

# Analyzing the Evolution Logic and Influencing Factors of Brexit: A Multi-Perspective Study on Economy, Immigration, and Sovereignty

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**Abstract.** Brexit stands as one of the most significant political events of the early 21st century, with the underlying factors warranting a thorough examination. Within the European context, the United Kingdom (UK) has historically been a bastion of economic, political, and military might, and has held a significant position within the European Union (EU) framework. Following its accession to the European Economic Community (EEC) in 1973, the United Kingdom faced challenges stemming from the indecisiveness of its domestic leaders regarding a pro-European stance, the internal political friction due to inexperience in collaborative negotiations, and the enduring special relationship with the United States. The UK has cultivated a reputation as an "awkward partner" within the EU. Nonetheless, the outcome of the 2016 referendum signaled a profound shift in the British public's inclination to stay within the EU. On January 31, 2020, the Withdrawal Agreement Act (WAB) was enacted, marking the UK's departure from the EU on that day, with a transition period outlined in the agreement. Numerous factors have contributed to this result, encompassing economic growth, immigration policies, and national sovereignty, among others. This paper intends to first explore the evolutionary logic of the Brexit event and then analyze and discuss the influence of these factors on Brexit from the aforementioned four perspectives, aiming to offer insights and guidance for future comparable events.

**Keywords:** Brexit; European Union; economy; immigration; sovereignty.

## 1. Introduction

Brexit, the United Kingdom's historic decision to leave the European Union (EU), has become one of the most closely watched issues in international politics and economy since it was passed in a referendum in 2016. This event not only marks the end of more than four decades of partnership between the United Kingdom (UK) and the EU, but also heralds a major realignment of the global political and economic landscape. This study aims to deeply explore the evolution logic and influencing factors of the Brexit event, in order to provide a comprehensive perspective for understanding this complex political and economic phenomenon. The background of Brexit dates back to the UK's accession to the European Community (EC) in 1973, and since then, the UK's relationship with the EU has experienced many ups and downs. Especially at the beginning of the 21st century, with the expansion and deepening of the EU, doubts and dissatisfaction with the EU in the UK gradually increased [1]. Economically, people in the UK believe that EU rules and regulations limit the UK's economic freedom, particularly on immigration policy and financial contributions. Politically, British independents believe that leaving the EU would allow the UK to regain full national sovereignty and avoid the influence of EU law on British domestic law. At the socio-cultural level, some people in the UK are worried about the cultural homogeneity brought about by European integration, and believe that Brexit can protect the unique cultural and social values of the UK. In addition, changes in the international political environment, such as the rise of globalization and anti-globalization movements, have also had an impact on Brexit.

The research objectives of this paper are as follows. First of all, analyze the historical evolution of the Brexit event and explore the economic, political and socio-cultural factors behind it. Second, assess the impact of Brexit on the UK's domestic political and economic structure, as well as the

potential impact on the EU and even the global political and economic landscape. Then, this paper will discuss the reconstruction of relations between the UK and the EU and other countries after Brexit and its long-term impact on the international order. And finally, this essay aims to provide reference for other countries in dealing with their relations with the EU, and to provide empirical cases in the fields of international political economy, international law and European integration theory.

Through the in-depth analysis of the Brexit event, this study not only aims to reveal the internal logic and driving factors of this event, but also hopes to provide theoretical and practical guidance for understanding and coping with similar international political and economic challenges that may arise in the future.

## **2. Development of UK-EU Relations**

### **2.1. The UK's Relationship with EU before Brexit**

Britain's relationship with the EU (including its predecessor, the European Economic Community) dates back to the late 1950s. In 1957, six European countries (France, Germany, Italy, the Netherlands, Belgium, and Luxembourg) signed the Treaty of Rome, creating the European Economic Community (EEC). But Britain did not join. Britain first applied to join the EEC in 1961, but the application was rejected in 1963 due to the opposition of French President Charles de Gaulle. In 1967, Britain again applied to join the EEC [2]. In 1973, the UK joined the EEC, along with Denmark and Ireland. This marks a new phase in Britain's political and economic relationship with the continent [2]. With the signing of the Single European Act in 1986 and the Maastricht Treaty in 1992, the process of European integration accelerated and the European Union was established. The UK, while participating in these processes, has reservations about certain policies, such as monetary integration. In the first year after joining the EU, Britain established an image of "awkward partner" (George's "awkward partner" theory). First of all, because the UK joined the EU late, it is difficult for it to adapt to the governance of the European Community. Second, because of domestic political constraints, domestic leaders, attached to the special relationship with the United States as their main partner, are hesitant and indifferent to promoting pro-Europe at home. And because the British political system is confrontational, it lacks experience in cooperation and negotiation. These factors have laid the groundwork for the late Brexit. In 2005, France and the Netherlands rejected the EU Constitutional Treaty, which undermined further EU integration and raised new questions about Britain's EU membership.

### **2.2. The Brexit Process**

The seeds of Brexit were planted as early as 2013. At that time, then-Prime Minister David Cameron, in response to domestic doubts and discontent over EU membership, promised to hold a referendum on Britain's continued membership of the EU if the Conservative Party won the 2015 general election [3]. The pledge is aimed at appeasing Eurosceptics in the Conservative Party and rallying support among voters. In 2015, a large number of refugees also poses a huge challenge to the social, economic and political stability of the receiving countries, which has also heightened public concern about immigration in the UK, providing some kind of argument and momentum to the Leave camp. On 23 June 2016, the UK held a historic referendum in which 52 per cent of voters backed leaving the EU, while 48 per cent wanted to remain. The result shocked the world and marked the official start of the Brexit process [3]. Following the referendum, the British government faces complex Brexit negotiations with the European Union. The negotiations cover a number of sensitive and complex issues, including trade, migration and security. The negotiation process is full of twists and turns and has been delayed many times, reflecting the differences and games within the UK and the EU on the terms of Brexit. After many rounds of negotiations, in November 2018, British Prime Minister Theresa May reached a draft Brexit agreement with the European Union, but the agreement was strongly opposed in the British Parliament and failed to pass. This was followed by multiple delays

and political turmoil until January 2020, when the British Parliament finally ratified the withdrawal agreement with the European Union. On January 31, 2020, the United Kingdom officially leaves the European Union and enters a transition period. During the transition period, the two sides continued to negotiate on future trade and cooperation relations. In December 2020, the two sides concluded a trade and cooperation agreement, ensuring that trading relations between the UK and the EU can continue after Brexit.

### **3. Factors of Brexit**

#### **3.1. Economic Factors**

Fundamentally, the economy played a significant role in Britain's choice to exit the EU. On the one hand, the public's support for exiting the EU has increased due to the heightened economic competition. The EU membership and globalization policies have long hurt the economies of various regions of the United Kingdom. For instance, a 2016 study by the Brookings Institution found that while support for leaving the EU is higher in the poorest parts of the UK, these areas are also usually sceptical about the EU. In particular, the EU's globalization has severely impacted numerous industrial cities in the UK's northeast because of competition from other European member states [3]. Multinational corporations can more readily relocate their manufacturing bases to other EU members in order to save costs and increase efficiency within the EU's free trade area. Many industrial cities in the UK have experienced a loss of manufacturing jobs as a result of this. Additionally, British industrial cities are now in rivalry with other EU members due to the shared customs and trade rules. All of this has exacerbated local anger with the EU and globalization by contributing to increased unemployment and economic collapse in various parts of the United Kingdom.

However, the UK's choice to exit the EU was also impacted by the economic disparity it experienced there. Financial services, trade deficits, and agricultural subsidies are examples of this. First off, among EU countries, the UK has historically had one of the biggest trade deficits. The UK's goods and services trade imbalance with the EU was €95 billion in 2018, which makes up 61% of the country's total trade deficit, according to Eurostat [4]. An unfair trade relationship may prevent the UK from having the authority to set its own trade policies, making it more difficult to establish free trade agreements with other nations [5]. It is evident that British residents will benefit from a more equitable allocation of subsidies in the UK following Brexit, which will help to safeguard their interests and the country's agricultural sector. Lastly, the UK is one of the biggest financial hubs in Europe and has a robust financial services sector within the EU. Nonetheless, the financial services industry has been subject to more EU regulation in recent years, particularly after the implementation of several new laws like GDPR and MiFID II [6]. The financial services sector in the UK may suffer from these policies if they decrease entry barriers into the market and raise operating expenses. In conclusion, the UK's economic disparity inside the EU may prevent it from enacting its own trade policies, cause it to become less competitive, or even deny it access to markets, all of which have contributed to the UK's choice to leave the EU.

#### **3.2. Impact of Immigration**

The second significant element influencing the decision to exit the European Union is immigration. 84% of people believe that immigration should be stopped altogether in 2023 or that it is a very negative issue [7]. The primary cause may be the effects of migration on social integration, governmental services, and the labor market. First, proponents of Brexit contend that a significant immigrant population has entered Britain as a result of the EU's policy of free movement, which has affected the country's labor market. For instance, some research indicates that local workers may lose out on employment possibilities due to increasing competition from immigrants for low-skilled positions [8]. Specifically, Dustmann and Frattini, in a study commissioned for the UK government, mention that immigration from Eastern European countries led to slower wage growth for low-skilled workers in the UK between 2004 and 2016. This situation may have prompted some British voters to

support Brexit, hoping to reduce competitive pressure in the local labor market by controlling immigration. Second, mass immigration has also put a burden on the UK's public services such as health, education and housing, increasing the demand for related public services and increasing the pressure on resources. For example, due to the increase in migration from the EU, there is a shortage of doctors and nurses in medical institutions in some regions, resulting in a difficult balance between the supply and demand of medical services. The situation intensifies the strain on the healthcare system, complicating the distribution and utilization of healthcare resources. Regarding housing, the UK's tight housing market, particularly in major cities like London and Manchester, faces increased pressure as the housing demand from immigrants may worsen the imbalance between supply and demand. For instance, between 2004 and 2019, the number of immigrants from Eastern European countries surged from approximately 370,000 to around 1.03 million, directly impacting housing needs, especially in densely populated areas such as London and the South. To alleviate the impact of immigration on public services, many voters opted to support Brexit. Moreover, the growing number of immigrants presents challenges to social integration and cultural identity. Differences in cultural backgrounds and values may hinder effective communication between immigrants and local residents due to language barriers, religious beliefs, and behavior habits, potentially leading to misunderstandings, dissatisfaction, and exacerbating social divisions and cultural conflicts. This perspective has heightened British voters' concerns about immigration policy and social issues, leading to a preference for Brexit.

However, there are still arguments against immigration, and a poll conducted by Ipsos Mori reveals that the general public views immigration positively. One in five people reported feeling better about the situation. In any case, later government reports made sense of that those living in unfortunate regions with minimal direct insight of relocation felt a "genuine and saw feeling of equity" on the issue, as well as dread of being marked bigot, and were hesitant to take a stand in opposition to the issues presented by movement [9]. So, worries about positions and social issues drove numerous English electors to help Brexit, trusting that England would recapture control of migration strategy and diminish the quantity of migrants. In this way, movement factors assumed a significant part in the UK's choice to leave the EU.

### **3.3. Sovereignty Issue**

The sway issue is additionally one of the significant variables influencing the choice of the UK to leave the EU, and is one of the center elements in the choice to leave the EU. The United Kingdom is subject to EU law in a variety of policy areas as a member of the EU. A few English citizens accept that such lawful requirements limit the freedom and independence of the UK's public independent direction. Subsequently, a significant target of Brexit is to reestablish the UK's lawful sway. In the 2016 High Legal dispute *R (Mill operator) v Secretary of State for Leaving the European Association*, it managed whether the UK government could singularly begin the most common way of leaving the EU. In the end, the court decided that the government couldn't start the withdrawal process on its own because doing so would change the authority and legal sovereignty of the UK's domestic laws. This mirrors the English discussion about the power of the law. The pro-Brexit argument is that the UK will lose its full legal sovereignty if it stays in the EU because EU law will take precedence over UK law. Second, controlling immigration and border policy is another manifestation of the desire for sovereignty. Some Brexit allies contend that England ought to have the option to choose for itself who can enter the nation and put down certain boundaries on the quantity of workers, without being limited by the EU's standard of free development. They see it as essential for safeguarding Britain's social, cultural, and economic interests. The right of EU citizens to live in Britain is an important issue in the Brexit negotiations. By requiring EU citizens to apply for residence permits, the British government has decided to repeal EU free movement regulations. The choice mirrors England's endeavor to recapture command over movement strategy to affirm its power. Its endeavor to protect public power and the capacity to pursue its own choices by restricting lines and migration additionally mirrors the significance of sway issues in the choice to leave the EU. At long last, the quest for financial sway and streamlined commerce was likewise a significant calculate the Leave vote [10].

In the Brexit discussions, the UK is attempting to arrive at an extensive economic deal with the EU, while starting to seek after exchange converses with different nations to show its monetary sway and exchange opportunity simultaneously [11]. This exemplifies the belief held by supporters of Brexit that the United Kingdom will be able to regain control over economic sovereignty and trade policy by leaving the EU and will be able to conduct trade relations in a more flexible manner on the international stage. The quest for power in these three regions mirrors the UK's interests about legitimate sway, movement control and financial independence, which together comprise one of the significant explanations behind the UK's help for Brexit.

#### **4. Suggestions for Britain's post-Brexit Development**

After Brexit, the UK faces major challenges such as redefining its international role, restructuring its economy and reshaping its foreign policy. To address these challenges, the UK should make the following efforts. First, the UK should strengthen its trade relations with non-EU countries. According to the UK government, the potential for non-EU trade growth is huge. For example, the UK can take advantage of its traditional English-speaking culture and legal system to strengthen ties with Commonwealth countries, while actively pursuing free trade agreements with large countries such as the US and China. This would not only help the UK spread economic risk, but also improve its competitiveness in the global economy. Second, the UK needs to focus on innovation and investment in education. According to the Organization for Economic Cooperation and Development (OECD), scientific and technological innovation is a key factor driving economic growth. The UK should make use of its world-class universities and research institutions to increase investment in cutting-edge science and technology such as artificial intelligence and biotechnology to promote industrial upgrading and economic growth. Moreover, the UK should improve its immigration policy to attract global talent. After Brexit, the UK is no longer limited by the EU's free movement of people rules and can develop a more flexible immigration policy. For example, by establishing a dedicated skilled migration channel to attract highly skilled talent from around the world, this will have a positive impact on the UK's technology and education sectors. Finally, the UK needs to strengthen domestic policy coordination to ensure a smooth post-Brexit transition. Brexit is not only about economic and legal changes, but also about social and cultural adaptation. The British government should ensure that policies are formulated and implemented with broad social support through extensive public consultation and social dialogue. To sum up, the United Kingdom faces multiple challenges and opportunities after Brexit. By strengthening international trade, investing in scientific and technological innovation, optimizing immigration policy and strengthening domestic policy coordination, the UK can effectively respond to the challenges brought by Brexit and achieve economic stability and development.

#### **5. Conclusion**

All in all, the UK's choice to leave the EU encountered a long and complex verifiable advancement and was impacted by different elements, and this paper accepts that the main variables are monetary turn of events, movement strategy and public power. Toward the finish of the exposition, the accompanying features are proposed for the improvement of the UK after Brexit: First, to guarantee a stable financial change. After Brexit, the UK ought to decrease its reliance on the EU market by building nearer exchange attaches with different nations and districts, and draw in worldwide speculation to drive financial development. Simultaneously, the migration issue ought to be appropriately taken care of. While maintaining control over high-skilled workers, immigration policies ought to be clear and equitable, taking into account national employment requirements and social integration.

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