Context:

The European Union essentially began its life with the Treaty of Rome in 1958 as European leaders wanted to prevent a repeat of the two world wars by giving European nations shared economic and political institutions. This gave way to the European Economic Community in 1967 and ultimately the European Union after the 1991 Maastricht Treaty. Today the EU includes a political and economic bureaucracy, based in Brussels that shapes and controls many aspects of European political life. The EU has its own currency, the euro. It has travel arrangements called Schengen, which allows free travel and migration within the EU.

However, the dream of a “United States of Europe” is still quite far from reality. The EU cannot declare war and does not have independent power to levy taxes. Most people in Europe feel greater loyalty towards their home countries than they do to the European Union as a whole. This lack of continent-wide political solidarity has led many EU citizens to be resentful of the degree of control Brussel wields over their lives. This makes the current European equilibrium inherently unstable. If Europe doesn’t become more integrated there is a danger that nationalistic tensions could cause the whole system to unravel.

Britain has since voted to exit from the EU, this will be disruptive but not disastrous for other EU countries. The larger threat for the EU is that other countries may lose confidence and consider exiting as well.

**Report Requirements:**

Discipline specific knowledge and critical thinking - **BREXIT and its impact on the UK, EU and global economy** (40%)

**Introduction**

**Body**

1. You are required to investigate the background to the European Union – how and why it was formed - and the UK’s position and its role in the EU prior to the BREXIT vote to leave. Provide a detailed review of ‘should we leave’ or ‘should we stay’ from the perspective of the UK and critically evaluate those arguments. 10 marks
2. What were the immediate effects of the BREXIT decision on currency values, stock markets, confidence and investment in the UK and in global markets? How this was managed by governments and central banks in the weeks after the June 2016 vote; in the longer run, what are the likely effects on growth and trade? Using the information that you have gathered come to a conclusion about the future of the UK outside of the EU (Provide evidence/data/graphs to support your discussion) 10 marks
3. Britain has now instigated their formal departure from the EU with the invoking of Section 50. Investigate the process that is followed if a country leaves the EU and consider the ramifications and the long run implications of the BREXIT decision on the both the UK economy and the EU countries. How likely is it that other nations would potentially follow BREXIT? Investigate and review the likely outcomes predicted for the EU and Britain - with a ‘soft Brexit’ or a hard Brexit’? 10 marks

**Conclusion**

**2100 - 2300 words**

**Minimum 10 references (Harvard referencing style)**