

The Future of The European Union After Britain's Exit Le Future De L'union Européenne Après La Sortie De La Grande Bretagne

BASANT mohamed Safwat^{1*}; TOUAIBIA Sara²

¹ University of South Ouadi, Egypte, basant199282@yahoo.com

² University Center of Relizan, Algeria, stouaibia@yahoo.com

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Abstract:

The European Union is the second important geographical, economic, political, and financial grouping after UN in the world who has suffered a real earthquake in recent times following the withdrawal of United Kingdom nicknamed by Brexit, knowing that this country is one of the important active members at the scale international, and within NATO. This disastrous event opened all doors for other member countries to follow the same path or way, especially after the appearance and progression of the populist parties of the extreme right such as Austria and Italy who are in the majority in the parliaments and who currently govern their states. The current international political climate favors the weakening of the European Union especially the change recorded in the United States since the election of Donald Trump as the head of the White House, who wants to see Europe economically weak on the one hand and so that the EU cannot be compete his country on the other hand. In a way, Europe will not be independent from the United States.

Keywords: The European Union –The withdrawal- United Kingdom-Member countries-the extreme right parties

(JEL) Classification : F02 ,F10, F20.

Résumé :

L'Union Européenne est le deuxième important regroupement géographique, économique, politique, et financier après l'ONU au monde qui a subi un véritable coup de séisme ces derniers temps suite à la sortie de la grande Bretagne surnommé ou connu par Brexit, sachant que ce pays est l'un des très importants membres actifs à l'échelle internationale, et au sein de l'OTAN. Ce désastreux évènement a ouvert toutes les portes pour d'autres pays membres de suivre le même chemin surtout après l'apparition et la progression des partis populistes de l'extrême droite tel que l'Autriche et l'Italie qui sont majoritaires aux parlements et qui gouvernent actuellement leurs états. Le climat politique international actuel favorise l'affaiblissement de l'union européenne en particulier le changement enregistré aux États Unis par l'élection de Donald Trump à la tête de la maison blanche, qui désire voir l'Europe faible économiquement d'une part et pour que l'UE n'arrive pas conquérir son pays d'autre part. En quelque sorte l'Europe ne sera en aucun cas indépendante des états unis.

(JEL) Classification : F02 ,F10, F20.

* Corresponding author: **Basant Safwat**, Email: basant199282@yahoo.com

1. Introduction:

The British Empire considered as the greatest empire in the world history. It was not just a super power in Europe; but also is one of the first forces over the world. In seventeenth century, Britain was able to take control of the biggest part in the world around .It had colonies in every continents and oceans, which made her population somewhat superior to the others.

After the Second World War United Kingdom found itself floundering in several economic problems. While the European Economic Community (EEC) provided an economic engine that could revive the British economy, this factor led Britain to rethink about its geopolitical location away from the empire , also it wanted to avoid economic decline and crisis from 1945s to 1972s.

By the early of 1970s, Britain became essential member within the union, but after forty three year of membership, Britain saw this decision as a loss of its worldwide influence and it narrowed its opportunities because of restricted EU instructions, that is why Britain decided to break away from it, perhaps to regain its international role and position. By contrast most of member states considered the access to the Union beneficial for them to improve communication with all membership, and to share goods and services.

From the point of interest and curiosity, this brief study gives more details about Brexit in the same time to show the main important problems that faced Britain within the Union, the most important element is “The future of the EU after UK’s divorce”, either the Union will disintegrate and fall apart or it will remain as et is now.

In order to study this important topic, I raised the following questions are:

What are the goals of the EU? And what are the main EU treaties? -What made Britain join the Union? – What are the main reasons that encourage Britain to leave the EU?-Will immigration be cut? -Do you think other countries will follow suit? in the case of withdrawal, will the UK be able to rejoin the Union in the Future?

To get to the important point in this research” The future of the European Union after Britain’s exit”, this work needs to use a specific methodology or certain approaches are: analytical and qualitative approaches.

The topic has been studied by many researchers whether foreigners or Arabs. But all studies were within the general framework .For example “The causes and cures of Brexit” written by Neal Lawson and Background, Brexit, and the relations with the United States of America by Derek.E.Mix.

By the nineteenth century, the European continent was the theatre of conflicts. That period brought millions of dead and lots of destructions. However, Europe had a lot of bloody wars. So the European leaders came to the conclusion that only economic and political integration the most likely solution can secure the peace between their countries.They created the international association consists twenty eight members. It was established in 1993 after the ratification of the Maastricht Treaty by members of the European Economic Community (ECC). This association delivered peace, stability, and prosperity, each country related to another one by political and economic partnership. The six founder states or the fathers of Europe (Belgium, France, West German, Italy, Luxemburg, and Netherland) had a common desire for the pacification of Europe in particular via the reconciliation of European nations” Never again war” , the declaration of 9th may 1950S:

The contribution which an organized and living Europe can bring to civilization is indispensable to the maintenance peaceful relations. In taking upon herself for more than 20 years the role of champion of a United Europe, France has always had as her essential aim the service of peace. A united Europe was not achieved and we had war”. (*Schuman1, 1950*)

2.The Main Treaties of the European Union:

The European Union is based on manyrules. So every action is founded on treaties. The treaties set out objectives and rules for the EU institution. They make the EU more efficient and transparent and also to introduce new areas of cooperation those main treaties are:

2.1. April1951: The treaty of Paris established the European Coal and Steel Community (ECSC).It was signed on 18th April 1951 and came on force on July 1952. (*EU treaties*)

The pooling of coal and steel production should immediately provide for the setting up of common foundations for economic development as a first step in the federation of Europe, and will change the destinies of those regions which have long devoted to the manufacture of munitions of war, of which they have been constant victims. (*Schuman2, 1950*)

2.2. March 1957: The treaty of Rome was signed on 25th March 1957, and came into force on 1st January 1958, that gave birth to the European Atomic Energy Community (EURATOM). This historic agreement was made by “Christian Pineau” a gentlemanly Politician, Socialist and Foreign Minister from France, “Joseph Luns” Secretary General of NATO from Netherland, “Paul Henri Spaak” Belgian Statesman and Socialist Leader from Belgium, “Joseph Bech” Politician from Luxemburg, “Antonio Segni” Politician and the 34th Prime Minister of Italy, and finally “Konrad Adenauer” Chancellor from the Federal Republic of German. (*Goldberg*)

2.3 February 1986: The Single European Act (SEA) was signed on 1st July 1987 in Luxemburg and the Hague. It considered as the first modification of the treaties of Paris and Rome. (*EU treaties*)

2.3 February 1992: The Treaty of Maastricht also known as the treaty of the European Union. It was signed on 7th February 1992; it entered into force on November 1993. The Maastricht treaty considered as the fundamental or significant stage of the founding of the single currency and the creating of the European Union. It established the Economic and Monetary Union (EMU) as a political compromise between France and Germany by extending European integration to new areas. (*Treaty Maastricht 3*)

2.4 October 1997: The Treaty of Amsterdam was signed on 2nd October 1997 by the Foreign Ministers of the Union. It intended to expand the EU and to include Eastern European countries. (*Lymbouris*)

2.5 February 2001: The treaty of Nice was signed on 26th February 2001 by the European leaders and entered into force on 1st February 2003. The treaty of Nice reformed the institutional structure of the European Union. (*Cilcillus*)

2.6 October 2004: The constitutional treaty or the European constitution. The treaty signed on 29th October 2004 by representatives of the 25 member states of the European Union in Rome. The treaty establishing a constitution for Europe

and contained many of the changes but it was formulated as amendments to the exiting treaties. (*Marchiel 2008*)

2.7 December 2007: The treaty of Lisbon was signed by the European Union member states on 13th December 2007. This historic agreement designed in order to make the EU more democratic, transparent, and efficient. Lisbon treaty introduced important agreement which is article 50. This agreement was signed by the heads of EU member states. It facilitates the procedures of the withdrawal from the Union for any member state. (*Ray 1*)

3. The Objectives of the European Union:

The European Union was created in order to achieve a great desire and other important goals are:

3.1. The Single Market: Is the most important part of the whole project. It was aimed to breaking down all barriers or obstacles to trading across the 500 million people by achieving and ensuring the four fundamental freedoms.

Free movement of Goods: is one of the most ambitious elements of the common market which is about free trade within all member states without any problems. The members abolished existing customs duties between each other and discriminatory taxation is also prohibited by the Union, that is mean member states cannot impose high taxes on products coming from another country in the same territory, just only taxes forced on products coming from the third country (i.e. non-EU member) "Quantitative restrictions on imports and all measures having equivalent effect shall be prohibited between member states". (*Article 34 TFEU*). Thus, collected customs duties are paid into the community budget, and not into the budget of the collecting country for administrative costs.

Free movement of persons and workers: Is a fundamental principal of the Maastricht Treaty, it deals with all works shall be secured within the Union. The European Union abolished any discrimination based on nationality between the workers of the members, also to move freely within the territory of EU for the purpose of employment "prohibitions discrimination on grounds of nationality".

Moreover, it allows citizens to look for job in other EU country to work there without needing a work permit, in order to reside even after employment finished.

Free movement of capital: This decision refers to all restrictions on Capital Movement and payment not only within the Union, but also between EU countries and non EU countries (across borders) were prohibited.

Free movement of services: It is another important element in the European Single Market .It allows to all member states to establish a company inside any EU member.(*Barnier, 2012*)

3.2.The Economic Monetary Union(EMU): Is an important stage, was founded by the European Council in Maastricht. It was enriched later in the treaty on the EU. This important decision brings many benefits are:

The EURO- system and a Single European Currency:Is considered as an essential element in the establishment of the Monetary Union in the Euro area. It had adopted the EURO as an official currency. The EURO- system consists of the European Central Bank (ECB), and National Central Bank(NCB) of 19 member states that are part of the Eurozone.The role of EURO- system is price and financial and promoting trade and raising rate's productivity around member states.

The European Financial Stability Facility (EFST): It was created by 27 members. The EFST aimed at preserving financial stability in Europe by providing financial assistance to the EURO area countries in economic difficulty such as Ireland and Greece, this assistance was financed by the European Financial Stability.

The fiscal policies: Is one of the most significant disciplines in Monetary Union. It has an important role on economic growth of all members, and it made of sovereign states that retain responsibilities for their policies.

3.3.Economic Policy's Coordination member states: The coordination policies laid down in Lisbon for growth and jobs in March 2000 and relaunch in 2005.It have been formed by competition law, internal market, customs union and trade policy. The Economic reform agenda removes all barriers to industrial competition and increase market flexibility. (*Hodson, 2003*)

3.4.Foreign and Security Policy: The EU member states have taken concerted action to safeguard the basic interests, values, security, independence, and integrity of the EU, through a common approach in foreign and security policy has a series of objectives are: preserving peace, promoting international security

and international cooperation's rule of law, respect human rights, and development and consolidation freedom. (*Irmén, 2000*).

3.5. Schengen: The Schengen area is consisted of twenty six European countries that have agreed allow free movement of their citizens within this area as a single country. All barriers and obstacles were broken down, because the European instructions abolished identity checks at the Schengen internal borders within the same territory in order to facilitate travel from one country to another.

3.6. The Dublin Regulation: Dublin is an essential law of the EU, it was originated by the Dublin Convention on June 1990 in Ireland then came into force on September 1997. The Dublin Regulation determines that any European Union states responsible to examine an application for asylum seeking international protection, and it provides for the transfer of an asylum seeker to that member state. (*The Dublin Regulation: the Asylum in Europe*)

3.7. EU Budget: The budget of the EU is considers the most important financial instrument of the EU, it aims to give the EU the means to carry through its policies. It based on contributions from the Member States .The budgetary mechanisms of the present European Union were defined by the Treaty of Paris in 1951, and the Treaty on Functioning of the EU in 1957.

Thus, the idea of integration came not only to achieve just peace in Europe, but also in order to realize all those objectives to become one power against enemies. Normally, all steps are beneficial for each member. In fact Britain saw the membership an essential obstacle to advance in the nearest future. The withdrawal of United Kingdom from the Union is the aim of some political parties such as Labor party. Therefore, Britain held the first referendum on 5th June 1975, the electorates were asked to yes or no to the following question: "Do you think the UK should stay in the European Community?". The majority of political parties such as conservative party and mainstream press supported and argued continuing membership of the EEC by 67, 09% votes. By contrast there were significant splits within the ruling Labor Party who favored and preferred Britain exit from the European Community by 32, 70% votes. The table below gives more details about the first referendum. (*Eurostat, 2016*)

Answer	Voice	Rate%
Yes	17378581	67,09%
No	8470073	32,70%
Nothing	54540	0,21%
Total	25903194	100%

Source: Eurostat

Table1: Referendum's results for Britain in 1975

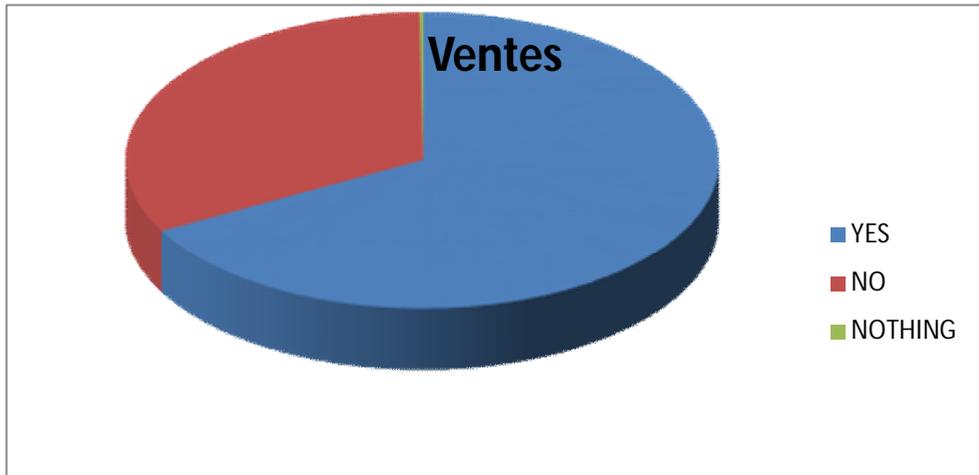


Chart1:Referendum's results for Britain in 1975

On 23rd June 2016 Britain held the second referendum. At that historic day British people took the final decision about separation from the Union. Thus, the majority (Labor party, conservative party, and Liberal Democrats party) wanted UK's withdrawal by 51, 9%. While the rest voted against the separation by 48, 1%. So, the vote by the British people to leave the European Union sent shockwaves across the continent of Europe and beyond. It is the most significant event in Europe since the fall of the Berlin Wall in 1989 and may well mark the beginning of the end of the European Union as we have known it.

British Prime Minister David CAMERON did not want a referendum on exit from the EU at all. In 2014, Cameron faced strong populist pressure on immigration and Britain's membership.

To calm opponents in his party and to stop the rise of the extreme right UK independence party, he promised to hold a referendum. At that time the Conservative party won the majority in parliament and David Cameron was not in

favor the Idea of Brexit, which promoted him to announced his resignation, pointing out that the process of exit from the EU will be led by another Prime Minister “Theresa May”.(Centre for European Reform Calculation)

The table below shows the variation results of the second referendum from one state to another one in one country, this makes the referendum somehow difficult because the result is very close between supporters and opponents.

Nations	Yes	No
Wales	52,5%	47,5%
Northern Ireland	44,2%	55,8%
Scotland	38%	62%
England	53,4%	46,6%

Source: Centre for European Reform Calculation

Table 2: Nations' results about Britain Exit

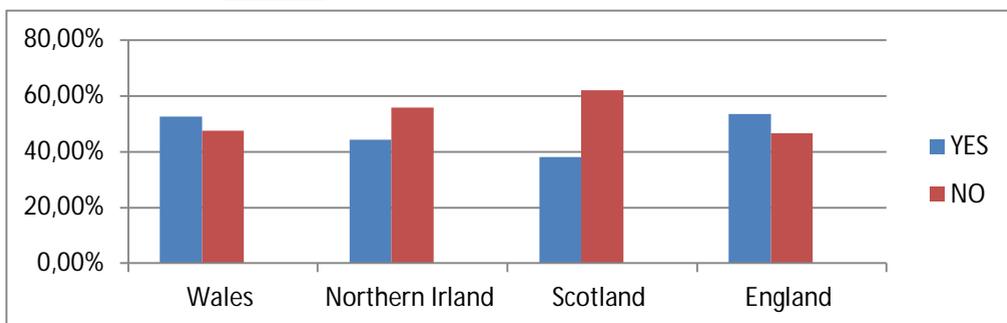


Chart 2: Nations' results about Britain Exit

4. The Causes behind the withdrawal:

There a lot of countries within the Union have a weak economy in many sectors and domains; they depend on Britain in order to develop their economy. There are also a number of common worries, concerns and anger about the European Union across the continent and which in the UK reinforced the Leave vote such as: Competitiveness; Jobs; Immigration; and Sovereignty.

Common Britishers think they were losing power as a country because everything gets decided in Brussels (capital of the EU), and if they get out of the EU they would be more independent.

-The problem of immigrant and refugees: United Kingdom has experienced a steady flow of immigrants (British nationals, nationals of other EU countries, and nationals of non EU countries) from 1992 until September 2016. This phenomenon is a significant factor in the growth of the UK population. Therefore a burden of migrants and refugees resulting huge of unemployment and social issues. So, according to the latest statistics the number of immigrants in Britain is estimated at 863 thousand , which is a great burden amounts to more than 3,67 million(\$4,311Billion)a year, this number is equivalent to half of the education budget in England. So, British citizens proposed to stay employed this budget in scientific research and new industries. Citizens believed that exit from the Union will enable their country to adopt a new system that could limit the accession of immigrant from to Britain.(**OECD, Foreign direct investment statistics**)

-Free trading: The Single Market is one of the advantages of the Union and Free movement of trading allows to businesses to create a job inside Britain and to gain more incomes , but every member is required to abide by a certain conditions, like no state can deal freely without other country without the consent of the union. Therefore, these conditions make Britain constrained; unfortunately they affected its economy. On one side British people believed that the withdrawal from the EU will make Britain far from the EU laws and instructions. On the other side Britain can make trade agreements with important countries such as America, India, and China, in addition to the establishment of free trade area.

-International influence: The United kingdom agrees that its influence within the EU is very weak. In case Britain leaves the Union, it will be able to act freely and it will get seats in international institutions such as the World Trade Organization that it lost because of the accession to the Union.(**Arnorsson, 2016**)

5. The effects of UK's withdrawal on the EU:

Since 2016, the UK is still dreaming of leaving the EU in order to get its own independence from it, which seems going to fall at any moment in the present day. So the 29th of March 2019 is probably going to be the date that the UK breaks its connection with EU forever according to the content of the article 50. Thus, the

impact of the Brexit vote will not be clear until now. But we have very little idea of the shape of future British-EU relationships or an outline of any Treaty or trade agreement between London and Brussels. However, there are a few clear consequences.

First, a vote by a Member State to leave is an immense shock to the Union's self-image and global standing. If one Member State can vote to leave, so potentially can others. Because, particularly of the euro crisis, that sense of EU fragility already existed, the Brexit vote will now further weaken the Union's credibility, legitimacy and political capacity to act.

Second, The UK's withdrawal also places a further burden on the EU institutions and the Member States, struggling with the Euro crisis, migration flows and Russian aggression. Dealing with complex Brexit negotiations reduces the resources available to deal with these entire crises and increases the complexity of managing these crises as they begin to feed off one another.

A further threat to the single market flows directly from British withdrawal. The UK has some degree acted as an employment shock absorber for the Eurozone and has soaked up workers from CEE states. If the UK no longer provides a broad right to work on its territory for EU nationals, those workers will be looking across the rest of the Union instead. A further danger therefore arises that for rising nationalist parties, increased flows of EU nationals into their labour markets becomes a major political issue.

Because of the civil war in Iraq and Syria, the EU had decided that they would distribute the refugees all across its member States, and Britain was against it. It was internal mobility, which meant that anybody could move from one part of the EU to another. There was a lot of movement from Central and Eastern Europe, Poland and Hungary.

More recently, mobility was opened up for Bulgaria and Romania. A lot of these people from Central and Eastern European countries were moving to the UK because of better job prospects. So all of that will stop. Britain will no longer be bound by EU regulations to take any more refugees. (*Reenen*)

6. Beneficiary and non-beneficiary countries from the Brexit:

6.1. Beneficiary countries:

Gibraltar: The first beneficiary country from the Brexit is Spain, which has been demanding control's restoration over Gibraltar of many years. More than 32000 British citizens in the colony fear the outcome of the referendum because the exit of Britain from the Union will encourage Spain to regain or to restore its colony, based on the agreement which is signed between both countries.

Switzerland: This country supports the separation from the Union. This important step will give huge incomes and benefits that will follow to its banks if it is achieved in the nearest future. The Deputy of the Association of Swiss Private Banks Gregoire Bourdieu said at conference that he supported the idea of Brexit because it would create a climate of "Anxiety" from the flow of additional funds originating from Europe to Switzerland.

United States of America: USA is also one of the countries benefiting from the divorce of UK; the governors will establish economic relations and partnerships with Britain. Because they considered UK as a great prize for them in the same time it is an important element which has a great political and economic power and wealth around the world.

6.2. Non-beneficiary countries:

Germany: Some German Politicians declared that the leaving of Britain will have a catastrophic impact on Berlin and Europe alike, where the German Finance Minister during a visit to London in response to a question about what a Germany would do if Britain leaves the Union, he said: "We will cry if you leave". *Der Spiegel Magazine* entitled "Please do not leave.... Why Berlin needs the British, Germany wants to be a leader in Europe but does not want to do on its own". (*Der Spiegel Magazine 2017*)

Netherlands: is the biggest loser, the Dutch Government's Central Planning Office studies warned that the Netherlands would be hit hard if Britain leaves the EU, and there are statistics which are expected to drop by 1, 2% by 2030 and trade losses of about 10 Billion Euros due to the low volume of trade between two countries. So this study concluded that this country will be the biggest affected compared to other EU countries because of its strong bilateral relationship with Britain. (Country Gross Domestic Product GDP 2016)

Japan is closely monitoring the potential impact of the referendum. Japan's Economic Minister said that if the United Kingdom withdraws from the Union it will affect Japanese companies with operations in Britain.

The European Union is a third force after America and the Soviet Union before entering China as an influential economic player. It was found in order to ensure Europe's security. Over the years many problems emerged within the Union, which promoted many countries demanding exit from it such as Britain. Many researchers argued that Brexit would open the way for other countries to independent from the EU.

The extremist party in France leading by Marin Lupine is favored the idea of exit from the Union and she is called for "Frexit" campaign similar to the Brexit if she comes one day president of France.

The rise and the presence of the extremist party to the power in Italy pushed this country to rethink about the EU immigration rules. Those parties are against immigrants and refugees.

Netherland also rethink about its membership. Gert Wilders the leader of the Dutch Freedom Party said:" We want to regain control of our country, our borders, and our money. Therefore must be separate from the European Union". Not only France and Netherlands are the candidates to repeat the UK's experience Sweden and Hungary too.

Sweden rejected the Single Currency (EURO). The extremist right in Sweden supports the withdrawal of his country from the Union in order to take his own decisions away from the EU instructions.

Denmark and Hungary are against the idea of handing the power to the EU.The Hungarian President does not know a loyal friend of the Union. Lots of disputes and differences between Hungarian President and the President of the Union made the relationship worst. (*Baker, Shnapper 2015*)

7.Conclusion:

Throughout centuries nations have bled and fallen down more than the drops of rain on earth a day, but that failure did never break their will to resist and stand up like a high skyscraper, and Britain is one of those nations that fight till the last breath and the history witnesses that for it, for everyone knows that neither Alexander the Great nor William Wallace gave up when the freedom of their

nations was on the line those times, and Britain won't as well therefore it will wait firmly till the drawn of Brexit shines again to have the separation.

Britain's divorce from the European Union has two sides coin. The first face includes the positive aspects of Britain from this historic democratic revolution. The second one was described by researchers as a painful slap to the Union in general. Since the United Kingdom has a great and important place within the EU. So Britain's exit has greatly affected the credibility of the European Integration.

Last and not least, the withdrawal is not only the dream of Britain but also many members hope to withdraw from the EU such as France, Denmark, Sweden, and Hungary .every member has an essential role for achieving the cohesion of the European integration. By contrast the exit of any country will inevitably destabilize the Union.

Finally, the conclusion is that the European lost an important pillar and other European countries. So it threatened with disintegration. Therefore the European Union must reconsider its laws in order to preserve the members, to restore its credibility over the world and strengthen relations among members.

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