Impact Of The Result Of The Referendum In The UK (23rd June 2016)

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The United Kingdom held its referendum on European Union membership on June 23, 2016. Leave won with 51.9% of the vote, while Remain received 48.1%. After the referendum, Prime Minister David Cameron resigned and was succeeded by Theresa May. However, the decision of the public to exit the EU followed a period in which the transition was to take place up to 2020 (Ronalds, 2016). Brexit was viewed by many leaders all over the world has to be a dangerous step as it would greatly affect the relationship of Britain with the countries within the European Union. The exit by the UK has been debated by most countries and leaders; hence, the magnitude of the consequences has thus been uncertain and unpredictable and, as a result, has caused disparities in the impacts (Srivastava, 2016).

However, before the exit, the UK and EU were involved in negotiations which were done for two years before the exit. Various concerns were raised from both sides, and they revolved around trading. The UK never wanted to continue favoring unlimited EU immigration and thus also the status of the EU members living in the UK (Smales, 2016). The negotiations also further ensured cash settlement by the UK, and she demanded customs unions. The country also addressed its concern of withdrawal from the European court system. Therefore, UK withdrawal leads to certain consequences that range from the economic to free immigration as adopted by the EU (Ronalds, 2016). Brexit had an impact on app development for digital businesses.

When assessing the financial impact of Brexit on the UK, the fact that the UK had not adopted the EU currency has to be considered. The UK, therefore, has been operating under an independent currency (Smales, 2016). Studies show that in the estimates of Europe the United Kingdom provided protectionism at the point of the exit, which could cause about 2.2% GDP by 2030. Therefore, if economic openness is embraced, the UK would outdo the EU as it would add about 1.6% to the income of the country by 2030. The Brexit has two major trading periods which transpired after the referendum. The pound, however, experienced the biggest loss (Srivastava, 2016). There exist major uncertainties amid the attempt of the economy to evade a sudden slow down vote. It has also caused market volatility even in the African countries.

Brexit has also influenced the immigration of the members of the EU. However, the immigration rate may not change rapidly after Brexit. This program of immigration was the major issue as to why the voting was done. In the control 9f immigration, the UK could pose restrictions that would otherwise limit the migration of people into the state and even out of state. However, the government would gain the authority to impose a different immigration policy (Smales, 2016). As much as the idea of immigration was the major issue for the exit, various groups and firms are at stake as they argue that

Britain is being a less attractive place for the kind of professionals they require. These involve engineering, health care and construction. The case studies also show that in the European Union economies, the British are less likely to make a priority the investments that would otherwise lead to the improvement of the production efficacy.

The process of exit, however, caused political uncertainties. This was first observed by the resignation of Prime Minister D. Cameron. The prime minister. The news of his resignation came after three months after his stepping down from his job as a leader. In his message to his successor, he mentions that the successor, Theresa, stopped representing his constituency (Sow, 2016).

The exit from u has greatly affected the technology and the digital sector. This has posed a greater threat as they would have been able to recruit and train individuals to thereby retaining talented individuals from the EU. As a matter of fact, talented individuals from the UK are seen to be limited in number as compared to the demand for the products (Srivastava, 2016). The issue of limited talent supply thus still stands as a challenge in the production of the products. However, when viewed in a positive manner, as some of the analysts in the UK found out, Brexit also has offered the opportunity for innovations in the country. Consequently, Brexit also vies for freedom from the EU ties (Smales, 2016). This would ensure the facilitation of innovations in the state and thereby make the state more attractive to those who are startups.

The prime minister, d. Cameron and his chancellor, among others, predicted that there would be an economic crisis upon voting or the exit, and so it was experienced by an immediate crisis in the pounds. As a matter of breaking the tariffs, Britain ran at a loss due to the low costs of exports (Srivastava, 2016). Tariffs raise the value of exports, making the firms in the UK more competitive and at a higher price ranking, however, in an attempt to impact labor markets. The United Kingdom would be rendered free from the restrictions imposed by the European unions. This enables the state to exercise flexibility in the labor markets. On the other hand, Britain would not agree with the free movement of people and, therefore, has adopted policies that ensure that there is a controlled number of skilled personnel entering the country.

Work Cited

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