*Business expectations of Brexit impact.*



Note: the figures demonstrate the business expectation about Brexit impact. adopted from (BANK OF ENGLAND).

The analyses show that there is about 20% who think, the business expectation about the impact of Brexit will have a large negative effect while, 25% sees that, it will be with less negative effect, similar to the ones who see the Brexit from positive side about 10% think there will be a small positive effect whereas, only 5% think that it will be with a vast large positive effect. But the majority as this figure showed about more than 45% think there will be no impact neither negative nor positive on their balance sheets (Conway; E1:12min). however, with all these forecasts, Brexit is still at the top of their concerns.

### **3.4.1 long term Brexit impact:**

Economists all agree that Brexit will affect the UK economy in the long term, based on the fact that, Brexit will likely reduce the UK's personal income. Attention and criticism have been focused on these short-term economic forecasts. As a result of the fact that, the economy did not enter a recession before the vote, as the most catastrophic forecasts predicted, some critics have questioned about the reliability of all the predictions that had been made on the potential economic effects of Brexit. Consequently, the methods and assumptions that were used in the short-term forecasts are considerably different from those used in studies which seek to predict the longer-term impact of Brexit on the UK economy. When it comes to Brexit, the long-term predictions aim to find a resolution to the current struggle/ answer this question: "How much would Britain's economy be in 2030 than it would have been if it had stayed in the EU?" (Tetlow; G & Stojanovic; A.10).

### **3.5.How Brexit might affect the UK economy:**

Britain's economy, like any modern, open economy, has a variety of complications. The capacity of Britain to produce and sell products and services might be affected in the number of ways by Brexit. Economists see that, any country's ability to produce is based on three main elements, in particular are: Labor, Capital and Technology (Tetlow; G and Stojanovic; A .12). Notwithstanding, there would be no need to produce something which is not going to be sold. the United Kingdom economy depends on the number of goods demand and services that it produces, drawing to attention that, it represents an open trading nation who has a consumer overseas in the European union and beyond and the Brexit could affect many of these factors of the UK's economy, but the main factors that will inevitably affect the UK's economy are trade especially, after the kingdom decision to withdraw from the single market

and customs union and Immigration will reduce the workforce coming from the EU and will affect most of the sectors that were providing job opportunities to non-British people.

### **3.5.1 Trade:**

Beyond simple local manufacturing costs, three key aspects impact the price of UK goods and services to customers in foreign nation. First, trading with the nations that are farther distant might be more expensive due to transportation expenses. Obviously, longer distances are generally more expensive to ship. Second, UK products purchased overseas may be subject to tariffs, which are the taxes imposed by another country's government on their importation. Neither the EU nor the non-EU nations apply taxes on products that move between countries inside the EU. Third, UK exports and imports are both subject to a range of non-tariff obstacles. Non - tariff barriers are anything that prevents commerce from taking place but it is not a tax. The government's policies are responsible for some of the obstacles. Products must meet a specific quality, and persons must have certain professional qualifications to perform a service, among other things. Others are the result of cultural differences between countries that affect trade. (Tetlow; G & Stojanovic; A .12)

Regulation obstacles and customs checks are the non-tariff barriers that are increasingly being addressed in trade agreements. Because various countries (quite legitimately) have different health, safety, and environmental standards, regulatory barriers develop. Other papers are necessary at the border (such as rules of origin papers and customs declarations) might cause problems and count to the expense of the trip. (Tetlow; G and Stojanovic; A .13).

It is possible that Brexit will have an impact on the level of tariffs and non-tariff measures applied to the importation and exportation from and into the UK depending on the agreements

made between the three participants; the UK, the EU, and non-EU countries, these trade obstacles might increase or decrease. On the other hand, the (actual and potential) significance of a specific nation to UK trade determines how a change in trade barriers would affect the UK's industrial productivity. Around half of all UK imports and exports, are linked to commerce with the EU. A longer-term transformation of UK trade toward nations with fewer trade barriers is possible. In spite of this, increasing trade barriers with the EU might have a negative impact on commerce, given the high advantages of trading with the EU's 27 states. They cover a broad economic region (currently accounting for 14 percent of global output in purchasing power parity terms). (Tetlow; G and Stojanovic; A .13).

The UK is more dependent on the EU than vice versa. Given that 12.6% of UK GDP is linked to exports to the EU whereas only 3.1% of GDP among the other 27 Member States is linked to exports to the UK. The EU is the destination of 44% of UK exports and 60% of total UK trade is covered by EU membership and the preferential access it grants to 53 markets outside the EU ( Onomah; E.13). Between 2019 and 2029, businesses probably would expect new trading policies to be in effect. Trade between the EU and the UK may be subject to a transitional system based on EEA (European Economic Area) regulations, or it may go back to WTO (World Trade Organization) standards if no comprehensive new deal is achieved after the UK triggers Article 50 of the EU constitution. Trade-based economic regulation will also be impacted by the outcome of Brexit. Tax would be imposed on companies that transport items or services to and from facilities in other EU nations (Onomah; E13).

Trade between the United Kingdom and the European Union is anticipated to decline because of Brexit. Therefore, the trading greater costs between the UK and the EU, industries would be forced to distribute wealth less efficiently. Another important idea to consider is that,

A post-Brexit trade arrangement between the EU and the United Kingdom will determine the extent of the losses caused by both part UK and EU. (Onomah; E.13) consequently, a return to WTO standards for EU-UK trade, the remaining 27 EU member states' GDPs would decline by 0.8% in 2030. Thus, FTA (Free Trade Agreement) depict that the Brexit losses are expected to be less harsh, depending also on the specifics of the deal. the UK's GDP would drop by 3.4 percent in 2030, compared to a 0.6 percent decline for the EU27 countries. Ireland, the Netherlands, and Belgium would also suffer the greatest GDP losses. (Kierzenkowski, Pain, Rusticelli, & Zwart, 2016) as cited in (Onomah; E.14) Once the UK quits the EU, it will no longer benefit from such agreements. Re-negotiating trade agreements with these nations would be time-consuming and expensive. Multinationals and key business anchors may reconsider the UK's status as a foothold in Europe if the UK's access to EU markets is restricted. it's important to remember that the EU is not a single block. Numerous EU nations would like to avoid a precedent being set by Brexit similarly; the possibility of encouraging other EU members to pick and choose between the benefits and costs of EU membership (Onomah; E.14).

### **3.5.2 Immigration:**

As member of the European Union, the UK government did not have the right to restrict immigration from the EU citizen who wants to work in the kingdom. However, after the Brexit and based on the deal between the United Kingdom and the European Union, the government may be able to set rules that are imposed on migrants from the union.

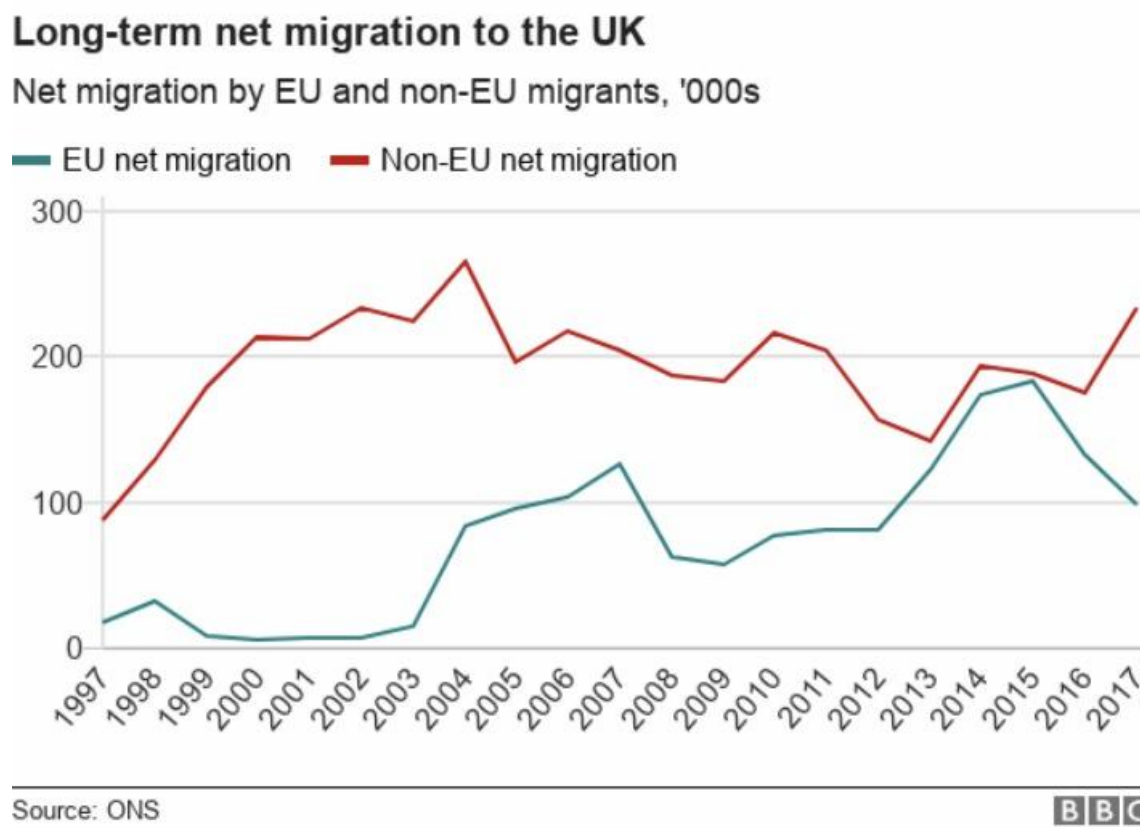
Currently, the UK government imposes restrictions on the non-EU migrants. Generally, those migrants need to prove they have been offered skilled job in the United Kingdom that will pay them at least £30,000 a year (Tetlow; G and Stojanovic; A.44). The aim behind these

rules is to help the UK government to achieve its target of reducing the migrations and will be also applied to students and family members joining UK residents. In principle, Brexit will give the chance to the UK government to impose a huge restriction not only on the non-EU migrants but also the EU migrants too.

For many people, immigration was the main case in Brexit referendum and how this will impact many foreigners who come to live and work in the kingdom.

Figure 8:

Long-term net migration to the UK.



Note: the figures represent the difference between EU net migration and non-EU migrants.

Adopted from (ONS).

It seems like the government's immigrant system after Brexit will seek to make the process of the EU migrants equal to people coming from all over the world. According to Chris Morris' The figures from the Office for National Statistics are revealing, because they suggest that ending free movement from the EU won't have a huge impact on bringing the UK's net migration figures down. In the twelve months to June 2018, according to the ONS (Office for National Statistic) the number of non-EU citizens who are in the UK on a long-term basis rose



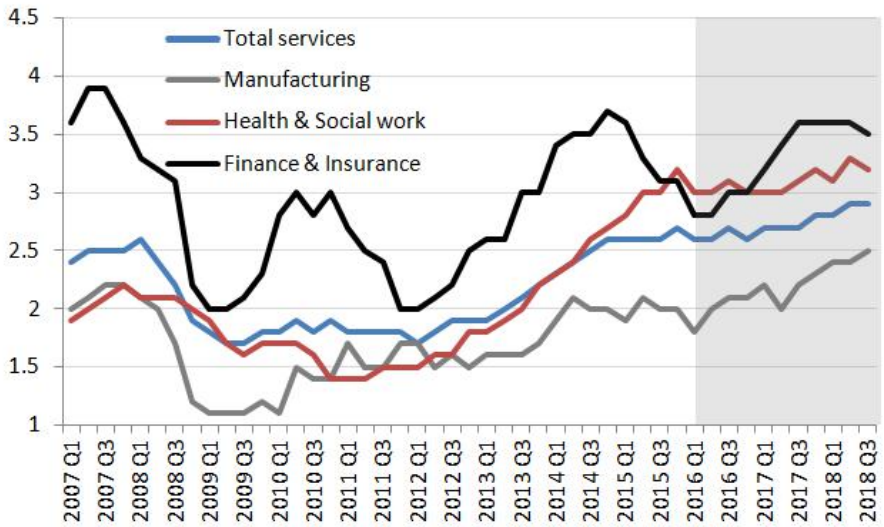
by 248,000. By contrast, the number of citizens from elsewhere in the EU, who are in the UK on a long-term basis, rose by only 74,000. In other words, the result of the referendum has already had an impact before Brexit has actually happened. In fact, in the second quarter of 2018, the latest for which figures are available, more EU citizens may have left the UK than arrived in the UK, for the first time in more than eight years. If the trend seen since the referendum continues, ending free movement will still only make a relatively small dent in the overall net migration figures » (Butcher and Schraer)

Reducing immigration was an important aim for the Brexit and it was achieved. However, the British labor market will have to pay a price for this change. In fact, as a result of rising uncertainty, the number of foreigners with jobs entering and departing the UK began to drop and increase around the time of the Brexit referendum (Gehring; A).

Figure 9.

job vacancies as a ratio per 100 employee jobs.

Figure 4. Job vacancies as a ratio per 100 employee jobs.



Source: Own elaborations Flossbach von Storch Research Institute, UK Office for National Statistics (ONS)

Note: this figure represents the job vacancies in different sectors grows. Adopted from (own elaborations flassbach von Storch research institute ONS).

Undoubtedly, increased the number of employment openings in the economy is a bad result. Since the end of 2015, the number of openings per 100 employees in the industrial sector has grown considerably.

Employment in the EU is expected to be affected by the United Kingdom's withdrawal from the EU. Other European businesses can work around any restrictions on the free movement of workers imposed by the United Kingdom. Some nations, however, will be affected by changes in the labor market and the flow of wages. If the UK imposes border restrictions, there is a possibility of 'political contagion' in other parts of Europe, although it is difficult to forecast. It will rather be EU-based businesses that are most affected by British regulations, as operations outside the UK can always substitute for UK workers(Onomah; E.18).

As a result of Brexit, the UK's high migration is projected to grow by around £4.5bn by 2019-20, while the low migration is likely to be reduced by the same amount (Office of Budget Responsibility) as cited in (Onomah; E.18). This means that if the population increased by 0.8 percent, the economy would expand by 0.8 percent, but if it decreased by 0.8 percent, it would fall by 0.8 percent. (Budget Responsibility Office), There is a clear positive relationship between migration flows and growth forecasts in the UK because of the growing adult population, greater employment rates, and more tax income. EU migrants in particular, have paid more in taxes than they have received in benefits. (Wadsworth, Dhingra, Ottaviano, & Van Reenen) as cited in ( Onomah; E.18).

UK taxpayers received more than 20 billion pounds in tax income from EU migrants who arrived in the country between 2001 and 2011, with EU migrants from the EU-15 paying 64 percent more in taxes than they get for benefits. With Britain's withdrawal from the EU, all of these benefits from immigrants are likely to be lost. There are 1.4 to 1.8 million UK citizens living in the EU on a permanent basis, and Brexit would affect them most (Onomah; E.19).

In consequence of Brexit, the UK has become less attractive to skilled migrants from EU nations. It is unclear if competent employees in the United Kingdom will be able to fill these openings in the near future. A greater number of higher-paying employment will likely have less of an impact on the overall growth of the country than a Brexit. The loss of qualified but also lower-skilled workers is expected to limit the potential growth of the British GDP and to make British citizens worse off as a result of the migration of workers. This is actually one of the costs of Brexit (Gehring; A).

### **3.6 Conclusion:**

In sum, Brexit will highly affect the UK economy growth either in trade matters or immigration. Either the United Kingdom will try to survive from the Brexit damage and prove that, the decision she takes is the right one. At the same time, it will be a chance to the kingdom to make trade deals out of the union. Otherwise, Brexit will be as a threat to the Kingdom's economy under any agreement, and it will cost it a lot as a result of the harms that will affect its economy in all ways.

# **General conclusion**

Britain's longstanding relationship with Europe comes to an end after nearly half a century. To unify its economic principles and enable free movement of public goods, services, and capital across members of the European Union, the United Kingdom became a member on the European Union. In addition to economic success and peace, this collaboration has led to substantial improvements.

All members have been required to pay membership taxes and regulating Britain has been a major source of debate as a result of union membership. Following the announcement by Prime Minister David Cameron, of the latest referendum on whether Britain should stay in the European Union, it was difficult to predict how the vote would turn out. Some of the repercussions are going to be difficult for people to move across. As a result of trade regulations and uncertainty in exports, border crossings will become more difficult, if not impossible.

Back to what the people who are against Brexit think, the UK's membership in the EU will boost the UK's economy and the Brexit will lead to an economy recession, losing some jobs and years from the lack of financial security. They also claim that, Brexit will not stop or even limit the immigration, since most of migrants are out of the European Union and has no relation with UK membership. Being part of the bloc, will give the United Kingdom powerful role and the right to give it opinion in the biggest international decision.

Compared to what a Brexit supporter see, if the United Kingdom will leave the European Union this will enhance UK's economy, and will give better chances of jobs on the UK. About immigration they mentioned that UK cannot control it unless it will leave the union, since the free movement gives the EU's citizens the right in living in UK and in case Brexit happened the kingdom will be able to control the immigration crisis. Beside that the kingdom will get international influence and more chances to new trade negotiation with non- European Nations.

Brexit can be seen as, a mixture of sadness and happiness at the same time, it serves some but it did not suit the others that will create a tension among the UK's citizens and the parliament should find a solution to fix the situation. The decision to leave Britain formed lot of issues with the European Union which affected Britain and the Union together, the event of Britain's secession from the European Union had a clear impact on the European arena, especially as the British exit referendum played on sowing doubts and fear of the transfer of polls within the European Union and the desire of countries to withdraw from it.

However, as a result of Britain's late accession into the Union, the country's exit was almost certain. Therefore, suspicion towards it was expected at any moment first, due to its adherence to its currency and second, its failure to enter the Schengen space; all indications that suggest the possibility of British secession from the European Union. The British referendum was considered a starting point for the disintegration of the European Union and the decline in its role.

What is worrying, is the results of this decision, since it will not affect Britain and the union only, but will also have a global impact. The reflection of the referendum results may be negative for Britain, as a result of its fear from a division within the kingdom. The Brexit is considered the most tragic event that happened to the kingdom and it witnessed many scenarios that, made the situation known as state of lack of confidence and access to clear solutions.

Based on the analysis of this dissertation, it has been proved that the Brexit is due to the hast of the kingdom and taking a decision to break its membership with the European Union, and had been clear through events and problems faced by Britain since the moment of the referendum until the final decision to exit.

From the moment the Kingdom joined the union, it was arguing about its membership on the pretext that it is restricted in its decisions, and these arguments have been greatly supported by Parliament through campaigns to persuade the people to vote, and even the Queen, in turn, gave her support for the decision of her government.

Despite all this, Brexit is considered one of the biggest global events, as the majority sees it as a result of the Kingdom's arrogance and that it will harm the economy under any scenario, but the Kingdom insists that it is able to recover everything that Brexit took from it and that its decision was the best.

This study was limited to the assumptions based on the consequences of Brexit on the British economy, as well as, on its relationship with the European Union. This investigation did not detail whether Brexit is the first and last withdrawal, which leave the following suggestion as to the EU member countries will be affected by the Brexit and rebel as well and would be the starting point for the disintegration of the whole union or not?

By writing this research work some problems were obstructing its progress, the most important of which was the lack of information and resources, especially the second chapter, which included the opinions and plans of the British government to persuade the Union to leave it.

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