Implication Of Brexit On The Economy

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Background

Brexit is initials used to refer to a referendum that seeks Britain to exit from the European Union (EU) organization. Since the foundation of the EU, the United Kingdom (UK) has been reluctant to associate itself with the union. The United Kingdom applied to join the European Economic Community in 1961 and 1967, joined in January 1973, voted to remain in a 1975 referendum, and left the European Union on 31 January 2020; it did not exit in 1974. The move reoccurred again out of a lack of confidence in the EU on how it handled several issues of interest to the UK. This includes the factors of excessive immigration in Britain affecting the ability to secure jobs (TAUB, 2016). Other factors that motivated the campaign to exit include age, education, occupation, ethnicity and national identity (Kaufmann, 2016). Although there was a tight battle on the divided decisions by the Britons to vote, the citizens who were campaigning for their stay in the EU were defeated by those who voted the country out of the Union.

Different researchers have been in a bid to figure out the implication of Brexit on the economy in the UK as well as giving the effect immigration has as a primary factor of consideration. Arnorsson & Zoega (2016) analyze the causes of the move to vote in that structure and look at the possible factors in detail. This study used the data from the NUTS2 region of the UK. They attribute the massive positive votes (Leave-side) to areas with aged people, residents with low GDPs and individuals in the regions with the highest proportion of people with low levels of education. This side won by 51.9%. The remain-side, on the other hand, was controlled by the investors who were able to reason on the implication that the referendum would yield were highly campaigning for negative votes against the motion. Most of these people are from Northern Ireland and Scotland. This competition was very stiff as they lost with 49.1% of the votes. From his findings, most of the people who supported the exit were those who felt insecurity about the way a swarm of immigrants invaded their land, and they felt that they were taking the positions that were meant to be for Britons.

Dhingra & Sampson (2016), in their analysis gave suggestions that the UK had after exiting the EU. Although it enjoyed political freedom in the economic decision, there are still worries about how the investments would be affected as well as Britain’s bargaining power in the global market. This research gave insights into how the currencies and the mobility of labor factors through immigration would affect the economy.

However, there has not been sufficient research that connotes the direct economic life of the Britons on an individual basis. This research will fit a gap left by other researchers who have been doing analysis in a more general perspective giving the position of the country about the union.

Objective

This research paper seeks to answer this main question. How does Brexit affect people's lives from an economic point of view? It is aimed to give a clear reason for how the decision by the Britons to exit from the EU would affect its economy. This study seeks to elaborate further on how the livelihood and the cost of living could be affected by this already voted in the referendum as felt by the UK citizens individually.

Methods

To achieve credible results the research has employed sample surveys as a primary source of data. The participants in this survey were collected randomly to ensure that the study was free from biases. Questionnaires were given targeting mainly the young generation aged below 35 years with the assumption that they were more literate than the aged and they understood current trends in the market. They were also easier to approach and were more willing to assist. The results were collected and made in a table. This data was then fed into MS Excel for further analysis, and the results were used to make charts that have been used to derive discussions and, hence, the conclusions made.

Findings

out of the 11 respondents, 8 (73%) of the respondents were aged between 26 and 35 years, and the rest were between 16 and 25 years.

Interest Related To Economics Or Business

Further, the interest of the respondents was sought, and the results were as shown in Figure 3.2. 7 (70%) were interested in Economics and Business, while 30% were neither interested in Economics nor Business

Impact Of Brexit On Everyday Life

Given a rating of 1 to 10, the respondents were asked to rate the impact of Brexit on their everyday life. From Figure 3.3, 45% of the respondents believed that Brexit would affect their lives with a rating of 5, 9% gave a rating of 2, 18% gave a rating of 6 and 9% gave a rating of 7.

Effect Of Brexit On Cost Of Living

From Figure 3.4, 55%of the respondents thought that Brexit would likely affect the cost of living, 36% think that it is very likely that Brexit will affect the cost of living, and finally, 9% thought that Brexit would not affect the cost of living in the UK and EU countries.

Effect Of Investment In the UK

The respondents were asked to rate the effect of Brexit on investments in the UK. From Table 3.1, 36% gave a rating of 2, 27% gave a rating of 3,4,5, and 36% gave a rating of 6 and 7.

Effect Of Brexit On Investment In Ireland

From the graph it can be seen that all the respondents believed that Brexit would affect investments in Ireland in a positive way.

Effect Of Brexit On Tourism In UK

Further, the respondents were asked to rate the effect of Brexit on tourism in the UK on a scale of 1 to 10, and the results are shown in Figure 3.6. 45% rated this at 2, 36% gave a rating of 5, 9% gave a rating of 6, and the rest gave a rating of 8.

Likelihood Of Britain's Role In The World Changing

18% of the respondents thought that Britain's role in world affairs is very likely to change, 36% thought that it is likely to change, and 45% thought Britain's role in world affairs is not likely to change.

Extent To Which Current Fluctuations Brought About By Brexit Affect Your Everyday Life

On a scale of 1 to 10, 1 being the lowest and ten the highest, the respondents were asked to rate the extent to which current fluctuations brought about by Brexit affect their everyday lives. From Figure 3.8, 36% gave a rating of 4, 18% gave a rating of 3, 5 and 7, and 9% gave a rating of 6.

Discussions

Brexit have not only a national effect, but it affects more the individual life. People must thus learn to bear with the decisions they make. The decrease in investments as a result of the restriction on the entry and exit of the country is likely to be the effect of the low investments and, hence, the decreased revenue. This will thus raise the cost of living and, in turn, affect the valuation of the UK currency negatively. This result conforms to the prediction made that the decision would cost the country much in those initial stages. Frost (2016) argued that this would lead to a decrease in people hired in the EU as well as a substantial decrement in the investment that was initially made by other countries in the EU.

Conclusion

The direction that the country took seems to be in the wrong direction as it is evidence of the negative impacts it has caused on the cost of living. It will take the country more time to recover from the recession. The country may, however, seek to unite with other countries of their choice to be stronger in the market. The research is not, however, in conclusion as it does not entail all the Britons. Further research could be done to investigate the condition of the Britons in other countries of the European Union.

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