

United Kingdom Votes to Leave the European Union

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Related Author

- [Derek E. Mix](#)

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Derek E. Mix, Analyst in European Affairs (dmix@crs.loc.gov, 7-9116)

Leave Campaign Wins Referendum on EU Membership

Nearly 52% of British voters in the June 23 referendum on European Union (EU) membership answered that the United Kingdom (UK) should leave the EU. The vote on a British exit from the EU (often referred to as "Brexit") took place after four months of intense campaigning. Among a complex pattern of supporters and opponents of Brexit, the vote pitted Prime Minister David Cameron, who led the campaign to remain, against many members of his own Conservative Party. Prime Minister Cameron subsequently announced that he will step down by October 2016.

The vote was the culmination of a decades-long debate in the UK about the country's EU membership. The UK joined the precursor to the modern EU in 1973, but has long been considered one of the most "euroskeptic" members, having "opted out" of several major elements of European integration, such as the euro currency and the passport-free Schengen Zone.

One of the central arguments made by the Leave campaign was that the EU had steadily eroded the UK's national sovereignty by shifting control over many areas of decisionmaking from Parliament to Brussels. Analysts also attribute the result to the prevalence of concerns about high levels of immigration to the UK, which the Leave campaign linked to the EU requirement for the "free movement of people" among member states. Leave campaigners further argued that EU bureaucracy and regulations held back the UK's economy, and that in the long term the country would be better off economically outside the EU.

Aftermath and Uncertainty

Although technically the referendum is only advisory for Parliament, the [government asserted](#) at the start of the campaign that it "would have a democratic duty to give effect to the electorate's decision" and that it would do so quickly. There is no precedent for a country withdrawing from the EU, so a high degree of uncertainty exists about how the separation might work. EU leaders are scheduled to meet for a European Council summit on June 28-29, which might bring some initial clarification about how the process is to proceed.

The vote does not force the UK out of the EU immediately. Under its treaty framework, a member country may withdraw from the EU by invoking Article 50 of the Treaty on European Union, opening a two-year period in which the two sides would attempt to negotiate a withdrawal agreement.

There is no pre-set timeframe for the notification that begins this process. The timing of the notification is a political decision that could be delayed by holding a Parliamentary debate on the exit beforehand, for example, or by seeking a period of informal talks before triggering Article 50.

The main purpose of the withdrawal agreement would be to settle transition arrangements in policy areas, such as the single market, that are covered by the EU treaties. Until the negotiation is concluded, the UK remains a member of the EU and subject to its rules. Details about the [future arrangement](#) of the relationship between the UK and the EU are likely to be negotiated as a separate agreement.

Many observers believe that the process of negotiating these agreements could take considerably longer than two years to complete. As expressed prior to the referendum by the [UK government](#) itself, "a vote to leave the EU would be the start, not the end, of a process. It could lead to up to a decade or more of uncertainty."

In addition to uncertainties about the process and timeline for withdrawal, analysts have speculated on the possible broader consequences of Brexit. Many [economists](#) have expressed concerns that Brexit could cause an economic shock that leaves the UK facing weaker economic growth, higher inflation, job losses, and depreciation of the pound (which has already happened), with potentially significant negative consequences for the U.S. and global economies. Advocates of Brexit have maintained that such economic fears are greatly exaggerated.

Meanwhile, observers have noted growing unease among some of the many multinational corporations that have chosen the UK as their EU headquarters, who now face a period of uncertainty about UK's trade and economic arrangements and the corresponding legal and regulatory frameworks.

The UK may now also face a period of political instability, with an upcoming contest for the leadership of the Conservative Party and the possibility of an early election (the next general election is not due until 2020). The Brexit vote has begun fueling a renewed push by Scottish leaders for Scotland (where 62% of voters supported remaining in the EU) to separate from the UK and could raise questions for Northern Ireland (where nearly 56% voted to remain).

Many have concerns that Brexit could prompt a wider unraveling of the EU. At a time of growing skepticism toward the EU in many member countries, the UK's departure could lead to more calls for special membership conditions or referendums on membership in other countries.

U.S. Views

President Obama and other U.S. officials had conveyed a preference for the UK to remain in the EU, a view firmly reiterated during the [President's April 2016 visit to the UK](#). With the UK commonly regarded as one of the strongest U.S. partners in Europe and one that frequently shares U.S. views, U.S. officials have been concerned that Brexit could reduce U.S. influence in Europe, weaken the EU's position on free trade, and make the EU a less reliable partner on security and defense issues.

The UK is a major trade and investment partner of the United States. Given the degree of interlinkages and wider importance of the UK economy (the world's fifth largest), a significant post-Brexit downturn in the UK could have negative knock-on effects for the U.S. economy, including investment markets.

The U.S.-UK defense and security relationship is deep and long-established, and many aspects of that relationship can be expected to continue. The UK will remain a leading member of NATO, and the bilateral intelligence and counterterrorism relationship is likely to remain close.

At the same time, experts assert that Euro-Atlantic cooperation on a range of [security concerns](#) may not be immune to the effects of Brexit. Broadly speaking, some suggest that Brexit undermines the notion of "Western unity" in the face of threats such as terrorism and Russian aggression, weakening the collective ability of the United States and Europe to deal with such threats.