United Kingdom + European Union = OK?

Предмет: Иностранный язык

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Introduction

Today, the European Union is one of the most authoritative unions in the world. The EU united 27 European States economically and politically including the United Kingdom until February 2020.

So, the theme of my report is "United Kingdom + European Union = OK?"

Relevance of the chosen research topic is determined by the development of globalization and partial loss of national features of nations that are the part of the European Community.

<u>The aim</u> of our report is to study the relations between the United Kingdom and the European Union.

For achieving our aims we need to solve the following tasks:

- 1.To find out information about the theme;
- 2.To work out the plan;
- 3.To learn the background of the United Kingdom and the European Union;
- 4. Find out the reason for the UK's exit from the EU.
- 5. To sum up our information about the theme;
- 6.To present our results.

<u>The object</u> of studying the UK's exit from the EU (Brexit) and its consequences for citizens.

<u>The subject</u> of the report is the relationship between the United Kingdom and the European Union.

Our hypothesis is: leaving the UK from the EU will not be a big loss for the UK and it's citizens

The methods of our research are: exploration, analysis and interview.

The results of the research can be used in works on the effectiveness of verbal communication. This research may be of some interest for students, to broaden their knowledge of Brittan's history.

Chapter 1

The history of relations between the United Kingdom and the European Union

In 1957, the European Economic Community (EEC) was set up. At a time, it had six member states: Belgium, Italy, Luxembourg, the Netherlands, the Federative Republic of Germany (FRG) and France. The idea was to create a common economic space by boosting economic development in the EEC member states.

The United Kingdom stood away as it was skeptical of the EEC's trade and economic prospects. Back then, the UK authorities and business circles were staking on broader ties with the United States and the Commonwealth countries.

In 1960, the UK-proposed European Free Trade Association (EFTA) was established by Austria, the United Kingdom, Denmark, Norway, Portugal, Sweden and Switzerland. Their integration plans did not go beyond a free trade zone, but as the EEC was doing remarkably well, the EFTA member states started looking to join it.

The United Kingdom applied for EEC membership twice, in 1962 and 1967. However, both bids were blocked by France. Then French President Charles de Gaulle feared that the United Kingdom, given its special ties with the United States, would play a negative role in the EEC, undermining its solidarity and independence in relations with the United States. It was only in 1969, soon after de Gaulle stepped down, that the accession talks with the United Kingdom began. In 1972, the United Kingdom walked out of the EFTA and as of January 1, 1973, became an EEC member state. From its very first years in the EEC, which was renamed the European Union in November 1993,

the United Kingdom sought to maintain maximum independence in key economic and political issues. Thus, it did not support major integration projects such as the 1995 Schengen Agreement on visa-free borders inside the European Union and the 1999 introduction of the European common currency – the euro. At the EU summit in March 2012, London rejected the budget pact on tighter financial discipline, lobbied by Berlin and Paris. The United Kingdom's share in the EU budget is around 11.3 billion euros (\$12.7 billion) per year.

Differences arose repeatedly between the United Kingdom and its EU partners, fueled by influential political and public forces in the United Kingdom, who opposed their country's membership in the European Union, saying that it reduces national sovereignty and involves additional expenses.

Statements by UK officials and documents adopted by the ruling party in recent years often called for a reshuffle of authority between London and Brussels. The UK Conservative party threatened to pull out of the EU Charter of Fundamental Rights, restrict the jurisdiction of the European Court, revise the EU employment laws, cancel the 48-hour working week, reform the common agricultural policy, which accounts for 40 percent of the EU budget, and so on.

In 2011, an economic crisis in the United Kingdom boosted the anti-EU sentiments. Conservative lawmaker David Nuttall urged a referendum on the country's membership in the European Union. His petition collected more than 100,000 signatures. Despite that, on October 25, 2011, UK lawmakers, after five hours of debates, voted by an overwhelming majority of 483 votes out of 650 against the plebiscite.

Addressing the UK Parliament on that day, Prime Minister David Cameron asked the lawmakers to vote against, saying that with crisis gripping Europe, it was not the best time for such a referendum.

In January 2013, Cameron announced in his program speech that the United Kingdom might hold a referendum on its potential divorce from the European Union at the end of this decade in the event his Conservative Party wins the 2015 general election.

The election took place on May 7, 2015. The Conservatives took 36.9 percent of the vote, compared with 30.4 percent won by the Labor Party, and secured an absolute majority in the House of Commons, the lower house of Parliament. Conservative leader David Cameron formed a one-party government.

So, an economic crisis in the United Kingdom boosted the anti-EU sentiments.

Chapter 2

The UK's exit from the EU

On 28 May, 2015, the UK government motioned a bill on a referendum on the issue of the United Kingdom's pullout from the European Union. The question was worded as follows: "Should the United Kingdom remain a member of the European Union or leave the European Union?" The vote was to be held "no later than December 31, 2017." In June 2015, the House of Commons approved the bill.

On November 10, 2015, Prime Minister David Cameron launched an official campaign to alter the terms of the United Kingdom's EU membership. In his letter to the European Council, he spelled out London's demands. The demands were split into four groups.

The first group comprised demands to cut migration flows from the European Union to the United Kingdom. It included a four-year suspension of social allowances to migrants, a six-month ban on unemployment allowances to migrants from the European Union and tighter deportation rules for migrants who commit offenses.

The second group included demands to improve competitiveness, for example the removal of bureaucratic barriers and restrictions on the movement of capital, goods and services.

The third group aimed to bolster UK sovereignty, including by renouncing the commitment to move toward the "ever closer union" as stipulated by the Treaty on the European Union.

And finally, the last group, comprised demands to amend currency laws such as the inadmissibility of discrimination against countries that are not part of the monetary union, or the Eurozone or attempts by Eurozone countries to impose any decisions

on their non-Eurozone partners, the creation of a banking union exclusively on a voluntary basis, and so on.

Cameron vowed to call a referendum if those demands were not satisfied.

After the demands were submitted in November, the European Council and the European Commission began intensive talks with London to discuss details of a possible deal.

On February 19, 2016, the EU leaders, after two days of debates, reportedly agreed on the new membership terms for the United Kingdom on which Prime Minister Cameron would support his country's stay in the European Union at the upcoming referendum.

The member states coordinated a document that is supposed to take effect on the day the UK government notifies the European Council's General Secretariat of the country's decision to remain in the European Union, based on the results of the plebiscite. The EU leaders consented, among other things, to enshrine in the EU treaties the unacceptability for the United Kingdom to move toward the "ever closer union."

Yielding to London's pressure, Brussels also approved a norm allowing national parliaments to initiate the suspension of hearings of bills by the European Council if it is proven that they breach the principle of the delegation of authority in the European Union.

The EU member states asked the European Commission to draft legislative amendments meeting the United Kingdom's demands to cut children's allowance to migrants whose children live outside the country that pays the allowance.

The European Commission also pledged to amend the law on the free movement of workforce within the European Union to satisfy the most problematic of London's demands, namely to freeze social payments to migrants from EU member states if the burden of these payments on the UK welfare system is excessively high.

Having acknowledged the need to deepen the Eurozone, the member states agreed that measures aimed at further strengthening the economic and currency union would be "voluntary" for the non-Eurozone states, although the latter will be able to participate in the implementation of the above measures.

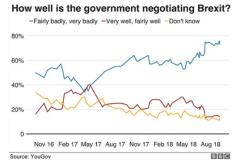
Member states that do not take part in deepening the monetary union should not obstruct, but on the contrary, should promote those efforts. Anti-crisis measures aimed at propping up financial stability in the Eurozone will not affect the budgets of those EU members that do not use the euro or do not participate in the EU banking union. The latter applies both to Eurozone countries and EU member states wishing to participate in it.

Moreover, any EU member state can raise issues pertaining to the implementation of this decision at EU summits.

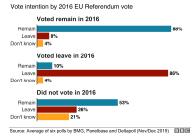
The United Kingdom's EU membership referendum was held on June 23. Prime Minister David Cameron had ruled out a second EU membership referendum.

Following a UK-wide referendum in June 2016, in which 52% voted in favour of leaving the EU and 48% voted to remain a member, the UK Government, which was then led by Theresa May formally notified the EU of the country's intention to withdraw on 29 March 2017, beginning the Brexit process. The withdrawal was

originally scheduled for 29 March 2019, but was then delayed by deadlock in the UK Parliament after the June 2017 general election resulted in an unexpected hung parliament after the Conservatives lost their small overall majority



but remained the largest party, which would later lead to three subsequent extensions of the Article 50 process. The deadlock was resolved after a subsequent general election was held in December 2019, resulting in



the Conservatives who campaigned in support of a "revised" withdrawal agreement led by Boris Johnson winning an overall majority of 80 seats. Following the outcome, the UK Parliament finally

ratified the withdrawal agreement, and the UK left the EU at

11 p.m. GMT on 31 January 2020. This began a transition period that is set to end on 31 December 2020, during which the UK and EU are negotiating their future relationship. The UK remains subject to EU law and remains part of the EU customs union and single market during the transition, but is no longer part of the EU's political bodies or institutions. Withdrawal was advocated by hard Eurosceptics and opposed by pro-Europeanists and soft Eurosceptics, with both sides of the argument spanning the political spectrum.

So, the UK remains subject to EU law and remains part of the EU customs union and single.

Chapter 3

Economic Implications of Brexit

Whether Brexit is judged to be success or not will depend to some degree on its economic impact. Much of the public debate in the UK around Brexit has been focused on the binary choice of 'soft' or 'hard Brexit', which relates to whether the UK should stay in the Single Market and the Customs Union, or have a clean break from both and set up new trade arrangements with other countries. However, a range of different trade opportunities and arrangements are possible between the UK and European Union (EU), and other countries, such as the United States, post-Brexit.

The chosen trade arrangement will largely depend on the UK's negotiations with the EU. This will involve a complex set of talks between both parties involving multiple issues. The Brexit negotiations appear to be particularly challenging for the UK, as it attempts to disentangle its current ties with the EU while also negotiating arrangements for a future UK–EU trading relationship.

Both the UK and the EU have declared their intent to have a positive partnership, but if discussions over the divorce arrangements and future accord are negotiated consecutively rather than concurrently, it could lead to the two parties being unable to reach mutually advantageous accommodations. This is likely to present a number of political and economic challenges for both sides, but especially the UK.

With RAND Ventures funding, researchers from the US and RAND Europe explored the economic implications of eight different trade



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scenarios involving the UK, EU and US after Brexit. The study also aimed to create a better understanding of how a variety of factors might affect the outcome of Brexit negotiations between the UK and EU. Finally, the study explored the potential implications of Brexit for the US, including the effects on its economic, political and security interests.

The study used an economic model to analyze the potential economic implications of eight different trade scenarios. These scenarios included five 'hard Brexit' options:

- An arrangement in which UK trade is governed by WTO rules
- The successful negotiation of a UK-EU free trade agreement (FTA)
- The creation of a UK–EU–US FTA based on the proposed Transatlantic Trade and Investment Partnership (TTIP)
- The creation of a US–UK FTA excluding the EU
- An extended transition period during which EU and UK tariffs do not change but other non-tariff barriers to trade come into effect
- It also examined three 'soft Brexit' scenarios:
- The Norwegian model (membership in the European Economic Area)
- The Swiss model (a series of bilateral agreements)
- A customs union
- The researchers used game theory insights to develop a better understanding of how a wide variety of factors might affect the outcome of the Brexit.
- Accompanying the study is an online calculator, allowing policymakers and economists to alter key trade assumptions in order to understand their economic impact on the UK, EU and US. It also allows users to create other scenarios for examination as Brexit negotiations develop and trade talks begin.
- After conducting the study, the group received the following results.

- The economic analysis shows that the UK will be economically worse-off outside of the EU under most plausible scenarios. The key question for the UK is how much worse-off it will be post-Brexit.
- The failure of the UK to achieve an open trading and investment with the EU post-Brexit would have negative implications for the UK and EU, and provide little, if any, gain for the US.
- The option of leaving the EU with no deal and simply applying World Trade Organization (WTO) rules would lead to the greatest economic losses for the UK. The analysis of this particular scenario shows that trading under WTO rules would reduce future GDP by around five per cent ten years after Brexit, or \$140 billion, compared with EU membership.
- The WTO outcome would likely move the UK decisively away from EU standards and result in significantly increased non-tariff standards, harming the ability of UK businesses to sell services to EU countries. The services sector, including financial services, dominates the UK economy, contributing to around 80 per cent of its GDP.
- Under WTO rules, the EU would also lose out economically, but nowhere near the same proportion as the UK. The economic loss to the EU could be about 0.7 per cent of its overall GDP ten years after Brexit.
- The seven other trade scenarios would be considerably better for the UK than WTO rules, but most would still lead to economic losses compared its current status as an EU member.
- Of all the scenarios analyzed, the one that would have the most benefit would be a trilateral UK-EU-US agreement, essentially a TTIP-like agreement. The UK would be 7.1 percentage points of GDP better than the WTO rules scenario, which is even slightly better than continued EU membership would be. This is because the UK would gain preferential access to both the US and the EU marketplaces and benefit from their stronger economic growth attributed to a

- TTIP. However, a TTIP-like arrangement is seen as very unlikely in the current political environment.
- None of the 'soft Brexit' scenarios would be as beneficial to the UK as the trilateral UK-EU-US agreement. All three scenarios are likely to lead to modest financial losses to the UK economy compared to the current arrangement of EU membership.
- After Brexit, political and security effects would be the more important to the US. The potential economic gains and losses for the U.S. in Brexit are small, , apart from the TTIP-like arrangement which would result in substantial economic gains for the US. The US will miss the influence and global perspective that the UK brings to the EU decision-making process, particularly around foreign policy, security and defence.
- The EU is likely to engage with the UK during Brexit negotiations, but may see benefit in adopting a 'zero sum game' approach. Europe's top political priority is to discourage other member states from withdrawing.
- It will be important for the UK to seek ways to move away from a 'zero-sum game' and towards a 'positive-sum game' as negotiations proceed, to ensure the best possible deal for all parties. A UK strategy of trying to pick apart European unity is unlikely to work since it is in the best interests of all EU member states to work together.
- Overall, it is in the best interests of the UK, and to a lesser extent the EU, to
 work together to achieve some sort of open trading and investment relationship
 post-Brexit. The "no deal/WTO rules" option would be economically damaging
 to both parties.

So, Brexit has played an important role in the United Kingdom and the European Union. But, overall, it is in the best interests of the UK, and to a lesser extent the EU, to work together to achieve some sort of open trading and investment relationship post-exit.

Conclusion

We have learned the theme in details and drawn the conclusion. The UK narrowly voted in favour of Leave in the EU referendum, but with six months to go until Brexit, where does the country stand now?

From whether the UK should hold another referendum, to what Brexit means for the economy, the opinion polls reveal a great deal about what the country thinks.

Following the Conservatives' decisive general election victory, the UK is leaving the European Union.

But where does the public now stand on Brexit and what do they think it should mean for immigration and the economy?

Despite the Conservatives' election success, polls conducted during the campaign suggested - as they had done for the last two years - that there was a small but consistent majority in favour of remaining in the EU.

On average, the last half dozen polls before the election put Remain on 53% and Leave on 47%. According to these polls, most Remain (88%) and Leave voters (86%) would vote the same way as in the 2016 referendum.

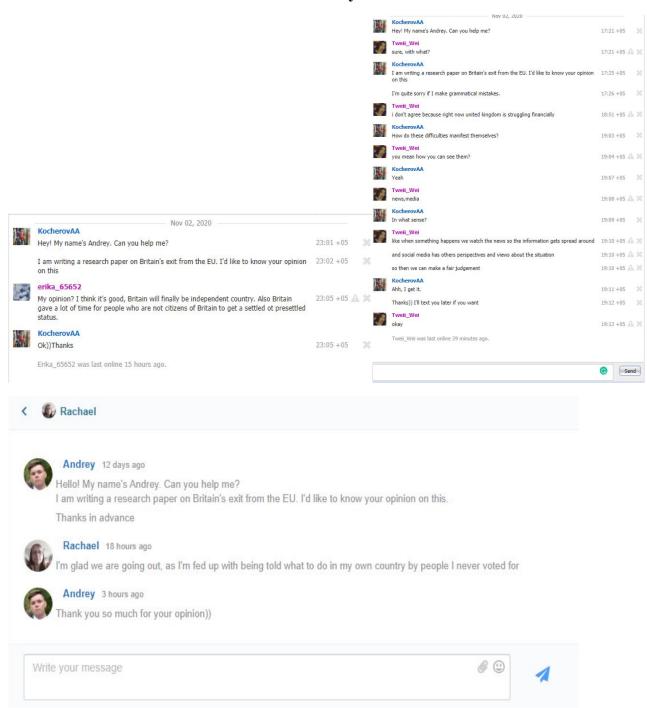
However, those who did not vote in 2016 back Remain by two to one (53% to 26%) One poll conducted since the election, by BMG Research, suggests opinion has not shifted significantly since the election. It put Remain on 52% and Leave on 48%.

The lead for Remain is too small to be certain that most voters would prefer Brexit was not happening. However, the evidence certainly does suggest the UK remains more or less evenly divided about Brexit.

In my ongoing research, I've found that this view is too simplistic: in practice, young people's reactions and views are much more diverse and tricky to categorise. On pen pals interview, I wrote to UK residents and asked their opinion about Brexit. (see Appendix). I have learnt their advantages and disadvantages of the topic.

Appendix

Survey



On the one hand, after the exit, Britain fell into an economic crisis that was aggravated by the covid-19 epidemic.

On the other hand, Britain has gained freedom and is now free to make its own decisions in economic, political, and other areas.

Of course, the results of the referendum indicate the desire of the majority of the population to leave the EU, but this difference between people who wanted and did not want to leave is small enough, so it is difficult to judge the consequences. Now it is difficult to judge the outcome of the release. The final answer will take several years.

Resources

- 1. https://sputniknews.com/europe/201606231041785250-uk-eu-relations-brexit/
- 2. https://www.rand.org/pubs/research_reports/RR2200.html
- 3. https://www.rand.org/randeurope/research/projects/brexit-economic-implications/calculator.html
- 4. https://www.bbc.com/news/uk-politics-32810887
- 5. https://www.gov.uk/government/publications/the-united-kingdoms-exit-from-and-new-partnership-with-the-european-union-white-paper/the-united-kingdoms-exit-from-and-new-partnership-with-the-european-union--2
- 6. https://edition.cnn.com/2020/01/31/uk/brexit-boris-johnson-uk-on-the-world-stage-intl-gbr/index.html
- 7. https://www.bbc.com/news/uk-45520517
- 8. https://connectpals.org/
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