

GOVERNMENT

Britain votes to leave European Union, causing global financial upheaval

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London; Image courtesy of Burberry

By STAFF REPORTS

The United Kingdom has voted to leave the European Union, a decision that is already having an impact on the global markets.

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A referendum held on June 23 passed with 52 percent of British voters choosing to leave the E.U., the news of which caused a \$2 trillion hit to global stocks, the pound to fall 10 percent to the dollar and the euro to drop 3 percent. Britain's secession from the political-economic union will be a two-year process, but the impact of this time of uncertainty has been immediate.

Breaking up

Britain's exit from the E.U., commonly referred to as Brexit, was spurred largely by economic and political issues across the continent.

Among E.U. members, there has been a struggle on policy surrounding the migrant crisis and terrorism. Now, having left the E.U., Britain is free to set its own policies surrounding immigration, rather than having rehousing of migrants delegated to it.

The EU has also had to deal with economic issues, such as Greece's debt crisis. Those who argued for Brexit were unhappy that the U.K. pays more toward the E.U. than it was receiving back from the alliance, with funds going toward members that were more in need.

While Britain may not have received economic support, being part of the E.U. had financial benefits. Proponents of staying argued that Britain's membership was recouped in the benefits it got from trade.

Now, there are likely to be more barriers in trade between the U.K. and other countries in Europe, which may lead to higher unemployment rates for what is now the fifth largest economy in the world ([see story](#)).



Burberry's 2015 holiday campaign

With the referendum results in, British Prime Minister David Cameron announced he would be resigning from his position, effective in October. The politician led the campaign to stay in the E.U., and said that he did not feel he could lead the country in this new direction.

Former London mayor Boris Johnson, a conservative who led the opposing campaign to exit the E.U., is said to be seeking Mr. Cameron's soon to be empty seat.

Within the U.K., Scotland may take another vote among its citizens about its place in the country.

A previous referendum in 2014 about making Scotland an independent country failed. Almost two-thirds of Scots voted to stay in the E.U., potentially reigniting and furthering interest in being independent from the U.K.

The fashion industry in the U.K. was particularly in favor of remaining in the E.U., with voices including designer Vivienne Westwood and Burberry CEO/chief creative Christopher Bailey putting their weight behind the stay campaign. The [Wall Street Journal](#) points out that British brands' loss could be a potential gain for other European houses.