

BREXIT: IMPLICATIONS FOR UK'S REGIONAL ROLE

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ABSTRACT

Thesis Title: Brexit: Implications For UK's Regional Role

Brexit is the act of leaving EU by United Kingdom as a result of referendum held by the British Conservative Party in June 2016 after winning the election. United Kingdom (UK) has always been a reluctant member of the European Union (EU). It has always expressed a number of concerns regarding the economic and political policies of EU. UK has always been against the supranational integrative approach of EU and has been in favor of only intergovernmental economic cooperation. Brexit is the consequence of UK's Euroscepticism. Brexit has wide spread implications for UK. UK has an historical regional role—political, economic and security—in Europe which is going to change after Brexit. UK has played its role as a major regional player in regional politics of Europe alongside France and Germany. These three powers have been assertive in the regional strategic calculus of Europe. These big three of Europe usually backed each other in the regional political and security issues of Europe. UK has a very strong regional economic role too. British economy has always been conspicuous at regional as well as international level. At regional level, UK has been a leading economic player in EU's internal and external trade and economic affairs. UK's choice to go for Hard Brexit or Soft Brexit will determine that how much its regional economic role changes after Brexit. UK's regional security role in Europe has been very important as it has always cooperated with other European states in matters related to legal security and law enforcement. UK has shown cooperation in enforcing legal instruments of EU in the region. This study aims to investigate the paradigm shift in the UK's regional economic, political and security role after Brexit. UK is facing epic uncertainties in the post-Brexit era in every area. This research looks into causes of Brexit and the ensuing changes in UK's regional role—political, economic and security. This study finds that the UK will mostly face adverse effects vis-à-vis its regional role in the above-mentioned areas following Brexit.

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ABBREVIATIONS

BFBA	British Fishing Boats Act
CAP	Common Agriculture Policy
CFP	Common Fisheries Policy
EAW	European Arrest Warrant
ECB	European Central Bank
ECJ	European Court Of Justice
ECSC	European Coal And Steel Community
EEA	European Economic Area
EEC	European Economic Community
EFTA	European Free Trade Association
EMU	European Monetary Union
ERM	European Exchange Rate Mechanism
ESC	European Social Charter
EUCU	European Union Custom Union
KLA	Kosovo Liberation Army
MFN	Most Favorite Nation
NATO	North Atlantic Treaty Organization
QMV	Qualified Majority Voting
SEA	Single European Act
TAC	Total Allowable Catches
TTIP	Trans-Atlantic Trade Investment and Partnership
UKIP	United Kingdom Independence Party

Introduction

Great Britain is an influential member of EU. Now it is withdrawing from EU. This systematic process of withdrawal of Britain from EU is called Brexit. Public of Britain has voted in a referendum held on June 23, 2016 to leave EU. The result of this referendum has great consequences for Great Britain. These consequences and implications which Britain would face after leaving EU are political, economic and social. Immediately after the results of referendum came out, British Prime Minister resigned from his position. He was campaigning for Britain to stay with EU. Theresa May became new Prime Minister. She presented a bill to cancel the European Communities Act. The terms of the bill were not finalized and periodic debates were held over it. Britain was always a reluctant member of EU, mostly because of its glorious past.

British Government has invoked Article 50 of the treaty of Lisbon EU after Referendum of Brexit. However, British Government announced the intention to join Single Market or Custom Union in the future. British Government has also created “Department for Exiting the European Union” which would oversee and manage the process of departure of Great Britain from EU. British intellectuals and economists do not see Brexit as a very healthy process.¹ According to them, Brexit would damage the economy of Britain in the long run. Real per capita income of Britain will decrease, and there will be an increase in inflation which would economically affect ordinary citizen of Britain. Britain would also suffer in terms of scientific research. Immigration from European Economic Area (EEA) will also lessen in the future after Brexit.

The exact magnitude of impact on Britain would depend heavily on the fact that either it is going for a Hard Brexit or Soft Brexit.² Great Britain must avoid Hard Brexit as it would damage its internal economic equilibrium as well as its regional strategic role. Britain has always followed a non-discriminatory trade policy but Brexit has the potential even to change that. There would also be considerable changes in the foreign policy of Britain as Britain would be required to re-think and reshuffle its strategic interests. The relations between Ireland and Great Britain are also predicted to remain on a lower note after Brexit. As the border between Ireland and Northern Ireland would be the only land border between Great Britain and EU after Brexit. This border was created as a result of Good Friday Agreement and there had been a

¹ Richard Partington, “Brexit has trapped UK in no man’s land, warns top economist.” *The Guardian*, April 29, 2019.

² Stephen Castle, “Soft Brexit? Hard Brexit? How About Endless Brexit?” *The New York Times*, March 8, 2019.

troubled history between Britain and Ireland over this border. There are different proposals by British politicians to solve this issue but this border presents one of the biggest challenges for Great Britain for making a good deal while getting out of EU. Union between England, Scotland and Ireland would also suffer in various areas after Britain gets out of EU. These areas are Interreg and Peace programs, Common Travel Area, Policing, Trade, Agri-Food industry, Energy Policy, European Qualification Framework and Water Management.

This research covers changes in Britain's regional role after Brexit. Brexit almost affects every area related to day to day life of common British. Brexit has implications for Digital Single Market, European Common Aviation Area and even its effects will be felt in London fashion industry. Also it will negatively impact EU. EU integration plans in future can become weak. EU economy will also feel great uncertainty. Great Britain will feel negative domestic economic trends which can hamper its long term economic growth. British Nuclear program could also get affected in the future by events of Brexit.³ Getting out of Euratom will make things difficult for Great Britain as far as movement of expert nuclear staff is concerned. Britain's regional political role will also face repercussions due to Brexit. Great Britain has played an effective regional political role since a long time in Europe. But after Brexit, there are chances that its role would be decreased and that could also damage its cooperation with U.S.A and N.A.T.O. British overseas territories will also face repercussions of Brexit. These overseas territories are Gibraltar, Cyprus and Falklands. Especially, Gibraltar which is a British overseas territory and Spain has historical claims over it. British domestic economy is also facing phenomena of "Brexodus", which means many companies are shifting their offices from Great Britain. Europhiles consider Brexit a result of globalization. Brexit will also impact Great Britain Irish relations in a number of ways. British crown dependencies will also be affected by Brexit. These crown dependencies are Channel Island, Isle of Man. So, overall Brexit has wide ranging implications on the whole region.

Norway and Norway plus options are hugely favored by British politicians. Norway option is that Great Britain should join European Economic Area (EEA). Norway Plus combines features of Norway option and Turkey option. There is also a forward bloc inside British Tory party which is called "Norway for Now". This group says that Great Britain should go

³ Adam Vaughan, "Brexit will delay new British nuclear power stations, warns experts," *The Guardian*, January 27, 2017.

for Norway option till the time a comprehensive agreement is not reached. Some British politicians consider it impractical.⁴ There is also a new party called Brexit Party headed by Nigel Farage. Brexit Party has done well than most other British parties in recently held EU elections.⁵

This research focuses on implications of Brexit for Great Britain's regional political, economic and security role. It does not cover internal political and economic changes taking place in Great Britain due to Brexit. This research also covers various options for Brexit and also impact of Brexit on one of its overseas territories, Gibraltar.

This research is important as Brexit will significantly alter Britain's regional political role, regional economic role and regional security role. Shift in these roles can negatively or positively impact the Great Britain. Great Britain's historical Atlantic tendency will also be affected. Great Britain will shift more towards isolationism in international politics. Although, till now, Great Britain has announced that it will remain committed to its international and regional role. A deep analysis of Brexit throws light at various angles of this shift in role at regional level. Great Britain was once part of the big three at regional level but now that would change. France and Germany have always been suspicious of Britain's involvement in the EU. Germany which has introduced concept of smart defense in EU is well aware of British reservations towards it. Although, EU has many members which are also members of N.A.T.O. Still, U.S.A considers EU detrimental to its international and European regional interests. Germany is considered by many to be the most influential member of EU. Great Britain in EU is considered a counter weight to Germany. How Brexit will impact this scenario is a very important question. Brexit should be thoroughly studied to know the ramifications of this British withdrawal from EU on EU.

Great Britain will potentially be negatively impacted, in terms of security and terrorism, by the Brexit. Great Britain is currently impacted by the terrorism and it can ill-afford to stay away from crime fighting techniques and mechanisms which are already adopted by EU.⁶ So Brexit should be deeply studied to find out the areas which would be most affected by the Brexit. Different options for Brexit are also important. There are implications associated with each of these options. These implications will have direct bearing on the masses of Great

⁴ Hugo Dixon, "Norway For Now would mean no-deal Brexit later," *The Guardian*, October 30, 2018.

⁵ Robert Hutton and Tim Ross, "Brexit Tears Up British Politics as Farage Tops EU Election Polls," *Bloomberg*, May 27, 2019.

⁶ Jamie Grierson, "No-deal Brexit 'could leave UK at risk from terrorism'," *The Guardian*, November 29, 2018.

Britain. For example, if Great Britain goes for Turkey option then it would get the freedom of not showing compliance with some of the controversial laws of EU. But the disadvantage would be that Great Britain would not be able to strike independent trade deals with other countries. Turkey option will also give Great Britain leverage to control its borders, others options out of Brexit do not give such leverage. Therefore, option out of Brexit are also part of this topic and these must be studied in detail too.

Statement of the Problem

Great Britain has a great social, political and economic role in the EU. It has remained at the forefront of efforts conducted by EU. Brexit will change this role of Great Britain in EU. Now Great Britain will play a less significant role in Europe due to its departure from EU. In the referendum of Brexit, Great Britain has shown its intent that it wanted to focus on its own problems first. Migration from Eastern European countries towards Western Europe has been one of the major causes of Brexit. Migrants were coming to Great Britain and according to the masses they were eating up their jobs. Great Britain has played political and diplomatic role in Eastern Europe and Balkans. Great Britain has backed Balkan states even in U.N.O. Russia tried to oppose it but Great Britain still backed them. Great Britain contributed to the economic development of Balkans. It is one of the biggest contributors to EU budget. With Brexit all this is going to change. Great Britain will back down from its regional political, economic and social commitments. Outside the framework of EU, Great Britain might try to play its regional political, economic and social role but that would be done to a limited degree. Great Britain would not be able to contribute to the regional security of Europe. Regional security is very important for Great Britain as it wanted to control law and order inside its own boundaries.

Great Britain's regional political, economic and security role will change after Brexit. This historic role will either decrease or increase. The magnitude of this decrease or increase would depend upon the negotiation capabilities of the British government. British government should strike a deal which best suits them and which involves all the stakeholders. Bad management of negotiations will decrease regional political, economic and security role of Great Britain. That would also damage the economy of Great Britain and Union of Great Britain. Its foreign policy options would also be reduced. On the other hand, if Great Britain manages the negotiations well and goes for soft Brexit, then it could control the change in its regional economic, political and security role. Soft Brexit will allow Great

Britain to play a constructive role in Europe as it used to play before Brexit. It will benefit from the economy of Europe. It can act in synchronization with major European Nations in case of any Russian aggression.

This study is an attempt to investigate the paradigm shift in regional political, regional economic and regional security role of Great Britain after Brexit.

Significance of the Study

This study will look into the question that how nuclear arsenal of Britain would be impacted by Brexit and how that has the capacity to damage the regional power status of Great Britain. Great Britain must find a quick fix solution for solving the problem of de-housing of its nuclear assets. Brexit will have internal as well as external political and economic implications for Great Britain and whether or not that affects the international status of Great Britain would be debated. Membership of which type suits Great Britain like Norway Style (European Economic Area), Turkey style (European Union Custom Union), Switzerland Style (European Free Trade Agreement), Canada Style (Free Trade Agreement), and if no deal is reached than on W.T.O terms style trade in which trading nation has to confer M.F.N status to its trading partners.⁷ How Britain could forge a relationship with EU after Brexit based upon one of these options. Britain could turn small members of EU in its favor by striking out mini deals with them. This will help them in making a near perfect trade deal with EU after Brexit. Traditional British masses think that Britain should go for Hard Brexit and avoid anything which compromises the sovereignty of Britain. Traditionalist Eurosceptics think that Britain would be better off, even trade wise, without EU. British public is against it. They think that Great Britain should make a deal with EU which would leave the room for Britain to become a better trading nation. Eurosceptics opine that Great Britain will obtain the ability to do new trade deals with the emerging economies of the world and that would bolster its economy.

The need for independent, critical and objective study to analyze the foreign policy of Great Britain and shift in its regional role after Brexit has never been greater, and this research would provide this essential understanding on this issue. This research is helpful for scholars, policy makers, students, academia, historians, researchers, associate researchers, research

⁷ Amelia Hill, "UK cannot simply trade on WTO terms after no-deal Brexit, says expert." *The Guardian*, January 27, 2019.

organizations, politicians and other people involved in policy making in process of better understanding of Brexit. The analysis done in this research helps in addressing various issues at multiple levels of discourse. The data used in this research is beneficial for various government officials. This research would be beneficial for assessing prospects of future investment in Great Britain. This research would also benefit different sociologists who want to study British nationalism and its impacts on thinking and behavior patterns of different British nationals.

Hypothesis

Great Britain's decision to leave EU through referendum will have significant impacts on its regional economic, political and security roles in Europe.

Delimitation

Research is delimited in the context of EU politics and it discusses regional political, economic and security role of Great Britain after Brexit. These roles are discussed in the domain of Europe. Time frame used will be of all the events related to Brexit process. Context is set at EU politics because Brexit has the most impact in the range of European politics. Implications of Brexit on Europe is the key theme of this research. Impact of Brexit on events occurring outside Europe will have no significance in the completion of this research.

Objectives of Study

- To find out reasons behind United Kingdom's decision of Brexit and to analyze its post Brexit options.
- To assess the changes in regional political role of Great Britain after Brexit.
- To examine regional economic consequences of Brexit for Great Britain.
- To identify the changes in regional security role of Great Britain after Brexit.

Research Question

1. Why has Great Britain decided to withdraw from European Union and what post-Brexit options it has?
2. How will Brexit have implications for Great Britain's regional political role?

3. How will Brexit affect Great Britain's regional economic role in Europe?
4. How will Brexit impact the regional security role of Great Britain?

Theoretical Framework

Theories give us a paradigm which helps us to understand the issues in a better way. Theories are developed over time by different scholars, academicians, intellectuals and professors. Theory used for analyzing this research is classical realism. Classical Realism is considered a very famous theory to analyze international politics. Classical realism also tells us about strong existence of power politics in international politics. Power politics means that power is the sole criterion for inception of war or peace in the international political system. Power politics focuses on the fact that states always give importance to their national interest. In power politics states can threaten each other to achieve their national interest through economic, military and political means. There are various techniques which are used to gain advantage in power politics. These techniques are deterrence theory, pre-emptive strike, proxy war-fare, asymmetric warfare and covert operations. States are power maximizers. Classical realism also tells us that human egoism converts to state egoism and states look after their selfish interests.

Hans J Morgenthau is one of the biggest scholars of classical realism, He points out six basic principles of realism. The first principle of Morgenthau's classical realism mentions that politics is governed by objective laws which are based in human nature. Hans J Morgenthau describes that laws regulating politics cannot be changed and they are there for centuries, although with passage of time they must be tested with experience and reason.

Another principle of Hans J. Morgenthau's classical realism is that concept of interest defined in terms of power is a universally valid concept and is valid everywhere.⁸ Morgenthau concludes that both domestic politics and international politics are governed by tenets of power politics.

Another principle of Hans J Morgenthau's classical realism says that universal moral principles cannot be applied to actions of states. It means that actions of states cannot be justified by conventional principles of morality.⁹ States can do whatever serves their interest.

⁸ Hans J. Morgenthau, *Politics Among Nations* (New York: Mcgraw Hill), 5.

⁹ *Ibid.*, 12.

Brexit can be explained in light of this theory. British measured pros and cons of leaving EU and staying in it. Most of British masses felt that cost of living inside EU is more and benefits are less. Therefore, they decided to leave EU in hope of a better future. In context of Realism they made a selfish decision and looked for only their national interests. Great Britain would not be able to cooperate with other states over various issues as an effective international state. Great Britain's role at international institutions would also be weakened by it. Great Britain would neglect its duties at international stage by not effectively participating in the affairs of Europe. Great Britain has a great political and economic role at regional level and it wants to continue it. But these regional roles will be deeply impacted by the Brexit. In some cases, Great Britain's national self-interest will also be compromised. Britain in the past was part of big three of EU. The other two were France and Germany. According to Euro sceptics, Britain was required to compromise its national economic interest for staying in EU. Although, British politicians have announced that Britain will continue its historical role in Europe and at international front but that seems unlikely. Brexit will definitely reduce or affect the role of Great Britain at the international stage. So, classical realism tells us that Britain would play a limited role in international affairs because it has concentrated only on its own selfish interests.

Classical realism depicts that states compete for power, and therefore, in case of Brexit, there has been a continuation of historical rivalry between Great Britain and Germany. Germany and Great Britain have always played power politics inside Europe and EU. They both have always tried to maximize their power. Germany has been dominating EU, especially its economic, political and military policies. Even some historians claim that EU is continuation of Germany by other means. In other words, Germany has always tried to dominate Europe by any mean available to it and now it is trying to do the same through EU. This was against the interests of Great Britain and hence, they decided to stay away from EU.

Literature Review

Different types of resources have been used in this research. Books, E-Books, Research Articles and Opinion Articles have been consulted for the completion of this research work.

The book "An Illustrated History of Great Britain" written by David McDowall throws light on various phases of British history, and how euro-scepticism developed its roots in British Society. It examines various dynasties and how they keep their sway over Great Britain. How United Kingdom developed and what were the values that masses of Great Britain prided

upon, evolved in various phases of British History. Moreover, this book also analyzes how judicial system of Great Britain developed. How Great Britain developed into a constitutional kingship, with side by side maintaining a separate identity from rest of Europe. Glorious Revolution, Industrial Revolution, and their impact on common man are also explained. Great Britain prides over its institutions which are created after centuries of hard work and dedication. Colonial Legacy of Great Britain was explained by the author. He elucidates that colonial legacy of Great Britain has also contributed in developing euro-scepticism in Great Britain. Although, Great Britain has keep itself distanced from the events taking place in Europe, yet it has always directly or indirectly meddled into the affairs of Europe. Author David McDowall cites various examples that Great Britain has made to intervene in the affairs of Europe. Various dynasties like Tudors, Stuarts and the important events taking place in their realms were also explained by the author in this book.¹⁰

The book “Brexit and Beyond” describes the various aspects of the events of Brexit. This book explains the possible imaginable impacts of Brexit on the political system of Great Britain. This book also explains that how Brexit might impact the unity of Europe and how it was making idea of united Europe abstract. Arguments in favour of and against Brexit are also examined in this book, and mostly it is concluded that Brexit is result of Globalization rather than Euro scepticism. This book also highlights the attitude of other major European Nations towards Great Britain after Brexit, and how Brexit will damage the relations of United Kingdom and Republic of Ireland. Border between Republic of Ireland and Northern Ireland which is one of the major causes of concern for Great Britain after Brexit was also taken into consideration in that section of the chapter which discusses Great Britain and Ireland relations after Brexit.¹¹ Economy of Europe is considered volatile by British especially after Eurozone crisis. Eurozone crisis also has a major bearing on the result of Brexit referendum. Here author considers Brexit as a result of Eurozone crisis rather than result of Globalization. In another Chapter of the book it is also discussed that Brexit can be a long and economically harmful process which can be gauged from the example of Greenland and French Algeria.

This report “The United Kingdom: Background, Brexit, and relations with United States” written by Derek E. Mix throws light on US-Great Britain relationship after Brexit. It tells us

¹⁰ David McDowall, *An Illustrated History of Britain* (London: Longman, 1989), 79.

¹¹ Nicholas Wright et al., *Brexit and Beyond: Rethinking The Future of Europe*. (London: UCL Press, 2018), 110.

about various challenges that Special Relationship will face after Brexit. Report tells us that there is general perception that Brexit will be detrimental for U.S.A's interests related to EU, but on the contrary it might be a blessing for U.S.A regarding its strategic interests associated with EU. EU can act towards further strategic integration. Great Britain in 2011, even blocked the move of integration of military headquarters of major EU countries. Although, it has acted in the EU in a manner which ensures that interests of U.S.A and N.A.T.O are best served. In future, US wanted EU to move towards the development outside its region.¹² EU can play a constructive role in the areas outside Europe. Brexit might help EU in building up such capabilities which would increase its role outside Europe. Great Britain has always opined that EU should focus on developments inside Europe. EU has also developed and evolved Common Security and Defense Policy (CSDP). CSDP has the potential to become a very effective tool for the implementation of American interests in the world. CSDP wants to introduce the concept of collective security among its member states. It also wants to follow the goals of peace keeping and following UN Charter for enhancing world peace. Great Britain has always remained a critic of CSDP. Great Britain independently from EU will cooperate with U.S.A regarding various security and strategic issues after Brexit.

Research Article "Brexit: Everyone loses, but Britain loses the most". This research article highlights economic effects associated with no-deal Brexit for Great Britain. Research Article tells us that Brexit will have negative implications on EU as well as on Great Britain. All the major economic indicators will decrease after Brexit. Norway Model can do the damage control for both EU and Great Britain. It can decrease economic uncertainty for both Great Britain and EU. Euro sceptics view it in a negative light but Norway Option also keeps its members away from the controversial policies of EU. Euro sceptics criticize the controversial policies of EU. Norway Option will keep Great Britain away from these policies. A no deal scenario will be disastrous for the Great Britain. British economy can benefit from Hard Brexit if it goes for a well negotiated TTIP (Trans-Atlantic Trade Investment and Partnership). This TTIP should include Great Britain, U.S.A and EU. Great Britain should make trade deals with all the countries outside EU.¹³

The Research Article "Did Austerity Cause Brexit" written by Thiemo Fetzer is also used in the preparation of this research. This research article explores one of the basic causes of

¹² Derek E.Mix, *The United Kingdom: Background, Brexit and Relations with the United States* (Congressional Research Service), 12.

¹³ Maria C. Latorre et al, "Brexit: Everyone Loses, but Britain Loses the Most," *Peterson Institute For International Economics*, 4, accessed January 18, 2019.

Brexit. It tells us that austerity policies adopted by British Government after 2010 added fire to the anti-EU sentiments prevailing in the common public. Government has adopted mostly policies to increase its Tax collection. British Government has introduced many additional taxes. These taxes pave the way for more economic degradation of the British masses. Parallel to this development, UKIP also started to grow.¹⁴ UKIP captured on the anti-government feelings of the masses and built an anti-EU campaign on these feelings. Author also tells us that skill division is also one of the major factors behind Brexit. Unskilled masses of Great Britain consider EU and Globalization a threat to their future.

Research Article “Ireland and Brexit: modeling the impact of deal and no-deal scenario” written by Adele Bergin, Abian Garcia Rodriguez and Gavin Murphy was also very useful in explaining the process of Brexit. It tells us about the impact of Brexit on Irish economy. This article quantifies various impacts of Brexit on Irish Economy at micro level, and also at national level for Great Britain.¹⁵ It tells us about economic impact on Ireland through COSMO and NiGEM Models. Capital Markets of Ireland are very vulnerable and they would become more volatile after Brexit. Writers tell us that Brexit would have negative implications for the Irish economy yet it can attract investment from Great Britain after Brexit. Irish Economy is quite similar in nature to British economy. Trade regulations, trade policies, Labor Laws and working conditions for ordinary labors are almost the same. Financial firms and businesses which are planning to relocate their offices from Great Britain can move to Ireland. So Brexit can be a blessing in disguise for Ireland.

The report “Brexit: The Options for Trade” published by House of Lord European Union Committee was very useful for the preparation of this research. This report discusses various options for trade Great Britain will adopt for doing trade with EU after Brexit. Norway option, Swiss option, Norway plus option, Turkey option, Canada option, Ukraine option, US option and Balkans option were all discussed and thoroughly analyzed in this report. Moreover, there are pros and cons associated with every option and choosing every option involves some trade off. If Great Britain decides to choose one option for other then it has to bear some burden. All these aspects of Great Britain’s post Brexit relationship with EU are discussed in this report. Swiss option was considered a dream option by many British but report discusses that it is no longer practical for EU to give such a status as Switzerland to

¹⁴ Thiemo Fetzer, “Did Austerity Cause Brexit?” *Economic And Social Research Council*, 2, accessed January 15, 2019.

¹⁵ Adele Bergin et al, “Ireland and Brexit: modelling the impact of deal and no-deal scenario,” *Economic and Social Research Institute*, 6, accessed January 8, 2018.

any other country. Similarly report also analyzes various aspects of Norway option. Norway is the member of single market and enjoys four freedoms of single market.¹⁶ Now it accepts some of the EU laws but not some controversial laws which most of the British abhor. British also raise objections that border management would not be effective in Norway option as there would be free movement of people across border.

The report “Future Great Britain-EU Security and Police Cooperation” published by House of Lord European Union Committee was very informative for the preparation of this research. This report discusses a multitude of legal problems which Great Britain might face after Brexit. Great Britain is getting information from EU’s databases which are helping it to a great extent to fight terrorism and crime. These databases will be further advanced in the future and access to them could be restricted after Brexit. European Arrest Warrant which is used by EU has great benefits for effective crime and legal order control. Europol and Eurojust have also been extremely effective in fighting crime and terrorism in Europe. They are both organizations of EU and hence cooperation with them could be in jeopardy after Brexit.¹⁷ Any amount of decreased cooperation with EU regarding controlling law and order situation would be detrimental for Great Britain as it is looking to fight crime and terrorism inside Great Britain. This report discusses all these aspects of fighting crime inside EU after Brexit.

Research Gap

There exists a clear research gap as no literature used in the preparation of this research throws light on the precise changes in the regional political, regional economic and regional security role of Great Britain after Brexit. Although, effect of Brexit on various aspects of British Foreign policy are discussed in some research articles but precise impact on British regional role after Brexit has not been thoroughly discussed. Some analysts claim that objective elements of British foreign policy will remain the same and Great Britain would remain committed to its time tested historical role in the region as well as in the international political arena. But that could drastically change as Europe is increasingly seeing the threat of resurgent Russia. Germany is also doing military integration in EU which is seen as a threatening aspect. Economically, it is age of globalization and regional connectivity and EU is a strong advocate of these aspects. Great Britain could suffer a lot if it decides to stay away

¹⁶ Lord Liddle et al, *Brexit: the options for trade* (House of Lords EU Committee), 19.

¹⁷ Lord Cormack et al, *Brexit: future UK-EU security and police cooperation* (House of Lords EU Committee), 20.

from the economy of EU after Brexit. Economic impact of Brexit will also depend upon various other factors. These factors like options for Brexit, TTIP and NAFTA are also required to be studied more. Regional Security role of Great Britain will also change and it is recommended to be studied and analyzed more. After Brexit, Great Britain might face unprecedented consequences in the domain of regional security if it does not make suitable arrangements for its access to EU security organizations. Great Britain might have to do trade-offs in the post Brexit deal with EU. Great Britain control on Gibraltar and also on Crown Dependencies is also required to be studied more. After Brexit, British overseas territories and Crown Dependencies are moving away from Great Britain. Spain has historical claims over Gibraltar; Great Britain must find a way to keep its sway over it after Brexit. This topic must be analyzed more deeply.

Research Gap of the literature reviewed for this research tells us that Great Britain's role at regional economic, political and security level needs to be discussed and analyzed in a focused way. The literature on these areas is inadequate. If proper research on these areas is not done then British masses, scholars, researchers, and businesses all would suffer.

Research Methodology

Research Methodology is the set of procedures which is used to process, streamline and analyze information about the topic under study. Research Methodology gives us information about the fact that how much reliable is research which has been conducted. It is a method of analyzing that how research was conducted. It is a qualitative research. Primary and secondary sources were used in conducting this research. Historical interpretive Approach, Inductive reasoning and content analysis were used in this research. This Research is descriptive and analytical. It is conducted in post-positivism paradigm. Primary data and secondary data were collected during conducting this research.

Data has been collected through various sources to conduct this research. Data has been collected through Research Articles related to Brexit published in national and international research journals. Reports of British Governments, European Union and think tanks are another important source for data collection in the present research. Research Articles, Opinion Articles, E-books, Research Journals and different documentaries related to Brexit were also studied while conducting this research. Cyber space and library of University was used for data collection purpose. Qualitative data was collected from previously established accounts in the form of written material. Historical Back Ground to Brexit, Euro scepticism,

Implications of Brexit and Causes of Brexit were mainly analyzed by using qualitative data from these sources. Speeches of various British politicians were also listened for the purpose of data collection for this research. The available data was divided under these areas to understand the issue in a more comprehensive manner. After collection of data various techniques related to data analysis were applied to it.

This research is descriptive and analytical. Firstly a phenomenon has been described and then its analysis in light of already made description were done. For example, the political functioning of EU institutions were discussed. They have a known swagger of making un-democratic decisions. Now in light of this description the behavior and decision making structure of EU was analyzed. Finally, it was concluded that democratic deficit exists in EU. Similarly, Gibraltar was described as the British overseas territory and then the implications of Brexit for Gibraltar were discussed. In the last section of 5th Chapter security implications of Brexit for Gibraltar were discussed. In this section British role in uplifting Balkans at diplomatic and political level were also discussed, and then possible changes in these roles were analyzed. Analysis were made in the light of previous actions which British had taken in these areas. British are also benefitting from EU security institutions and how British participation in these institutions will be affected after Brexit was also analyzed.

Content Analysis was used while conducting this research. The debates regarding Brexit in the British parliament were examined and analyzed; themes regarding EU spoken by various British politicians were listened. A particular pattern was found which was mostly in line with the policies of their political parties. This particular pattern was recorded. There were contradictions in the same party politicians which were also analyzed. For example, there were hard line conservatives and soft conservatives in the Conservative's Party. Both had their particular reservations regarding the Brexit deal which was in processing with EU. Politicians of Conservative party were, on the contrary, against the very idea of Hard Brexit and wanted any kind of soft Brexit at any cost. So these particular themes and patterns in different parties were recorded and objectively studied. These patterns and themes were used as basis for analyzing the various dimensions of regional political and regional economic role of Great Britain, and changes that they must encounter after the official Brexit takes place. Speeches of Euro-skeptic leaders were also listened and then content analysis were applied on their speech. Various patterns and themes were recorded in their speeches and then their party official attitude towards Brexit final deal was analyzed.

Historical Interpretivism was also applied in conducting this research. The historical background of Euro-skepticism in UK was studied and then the process of evolution of this euro-skepticism in UK was also analyzed. How various Euro-skeptic parties came into being was studied in detail too. British History was studied in detail to understand the historical approach of British towards continental Europe. How British always tried to stay away from the events happening in the continental Europe, was also analyzed through historical interpretivism. British attitude towards European Economic Communities was studied through the lens of history. Afterwards, British reservations and favoritism towards EEC was analyzed.

Chapter Breakdown

Chapter No 1 “Historical Background to Brexit” throws light on the historical evolution of Euroscepticism in Great Britain.

Chapter No.2 is “Causes and Options for Brexit” which elucidates causes of Brexit and also options for Brexit.

Chapter No.3 is “Brexit Implications for Great Britain’s Political Regional Role” which highlights changes in political regional role of Great Britain after Brexit.

Chapter No.4 is “Brexit Implications for Great Britain’s Economic Regional Role” which throws light on changes in economic regional role of Great Britain after Brexit.

Chapter No.5 is “Brexit Implications for Great Britain’s Regional Security Role” which highlights changes in regional legal security role and regional political role of Great Britain after Brexit.

Chapter No 1

Historical Background to Brexit

Brexit and euroscepticism in Great Britain are interconnected. Deep-rooted euroscepticism in Great Britain has led to the episode of Brexit. British detest any act of Europeanization of their economic, political and social policies. British have shown sheer abnegation of European policies and values. But it is not just the policies they abhor but also the interference of Europe in their affairs. The first abortive albeit concise attempt of major European powers to interfere in the British affairs was the European support to renegades of Scotland and Ireland. This chapter highlights basic values of British Culture which makes it separate and unique from rest of the Europe. These values are Atlanticism, Euroscepticism, and geographical isolation of Great Britain from rest of the Europe. Afterwards, British attitude towards European Integration is examined. At first, British attitude towards European Coal and Steel Committee (ECSC) is analyzed. Then, British Policy towards Europe in 1960s, 1970s, 1980s, 1990s and 2000s is discussed. Afterwards, how Eurosceptics conceptualize sovereignty and how Europhiles view sovereignty is examined. Factortame case is also analyzed. Finally, at the end, how Great Britain moved towards referendum and how UKIP evolved in Great Britain is also analyzed. Historical Background of Brexit clearly shows that despite globalization and economic interconnectedness UK has always looked for its own national interests. Previously, twice its membership to EEC was rejected and it also held a referendum to ascertain whether it should continue to be the member of EEC or not in 1970s. Now it plans to stay away from EU. UK alongside France and Germany has also been involved in power politics of EU. Nevertheless, this skewed attitude of UK depicts that they only care about their national self-interests come what may. Therefore, their behavior depicts classical theory of realism.

1.1 Atlanticism

Atlanticism is a bond that existed among North America and Europe and formed the basis of N.A.T.O in the post-world war 2 eras. Atlanticism is augmented due to common protestant values, common judicial systems, liberalism and such more common factors. The major features underlining atlanticism are the common goals of Britain and America to shape up new liberal world order. The “special relationship” between Britain and U.S.A is an offshoot of Atlanticism. Britain and U.S.A were major partners of each other in both World Wars and

also in the post-World War 2 eras.¹⁸ U.S.A became generalissimo after the Second World War to fill the gap left by Britain. Britain also sided with U.S.A to confront and challenge communist internationalism. Great Britain has always associated more with U.S.A than with Continental Europe. It has only cooperated with Europe when the circumstances demanded it. After the end of cold war many people believed that N.A.T.O no longer hold any degree of significance. After 9/11 the whole concept of N.A.T.O was again shuffling and N.A.T.O once again became an integral part of US global designs. Although some of the Western European countries were against Global War on Terror but still N.A.T.O sided with USA. Moreover, Russian resurgence in 2008 also reenacted the importance of N.A.T.O. Britain had a special relationship with USA. Thus, Great Britain has mostly acted in concert with U.S.A and it has raised its voice in unison with it.

1.2 Geographical Reasons

Great Britain is geographically isolated from rest of the Europe because of English Channel. English Channel separates Britain from rest of Europe. Events happening in Europe do not directly affect Great Britain. Nonetheless, these events have a great bearing on the foreign policy of Great Britain. In the past Great Britain had taken steps to ensure that it was least concerned with the events happening in Europe. During Napoleonic Wars Britain tried very hard and defeated armies of Napoleon but it had to struggle a lot to achieve that goal. German Unification and expansionist designs of Czarist Russia also contributed to the shaping up of foreign policy of Great Britain. But in spite of all these events Great Britain stayed away from Europe and with the passage of time it developed a “special relationship” with America.

1.3 Euroscepticism in Great Britain

Euroscepticism has been used as an umbrella-concept for all the negative connotations that are present in British society related to Europe. Over the course of time, this concept has gone through evolution and re-structuring. British have seen major events of Europe as a product of human immaturity. For instance, they viewed French Revolution as an outrageous and extremist effort to change the condition of masses. French Revolution was considered by British as a temporary phase without making any concrete impact.¹⁹ British believed that if post French Revolution government would not deliver, then revolution would recur. Time

¹⁸ David McDowall, *An Illustrated History of Britain* (London: Longman, 1989), 168.

¹⁹ *Ibid.*, 128.

proved them right and revolution again resurfaced in 1830 and 1848 in France. British also made conspicuous changes at economic, military, political and societal level to make sure that any such revolution did not surface in Britain. British believed that if there was any major ideological or political schism rising among the people, then it should be examined and accorded. Revolution was not an answer to the wretchedness of masses. To achieve it British made appropriations in their political structure which coupled with Industrial Revolution led to rise of British working class in 19th Century.²⁰ Nevertheless, British never gave up on their monarchy, and as politically off-beat it might sound, they strengthened and re-strengthened their monarchy. They made it a constitutional monarchy. But this was a gradual process and it took centuries. Although, it was a highly successful effort and it was widely praised, British witnessed Glorious Revolution which led to the overthrow of their King James ii and culminated in an increase in the stability of their parliament. James ii wanted more sway over parliament and hence an enhancement of “Divine rights of King” but British did not like that idea and they invited his nephew William iii to invade British Isle, so that powers of monarchy and parliament could be put on equal footings. Afterwards each succeeding government passed various acts which gradually decreased the power of Kingship and at the same time increased the power of parliament without any impinge of the two powers. After the advent of French Revolution and Napoleonic Wars in Europe, British accelerated this process and by 1911 Monarchy of Great Britain became a rubber stamp. That is how British accommodated democracy in their system in a befitting yet mature manner and in the process they did not annoy any stakeholder. Instead of revolution they preferred this mature manner and it distinguished them from rest of Europe. British exceptionalism is a major cause behind national superiority of British. Great Britain is a de facto democracy but de jure it is a constitutional monarchy.

1.4 European Coal and Steel Community

This unique character of British makes them stand out from the rest and hence is a major factor to rise of Euroscepticism in Great Britain. The idea of European integration really gained momentum in the post-World War ii Europe as then Europe was in low morals following the experience of horrors of World War II. European integration was the need of the hour and European Unity was in the interest of every nation of Europe.²¹ Europeans knew that another conflict like World War II would lead to unimaginable destruction of the whole

²⁰ Ibid., 123.

²¹ Ibid., 169.

Europe. With that in mind, European Coal and Steel Community (ECSC) was formed. The principal aim behind the creation of ECSC was that European Nations would join their coal and steel communities and that would prohibit them from going to war. ECSC was established in 1951 by six countries which were France, West Germany, Belgium, Luxembourg, Netherlands and Italy. The concept of ECSC was the brainchild of French Foreign Minister Robert Schuman. Initially, it was put forward to avoid any conflict between Germany and France but afterwards other nations also joined it. ECSC was based on the principles of supranationalism. Supranationalism was a concept in which pre-negotiated authority was given to a central authority by the political representatives of the member states. The congenial concept of supranationalism was first given by Albert Einstein after seeing the horrors of Nuclear Bombs. According to Einstein, States should give all their authority to one central authority except police, for the purpose of avoiding global nuclear war. Military forces and nuclear power should also be submitted to one central authority. Einstein wanted U.S.A, Great Britain and Soviet Union to take that initiative. Soviet Union was extremely hostile to that convivial idea in the post-World War II era. Supranationalism became the founding principle of the Treaty of Paris in 1951 where basic framework for ECSC was laid. Delegates of six countries at Treaty of Paris agreed to uphold democracy, rule of Law and peace in Europe. Robert Schuman wanted to avoid power politics in ECSC as in 19th century European power politics led to the two world wars.

Robert Schuman was a go-getter but he was hopeful of achieving durable peace in Europe through ECSC. He also hoped that German re-unification can be achieved through this forum. Robert Schuman also conceptualized the idea that Europe could be saved from stranglehold of communism through European Unity. Major initial objection of West Germany was that ECSC was a manifestation of capitalism. Robert Schuman ensured them that his purpose was not that. In fact he wanted a union of coal and steel markets of major European powers because major powers went to war through munitions produced by Coal and Steel Market and if coal and steel market was jointly regularized then war would become unimaginable. Moreover, Robert Schuman also wanted that other sectors of economies should also be jointly run and regularized with passage of time and Europe should become a single monolithic entity. Robert Schuman also wanted that African countries should also get benefit from it. Another very important aim of Robert Schuman was that Eastern Europe which was overwhelmed by USSR should also be included in the application of the concept of European Unity. Robert Schuman wanted to remove the Iron Curtain which had come in

between Eastern and Western Europe. Robert Schuman wanted to improve the conditions of common workers through ECSC rather than improving them via communist system. Robert Schuman also had grand designs of removing the flaws of lack of democracy in Europe. He believed that through economic development of different sectors of economy, conditions of the masses would improve and they would get awareness of their political rights. That would include the downtrodden strata of society in the democratic process and hence would lead to an all-inclusive democracy in various European Countries. When Democracy would be strong in various parts of Europe then path of Dictatorship would be blocked and hence Europe would be on the path of peace, progress and prosperity. When smaller nations of Europe would have democracy and good economies then they would not be economically, politically and strategically exploited by the larger nations. And hence peace would prevail in Europe. Robert Schuman was vehemently opposed by the Gaullist, Nationalist and Communist blocs of France. Gaullists believed that territorial possessions captured from Germans after World War ii should not be given back to them as that would aid Germany in recapturing their power after the war. Nationalist Bloc of France believed that France should focus on their own development rather than developing Europe because France had suffered a lot in the World War II era.²² France had become a military district of Germany in the Second World War and hence it had gone politically and economically in the backward direction. Henceforth, Nationalistic Bloc of France strongly advocated that, in the post-World War ii era France should focus on its own development.

1.5 British Attitude towards ECSC and European Integration in 1950s

Great Britain after world war two was looking to build an international economic system based on the supremacy of pound and US Dollar. Europe, on the other hand was collectively facing economic hardships. Great Britain was the only non-neutral European country whose economy had not suffered much. Germany and France were struck hard by economic hardships. Trade inside Europe was based on US dollar. Europe was lacking that currency. Therefore, Organization for European Economic Cooperation (OEEC) created European Payment Union (EPU) in 1950 so that trade inside Europe could be facilitated. EPU facilitated trade between countries but payment only took place at the end of the month. British initiated “Operation Robot” in 1952 but this plan of operation Robot never came into

²² Olivier Costa and Nathalie Brack, *The EU Euroscepticism and Brexit* (London: Routledge- Taylor and Francis Group, 2017), 16-17.

action. Operation Robot was an economic policy with the purpose that British Exchange Rate should be kept floating so that it should find a natural equilibrium and British exchange rate should adjust its value against it. British Gold reserve would be saved through this scheme but its exchange rate would come under pressure. Price of British exports would fall but its imports would become expensive. Prices of food and raw materials would also go up in Great Britain. Operation Robot never came into action but it was anti-European by its content. If applied, Operation Robot would have made pound unstable in the Europe. That was detrimental for EPU.

Great Britain in 1950s was looking more towards Common Wealth, U.S.A and protection of Europe from menace of communism. Great Britain was given a chance to participate in the process of setting up principles of Treaty of Rome but it declined. Great Britain's policy was to engage six major players of European Coal and Steel Community in order to preserve its own interests, but not to get completely involved with them. Members of ECSC saw with suspicion efforts of Great Britain because they thought that Great Britain just wanted to block any efforts of creating European Federalism. Similarly, they also thought that Great Britain would only reap benefits from ECSC without putting any serious effort to the application of its policies. "Eden Plan" presented by British Minister Sir Anthony Eden in 1952 was also an effort to associate with ECSC.

Great Britain participated in Spaak Committee. Spaak Committee was set up to explore two major objectives in Western Europe. These two major objectives were establishment of common market and application of atomic energy for peaceful purposes. Spaak Committee started working in 1955 and finished its work in 1956. Russell Fredrick Bretherton represented Great Britain in the Spaak Committee. Different topics were discussed at Spaak Committee. These topics were conventional energy, nuclear energy, social issues prevailing in Europe and public transport. Spaak Committee specifically looked towards specific targets for setting up Common Market. These targets were abolition of trade barriers, setting up custom union with third countries, harmonizing principles of financial management and building up common institutions. Great Britain participated in the Spaak Committee but it decided to leave it before it could submit its final report. Great Britain had two major objections regarding Spaak Committee. First Objection was that Great Britain was against custom union. Second objection was that Great Britain did not like the idea of submitting its nuclear facilities to a joint European Intergovernmental Nuclear Body. Spaak Committee published Spaak Report which went on to become basis for European Economic Community

and European Atomic Energy Community. Great Britain already had association agreement with ECSC and it considered that enough

1.6 Combined Defense of Europe

British were against any idea of European Unity even when the circumstances demanded it. In the time of growing Soviet Union aggression in Eastern Europe and Korean War taking place, West Germany also faced the military threat from Soviet backed East Germany. U.S.A wanted to arm West Germany in such hostile circumstances but French came up with another idea. The idea was called Pleven Plan and it was given by Rene Pleven. Pleven Plan was that a European Defense Committee (EDC) would be formed which would combine the defense capabilities of some of the major Western European Powers. These major Western European Powers were France, West Germany, Italy and Belgium, Luxembourg and Netherland. Pleven Plan came in response to the plan proposed by Americans. U.S.A in the Cold War circumstances proposed a plan called “Package” which would rearm West Germany to save it from Communist threat. N.A.T.O would also be further strengthened by it. The idea looked bright at that time but French showed ambivalence over it especially in the wake of horrors of war that Germany exhibited in the Second World War. French decided to give their own Pleven plan of a combined European Army which would act as a balancer to N.A.T.O.²³ Although plan was good but French parliament did not ratify it and therefore, it never came into action. Instead West Germany was admitted into N.A.T.O.

Great Britain till 1951 was against any idea of rearming Germany. Great Britain was one of the biggest sufferers of Second World War. British wanted to use rearming West Germany as a diplomatic tool to secure more strategic concessions from Russians. In 1950s Great Britain even entertained the idea of reconstructing relationship with Soviet Union. So in early 1950s some of the British Policy makers were against N.A.T.O solution to the rearmament of West Germany. European Army Project and European Defense Committee (EDC) were considered by Great Britain a solution to the problem of rearmament of West Germany.

1.7 European Economic Community

ECSC was a success and the members of that committee wanted further integration of the economic sectors other than steel and coal. Six members of ECSC wanted that their

²³ Ibid., 20-21.

economies should be gaining strength without any decrease in their respective political autonomies. In 1957 six members of ECSC signed Treaty of Rome in this regard. European Economic Community (EEC) and European Atomic Energy Committee (EAEC) were formed as a result. The chief aim was that EEC should be less centralized than ECSC but it should follow general objectives and principles which should benefit every member country. Now the nature of debate over European Integration was getting more and more inclusive. The success of EU was parallel with rise of neo-liberalism in Europe. Neo-liberalism promoted role of institutions in the international politics. Common masses were debating more and more regarding European Integration and how much it was effective or defective. British attitude towards European Integration was also changing, and they were looking it as a spectacular way to modernize and emancipate their economies.

1.8 EFTA and British Membership of EEC

Great Britain was more inclined towards Commonwealth, trade with USA and maintaining a status quo approach towards European Integration after the Second World War. Great Britain was against transnationalism which was gaining momentum in the post-world war ii era. Official offers were made to Great Britain to be part of ECSC and EEA but it declined. Instead of joining Custom Union, Great Britain was more tilted towards free trade, and therefore, in 1960 it went on to make European Free Trade Association (EFTA). EFTA consists of Norway, Switzerland, Iceland and Lichtenstein at present. At the time of its formation, it consisted of Norway, Switzerland, Austria, Denmark, Portugal, Sweden and Great Britain. In 1960, these seven countries, also known as “outer seven”, formed it at Stockholm because they had political reservations regarding EEA. Other than Norway and Switzerland, all the other members went on to join EU. Some of the policy makers in Great Britain at that time floated the idea that Britain had missed the opportunity of shaping up and formulation of initial policies of European Integration.²⁴ British Premier Harold Macmillan in 1961 applied for the membership of EEC due to number of reasons. But Great Britain, who wanted a modernization of its economic policies and its trade with Commonwealth, was also declining. Great Britain’s influence as the major international player was also attenuating as it was evident by the fiasco of Suez Canal Crisis. US administration at that time also considered it mandatory for Great Britain to join EEC because at international level EEC was espousing the hegemonic design of USA. But in 1963 Charles de Gaul vetoed the application of Great

²⁴ Ibid., 50-51.

Britain. Charles De Gaul cited the reason that Britain is showing more allegiance to USA than to Europe. In 1967, British Prime Minister Harold Wilson also applied but he was also rejected. British Prime Minister Edward Heath negotiated for the membership and his negotiations proved successful in 1970-71. Charles de Gaul had left EEC by that time and EEC was more susceptible in accepting the Great Britain. Great Britain was termed as “awkward partner” in EEC. In 1975 Harold Wilson conducted the first ever British National Referendum for the continued membership of EEC. Result of the referendum generated a positive note towards the continued membership of EEC.

1.9 Thatcherism and European Integration

Margaret Thatcher during her era tried to reform Common Agriculture Policy (CAP) and also tried to reduce and appropriate budget contributions to the EEC. Common Agriculture Policy (CAP) which was introduced in 1962 had various drawbacks and discrepancies which were criticized by Thatcher government. CAP hindered competition. It had some colossal environmental issues associated with it and it did not protect biodiversity of nature. CAP was also criticized for generating artificial supply. All these discrepancies were removed with the passage of time but Thatcher’s British Government was the first one to raise its voice over these issues. Margaret Thatcher was very vociferous over its inhibitions related to CAP although she favored the idea of Single Market.²⁵ CAP was structurally reformed and multifarious modern agriculture techniques were introduced in it. Margaret Thatcher also signed Single European Act (SEA). SEA organized European Political Cooperation (EPC) and also set the future goal of setting up a single market. Great Britain wanted free trade to flourish in Europe. Furthermore, it was in favor of opening up with Eastern Europe through free trade and sharing with them fruits of market economy. Organization for Security and Cooperation in Europe (OSCE) was launched by EPC. Great Britain gave Atlantic outlook to it. EPC went on to become Common Foreign and Security Policy (CFSP) in the Maastricht Treaty of 1993. Great Britain was always in favor of maintaining a political cooperation in Western Europe but with a pro-American flavor to it. EPC was created in 1970 and it was favored by Great Britain because Charles De Gaul had left arena of European Politics by that time. EPC was a huge success initially because it set up a unified and concerted European voice in international affairs. EPC initiated CSCE (Conference for Security and Cooperation

²⁵ Owen Bowcott, "Margaret Thatcher backed single market in draft Bruges speech," *Guardian*, July 2, 2018.

in Europe) which went on to become OSCE.²⁶ Margaret Thatcher was against any further inclusion in the process of European Cooperation. Margaret Thatcher was against European Social Charter (ESC). ESC gave full rights to ordinary workers and citizens. It was also against any kind of racial discrimination. Margaret Thatcher was previously supporting European Cooperation but a volte-face came and she turned against EMU and also against European Social Charter. Margaret Thatcher believed that Social Charter will provide a pretext for major European powers to stage an intervention in the affairs of Great Britain. Margaret Thatcher, being a conservative British, also believed that working class should not be given so many rights which European Social Charter was according to them. Margaret Thatcher was also against the idea of EMU because she believed that EMU gave the EC an opportunity to interfere in the economic affairs of Great Britain. EMU set up a three stage examination for any state to join eurozone. Margaret Thatcher believed that EMU was an imprecation to free trade.

1.10 Black Wednesday and European Integration

John Major decided that Great Britain should have more dynamic approach towards European Affairs. He also wanted to maintain sovereignty in most of the areas. John Major was in favor of Maastricht Treaty which took place in 1992. But he was against the concept of single currency. John Major favored political cooperation of European nations and collaboration over judicial affairs with minimalist approach though. He did not want a non-sequitur end to European Political Cooperation. Great Britain had the option of leaving EMU and it had not signed Social Agreement. The event of “Black Wednesday” in 1992 really shocked the British credibility of John Major over European Affairs. During the event of Black Wednesday John Major’s solecism towards handling ERM was telling. Pound Sterling failed to maintain its lowest possible limit in European Exchange Rate Mechanism (ERM). Therefore, it had to be withdrawn from ERM. The event is called Black Wednesday. ERM was created so that European currencies could be adjusted against each other and a single currency could be established which would further the dream of United Europe. Pro-European political parties of Great Britain argued that in the lead up to Black Wednesday the Pound Sterling was already facing pressure due to budget and trade imbalance. Pro-Europeans also argued that Denmark’s decision to reject Maastricht Treaty and French decision to hold referendum over it was also causing profound implications over ERM. ERM

²⁶ Ibid., 60-61.

was getting under stress. British trade imbalance coupled with stress over ERM led to advent of Black Wednesday. Before Black Wednesday, Germany also faced high rates of inflation due to German reunification, and Deutsche, which was currency of Germany and also one of the main currencies of ERM, got hit by it. During BSE crisis of 1996 EU banned British beef exports due to the fear that disease could spread in Europe. John Major took a negative connotation of this European stance. He threatened EU that he would follow a policy of non-cooperation if ban continued to action. John Major was against extension of areas of cooperation between European states.

1.11 British Paradigm Shift towards EU

Tony Blair in 1997 kept a positive attitude towards EU. Tony Blair accepted Amsterdam Treaty. Amsterdam Treaty gave more power to European Parliament. Now, European Parliament was more powerful and it had more room to maneuver on certain areas than many national governments. These areas were legislation on immigration, adoption and amendment of civil and criminal laws. It also included certain key institutional adjustments which were required to incorporate new member states to EU. Tony Blair also accepted Qualified Majority Voting (QMV) in certain areas but he still favored unanimous vote in other areas like taxation, treaty change and security related issues. Tony Blair also signed social chapter of EU. But he expressed his wish that EU should not extend its influence in the social policy anymore. Policies of Tony Blair were in harmonization with EU's social policies. Tony Blair also showed favorable leanings towards Lisbon Agenda. Both Tony Blair and EU were in favor of creation of such economy where technology could play a vital role. Tony Blair wanted to invest in human capital. Technology was sweeping the world off its feet in an impeccable manner. Lot of investments were being made on the general public. The world was moving towards a technology based economy and both Europe and Great Britain could not afford to lag behind. Therefore, EU also moved towards it and spent a lot on the Research and Development. A big amount of GDP was spent on the education. Communication systems were being updated and remodeled. It was a shift from traditional economy to knowledge based economy. EU and Great Britain were cooperating in this regard. Tony Blair never backed down from its traditional stance of a decreased Common Foreign and Security Policy. During the Kosovo War, he was unhappy with the kind of response shown by EU, as Europe was siding with Albania and Kosovo Liberation Army (KLA). Great Britain and its allies were calling it a "Humanitarian War". Although, N.A.T.O fully showed its allegiance

to Western Bloc but response of EU did not satisfy Great Britain. Great Britain even went on to give St Malo declaration which called for the formation of joint European forces. It was co-authored by Great Britain and France. Great Britain now called for greater European defense role. EU responded to this sniveling by adding up a new dimension to European Defense and security. EU introduced rapid reaction forces in Europe which would act swiftly in case of any emergency. EU and British seemed to agree on various important articles of common defense. But the hitch came during 2003 invasion of Iraq. There was a strong contradiction of opinion between EU and Great Britain owing to the nature of Iraq invasion. There was a hearty debate about Great Britain joining EMU or not. Interest rates of EMU member countries were setup by European Central Bank (ECB). These rates could help them to manipulate economies. Opposition to the EMU grew from the fact that in case of any financial emergency, British interest rates would be controlled by ECB, that would further steer British into more trouble. British Government also announced that it would conduct five economic tests before adoption of Euro. The result of these tests revealed that although London would benefit from adoption of Euro, the population not living in major cities would not benefit much from it. There was a further assessment as a result of these tests that British Housing Schemes would not benefit from it. British Banking sector could benefit from it but only if there was convergence of interests between policies of British and EU economies. Euro had a pedigree but it still did not have good enough confidence of British.

Great Britain also proposed formation of North Atlantic Council, similar in nature to N.A.T.O, in EU. St Malo declaration opened up new avenues of military cooperation inside Europe. EU was also given a special role to operate in specific cases independent of N.A.T.O. In 2001, Tony Blair also set up specific set of conditions to examine entry of Great Britain in Eurozone. Labor government of Tony Blair was also against Agriculture policy of EU. They suggested that EU should discourage over production of agro-industrial products. Tony Blair also floated the idea that there should be key changes in EU because of its expansion in the Eastern Europe. Tony Blair had renewed “Special Relationship” in his second term. Therefore, Great Britain leaned more towards U.S.A. inside EU. France and Germany acted in partnership to resist structural changes proposed by Great Britain.

1.12 Gordon Brown and European Integration

Tenure of Gordon Brown started immediately after Tony Blair. In era of Gordon Brown, British Parliament voted against draft of European Constitution. In 2008, British Parliament

gave its accession to Treaty of Lisbon. Treaty of Lisbon is considered a tailored version of European Constitution. Gordon Brown's government was successful in securing a special status for Great Britain in Lisbon Treaty. This special status was right to veto in certain specific areas. British government of Gordon Brown was not in favor of handing control in these areas to supranational institutions. These areas were taxation, border control, foreign policy and changes in treaties. Labor government of Gordon Brown remained loyal to national interests of Great Britain. Gordon Brown discredited Pan-European ideas of EU.

1.13 Concepts of Sovereignty in Great Britain

There was also a great debate about the sovereignty of British during that time. There were two schools of thought in Great Britain. The first who were essentially eurosceptics said that sovereignty is complete autonomy and full authority to make decisions. Eurosceptics were of the view that sovereignty is indivisible and it could not be shared. However, sovereignty could be voluntarily given to other institutions through a treaty or through the creation of a legislature. Eurosceptics however maintained that supranational sovereignty enjoyed by EU is much stronger than sovereignty exercised by the governments.²⁷ They opined that sovereignty is being weakened by this and British nationhood and democracy in Great Britain were suffering from that. British Parliament which was symbol of British people was subject of massive political manipulation from EU. British Conservative Party believed that Britain should leave some of the EU policies. On the other hand, UKIP said that EU should be completely separated from Great Britain. Conversely, pro-european school of thought opined that sovereignty was an effective capacity to act under different situations and circumstances. Eurosceptics claimed that EU laws had supremacy over British laws inside Great Britain and that undermined British legal system. In 1990, Factor tane case highlighted the fact that EU laws had an ascendancy over British laws. Common Fisheries Policy (CFP) said that there should be a common market for the entire fisheries product and an equal access for all the member states to the waters, and modernization should also be introduced. In this case the supremacy of EU law over British law was maintained. When CFP was introduced Spain was not member of EU and it had an agreement with EU over the fishing rights. In 1983 Spain's access to fishing water was made limited by the virtue of Total Allowable Catche (TAC)

²⁷ Helle Schroder Hansen, "Euro skepticism – A multidimensional understanding of the concept and a comparative analysis of public skepticism in Britain and Denmark." (Master Thesis, Aalborg University Denmark, 2008).

concept. In 1985 when Spain became full member of EU then TAC of British Fishing Boats Act (BFBA) ceased to apply over it. Taking advantage of the easy terms and conditions related to registration of fishing boats in Great Britain, Factortame Company registered its boats as British Fishing Ships. British Government responded to this and introduced strict legislation for the registration of boats. Owner of the company took the matter to the European Court of Justice (ECJ) who gave the decision that that Factortame should be paid compensation. ECJ also declared that 1988 Merchant Shipping Act of British Government should cease to act. British House of Lords seconded them. So the national law was amended to make EU law stronger. Eurosceptics saw that as a breach of sovereignty. The debate still goes on, that holds the sovereignty in the legal domain. EU membership does not give space to national parliaments and they cannot conduct legislation on many subjects of their likings. Moreover, they also cannot hold accountable EU parliamentarians. Members of EU also cannot veto in those areas where QMV applies.

1.14 Road to Referendum

During the tenure of David Cameron there was a visible tension right from the inception between Eurosceptics of Conservative party and UKIP on one side and Labor party on the other side. European Union Act of 2011 was introduced which stated that there would be referendum on further transfer of power from British Parliament to EU. There was a great polarization of opinion on the matter of Eurozone Debt Crisis as the British Government refused to make any major contribution to the bailout packages. Although, British Parliament did say that matter should be dealt with the help of EU. David Cameron tried to gain additional safeguards from European Council on matters related to single market and financial services but he was not given enough guarantees and as a result he vetoed the fiscal compact treaty. After some time he agreed on Stability, coordination and governance treaty. British Government under Cameron suggested measures to improve economic competition among EU member states improve conditions of Single Market and formulate Trans-Atlantic Trade and Investment Partnership (TTIP). David Cameron was facing stern pressure from UKIP and Conservative Eurosceptics. Cameron announced in 2013 that he would hold a referendum related to leave or stay in EU if his party won the 2015 general elections. But he also expressed his desire that he would campaign for staying in EU. Cameron said that relationship between Great Britain and EU could be adjusted. Immigration laws could be

made strict and national parliaments should work in unison to be legally stronger than EU parliaments. He opined that EU could be structurally reformed.

1.15 UKIP and Euroscepticism

UKIP which is considered torch-bearer of Euroscepticism in Great Britain is highly vocal about the democratic deficit of EU. UKIP strongly believes that Great Britain should leave EU. Party was founded by Alan Sked in 1991. In 1990s another Eurosceptic party, Referendum Party, was considered more strong and vocal in British Politics by the people.²⁸ In 1997 Referendum Party met dissolution and UKIP was taken over by Nigel Farage. Nigel Farage broadened the scope of policies of UKIP. They included in its policies the pressing issue of ever increasing immigration which was a cause of utmost concern for British working class. UKIP was apprehensive about the growing Islamification of Great Britain.²⁹ Growing multiculturalism was also a cause of concern for UKIP as according to them it was detrimental to the values of Great Britain which were the product of hard work of centuries. UKIP upholds Thatcherism and classical liberalism, and maintains that EU is putting hurdles to the application of liberal values of Great Britain. Nigel Farage believed that central political institutions should have more power than its peripheries. Nigel Farage believed in free market economy with a blend of British Nationalism. He advocated for leaving EU during Brexit Referendum.

²⁸ Ibid.

²⁹ Josh Halliday, "Ukip leader endorses 'factually incorrect' book on Islam," *The Guardian*, April 17, 2019.

CHAPTER NO 2

CAUSES and OPTIONS for BREXIT

This chapter discusses various factors which have contributed to the event of Brexit and how these factors have evolved over time. These factors are economic, nationalism, ecclesiastical, geographical, English language, Euroscepticism, border management, anti-democratic nature of EU, red tapism of EU and Eurozone crisis. This chapter also discusses various options for Great Britain outside Brexit. These options are Norway option, Swiss option, Turkey option, Canada option, USA option, Norway plus option, Ukraine option and Balkans option. The chapter Causes and Options for Brexit depicts that UK has always considered itself superior to the rest of the European nations and it has considered economic policies of EU very detrimental too. UK was involved in the tug of war with France and Germany in the power politics calculus of EU. UK has also cared for its ecclesiastical heritage more than any other European nation. Therefore, UK has always preferred its national interest and UK' behavior clearly illustrates classical theory of Realism.

2.1 Eurozone Crisis

Eurozone crisis is also called eurozone debt crisis or euro sovereign debt crisis. It came after the Global financial crisis of 2008. Many EU countries faced its severe economic effects. EU countries which came under its effects were Greece, Spain, Portugal, Ireland and Cyprus. The primary cause behind this crisis was presence of single currency but absence of fiscal union in many Eurozone countries. Absence of fiscal union means that there were different tax rates in different countries. Although, all of them had adopted same currency. European Central Bank provided loans to different countries for solving this crisis. But the burden of this financial crisis came on big economies of EU. Economic growth in many EU countries also rose to its peak and unemployment rate also peaked. Eurozone debt crisis also made an opinion in Great Britain that economy of EU was very fragile and it could reach to the breaking point any time. After World War two, in whole Europe there was a tendency in elections and also in parliaments to be pro-EU and anti-EU.³⁰ Many elections were also

³⁰ Douglas Webber, "Debate: Beware, the European Union can dis-integrate," *The Conversation*, April 29, 2019.

fought in EU on this very issue.³¹ Eurosceptics viewed it as a primary cause of economic weakness whilst on the other hand Europhiles viewed it as blaming EU by many European governments for economic deficiency. Eurozone crisis also shaped up opinion against EU in Great Britain and contributed to the episode of Brexit.

2.2 Economic Causes of Brexit

Several factors have contributed to the events of Brexit. One of the significant factors is less educational level of the common British citizens. British People having less education have in general low income and hence they are more vulnerable in the modern economies. These people often create different psychological excuses that they cannot survive in the free world. They suffer from xenophobia and even consider EU some new form of colonial slavery. In the past, there was a section of British masses who considered trading with USA as a very derogatory approach because USA was a former colony of Great Britain. USA won its freedom from Great Britain and British were reluctant to involve in any trade with them. But after many deliberations and argumentations, Great Britain decided to trade with USA. Time proved that decision to be right, and USA and Great Britain got involved in a trading relationship with each other. Same is being said of Great Britain decision to leave EU as it is considered an unpopular decision by many. People who are equipped with modern day technologically advanced knowledge and who have enough skills to compete in this world are not assessing EU as a bad option or trading in an economy set by EU rules. Moreover, being a member of EU, Great Britain enjoys a decrease in non-tariff barriers as well as a decrease in tariff barriers. This gives Great Britain a chance to grow its trade and it also gives Great Britain a special advantage in those areas in which it has comparative advantage, like in oil and gas sector and also in pharmaceutical industry. Another economic effect was that Great Britain enjoyed research and innovation in these sectors. But all these advantages would be reduced after Brexit for Great Britain, and Great Britain will have to bear financial cost of leaving EU.

The extent of financial cost will also depend upon the fact that whether Great Britain will go for Hard Brexit or Soft Brexit. If Great Britain goes for Hard Brexit then non-tariff barriers will increase that would make the financial cost of leaving EU relatively big.³² Increase in

³¹ "Here comes the next euro crisis," *Politico*, November 21, 2018.

³² Alexandra Sims, "What is the difference between Hard and Soft Brexit? Everything you need to know," *Independent*, October 3, 2016.

tariff barrier if Great Britain goes for Hard Brexit would be around 2.2% to 9% of GDP.³³ Increase in non-tariff barriers would also negatively impact the services sector of Great Britain, and Great Britain would bear the burden of decline in one of its major industry. But pro-Brexit masses are of the opinion that once out of EU, Great Britain would be able to make new trade deals with EU and non-EU Countries. Anti-Brexit voters doubt that, and they claim that Great Britain will be governed by WTO rules after it leaves EU. WTO regulations would not bring any major change in terms of trade that Great Britain has been using for the past few years. EU already has 35 free trade agreements with different countries and 22 free trade agreements are in process.³⁴ Great Britain would have to make trade deals with all these countries. Damian Chalmers, professor of EU laws at LSE said, that striking new trade deals with big economies like USA, China and India would be tough for Great Britain. Reasons behind this assumption are that Great Britain would have to get deeply involved in the dynamics of international trade while making trade deals with big economies and it would also require trade negotiators for this. Great Britain would also be required to make trade deals with countries who do not want to adopt policies which promote free trade.³⁵

Pro-Brexit voters are also projecting that contribution of Great Britain to the budget of EU would either end or decrease after Brexit, that would benefit Great Britain. But here again they are missing the point that EU is also allocating and giving financial support to Universities, Non-government organizations inside Great Britain, that got support of EU, that support will be continued after Brexit or not, will depend upon type of relation Great Britain would have with EU after leaving it. Pro-Brexit voters are also saying that there would be a decrease in taxes which EU puts on them. Major advocates of Brexit are saying that increase in taxes is due to the fact that EU wants to increase its control on Great Britain.

Students who are currently studying in British Universities are paying fees according to the regulations set by EU. After Brexit, they will have to pay the fees according to Regulations set by British Laws. They will have to pay more fees and that may result in many students leaving the British Universities. This could be a huge loss for Great Britain not only

³³ Peter Foster and James Kirkup, "What will Brexit mean for British Trade?," *The Telegraph*, February 24, 2017.

³⁴ Tariq Tahir, "What will Brexit means for British trade?" *The Sun*, December 3, 2018.

³⁵ Peter Foster and James Kirkup, "What will Brexit mean for British Trade?" *The Telegraph*, February 24, 2017.

financially but also intellectually, as British Universities are famous for doing latest scientific research worldwide and producing intellectuals of epic repute.

Pharmaceutical Industry is benefitting a lot from EU regulations and masses of Great Britain belonging to Pharmaceutical industry wanted Great Britain to stay in EU. European Medicine Agency (EMA) after Brexit, has shifted its office from London to Amsterdam.³⁶ But the problem was from top hierarchy of the Pharmaceutical Industry, as these top managers only look it from the business point of view and do not like much intervention in price control policies which are set by EU. EU set the price control policy to avoid manipulation of prices from multinational pharmaceutical companies. This allowed all EU member states to maintain a constant system for controlling the prices of the medicines. Before EU applied its laws on price controlling of medicine, then it was controlled by governments of EU member states. They were manipulated by different interest groups and Business Moguls. Therefore, ordinary citizens used to suffer because prices of medicine used to fluctuate and that was really disturbing for them. Medicine is very essential commodity of life and people cannot afford to stay away from it owing to its high price. It is now these pressure groups which are suffering from it and they were major advocates of Great Britain leaving EU in referendum.

2.3 Nationalism

“Single Market will end one thousand years of history” said by Hugh Gaitskell in 1962 when Great Britain was about to join European Economic Community.³⁷

There was the golden era of Great Britain when it was true that “Sun never sets on British Empire.” Nationalism is also an important factor in this regard as nationalistic past of Great Britain has also contributed largely to this decision. British in the past have claimed to be the torch bearers of the free world. They claim that they have exemplified the modern day social and political values. Superiority of law is a norm shown by them. They brought the concept that everyone is equal before law. Remaining a member of EU and giving more rights to EU of making decisions regarding Great Britain would have given British Government less power to make judicious decisions regarding its own officials. Great Britain wants to uphold the notion of justice that they have maintained for centuries. British Nationalism also includes

³⁶ Julia Kollwe and Paul Scruton, “What are Brexit contingency plans for pharmaceutical industry?” *The Guardian*, February 19, 2019.

³⁷ Richard Davis, “Brexit and the lessons of history,” *The Conversation*, March 20, 2018.

in itself Scotland, Ireland, Northern Ireland and Wales. Great Britain loves its traditions and etiquettes and claims the biggest holder of its traditions in the past and even today. Great Britain has not abolished kingship although it has maintained a parliament which is far stronger than kingship. But kingship remains there. Great Britain also prides in its educational institutions and its freedom of expression. Great Britain maintains that it was the only country which was not occupied in World War 2. Great Britain was also the international super power of eighteenth century. Thus Great Britain has developed a very strong nationalism. Now the problem is that EU wants more and more regional integration and it wants to put more substance to its idea of regional cooperation. EU has a plan to make whole Europe one unit in the future. This will not be able to go along very well with Great Britain idea of its glorious nationalism. British Nationalism has always been very beneficial for British but it is causing them damage now. In this era of international institutional cooperation, British nationalism does not hold much ground. Nationalism is considered one of the root causes of Brexit.

Great Britain in nineteenth century was considered the biggest superpower.³⁸ It had colonized half of the world and it ruled with all its might. Great Britain had colonies in Asia, Africa and other continents. Great Britain continued to rule ceremoniously in many of its previous colonies through Governor Generals. Great Britain prides in introducing many administrative marvels in many of its colonies. Although, Great Britain played rough in many parts of the world to gain ascendancy and to win political leverage, yet it was credited with introducing good governance. For example, Great Britain has introduced many judicial reforms in subcontinent which is its former colony. Even now historians agree that British officials were involved in high handedness and machinations in toppling many local governments of sub-continent. But yet Criminal Procedure Code which is being used in sub-continent today is the one which British have made. Great Britain even introduced the bureaucratic system in many of its former colonies. Bureaucratic system became very successful and it is still being run very effectively in many former colonies of Great Britain. Great Britain was involved in many international conflicts and disputes in its glory days. For example, during Napoleonic wars when whole of Europe was in a state of fear over the issue of how to deal with Napoleon, it was Great Britain who played the lead role and formed the coalition which fought with his armies. Similarly, British took the central stage during Congress of Vienna when fate of Europe was about to be decided. British also played the central role during

³⁸ David McDowall, *An Illustrated History of Britain*. (London: Longman, 1989), 131.

various phases of Eastern Question and what to do with remains of Ottoman Empire. Even now monarch of Great Britain plays a ceremonious role in many of its former colonies. Great Britain has introduced good governance in many of its former colonies for which they are still being given credit. That is the reason Great Britain firmly believes in British Exceptionalism. British believe that they have contributed to the overall progress of human race more than anybody else. British also credit themselves for introducing Industrial Revolution which led to the economic development of whole human race. Even during Renaissance and age of reason, it was British Universities, Oxford and Cambridge, which imparted education to other European countries, and British played the central role in intellectual renaissance. For all these reasons, British consider themselves to be superior to others. British consider themselves alien to the idea of regional integration. Although to an extent they have worked hard to be a part of modern world, they have a belief in globalization and regional cooperation, but not in a manner in which EU plans it out, although, Great Britain wants to participate in solving international disputes.

Great Britain has developed a special type of nationalism which was inclusive in its nature. It included different types of nationalities which came in it with open arms but over the time this nationalism became a separate identity and it came to be known as civic nationalism. Due to massive influx of people from 1950 to 1990. Great Britain did not stop this civic nationalism because it was even beneficial for Great Britain itself. Now the problem arose that Great Britain wanted to put an end to it, because this inflow was changing its very identity. Therefore, Great Britain decided to a new form of nationalism which was nativist nationalism. This nationalism made the current masses of Great Britain as one nation incorporating in it the massive inflow of people from last few decades.³⁹ Great Britain made very strict regulations in the laws for the acquisition of the nationality of Great Britain. Great Britain also tried hard to make current British nation a single nation. Great Britain infused in them a sense of belonging to Great Britain. Great Britain tried to put existing expatriates into British Nationalism and put them into British social security system. At that time Great Britain seemed to be working on the glorious ideals of cosmopolitanism and globalization. But now Great Britain decided to put a lid to its nationalism. This resulted in Brexit. The phenomena of British Nationalism were getting very complex everyday as Scotland, Ireland and Northern Ireland were included in it. There was also hue and cry raised by Scotland,

³⁹ Fintan O' Toole, "Brexit is being driven by English nationalism. And it will end in self-rule," *The Guardian*, June 19, 2016.

Ireland and Northern Ireland that this increase of British Nationals should be stopped because of depletion of economic resources. Great Britain wants to preserve this unity of United Kingdom at any cost. All these factors accelerated the process of Brexit.

2.4 Ecclesiastical Heritage

Great Britain has an established church for centuries. Even British Kings used to take permission from Church before making important decisions. British masses as well as British King remained loyal to their church. On the contrary, Continental Europe has a church headed by Pope. There was a Catholic majority in Europe while Great Britain after Elizabeth-1 became a country ruled by a protestant Queen. Before Elizabeth-1 Great Britain used to crucify Protestants but after that it changed. This factor weighs heavily on the minds of common people of Britain. They considered themselves superior in this regard to rest of Europe. After integration with EU this superiority would have receded. Great Britain has more secular outlook and it has given its church limited powers. This autonomy has been achieved after great struggle. In the Middle Ages Church had almost equal powers to that of king which obstructed the national progress of Great Britain as well as Europe. People used to blindly follow Church and ordinary people were put to gallows by the members of the Church for committing deeds which were against the teachings of Christianity. Strong could prey the weak by bribing Church. Necromancy was considered a rage and there were proper examinations by members of Church for finding any acts of necromancy. Wizards were considered pure evils by members of Church and there was a proper investigation by Church members if anyone was found accused of magic. There was a proper sub-body of church dealing with this subject. This sub-body was called Inquisition. Inquisition used to give harsh punishments to those who were found guilty of any acts of magic. Inquisition also used to deal with sectarianism in Christianity. Members of Inquisition also used to deal with heresy in Christianity. After years of progress and through spread of liberalism in Europe as well as in Great Britain these powers of Church were gradually decreased. The influence of Church was restricted to religious affairs and Church was made to stay away from political matters. In Europe, the process of restriction of power of Church began with French Revolution. There Church was also reduced to figurative body and made to stay away from political matters. There is a difference in the reduction of powers of Church in Europe and in Great Britain. In Great Britain some members of Church sit in House of Lords but they are nominated. Their voice does not hold much weight in the voting process on crucial matters.

Conversely, in Europe, Church completely stays away from government but they have role of being religious heads. Protestants are the ruling elite in Great Britain and in U.S.A. This is the concept of Protestants to make a socio-religious and political system in which everybody, government officials and religious leaders are accountable before masses. In fact, liberalism is the ideology of Protestants. Based on these norms the Protestants have built a system which is ruling the world. In Middle Ages even Catholic Church of Vatican had conspired against Protestant British Church. British cannot go against their church, and staying in EU in future could make them to compromise on this issue. Brexit was also influenced by this ecclesiastical heritage of Great Britain.

2.5 Geographical Factors

Great Britain on ground has always stayed away from Continental Europe. The reason was it being an island. Its masses never felt the direct consequences of mega events taking place in Continental Europe. In few cases it felt but in most of the cases not. Take, for example, the case of French Revolution. Almost every single country felt the seismic effects of events of French Revolution, but Great Britain never felt them. The reason was that Great Britain then started Industrial Revolution. Industrial Revolution changed the economic fate of British Masses forever. Industrial Revolution was hailed by many economists not just an important event of Great Britain but it was also hailed as one of the most important event of whole human history. When it started, British Government faced much opposition from nobles and also from clergy, but British Government was hell bent to make it successful. The reason was that in France the whole episode of French Revolution was triggered by economic deprivation of common masses and same could happen in Britain. So in order to stop it British Government initiated Industrial Revolution. Industrial Revolution really changed the economic conditions of British Masses. At first it was opposed by certain members of the society of Great Britain. But its economic success really galvanized whole Great Britain. That really changed the conception of the whole Great Britain regarding Industrial Revolution. There was also second Industrial Revolution after the first one. The advent of second industrial revolution showed that it had brought great prosperity to the whole Great Britain. Though in some cases Great Britain entered into the affairs of Europe especially when there were wars but it always maintained its unique separate subjective identity.

Great Britain has also kept its own identity in which it maintains a complete Freedom of Expression. This freedom is granted to every citizen of Great Britain. A citizen of Great

Britain can criticize anyone even the government and this is his or her right as the citizen of Great Britain. Racism has been an issue in Great Britain of late and these steps were taken to remove racism. Magna Carta which was signed in 13th Century granted first ever rights to some barons of Great Britain. From there on every monarch tried to improve upon Magna Carta and granted more and more rights to citizens, Barons and Nobles. Magna Carta met a decrease in its popularity once British parliament came into effect. But after the few decades it was reviewed and it regained its lost glory and significance. It was improved, re-improved and implemented by every monarch. Countries call it the source of inspiration for their constitutions and for defining the rights between monarchs and citizens. Some even called it “The Greatest constitutional document of all times”. Great Britain prides in its glorious past of individual rights and freedom of expression and therefore it abhors EU’s integration plan. All of this leads to an increase in Anti-EU feelings and a subsequent fast tracking in the process of Brexit. EU can never grant such type of rights and freedom of expression to the masses. The reason behind it is that it is anti-democratic by nature.

2.6 Superiority of English Language

Superiority of English Language is also considered paramount by many British Citizens as English is known as an international language by people of the whole world. English is believed by many to be the most spoken language on the earth. One out of five people used to speak English. English is further divided into two parts, British English and American English. British English is considered very important in many parts of the world. Office correspondence and other official works are done through it. British English is considered a legacy of British Colonialism. British English was introduced and implemented by British everywhere they went. They carried out their official work in it and tried to introduce it to the masses as much as it was possible. British carried out many good works in their colonies through which really increased the importance of English Language. All the modern day commercial activities are carried out in English. Superiority of English language is superiority of English culture. In modern world if one has good command over written and spoken English then his chances of getting a job in a multinational company increase many fold. English is the official language of over fifty three countries. American English is derived from it and is also spoken widely around the world. English is the language of internet. It is also the language of diplomacy, as diplomatic activities are carried out in it around the world. Almost whole of the internet is in English and that even further increases

the importance of English language. Social media is also very vital in the modern world. It has a profound effect on the global community. It helps in shaping up the international as well as national opinion. Social media also uses English language. This also increases the importance of English language.

EU plan of integration would have lessened the importance of English and the cultural amalgamation of Great Britain with Europe would have accelerated the process. English would have not remained a leading international language. On the hindsight, it would have become one of many spoken languages. That was not good, not only for Great Britain but also for many of its former colonies who were nation-states now and where English was considered a primary language. Instead of English, Spanish, French and other languages would have gained ascendancy throughout the world. Spanish, French and German are already widely spoken in the world, and European Integration would have increased their importance many times. This would have come as a horrendous setback to many countries and companies where English is considered a primary language. This factor was in the mind of British politicians and businessmen when they were voting for Brexit. British love their language. They consider it a part of their colonial legacy and also very untouchable part of their commercial and business life.

2.7 Euroscepticism in Great Britain

Euroscepticism is an attitude of British masses which has grown over the years. Great Britain has maintained its identity over the centuries. According to conservative masses of Great Britain they have faced every threat coming from continental Europe with vigor and courage. Great Britain wants to remain separate from rest of Europe after World War 2. Therefore, it was reluctant to join European Coal and Steel Community which was a predecessor to EU and made by major European Western Powers. Britain joined EEC in 1973 after seeing its massive economic success.⁴⁰ But side by side opposition also grew against EU. Margaret Thatcher was even asked by cabinet to cut the spending to EU budget.

Decisions regarding Great Britain should be taken in Great Britain and not anywhere else. This is the message what eurosceptics have been trying to give through their decision to leave EU. The financial cost which Great Britain pays to remain in EU can be utilized somewhere else. The result of a major opinion poll suggests that it can be utilized in National health

⁴⁰ Toby Helm, "British Euroscepticism: a brief history." *Guardian*, February 7, 2016.

sector. Euroscepticism has grown over the years in many countries of Europe and especially in Great Britain, where there is strong suspicion regarding European Integration. European Nationalism and Pan-European Identity have been considered in vogue of policies of rightist politicians of Europe in 1960s and 1970s. In modern Europe this Pan-European identity was mixed with modern day neo-liberalism but the problem was that it was seen with suspicion by many countries of Europe. The reason behind this suspicion was growing Federalism of EU. Terrorism also accentuated this Euroscepticism. Moreover, the growing Muslim population in many countries of Europe also increased this euro-scepticism. This Muslim population was increasing day by day, which was decreasing the chances of future growth of further dominance of whole Europe. Nationality Laws are relaxed in many countries of Europe and this had given the chance to Muslims coming from outside to gain nationality of Europe. This would have changed the identity of whole Europe because these Muslims could have easily moved through Europe after EU decided to relax its borders. Europe has been at war with Muslims for centuries. Although, Europe has gained lot of political maturity over the centuries but its basic instincts remain the same. Europe in general and British in particular do not like that Muslims come and achieve success in their countries. This factor also contributed to the rise of Euroscepticism. In Great Britain there is also a massive street movement against Muslims which is called “English Defense League”.⁴¹ This movement holds protests and demonstrations against Muslims of the Great Britain. There was even a survey held in Cambridge University which concluded that around one third of Pro-Brexit Voters thought that Muslim immigrants coming to Great Britain were real threat to it.

Muslims were even joining political parties in Great Britain. So in future they would have been sitting more and more in parliament of Great Britain. They are becoming a part of politics of Great Britain and their strength would be compounding in future. Muslims are becoming part of law making bodies and they are affecting attitude of Great Britain in various nationalistic issues. Parliament of Great Britain has not been able to raise its voice internationally on some crucial issues due to the fact that it would have displeased their Muslim population and Muslim members of their parliament. They have a historic and time tested stance on Palestine issue which is in line with the sentiments of their trans-Atlantic ally USA. In fact, it is considered that Great Britain led the movement which paved the way for

⁴¹ Peter Walker, “Pro-Brexit activist said all Muslims should be removed from UK,” *The Guardian*, January 9, 2019.

the creation of independent Jewish state of Israel. Great Britain like USA wanted to empower Jews and side by side it wanted to create a constant threat for Arabs. Great Britain also wanted to secure Suez Canal. Suez Canal is an important trade route for all Europe. Therefore, they have always supported Israel. But now they might land themselves in a situation where they need to compromise that stance in order to please the Muslim members of their population. This would have left many allies of Great Britain displeased and also the businessmen, as Jewish Lobby controls the whole business of the world.

2.8 Border Management

Border Control is an issue which has largely shaped up this decision regarding exit of Great Britain from EU. EU nationals have been coming to Great Britain and living there to work. Recently terrorism has grown immensely in Great Britain and also throughout Europe. Therefore, Great Britain wants to keep a check on its borders and does not want free movement of people on its borders. EU wants to make whole Europe a border free place where people can come and go without any hindrances. EU has made single market which is extremely detrimental to Great Britain because it allows free movement of labor.

Terrorist activity is also posing a very grave threat to Great Britain. As very recently Great Britain has witnessed some of the most horrific acts of terrorism on its soil. Great Britain wants to manage its own borders because it believes that it can control terrorism through this process and it can also control its law and order situation in a better manner which would help its ordinary citizens. EU wants to open up its borders among its member states and that would have been catastrophic for Great Britain according to the estimates of Great Britain. Great Britain thinks that immigrants coming from outside were committing crimes in Great Britain and disturbing the peace of the British nation. Islamic Terrorist Groups have raised their bombing activities in whole Europe. They are targeting Europe for their role in NATO. NATO and US forces have destroyed many Muslim countries. ISIS has also been reported to do recruitment from Great Britain. According to British Tabloids there is an increase in number of British Muslims going to Middle East and fighting for ISIS. Great Britain is also facing an increase in activities of terrorist groups. Organized crimes have increased in Great Britain and mostly immigrants are involved in it. All this has spread waves of fear in whole Europe, as Europe was very closely linked with Global War on Terror. The whole idea of East versus West in a state of confrontation was espoused by major European powers and then it was transferred to USA. Western European Allies were major allies of USA in its

effort to dismantle Islamic world. Now every single European country is facing the threat of terrorist activities. Terrorist bombings in Paris show that no major European country is safe. Great Britain is also in danger but does isolation from EU really vindicate the stance of Great Britain. There are other methods to control terrorism. Great Britain can deal with subject of terrorism at a whole lot new level. It can train its police in a more effective manner. It can do contingency planning. Great Britain can even further educate its citizens on the adverse effects of showing negative attitude towards Muslim population of Great Britain. Global role of Great Britain cannot be diminished even after Brexit because Great Britain has a centuries old contribution to lead west. Great Britain has even announced that it would continue to work with N.A.T.O and other major allies of Western Europe to make a joint front against terrorism and also fomenting a rule based international system. Great Britain is afraid of ferocious response that terrorist groups are showing towards Great Britain.

EU believed in regional cooperation and equality among its member states. Great Britain also wanted this but the cost which it has to pay was too high by its own estimates. Ordinary citizens who were less educated consider border management very vital for the security reasons and for overall peace of Great Britain. Border Management has been dominating the Brexit campaign throughout referendum. Pro-Brexit political leaders were continuously telling the general public that staying in EU would make them compromise on their security situation. EU wants to create a common strategy for security and foreign policy. EU also wanted to open a joint front against weapons of mass destruction. Manchester bombings, 2017 West Minister Attack and London Bridge Bombings further vindicated the stance of Brexit voters.

Migration within EU is also a very big problem. It is the hot topic of debates among many EU countries and also an item of election agenda in many EU countries. It is one of the most discussed issues in politics of Italy, Germany, Hungary, Austria and Sweden.⁴² Labor laws are also very relaxed in Eastern Europe and Eastern European countries are rampantly joining EU mainly because of the reason that they want to grow their economies. The labors of Eastern Europe are coming to Western Europe which is a cause of concern because they are operating according to the laws of their native countries. Eastern European countries are sending labors to Western European countries so that more and more labors are employed there on Eastern European rates. This does not suit the job market because British would

⁴² Simon Jenkins, "From Sweden to Brexit, immigration is the issue dividing Europe," *The Guardian*, September 10, 2018.

want jobs for British workers. French would want their jobs to go to French workers. Now the rationale is that businesses would naturally like to save the cost for their projects. Labors are mostly in construction areas and also in other industries. Movement of labor is therefore seen very unfavorably by conservative British. EU laws recommend that labors must be employed according to the laws of the company which is hiring them not by the laws of the country in which they are working. According to Eurosceptics, migration within EU is reducing jobs for British workers and also increasing terrorist activities in Great Britain as well as in whole of Western Europe. Europhiles claim that technical jobs can be filled only by technical people and some of them come from other countries. Already, after Brexit lots of jobs are required to be filled because EU workers are coming in lesser number to Great Britain.⁴³

2.9 Anti-Democratic Nature of EU

Sovereignty of British Parliament can be compromised by staying in EU. This also leads to a challenge to British Democracy because parliament is symbol of democracy. In British Parliament elected representatives of the British people sit and discuss different issues related to various fields. In EU most of the decisions will be taken at Brussels by the bureaucrats who are un-elected and therefore they are in a superior position than British Parliament. The masses of Great Britain have their democratic values. According to Europhiles, Sovereignty is not some tangible or whole something that you can either completely have it, or you can miss it. Sovereignty can be achieved by having little influence. For example, the case of N.A.T.O membership where Great Britain is under obligation to go under war if any member goes to war. Same can be done with EU. But here again another argument comes that even nationalism is more superior to sovereignty. Conventional wisdom holds that people who talk of nationalism do not usually hold much logic. Same is the case with most of British Nationalists. They hold their nationalism superior over everything else which is very tragic because through legislation they can give some semblance to their parliament over EU. David Cameron even suggested that such legislation could be passed that British Laws in Britain are superior to EU laws and this law could only be bypassed when British Parliament decides to do so through their vote.

⁴³ Adam Marshall, "Britain cannot wait any longer for post-Brexit immigration policy," *The Guardian*, August 23, 2018.

2.10 Red Tapism of EU

Red Tape is another issue which has been considered paramount by many Eurosceptics. EU has too many procedural requirements for trade and for other conditions that citizens of Great Britain can ill-afford to abide by. According to pro-Brexit advocates too many procedural requirements are stopping the flow of foreign investments coming into Great Britain. The future is uncertain, especially as far as economic future is concerned, because there is a huge debate that what the future would be once Great Britain completely exits EU. Trade Experts fear that trade of Great Britain with EU would decrease by 50%, once Great Britain leaves EU. According to some American Financial estimates, Great Britain would go behind a couple of decades as far as business and trade is concerned. Bureaucratic control of EU is seen by liberal minded British people as counterproductive for trade and investment of Great Britain. Some have suggested that Brexit is good for the financial health of Great Britain but their number is comparatively less. British industry will benefit after Brexit, because UK will get rid of red tapism of EU.⁴⁴ Nevertheless, London is agreeing with Anti-Brexit masses of Great Britain. For them Brexit is nothing more than a nightmare in modern day world of globalization. London has even asked for more autonomy from British parliament.

EU is controlled by Bureaucrats and Politicians, and they formulate regulations and put taxes without being answerable to anyone. EU has six to seven sub-bodies, and they are mostly nominated, not elected. EU has got more than one President. Even EU Parliament is not held accountable before anyone. In EU Parliament no law can be questioned which is made by it. No law can even be questioned or even be put up for discussion. EU is described by many British Politicians as "Power without Accountability". Masses of Great Britain pride in their democracy and they hold their bureaucracy and politicians accountable for their actions. They like to know where their money is being spent when they are regularly paying taxes. Such level of accountability is missing in EU. In recent times, it has also been witnessed that bureaucracy of EU was influenced by lobbyists. These lobbyists were tasked by big multi-national firms that they must use all means necessary to achieve favorable trade deals from EU bureaucracy. This creates non-competitiveness in economy and competition is considered engine of economic growth. Lobbyists create unfair competition because some of the firms, companies and businesses are able to vote and some of them are not. There are proper professional lobbyists who manipulate successfully because EU bureaucrats put quota on

⁴⁴ Tom Mctauge, "Brexit means.....red tape." *Politico*, September 13, 2018.

quantity of stocks being traded. So Great Britain dislikes this notion of bureaucratic control of EU and considers it dangerous for its economy and trade. EU bureaucrats also try to protect industries which are not very competitive by putting trade barriers. Pro-Brexit campaigners also claim that EU is trying to give funds to Great Britain ministers who are putting up a campaign for them in favor of EU. EU is trying to put too many regulations on economy and trade according to pro-Brexit campaigners. Whenever even in the past, trade of Great Britain thrived, it was due to the fact that Great Britain put least amount of regulations on its economy.

Pro-Brexit campaigners also cite the example of post-world war 2 Germany that was in ruins after World War 2. Economically and politically, Germany stood nowhere. At that time Germany put a new finance minister who reduced the regulations to minimum level. This really helped economy of Germany, and Germany rose from nowhere to an economy of strong base. Regulations decreased burdens on the economy. Free Trade was promoted, competition decreased and economy got strengthened. Least amount of regulations really helped the country to prosper. When the regulations were decreased, more and more investors came to Germany. Indirect Taxation was reduced and incentives were introduced for the foreign investors coming to Germany. Protectionism was eliminated so that level playing field was made available for all the companies operating in Germany. Labor Laws were relaxed so that more labors could come, and hence it benefitted the new investors and entrepreneurs who were coming to Germany. Germany specialized and gained advantage in those industries in which it had indigenous talent. Germany also focused more on privatization, as privatization was fostered by the fact that there was least amount of regulations on the private businesses. Germany also focused on the point that it should have a free-market economy. Germany made numerous trade deals with every country from every corner of the world. Same Germany which was in ruins a few decades ago, became the envy of whole Europe. East Germany which became separate country after World War 2, adopted an approach of having a regularized economy. They stood nowhere in comparison to West Germany which really prospered. Therefore Great Britain also wants to put least amount of regulations on its economy. It has not been able to do it after World War 2 because bureaucracy has remained strong in Great Britain, and now Great Britain wants to stay away from the clutches of the EU bureaucratic control. Pro-Brexit campaigners are saying that staying away from EU will help Great Britain in getting rid of these regulations while on the

other hand anti-Brexit campaigners are arguing that staying away from EU would not help Great Britain as it would be unable to get preferential trade deal and it would get isolated.

Globalization is not a myth. It is the biggest reality of the 21st Century and it would continue to be very strong. In present era, even the strongest economies need the support of their regional partners for the economic uplift. Anti- Brexit campaigners are saying that Great Britain will go in international isolation after Brexit. Pro-Brexit campaigners claim that leaving EU would give a new lease of life to economy, democracy and security of Great Britain. In Great Britain EU is considered rich man's club.

2.11 Options of Great Britain for Brexit

At first, we have to distinguish between Hard Brexit and Soft Brexit. Hard Brexit generally is an option in which there would be no deal made by Great Britain with EU after leaving it. While the Soft Brexit means that a favorable deal can be made after leaving EU. Under Hard Brexit Great Britain would have to apply WTO rules towards EU that would be risky as it would increase financial uncertainty, and Great Britain would not be able to ensure smoothly functioning of its various key economic areas. But now once again the problem is that Great Britain would have to accept certain EU regulations, and that is huge disadvantage. Regulations of EU are also another cause for which Great Britain opted for Brexit. That would also mean that staying in single market would decrease the chances of Great Britain making free trade deals with the countries outside EU. If Great Britain stays in single market it would also have to stay out of Custom Union. That would increase certain non-tariff barriers. Staying in EEA would also include a contribution to EU budget. So staying in single market has its own advantages and disadvantages.

2.11.1 Norway Option

Norway Option is considered by many Europhiles to be the most beneficial relationship for Great Britain after Brexit. Great Britain, under Norway Option, will enjoy access to Single Market but it would stay away from more contentious policies like Common Fisheries Policy (CFP), Common Agriculture Policy (CAP) and regulations of European Court of Justice (ECJ).⁴⁵ If Great Britain stays in single market then it would have to automatically stay in EEA. Staying in single market would be good for the financial services sector of Great

⁴⁵ Ralph Buckle et al., *Brexit: Directions For Britain Outside EU*. (London: Institute of Economic Affairs, 2015), 90.

Britain because it was accepted to be the biggest sufferer of Brexit. In single market there is a free movement of capital, goods, services and people. All the members of EU are also the members of single market.⁴⁶ Norway, Iceland and Lichtenstein who are part of European Economic Area (EEA) are also part of single market. Critics of single market and Norway Option plead that joining Single market will kill the very purpose for which Brexit was initiated because it would allow free movement of people, and people from EU could come to Great Britain, and that would amplify one of the basic problems for which the idea of leaving EU was presented at first place. There is another option though that Great Britain could make separate mini-deals regarding free movement of people across its borders. That would solve this problem of immigration as now Great Britain would be a part of single market and it still could put a check on free movement of people on its borders. Switzerland is doing it. Trade barriers, in case of mini deals, would also be low as trade barriers were considered one of the major causes of increase in cost of leaving EU. Now the financial services sector of Great Britain would benefit from this because they do not have to earn any separate rights for working in EU countries.

Under Norway Option Great Britain would not have much voice in shaping up rules and regulations of Single Market as it used to have before. Norway has included most of the EU laws into its national laws without having any debate or discussion over them. Great Britain would also require following EU laws under Norway Option.⁴⁷ According to Norway Option, Great Britain would face less non-tariff barriers at the border between Ireland and Northern Ireland, but tariff barriers would remain at the Irish Border. Great Britain should join Custom Union if it wants to decrease tariff barrier at the border between Ireland and Northern Ireland. Great Britain under Norway Option could face immigration problem but it can follow the example of Lichtenstein in European Economic Area (EEA). Lichtenstein was member of EEA and Single Market but it decided to restrict immigration due to its small geographical size. Lichtenstein invoked article 112 of EEA Laws. This article gives the absolute freedom to EEA member states to restrict free movement of people in case they are facing any duress of political, economic and social nature. So Lichtenstein freed itself from immigration problem. Great Britain could follow the example of Lichtenstein and control immigration whilst being a member of EEA and Single Market.

⁴⁶ Jennifer Rankin, "Norway option is worst of all Brexit outcomes for UK, say EU sources." *Guardian*, December 4, 2018.

⁴⁷ Jennifer Rankin, "Norway Option is worst of all Brexit outcomes for UK, say EU sources," *The Guardian*, December 4, 2018.

2.11.2 Turkey Option

Great Britain could remain in custom union. Remaining in Custom Union means that countries remaining inside it do not impose tariffs on each other but they agree on imposing a common external tariff on goods from countries outside custom union.⁴⁸ Turkey is one such example as it is the part of European Union Custom Union (EUCU). It would be able to get rid of excessive regulations of EU. Theresa May also wanted a joint committee to set a tariff for all the goods coming to Great Britain.⁴⁹ Another advantage of staying in custom union is that Great Britain would not have to make contributions to EU budget. But the disadvantage is that Great Britain financial services sector would suffer because now Great Britain financial services companies would not have free movement of services across its borders. That would greatly put in danger one of the biggest sectors of British economy. Although, staying in custom union would put a lid on the problem of immigration as there would be no free movement of people across borders of Great Britain. Moreover, Turkey under EUCU arrangement had to submit to the rulings of European Court of Justice.⁵⁰ According to the estimates, cost of living with EU under Custom Union would be more than cost of living with EU under single market regulations.

2.11.3 Canada Option

Another example is Canada which has struck out free trade deals with EU, and it is not part of either Custom Union or Single Market. It has reduced some of the tariff barriers of trade with EU. That is still a good option, but that would be like operating through WTO regulations.⁵¹ Because it would not cater for the problems arising out of post- Brexit settlement. Although, contribution to EU budget would stop and immigration problem would also be solved, but still there would be the problem of financial services sector. Financial services sector of Great Britain is also one of the biggest contributors to its FDI. Financial services sector would not be able to gain much out of this deal. Financial services sector is required to go across the borders.

⁴⁸ Ralph Buckle et al., *Brexit: Directions For Britain Outside EU*.(London: Institute of Economic Affairs, 2015), 95.

⁴⁹ Leonid Bershidsky, "May's New Brexit Dream Amounts To 'Turkey Plus'," *Bloomberg*, July 9, 2018.

⁵⁰ Ralph Buckle et al., *Brexit: Directions For Britain Outside EU*.(London: Institute of Economic Affairs, 2015), 96.

⁵¹ Paul Whiteley, "Is Britain heading for Canada plus plus Brexit?," *The Conversation*, December 14, 2018.

2.11.4 Switzerland Option

The best option for Great Britain would be Swiss option. As Switzerland has made great progress by staying outside EU and still growing at an un-parallel pace. It is a part of European Free Trade Area but it is not a part of Single Market and it makes free trade deals with countries outside EU. It is not a part of Custom Union. Even in single market it has made some restrictions through negotiations. It is largely free of EU regulations and it contributes very less, even lesser than any other member of single market to EU budget. Switzerland has very less trade barriers and it is considered a model of progress. Switzerland has negotiated a lot of trade deals with EU. In some trade deals it has conceded some of its rights to EU and in some agreements it has achieved shining leverages from EU. Switzerland has maintained an observer status in EEA but it never joined it.⁵² As a result it has full access to single market. Switzerland has made free trade deals with EU in many areas. Switzerland has made technical standard operating procedures in many areas. Those areas are especially related to technologies. Switzerland also takes part in European Union research programs. Switzerland has also signed an agreement related to industrial goods with EU. This agreement has allowed it to have a full access to do commerce in industrial goods without any restriction or quota imposed on them. Moreover, no custom duties will be levied on them. In 2004, Switzerland also became part of Schengen Agreement.⁵³ Schengen Agreement is very important and only those members of EU are included in it who have agreed that there would be no border control among their borders. Thus, they further increase the free movement of people. Schengen agreement also reduces the check on speed vehicles. The reason behind it is that speed vehicles could cross those border areas among them which are signatories to Schengen agreement. Also, visa policies were coordinated and tried to make similar by Schengen countries. Schengen agreement also allows free movement of people across its borders away from the stipulated check posts. England and Ireland have never signed it. England has never signed Schengen agreement even when it was part of EU. Schengen agreement operated independently from EU. But in 1999 it became part of EU regulations. Now every EU member state is automatically required to fulfill it but it can opt out on technical grounds. Many non-EU member states have signed it and became a party to it. Switzerland has also signed agreement to fight fraud and also it has adopted EU

⁵² Ralph Buckle et al., *Brexit: Directions For Britain Outside EU*. (London: Institute of Economic Affairs, 2015), 92.

⁵³ Ralph Atkins and Alex Barker, "The Brexit effect: Brussels tries to blunt the Swiss model," *Financial Times*, October 2, 2018.

regulations regarding handling of media. Switzerland has also made agreement to adopt EU regulations related to environment. This is a very significant step as EU has gone to greater lengths to save environment. Switzerland has also adopted regulations regarding refugees and asylum seekers.

2.11.5 U.S.A Option (WTO Rules)

“It will not be any comfort to say: ‘I told you so’ when the Lorries are backing up on the M20, when cancer patients can’t get medicines and when prices are rising in the shops. So tonight we have the opportunity to take ‘no deal’ off the table.”⁵⁴ (Jeremy Corbyn)

In case of no deal Great Britain will deal with EU under WTO rules which are the type of trade relations U.S.A has with EU. Under WTO rules every nation is required to give every other nation Most Favorite Nation (MFN) status. MFN status is given to avoid any kind of trade discrimination. WTO formulates rules of international trade among its 164 members. Countries doing trade under WTO are mostly those who have not signed Free Trade Agreement (FTA). Tariffs and quotas are imposed under WTO regulations by its members. In case of no deal on Brexit, tariff and non-tariff barriers will be imposed on Great Britain under WTO terms. WTO has no specific standards for non-tariff barriers. Non-tariff barriers include product standards, safety standards and sanitary regulations. WTO has no pre-set standards for these regulations but Great Britain has previously worked with EU regarding non-tariff barrier as its full member. So in case if no deal becomes reality, then Great Britain, without any set schedule, has previous experience of dealing with these non-tariff barriers.

2.11.6 Norway Plus/ Common Market 2.0

Norway plus was put forward in Great Britain in November 2018. It combines membership of European Free Trade Association (EFTA) and European Union Custom Union (EUCU). Norway Plus combines features of Single Market and Custom Union of EU. Labor Party politicians are terming it as wishful thinking and not a practical option mainly because of the fact that EU will not accept that. Norway Plus will require consent of all the members of EFTA and also the consent of all members of EU.⁵⁵ That would be a lengthy and difficult process. Fishing and Agriculture policy will not be included in it. Under Norway Plus, Great Britain would be required to comply with EFTA Court, and EFTA Court takes directions

⁵⁴ Peter Walker, “MP’s best quotes from Brexit debate,” *The Guardian*, January 29, 2019.

⁵⁵ Alex Barker, “Six reasons why ‘Norway Plus’ is an unlikely Brexit outcome,” *Financial Times*, November 30, 2018.

from European Court of Justice (ECJ).⁵⁶ So Great Britain would be required to observe ECJ laws without the right of putting any objection to them. That could specifically hurt economic interests of Great Britain because Great Britain would hold the biggest economy in EFTA if it joins it. Norway, who is a member of European Economic Area (EEA), has rejected Norway plus arrangement for Great Britain.⁵⁷ Norway politicians and businessmen have explicitly stated that Norway plus arrangement is not in their interest.

2.11.7 Ukraine Option

Ukraine has a deep and comprehensive free trade agreement with EU which is called DCFTA. Ukraine option has many advantages for Great Britain. According to this option, EU laws would not be applicable in Great Britain. There would be no free movement of people. Great Britain would also get the opportunity to participate in single market. Great Britain would also have the freedom to strike trade deals with non-EU countries. Lastly, Great Britain would work with EU on formulation of Defense and Security policy.⁵⁸ DCFTA has many amended laws which help in the smooth functioning of different sectors of bilateral trade between EU and Ukraine. These sectors of bilateral trade include financial services, telecommunication and international maritime services. So Great Britain's financial services sector will receive benefits if it goes for Ukraine option. There is also a proper methodology for dispute settlement between Ukraine and EU.

⁵⁶ David Lammy, "Norway Plus is not a silver bullet to resolve Brexit impasse," *The Guardian*, January 20, 2019.

⁵⁷ Patrick Wintour, "Norwegian politicians reject UK's Norway-plus Brexit plan," *Politico*, December 7, 2018.

⁵⁸ Ursula F Ott and Pervez N Ghauri, "How a 'Ukraine plus' Brexit deal could solve Theresa May's problems?" *The Conversation*, November 21, 2018."

CHAPTER NO 3

BREXIT'S IMPLICATIONS for GREAT BRITAIN'S REGIONAL POLITICAL ROLE

This Chapter discusses regional political implications of Brexit for United Kingdom and how they are going to affect its regional political role. The Chapter discusses how nuclear program of Great Britain will be affected by Brexit and how Great Britain' role could change at U.N.O after Brexit. EU's sanction policy will not be in line with Great Britain's objectives after Brexit which has also been discussed in this chapter, and Great Britain would not be able to gain benefits from Galileo Satellite System. Great Britain will lose influence in N.A.T.O. This aspect has been analyzed under the sub heading of EU N.A.T.O nexus. Second portion of this chapter discusses three major areas out of ten in which Great Britain-Irish and Scotland relations will be affected after Brexit. Three major areas are common travel area, policing and EAW, and Interreg and Peace program. Regional political role of UK after Brexit will decrease. Brexit would decrease political influence of UK in the N.A.T.O, EU and U.N.O The maneuverability of UK would also decrease at regional level that too at such an important juncture when Europe is beset with challenges from Russia and Islamic fundamentalism. UK looked towards its own national self-interest when European nations wanted its cooperation at political and diplomatic level. UK's behavior reflects theory of realism of international relations.

U.S.A has great relation with EU ever since the cold war. Some observers claim that after the end of cold war U.S.A will distance itself from Europe but that proved an ill-begotten concept just because of the fact that U.S.A and EU relations grew even stronger after the cold war. One such area which is considered to be growing even stronger with time between U.S.A and EU is trade. U.S wanted to sign a free trade agreement with EU which was commonly known as TTIP (Transatlantic trade and investment partnership). According to statistics of 2012, US and EU combined G.D.P accounted for 40% of Global G.D.P.⁵⁹ U.S has always doubt over the spending of EU nations on defense budget. 75% of N.A.T.O budget is paid by U.S while the minimum threshold for a nation to pay in N.A.T.O budget is

⁵⁹ Tim Oliver and Michael John Williams, "Special relationship in flux: Brexit and the future of US-EU and US-UK relationships," *Chatham House*, 2016. 549

2%,⁶⁰ a requirement only met by four European nations and one of them is Great Britain; which makes Brexit very significant. Great Britain is leading towards isolationism and it might face the same military conundrum which other EU nations are facing in relation to future of N.A.T.O. U.S is making its military superior while N.A.T.O is lagging behind chiefly due to the fact that EU nations are not willing to spend more on defense budget and also on Research and Development related to it. There are strong chances that in future N.A.T.O will become completely redundant.

Brexit will weaken Europe at a time when Europe is facing some serious security threats. ISIS and Islamic fundamentalists are putting the security of whole Europe in danger as one of the most deadly terrorist attacks was carried out in Paris in November 2015. Paris attacks lead U.S to believe that they should make changes to visa waiver program with EU.⁶¹ In such hard circumstances when there is a demand of cooperation by Europe from Great Britain and U.S.A, the withdrawal of Great Britain from EU would be seen with suspicion and regret. Muslim minorities are seen as a threat in both U.S.A and Europe. Great Britain joined European Economic Community in 1973 due to the major fear of being left alone in European decision making apparatus by U.S and Western European Nations; economic uplift was another cause. Now Great Britain is backing off from its commitments mainly in Europe, particularly due to over-blown problem of immigration.

Great Britain has always shown cooperation with U.S.A and over the time this relationship has built up in mutual trust, economic cooperation and international integration. During 2003 U.S invasion of Iraq immediately after 9/11, Great Britain even supported U.S military actions despite the fact that many European nations were against it. British Premier Tony Blair went out of the way and gave full assurance to George W Bush that Great Britain will support actions of U.S.A despite domestic and European pressures. Although, Tony Blair's actions were not supported by modern British masses but yet conservative British remained jubilant over them. Great Britain remained a close ally of U.S.A in terms of intelligence sharing, nuclear weapons and Special Forces albeit since 2010. David Cameron government is cutting defense budget and Scottish Independence referendum just remained very close. All these factors have tarnished the image of Great Britain as dependable ally in the eyes of Obama and Trump U.S governments. Brexit has dented credibility of Great Britain as an

⁶⁰ Robert Wall, "NATO Members Say Focus on Military Spending Misplaced." *Wall Street Journal*, July 12, 2018.

⁶¹ Edward Alden, "In praise of US Visa Waiver Program," *Politico*, November 26, 2015.

international power as U.S is now looking towards Germany for solving major European problems.

Great Britain is a major trading partner of U.S and it is looking towards U.S in post Brexit era to remove any uncertainty over its economy. There are suggestions that Great Britain should join either NAFTA or TTIP, both would be helpful for mitigating financial uncertainty over Brexit. In 1990s there were very strong suggestions given to Britain by U.S Congress that it should join NAFTA as an alternative to EU, at that time apprehensions of Great Britain related to EU were continuously increasing. Now, NAFTA could be a “potential solution” to economic uncertainty that Brexit would entail on Great Britain. There are number of glitches related to NAFTA. Firstly, NAFTA could involve a very complex set of legislation for Great Britain to adopt. Secondly, it would expose Brexit to a potentially weak financial services area, barring U.S.A all the other NAFTA members do not have substantial financial services export. It could also expose Great Britain to extremely competitive agriculture exports of Mexico and U.S.A. Great Britain would lose in the economic areas in which it has comparative advantage.

International politics is becoming more and more prone to conflicts and Europe stand at very dangerous ebb due to its historical responsibility to make the world a conducive place for peace. Great Britain has always served as a link among European powers for any threat management. After Brexit, Great Britain will not take part in any sort of meetings of European Council which it previously participated. These meetings were held under article 222 of EU treaty for threat assessment.⁶² These meetings could cause lack of efficiency as far as fomenting an agile response to terrorist attacks.

3.1 EU’s Sanction Policy

Great Britain for centuries has looked towards Europe to maintain a balance of power in it while Pax-Britanica concept ruled the international political scene in 18th Century. It meant that Great Britain could intervene anywhere in the world to maintain peace. In 20th Century this concept was replaced by Pax-Americana which meant that U.S.A could intervene anywhere in the world to maintain peace and Great Britain would act as its deputy. Thus, Great Britain systematically transferred information regarding various geographical areas to U.S.A. As Great Britain has remained an international power up to Second World War,

⁶² John Byrton, “The Political Consequences of Brexit,” *Fair Observer*, June 21, 2017.

therefore, it was easy for it to have insight related to different areas and relevant to different domains. Great Britain is the major link between EU and U.S.A. Just look at the domain of imposing sanctions. EU has imposed sanctions on Libya, Burma and North Korea, and this had occurred with a great cooperation from Great Britain and France. Especially Great Britain has played a very decisive role in formulation of these imposed sanctions along the policy lines of U.N.O and U.S.A. Now after Brexit, these EU sanctions would be imposed without British participation. An angle which is worrying U.S.A, EU and Great Britain.⁶³ U.S.A is proposing a special body which coordinates international sanctions post-Brexit between Great Britain and EU. Great Britain knows that future of international sanctions depends on kind of exit arrangements Great Britain would adopt with EU after Brexit.⁶⁴ For sanctions to be effective, London should remain center of international financial activity. In case, if it goes for Norway Option or Swiss Option even then it would not have a very strong say in the design of these sanctions; it might have to become party to it without shaping up basic design of these sanctions.⁶⁵ If Great Britain fails to adopt a sanction policy after Brexit, its commitment to global peace would be tainted and regional political role of Great Britain would also be immensely damaged. Rationale behind this decrease in regional political role is that Great Britain's importance as strong diplomatic, military force would decrease.

3.2 Galileo Satellite System and Britain after Brexit

Galileo satellite program is very vital for British interests. It is an EU based satellite program and Britain has already thrown 1 billion pounds in its development.⁶⁶ Galileo is a satellite navigation system which is made with an intention of competing with U.S made and run Global Positioning System. People from different walks of life and particularly military can benefit from it a lot. Britain after Brexit would be denied access to specific sensitive areas of Galileo satellite program. Militarily, that could be a setback for Britain. Britain has decided to make its own satellite program.⁶⁷ But Britain's own satellite system may take years and lot amount of money. On the other hand Galileo satellite system will be developed and functioning right in 2020. EU has decided that Britain upon request would be given sensitive

⁶³ Laurence Norman, "Brexit Likely to Alter EU's Sanctions Policy," *The Wall Street Journal Asia Edition*, September 3, 2018.

⁶⁴ Tom Keatinge, "Brexit and Sanctions: Can the UK Lead From Behind?," *RUSI*, August 14, 2017.

⁶⁵ Joe Watts, "Report warns of Britain's ability to impose sanctions on countries post Brexit," *The Independent*, December 17, 2017.

⁶⁶ Daniel Boffey, "Security row over EU Galileo satellite project as Britain is shut out," *The Guardian*, June 13, 2018.

⁶⁷ Alex Morales, "U.K. to EU: Time is Running Out for Deal on Galileo Satellites," *Bloomberg*, July 12, 2018.

information captured from Galileo but not full access. Britain would have an “observer status” as far as its rights to satellite are concerned. EU said that it wanted to distinguish between a full member and a leaving one, and Britain could not be given a full member rights. British Government has said that “observer status” would not satisfy their need when Britain is operating in a conflict zone.⁶⁸

3.3 Nuclear Program of Great Britain after Brexit

Scottish Independence referendum which took place in 2014 resulted in Scots voting for staying with England. However, Scots were also heavily in favor of remaining in EU during Brexit referendum. Approximately, 62% of Scots voted to stay in EU.⁶⁹ After Brexit this presents British Government with a major problem in their hands. British Nuclear facilities are located on Scottish Territory and second Scottish Independence referendum looks like a real possibility. Faslane and Coulport Naval bases host British Nuclear facilities; they are both located in Scotland. A British parliamentary report said that it would take 10 to 20 years for Great Britain to make new bases for installation of nuclear weapons wherein it would also cost between 3 to 4 billion pounds to British Government.⁷⁰ Now this looks like highly unlikely that Great Britain could afford this kind of cost especially after Brexit. Scots have always recorded their unpleasant and unsavory attitude towards Great Britain possessing nuclear weapons. Scottish National Party which incepted in 1934 always based its premise of Scottish Independence on elimination of nuclear sites from territory of Scotland.⁷¹ Scottish parliament has always showed their disregard towards Trident Nuclear Program of British Government.

After Brexit if Scottish Independence becomes reality then Great Britain might not be able to retain its nuclear status due to technical reasons. Great Britain along with U.S.A is also member of “launch key” team of nuclear weapons of N.A.T.O. Nuclear program of Great Britain is also one of the founding elements of Great Britain’s Atlanticism. Great Britain has built its nuclear capabilities with the help of U.S.A. England’s seaports are either not shallow

⁶⁸ Daniel Boffey, “Security row over EU Galileo satellite project as Britain is shut out,” *The Guardian*, June 13, 2018.

⁶⁹ Jana Bandurova, “Nuclear BREXIT? The Future of the UK’s Nuclear Force after Leaving the European Union,” *CBAP*, June 14, 2017.

⁷⁰ Hugh Gusteron, “Nuclear Brexit,” *Bulletin Of The Atomic Scientists*, June 30, 2016.

⁷¹ Jana Bandurova, “Nuclear BREXIT? The Future of the UK’s Nuclear Force after Leaving the European Union,” *CBAP*, June 14, 2017.

enough or there is too much civilian population living there.⁷² Great Britain can temporarily shift its nuclear program to some other country like there are suggestions to shift it to either U.S.A or France, but shifting to either one of these could potentially become matter of national prestige for Great Britain. There are also financial constraints; building a new port will require new funds and Great Britain is already facing epic economic unpredictability due to Brexit. Great Britain could avoid Scottish Independence if it chose to stay in Single Market but then it would have to make a compromise in some other way. Great Britain cannot practically afford the cessation of its nuclear status because that would make its regional political role as well as global political role toothless.

EURATOM is an EU based organization which looks after nuclear safeguard system of EU member states and it also looks after Britain's nuclear safeguard system which allows Britain to use nuclear energy even for peaceful purposes. As Euratom operates under European Court of Justice which Britain strictly wants to get rid of, therefore, it is highly unlikely that Britain would continue to use it.⁷³ Euratom makes sure that all standards are met regarding security of nuclear technology and nuclear technology suppliers should cooperate with EURATOM. After Brexit, Britain should be conducting a fresh agreement with IAEA.

3.4 Great Britain's Role at U.N.O after Brexit

EU has an observer status at U.N.O, but its observer status has an overarching role in shaping up and formulating of decisions at U.N.O. Brexit will definitely impact Great Britain's role at U.N.O as Great Britain has always benefitted from the dogged support of EU at U.N.O partly due to the reason that EU mainly affects General Assembly, but Security Council can be influenced by Great Britain. So whenever EU desired complete unflinching support of Security Council it looked towards Great Britain, other than of course France which was also part of EU and a very influential and key player in the global and regional politics, to achieve favors in various fields and at multiple levels. Great Britain role is subjected to certain limitations at U.N.O, for example, the colonial legacy of Great Britain which does not give permission to it for giving rallying cry to nations regarding various issues. Great Britain has also lost some credibility at U.N.O due to its past role in many issues. The controversial role which Great Britain played during Rwandan Genocide regarding UN Security Council

⁷² Simon Johnson, "Britain will lose nuclear capability for 20 years if Scotland votes for independence," *The Telegraph*, October 24, 2012.

⁷³ Caroline Jorant and Ross Peel, "Brexitom- The Nuclear Impacts of Brexit on UK," *Nuclear 21*, March 26, 2018.

decisions related to ostracizing the event.⁷⁴ Great Britain's role in war of Bosnia and Herzegovina played under the auspices of U.N.O looked more like an attempt to please U.S.A rather than an attempt to bring peace in the region.⁷⁵ Lastly, Great Britain's attempt, alongside USA, to fan out the war in Iraq despite the fact that U.N.O had pertinently stayed away from legalization of Iraq war⁷⁶ was another example of Great Britain role in collaboration with USA.

Despite all these above mentioned controversies Great Britain is required to play an effective role in Security Council as well as General Assembly, and for that it requires the support of most strongly knit political group at U.N.O, which is EU. In United Nations General Assembly, group politics is instrumental for gaining support to pass a particular resolution and for effective functioning, numerical strength of a group is very important; EU is one of the biggest groups with regard to its numerical strength.

But on flip side, bigger groups also present certain challenges. Sometimes, disagreement occurs which is very difficult to negotiate and least possible element is tried to be reached out. These groups try to elect their members to different important UN bodies. These UN bodies are Human Rights council, Social and Economic council and Security Council. These groups are Africa Group, Western Europe and Other Groups, Caribbean Group, OIC, NAM, Arab Group and Nordic Group. Amongst all these groups the most dynamic and effective is EU. EU never remains silent on any issue and presents a joint stance of its members related to various integral issues. EU backs resolutions; it has a balanced coordination mechanism. EU is very vocal and active in all the activities of U.N.O, in fact, it even applied for an "enhanced observer status" but it was denied to it.⁷⁷

In Lisbon Treaty in 2009, EU vociferously decided that its position at various international organizations would be presented by a special representative, before that it was presented by a state having rotating EU presidency, called High Representative. Great Britain did not like the strident influence of EU at U.N.O; Great Britain regarded it as a case of "competing competencies". Great Britain did not want EU to speak on its behalf in U.N.O but regarding

⁷⁴ Oscar Williams, "Britain ignored genocide threat in Rwanda," *Independent*, March 9, 2014.

⁷⁵ Florence Hartman and Ed Vulliamy, "How Britain and the US decided to abandon Srebrenica to its fate," *The Guardian*, July 4, 2015.

⁷⁶ Ewen MacAskill and Julian Borger, "Iraq war was illegal and breached UN charter, says Annan," *The Guardian*, September 16, 2004.

⁷⁷ Megan Dee and Karen E. Smith, "UK diplomacy at the UN after Brexit: challenges and opportunities," *The British Journal of Politics and International Relations* 19(3) (2017): 7, accessed September 4, 2018.

other issues, especially in General Assembly, Great Britain did require EU. Brexit will definitely affect that. Now Great Britain will not be an important actor of diplomacy to present its alternate voice in the dominion of international affairs and voting processes at UN General Assembly. Although, Great Britain position at UN Security Council will remain safe.⁷⁸ There was a proposal some time ago that EU should be given a seat at Security Council but it was rejected.⁷⁹ The rationale was EU would have acted as a strategic pawn in hands of Germany.

Great Britain has always supported nuclear disarmament and has backed every effort of U.N.O related to it. It has supported USA in every debate over nuclear disarmament in U.N.O.⁸⁰ EU has a very strong diplomatic clout with regard to nuclear disarmament in U.N.O. It has debated the issue on various platforms at UN. These platforms are UN General Assembly First Committee, UN Disarmament Commission, and Conference on Disarmament and NPT Review Conference. EU has also been very good in engaging various groups to perform cross-channel diplomacy for the sake of better negotiations. Since 2009 Lisbon Treaty EU has been more vocally involved in the process of nuclear disarmament and arms export control. However, endeavors of EU have been restricted by certain legal and tactical obstacles. Firstly, due to varied nature of interests of EU member states it has been very hard to find negotiable consented ground among them so that a clear cut position is reached. Secondly, EU's observer status comes in its way of functioning properly because it limits its capacity to work in UNO. Thirdly, due to extensive coordination mechanism of EU, among its member states, it has failed to properly reach the other countries of UNO for consultation and coordination regarding different matters related to disarmament. Many EU member states also prefer to work closely with other groups working for non-proliferation. These groups are P5, NAC, G16 and NPDI.⁸¹ Working with these groups by EU member states gives EU leverage to act as information sharing body among different member states of UNO. But sometimes this coordination goes too far and EU member states are more inclined to work with these groups than EU. Despite these challenges EU has been considered very dynamic and vocal in regard to nuclear disarmament. It is considered a body where consensus can be built regarding nuclear disarmament.

⁷⁸ Julian Borger, "What will Brexit do to Britain's place in the world?," *The Guardian*, June 25, 2016.

⁷⁹ Elizabeth Wise, "Debates over EU Security Council seat 'premature'," *Politico*, November 1, 1995.

⁸⁰ Jake Wallis Simons, "How Washington owns the UK's nukes," *Politico*, April 30, 2015.

⁸¹ Megan Dee and Karen E. Smith, "UK diplomacy at the UN after Brexit: challenges and opportunities," *The British Journal of Politics and International Relations* 19(3) (2017): 18, accessed September 8, 2018.

EU has backed nuclear security mechanism in various regions and how different cases related to withdrawal from NPT should be treated. Great Britain, after Brexit, would leave an important body of working in challenging domain of nuclear disarmament. But on the positive side, Great Britain could also work to build upon this and develop a strong diplomacy channel among likeminded states to build a consensus regarding nuclear matters at UNO. Recently, after Brexit Britain failed to block the path of treaty which banned nuclear weapons and treaty itself came as a response to NPT.⁸² Great Britain showed very good coordination over the blocking of this treaty in which it failed. But it diplomatically coordinated with USA and all NATO members in this repugnant blocking.⁸³ Great Britain is required to talk with other countries regarding nuclear disarmament especially in the world in which nuclear weapons are constantly growing. Recently, UN General Secretary Antonio Guterres remarked, “Britain will remain a “very important pillar” of the United Nations after Brexit.”⁸⁴ Great Britain would not be able to play an effective role at regional political level if it did not take appropriate measures to protect its role and influence at U.N.O regarding its partnership with EU. If swift action is required by U.N.O., for instance, against any Russian aggression, or there is some crisis in Balkans, and Great Britain fails to garner support in General Assembly, to move any resolution, because of its estranged relations with EU, then regional political standing of Great Britain would decrease.

3.5 EU and N.A.T.O Nexus

EU and N.A.T.O have been cooperating very closely over the years over different security issues related to Europe; saves certain political inadequacies and strategic maladjustments. After Yugoslav Wars N.A.T.O decided that it alone cannot become a catalyst to stable European Security Architecture. Socio-economic development had to follow military intervention if the regional and international actors wanted permanent peace and security in the region. To achieve that politico-military end, EU and N.A.T.O signed “Berlin Plus” agreement. According to this agreement, they decided to cooperate with each other in matters of peace and security. This also created a pseudo-antagonistic impact on transatlantic relations as European nations were more inclined towards cooperating, as EU was considered

⁸² Ian Sample, “Treaty banning nuclear weapons approved at UN,” *The Guardian*, July 7, 2017.

⁸³ Michelle Nichols, “U.S., Britain, France, others skip nuclear weapons ban treaty talks,” *Reuters*, March 27, 2017.

⁸⁴ “Britain ‘will retain important role in UN after Brexit’,” *Gibraltar Chronicle*, May 7, 2018.

an institution of means, with N.A.T.O.⁸⁵ The German Defense Minister Ursula Van Der Leyen has stressed that EU likes to build more transatlantic relations in the future. U.S.A seems worried that it is hurting its defense industry manufacturers,⁸⁶ a concept which seems very antediluvian according to European nations.

Now seeing the military alliance of N.A.T.O with EU it would become increasingly difficult for the British to stay away from the politico-economic cum military aspect of EU after Brexit. Great Britain had always played the most significant inter regional political and intraregional political role in operations of N.A.T.O., relative to its own historical affiliations and threat perceptions. After Brexit, Great Britain might also have to leave the official role of Deputy Supreme Allied Commander of (DSACEUR).⁸⁷ Britain has held this role since 1951 and provisions for this role involve making sure availability of military and management assets of N.A.T.O to EU under the terms of Berlin Plus agreement in case of a contingent emergency; the process must be expeditious. Great Britain might have to pass on this role to someone else. France has been billed as potential successor. However, to many this is just a petty strategic change.

Great Britain can be diplomatically isolated inside European political and military power standings if it decided to stay away from Europe after Brexit *tete-a-tete* what it used to have before referendum. Britain's international role will be the same even after Brexit. Great Britain has always shared its intelligence and strategic assets, cooperation is more desired in this regard when there is shadow of Putin over Europe,⁸⁸ with N.A.T.O and its importance is unparalleled in this regard. But after "2010 Headline Goals" EU has prepared a sinewy contingency plan for maintaining and upending security equilibrium of Europe. 2010 Headline goals included crisis management, conducting different operations at different places, disarmament, intelligence sharing and there was a special need of terroristic fact finding institutional framework in wake of ballooning acts of terrorism.⁸⁹ Although, historically speaking, Great Britain has remained against the security role of EU, especially

⁸⁵ Tomas Valasek, "European Defense vs. NATO: Not the right fight," *Politico*, February 16, 2018.

⁸⁶ Steven Erlanger, "U.S. Revives Concerns About European Defense Plans, Rattling NATO Allies," *The New York Times*, February 18, 2018.

⁸⁷ Lizzie Dearden, "Brexit: UK could lose its most senior military position in NATO to France after departure from EU," *Independent*, January 10, 2017.

⁸⁸ David M. Herszenhorn, "UK and NATO allies stand against 'reckless and unlawful Russia'," *Politico*, March 16, 2018.

⁸⁹ Josie Ensor and Raf Sanchez, "Europe will seek increase in terror in 2018, as foreign Isis fighters 'return home with high tech skills'," *The Telegraph*, February 13, 2018.

when seen from the prism of European Security Order, Great Britain considers itself paramount for the volatile security alignment of Europe, but in the present circumstances when EU's security role is becoming as much important as is of N.A.T.O, any kind of strategic isolation from EU could harm the interests of Great Britain. EU has developed a common rapid reaction force which is highly skilled to operate inside Europe.⁹⁰ This force could provide fillip for European Countries administrative mechanisms to control immigration, border control and other important issues. Great Britain's regional political role will decrease after Brexit because it would not be able to act as a bridge between EU and N.A.T.O for their coordinated efforts in Europe.

3.6 Political Implications of Brexit for UK and Ireland Relations

The Parliamentary Union of England, Scotland, Ireland, Northern Ireland is also threatened by the referendum of Brexit, because other than United Kingdom, have voted in favor of remaining inside EU.⁹¹ This parliamentary union has been achieved after a historic struggle and it is a product of centuries of hard work and sacrifices. A united and integrated Great Britain has achieved marvelous results in every sphere of human life. Weakness invites aggression. Scotland, Ireland and Northern Ireland have always been politically, economically and socially weaker states which have enticed United Kingdom to play the role of aggressor with these neighboring states. After centuries of historical, political and economic evolution all the stakeholders decided to remain on board and went for negotiations so that they could move forward on the path of progress. Once it was also seen as the war between Protestants and Catholics but "The Good Friday Agreement" changed everything. However, things started to crumble with Brexit because Northern Ireland, Scotland and Ireland wanted to remain in European Union. They were lauding the efforts of EU for the uplift of its economically lesser developed states. They have benefitted themselves from the policies of EU.⁹² After referendum Great Britain government announced that it would not take any step which could harm the interests of Ireland, Scotland and Northern Ireland but it would hold regular meetings with the governments of these states, so that a schedule was

⁹⁰ "Europe's Rapid Reaction Force," *The Irish Times*, November 21, 2000.

⁹¹ Elisabeth O' Leary and David Milliken, "Scotland, Wales and London want special Brexit deal if Northern Ireland gets one," *Reuters*, December 4, 2017.

⁹² Nicholas Wright et al., *Brexit and Beyond: Rethinking The Future of Europe*. (London: UCL Press, 2018), 107.

established regarding the withdrawal of Great Britain from EU without compromising the economic, political, social and strategic interests of any of its member states.

Member States of Great Britain consider Brexit Referendum a mere farce of British upper wealthy class. Member States think that British Upper Class wants to save themselves from the taxes. They are against the un-equal distribution of wealth which takes place as a result of low taxation. Therefore, they are making this excuse of British Nationalism as an excuse for the episode of Brexit Referendum. Brexit has already caused lot of loss of jobs.⁹³ Although, after Brexit government is trying its level best to overcome this rising North-South divide and deteriorating economy which is detrimental for all the stakeholders involved. British Government has ordered a joint committee which will include ministers from Scotland, Northern Ireland and Ireland, and they will hold regular negotiations with Trade-Unions, interest Groups, local political heads and also with all the other major stake holders involved. There are some major areas of concern which are considered necessary for the protection of economic interests of member states of Great Britain. These areas included fisheries, Environment, Rural Development and agri-foods, Policing, Common Travel Area, Interreg and Peace, border between Ireland and Northern Ireland and banking sector of Ireland.⁹⁴ These areas are of special concern for the member –states because they in general do not involve the interests of United Kingdom. United Kingdom has agreed to involve in its negotiation capacity the budget of Great Britain because this budget should be prepared in accordance with changes that are expected to take place after divorce of Great Britain from EU.

Great Britain government and its member states have also announced that they will form a research committee to conduct a research on the areas effecting Brexit. Areas of research involve Health, transport and water policy. These areas of research include such diverse subjects as health, finance and water because these are considered potentially impacted by the events of Brexit.

3.7 Common Travel Area and Backstop between UK and Ireland

Common Travel Area (CTA) is present between Great Britain, Crown Dependencies and Ireland. CTA has been there since 1922 and it includes a whole host of issues between Great

⁹³ John Harris, “Brexit is a class betrayal. So why is Labor colluding in it?” *The Guardian*, November 19, 2018, accessed on August 15, 2018.

⁹⁴ Colin Gleeson, “Hard Brexit will hit Irish Jobs, economy and the banks,” *The Irish Times*, December 7, 2018.

Britain, Ireland and Northern Ireland.⁹⁵ These issues include immigration, short stay, and border and passport management. Through a common legislation, citizens of Great Britain and Ireland can live in each other countries without passport or without any time limit. This has been the case for the decades except a short time period during and after the Second World War. Law of citizenship is also the same as the citizens born in any member state has the option of adopting the citizenship of either Great Britain or their home member state. CTA gives very strong rights for one member state citizen to enter and reside in the area of other. EU laws also give certain states such rights. EU laws say that any citizen of EU can enter its member state without much restriction and can even stay in the member state provided that the citizen must have a valid passport. EU citizens can extend their stay in the host country more than three months if citizen is a professional worker or he is not dependent upon the social system of the host country. EU citizens can also stay in the host country if they are registered students having in possession of capable financial resources and health sources. EU citizen can also live permanently in the host country after living there consecutively for more than five years. These rights are also applicable for those members of EU's citizen's family members who are not themselves EU citizens. Same rights also apply for the members of Norway, Iceland, Liechtenstein and Switzerland. These countries are not part of EU but they are part of European Economic Area. This glorious treatment of EU citizens means they are only required to produce passport for entrance into any of the member states. Those family members who are not part of their family are only required to obtain visas. After exit of Great Britain from EU these laws related to immigration will change. Now any Irish citizen living inside Great Britain will be dealt with "Immigration act of 1971" and "Great Britain's Ireland Act of 1949" instead of EU Laws, but those family members of that Irish Citizen who are not citizens of EU themselves would be subjected to different laws. This will cause trouble for many citizens who are living in Great Britain and are family members of Irish Citizens but themselves are not Irish Citizens. Both Irish and Great Britain have harmonized their immigration policies. So that outsiders cannot use their visa policy concessions to their advantage. Irish Citizens would certainly not enjoy the privileges conferred upon them via EU laws but their status granted them through CTA would be retained. As of now British Government has ensured that Common Travel Area would be maintained but according to politicians status of agreements between Ireland and

⁹⁵ Nicholas Wright et al., *Brexit and Beyond: Rethinking The Future of Europe*. (London: UCL Press, 2018), 110.

Northern Ireland after Brexit would be drawing a line on the sand. The status of Common Travel Area would also depend upon the solution which British Government applies on Backstop. Land Border between Ireland and Northern Ireland will be the only land border between EU and Great Britain after Brexit. It is one of the most important issues related to strike a win-win post Brexit deal.⁹⁶ There is a suggestion that Custom Union arrangements must be made between Northern Ireland and Great Britain at sea, and soft border should be kept between Ireland and Northern Ireland.⁹⁷ But this angered Eurosceptics of Britain because according to it Single Market Rules would have applied on Northern Ireland and not on Great Britain. Theresa May has put forward the proposal that unless anything avoiding hard border is not formed between border of Ireland and Northern Ireland till that time a Custom Union arrangement is maintained at that border. This proposal was also vehemently rejected by Eurosceptics of Great Britain. Present border was formed between Ireland and Northern Ireland after thirty years of war and bloodshed. Thirty years period is known as “Troubles”. Good Friday Agreement was signed among Ireland, Great Britain and Northern Ireland and as a result present border was formed between Ireland and Northern Ireland. Hard Border at backstop risks of bringing back the war and bloodshed.⁹⁸ Hard Border at backstop could affect Common Travel Area, Customs and Health care. Especially, Health care is one such area which would be enormously impacted by maintaining a hard border at backstop. There is a solution for health care sector that Norway-Sweden style border should be maintained between Ireland and Northern Ireland. Norway-Sweden style border ensures a continuous flying of ambulances and helicopters. Norway Sweden style border also ensures that Common Travel Area is maintained between Great Britain and Ireland at backstop.

3.8 Policing and European Arrest Warrant of EU

Policing of EU is also very important as it helps EU members to eliminate criminals and terrorists more effectively and precisely. Common Policing framework exists between Ireland and Northern Ireland and it will not be changed much after the withdrawal of Great Britain from EU. However, there will be alteration on the type of cooperation between Ireland and Northern Ireland Police. There are number of EU agencies who participate in policing and control of crime across Europe. These agencies are Europol, Euro just, eu-LISA and

⁹⁶ Dearbhail McDonald, "The backstop is not just about trade, Is that so hard to understand, Britain?" *Guardian*, January 31, 2019.

⁹⁷ Peter Walker, "What is the Brexit Backstop?" *The Guardian*, October 15, 2018.

⁹⁸ Alastair Macdonald, "Explainer: The Brexit backstop conundrum," *Reuters*, February 7, 2019.

Schengen Information System. In these areas there would be limited or no cooperation between EU and Great Britain after Brexit. Cooperation would also depend upon type of exit deal Great Britain would pursue after Brexit with EU. That would also damage the relationship between Great Britain and Ireland, as Ireland might adopt these crime fighting mechanisms after Brexit due to their effectiveness.

Extradition is carried out among Great Britain and Ireland as it was set in Council Framework Decision on European Arrest Warrants. EAW was a very good arrangement as far as capture of criminals was concerned as it did not require the hectic test of “Dual Criminality” which required certain proofs that crime can also be called crime in the country on which request of extradition of criminal is made. EAW has made things easy as only competent authorities were required to be found and they would have nabbed the criminals and handed them over to the requesting country authority. Although, some criticism has come as a result of this EAW as civic liberties were being compromised and NGOs related to human rights were complaining about it. Moreover, in certain cases the country which has requested Extradition has kept the criminals for long period of time and even released them without any definite charges. These two complaints were made against these EAW by Eurosceptics of Great Britain. In 2016 a crime suspect refused to leave Ireland on the basis of Brexit when he was tried to be extradited by an order issued in Great Britain and executed in Ireland. European Court of Justice gave its decision on the case that EU laws would continue to apply until the date Great Britain makes its actual exit from the EU.⁹⁹ EAW is one such area which both Great Britain and Ireland would like to keep after Brexit. EAW would help both Great Britain and Ireland to fight crime effectively in the future.

3.9 Interreg and Peace

There are different types of funds available to EU member states from EU. There are two types: first one is Competitive Funds and second type is non-competitive or structural Funds; both of these types of funds are important. First type, which is Competitive Fund, is made available directly to the organizations and individuals. Second Type of funding, which is called structural fund, is given to the governments directly regulated by a certain mutually agreed upon time table. Mostly these funds are for less developed countries of EU. So that those countries can be more competitive and their economic growth should increase. The less

⁹⁹ Judith Mischke, “European Arrest Warrants apply until Brexit date, says ECJ,” *Politico*, September 19, 2018.

developed countries of EU should also see continuous sustainable development and EU should try to achieve goals of its EU 2020 strategy which is to make EU members more prosperous. One of the major structural funds is Interreg which is there for European Territorial Cooperation. EU is keen to remove developmental differences between its member states. For this purpose EU uses Interreg. Interreg has done a lot of service to remove differences among different communities in Northern Ireland. Interreg and Peace programs have created peace between nationalist and unionist in Northern Ireland. These programs are funded up to 85% by EU.¹⁰⁰ There are fears that with drawing these funds would mean returning to the era of Troubles. All the member states of Great Britain are receiving this Interreg funds and after Brexit the status of these funds will be disturbed. European Commission wants to continue helping Irish government in regard to receiving interreg program.¹⁰¹ Border regions of Ireland, Western Scotland and Northern Ireland are not only receiving these funds but they are making significant strides after receiving these funds.¹⁰²

EU working body has told in its monitoring report that through Interreg fund many businesses have been helped and new businesses established. Rural Development is also an area which has been targeted through Interreg funds. Health Sector has also been taken care of especially in those areas where there is lack of health facility. Interreg fund also gives donations for the availability of medicine. Interreg also supports research and innovation, and gives aid for the projects related to research and innovation.

Another fund which is parallel to Interreg fund is Peace Fund. It is also a structural fund. It targets cross-border cooperation for the promotion of friendly relations. Peace Fund also promotes person to person contact between EU nationals so that no stereotypes are created. Projects between different communities have also been encouraged through Peace program. Underprivileged Strata of society have been included in the programs of Peace Initiative. Through Peace programs different societal biases are also being addressed such as significant class differences, Exploitation of Labor Class, hate against certain specific communities, Unequal Division of resources, racism and Child Labor. Different Programs are also initiated so that awareness can be created regarding the treatment of underprivileged sectors of

¹⁰⁰ Jon Stone, "Brexit: Northern Ireland should keep EU funding to preserve peace process, European Parliament says," *Independent*, September 11, 2018.

¹⁰¹ Michael Cogley, "EU pledges 550m of Border peace funds will remain in event of hard Brexit." *Independent*, April 21, 2019.

¹⁰² Nicholas Wright et al., *Brexit and Beyond: Rethinking The Future of Europe*. (London: UCL Press, 2018), 107.

society. Social Development, along with economic development, is targeted through Peace Programs. Specific provisions are also made for the educational scholarships.

Peace Program also helps to solve the problem of lower standard of education and it also initiates technical education program for people who are not able to achieve formal education. Peace Program wanted to create such societies where people can live together in harmony and peace irrespective of their cultural biases and communal affiliations. Joint Sessions are being held which are very therapeutic and can help create a true model society much like whole human race wants and same kind of ideal society which the U.N.O. wants to create. Peace Program initiatives are really laudable and they should be adopted by the community's world over. Cross Border Cooperation between different communities is a very significant goal of this program. Great Britain gave the guarantee that it will not be holding or stopping any kind of fund which is related to Interreg or Peace programs. Great Britain government gave a proper date that funds will not be stopped before that date. The real problem is that Great Britain government has not been able to give a proper guarantee that what would happen to the funds after that particular date and the time at which Great Britain government leaves EU. The date is 23rd November 2016. Great Britain is officially set to leave EU in 2019 and it is committed to EU Budget till 2020. So it means Great Britain government has not given proper assurance that whether it will approve and support the EU funds till 2020 or not, or the contracts made after 23rd November 2016 and before 2019 would be supported or not. If we look at the long run aspects of the cessation of these funds, we will come to know that it would ruin all the good work that EU funds have done in the last Twenty years. All the projects that EU funds have taken on will be stopped and it would cause catastrophe of epic proportions for all the people involved and all the inter-caste and inter-regional harmony that has been created. The regional cooperation that EU has been able to bring and socio-economic up gradation that EU has achieved will be undone if these funds are stopped.

There are some options for the member states to ensure that these funds are being continued. These options are to receive these funds as those countries receive who are potential members of EU. All the countries that are currently candidate or in future can become candidate are eligible to receive EU Funds. Those countries who are neither EU members nor they can become future members can receive EU funds, but there are certain pre-conditions that they need to fulfill. Great Britain government deals with those pre-conditions. Cross Border

cooperation is one of the major reasons why EU is such a successful international organization. If this cooperation is discontinued then it would be a step backward

CHAPTER NO 4

BREXIT'S IMPLICATIONS for GREAT BRITAIN'S REGIONAL ECONOMIC ROLE

Great Britain will leave EU; the process is called Brexit and it would have wide spread domestic, national and international economic implications for Great Britain. Impact on Great Britain's regional economic role will be immense as Great Britain is a major economic power and it has a long standing economic power status in Europe. Great Britain has always looked towards political activities of EU with suspicion. Both Labor and Conservative governments of Great Britain have at different times criticized economic policies of EU. Nonetheless, Scotland and Ireland have always praised EU and its efforts to even uplift smaller European Nations. EU has initiated various programs for socio-economic development of the region and made these programs contingent with peace keeping and democracy keeping activities of the governments. Great Britain is the second biggest exporter of services in the world. Great Britain shared a big trade volume with EU. In 2017, 44% of Great Britain's export went to EU and 53% of Great Britain's import came from EU. Great Britain wanted to participate in the Single Market of EU because it provided regional connectivity and a model for economic integration. There are different options for Great Britain for trade with EU after Brexit. These options are Norway Option, Switzerland Option, Norway plus Option, Canada Option, US Option, Turkey Option and Ukraine Option. This Chapter discusses Common Fisheries Policy, Immigration, and British Contribution to EU budget, barriers to trade after Brexit, Common Aviation Market, Digital Single Market and Financial Services of Great Britain. Regional Economic role of UK after Brexit will also be affected with Brexit. UK is facing epic economic uncertainty because it has a huge trade volume with EU. UK was abreast with all these permutations whilst taking the decision of Brexit. But still it went for it thus depicting state egoism and looking after its national self-interest. Now the damage will be minimized by type of option UK will adopt. UK's behavior during the Brexit referendum illustrates classical theory of realism.

The domestic economy of Great Britain will also face new set of challenges by these re-negotiations and it might suffer a lot by these new trade deals. In some cases, Great Britain can maintain its existing terms of trades with other countries but that will require a policy of

unilateral free trade agreement policy.¹⁰³ In case of soft Brexit, Britain will not face some of the major hurdles to trade but in case hard Brexit comes to take place and WTO's MFN rule applies, then there would be some major obstacles, but that would be just trade uneasiness, not some significantly imposing major trade bottleneck goaded by Brexit upon Britain. After all USA and some other major economies are already bearing the brunt of some of these WTO global trade rules and trade barriers while upon doing trade with EU and its regional partners. Pertinent claim that Brexit would save the culture and identity of Britain stands on the shaky grounds for a couple of very solid reasons.¹⁰⁴ British Culture is product of centuries of golden values and traditions and it is unmatched with the traditions and cultures of other European Nation. Comprehensive measures by British Government would have ensured that Britain would have maintained its special and unique identity whilst still being member of EU. Economic integration is need of the hour in 21st century. Brexit dispels this internationally accepted notion. Whether or not Britain would be able to overcome the mighty economic uncertainty in the post-Brexit era depends upon its post Brexit deal with EU, Britain can join Custom Union, Single Market or it can sign FTA with EU.

4.1 FDI after Brexit

Foreign Direct Investment is an integral, vital and crucial part of any country's economy. EU has been major source of inward foreign direct investment into Britain. FDI from EU has been consistently stable but in the last few years FDI from non-EU countries into Britain has drastically increased; mainly due to the fact that Britain is the hub of financial services, due to Britain's unfettered access to single market, and Britain also protects its minority investors, grants credits and gives away construction permits on merit. Phenomena of forum shopping also encourage FDI in Britain. There are a whole host of assumptions clubbing around FDI after Brexit that investors and non-EU countries who use investment and trade friendly conditions of Britain, as a launch pad for trading in Europe, would leave Britain and that would kerfuffle Britain's economy both in short run and long run. Around one third of investment coming into Britain consists of financial services especially when inward FDI of non-EU countries in Britain is examined. This assumption of decrease in FDI in Great Britain would damage the FDI coming in Great Britain.

¹⁰³ Swati Dhingra et al., "The economic impact of 'Brexit'," *Woodford Investment Management LLP*, 2015. 2

¹⁰⁴ Grzegorz Mentel et al., "Economic Implications of Brexit: Winners and Losers of "European Divorce", "*Czech Journal of Social Sciences, Business and Economics* 6(2017):7, accessed August 20, 2018.

These concerns of drying up of inward FDI in Britain are usually overstatements and they are presented by Europhile without conceding the fact that Britain as well as London has been the hub and epicenter of trade and financial services even before EU existed. In fact, it was Britain who for the very first time promoted free trade and mercantilism in the 19th century as a way of promoting liberalism and to ameliorate the condition of masses for their political, social and economic emancipation. Britain has lot of maneuvering space post Brexit to forge a win-win situation for everyone involved in trade and commerce with Britain. Great Britain could save its regional economic standings post Brexit in regard to inward investment from EU by striking a favorable post Brexit deal with EU.

4.2 Financial Services after Brexit

Great Britain, and especially London, is nucleus of banking sector as well as insurance industry in Europe.¹⁰⁵ There are numerous reasons behind it but one principal reason is “passporting rights” granted to Britain by EU. These passporting rights give the banks full freedom to sell their financial services in Europe by setting up a branch in London. Many mega banking sectors have set up a branch in London. In fact, even American Banks have done this, but post Brexit these passporting rights would be annulled unless Britain decided to stay in Single Market like Norway or even like Switzerland. British Financial services export to EU is quite handy and it makes up 0.2% of EU’s output. This is even bigger than what is share of USA, Japan or Canada.¹⁰⁶ Much of this is not just because of the fact that British financial industry performs outstandingly well but also because of the reason that Britain is in sync relative to time zones with rest of EU. Great Britain has a historical legacy while operating through its financial institutions over the centuries. Wall Street also operates in synchronization with Great Britain. Great Britain has a strong regional economic role in Europe through export of its financial services.

Great Britain could still salvage this situation if it decides to stay in EEA but that could be extremely handy in another war. Staying in EEA, which is also called Norway Option, would make Britain to adopt many of EU regulations. Germane to Norway option is the fact that Britain would have to adopt many financial regulations of EU without having the capability to promulgate or enforce them; that would really invite thin skinned criticism of Eurosceptics,

¹⁰⁵ Ralph Buckle et al., *Brexit: Directions For Britain Outside EU*.(London: Institute of Economic Affairs, 2015), 5.

¹⁰⁶ Swati Dhingra et al., “The economic impact of ‘Brexit’,” *Woodford Investment Management LLP*, 2015. 20

akin to this is the fact that there are lot of jobs associated with British Financial Sector.¹⁰⁷ In the past many financial regulations introduced by EU have been precarious for Britain. Like in 2012 EU announced a set of regulations for the prohibition of short selling; it really became a setback for the proper functioning of British financial services export. Britain also failed to stop the introduction of a specific limit on Banker's bonus introduced by EU in 2013.

Swiss option which both Eurosceptics and Europhiles are favoring does not give pass porting rights to the country adopting it. This is the reason why Swiss Banks operate through subsidiaries through London.¹⁰⁸ This is also the reason why Swiss Banks have declining output as compared to overall ever improving growth of Swiss financial sector. Europhiles say that Britain has itself hell bent in recent past to introduce more and more financial regulations. Great Britain should go for Norway Option if it wants to save its regional economic role as big financial services exporter.

4.3 Trade Barriers after Brexit

Post Brexit there could be an increased number of trade barriers for Britain mainly because of the fact that EU would like to be a bit hostile to one of its former members to discourage other members to follow its footsteps. Being directly hostile can be detrimental for even EU. Therefore, in light of its tremendous experience EU would like to exhibit indirect hostility by increasing trade barriers and that to by increasing non-tariff barrier. Non-tariff barriers include border control, anti-dumping rules, difference in standards over product safety standards. Now, WTO rules clearly state that those discriminations in trade at international trade level cannot exist against any nation, that is every nation, has to give every other nation Most Favourable Nation Status (MFN), but despite this trade discrimination does exist. EU would like to go for non-tariff barrier as tariff barrier would set up a furore amongst Britain and its major trading partners; and EU might also face some strong retaliatory measures. Trade Barriers would also damage the regional role of Great Britain because now most of the nations would find it hard to do continuous free trade with Great Britain.

¹⁰⁷ Iain Begg and Fabian Mushovel, "The economic impact of Brexit: jobs, growth and the Public Finances," *European Institute LSE*, 2016. 3

¹⁰⁸ Swati Dhingra et al., "The economic impact of 'Brexit'," *Woodford Investment Management LLP*, 2015. 21

One of the most devious and janus-faced trade barriers that Britain might face after Brexit is rule of origin requirement. The country exporting a particular good is also making up to 50% parts of that exported good domestically.¹⁰⁹ There are other trade barriers too but this is the catchiest one because it can be manipulated to make life difficult for British exporters. Moreover, if rule of origin is persistently pursued then administrative, legal and audit fees are also added in it. That really adds up final value of the product, by some estimate it leads to an increase of 2 to 6 % in the final value of the product, and cumbersome exercise for exporters. The problem is quite big and varies in magnitude and degree from sector to sector. This problem however, can be staved off very unobtrusively with the application of a very simple principle. The countries already having FTA with EU should have their material considered local while inspecting for rules of origin requirement between Britain and EU. There is already precedent for that in EU- Canada FTA and also in EU-Japan FTA.¹¹⁰

Great Britain can get rid of these trade barriers by setting up a comprehensive post Brexit deal. A possible solution that has been cited is to go for Norway plus option in which trade barriers would be minimum. Norway plus combines features of European Free Trade Association with European Union Custom Union and in process minimize Trade Barriers.

The major way to escape or systematically downsize these barriers is for Britain to stay in Single Market or Custom Union. Outside these two arrangements barriers to trade would eventually become too hot to handle.¹¹¹ There would be other trade barriers too like clearing the customs or the rule of strict adherence with European Product Standards. All these barriers are very tough and they further increase the cost of trade but Britain could find a way out of these either by joining the Single Market or by stimulating the trading appetite of major European Nations by doing small trade deals with them. By doing mini trade deals with EU members and by adopting soft Brexit Great Britain can minimize trade barriers and it can also save its regional economic repute, as well as save its regional economic standings.

¹⁰⁹ Sam Lowe, "Brexit and rules of origin: Why free trade agreements no free trade," *Centre for European Reform*, March 13, 2018. 1

¹¹⁰ Alex Dean, "Rules of Origin: the biggest Brexit problem you did not know about," *Prospect*, March 16, 2018.

¹¹¹ Charlie Cooper, "Michel Barnier: UK Brexit plans mean barriers to trade unavoidable," *Politico*, February 5, 2018.

4.4 Immigration

Immigration is often considered the principal reason behind Brexit. In the last fifteen years as immigration has increased manifold and ordinary British Citizens are made to believe by Eurosceptics that immigration is eating up their economy. Europhiles do not agree to it and they say, on the contrary, that immigration is making strong contributions to British economy. The situation is dicey as both sides have their arguments. Eurosceptics are of the opinion that points based immigration policy should be introduced like the one Australia has implemented in their country. But the incumbent government has rejected this idea of Australia Immigration system.¹¹² Immigration from Europe has tremendously increased since the official membership of Eastern European countries was made in 2004. The economies of these countries have not remained stable as they were part of communist bloc during the heights of cold war era but now they want to achieve progress and prosperity by ushering an era of cooperation with EU. Around 100,000 people migrated to Great Britain since 2004, and since 2012 that figure reached 183,000. Most of the workers from Eastern Europe come to find better jobs in Great Britain and this helps the economy of Great Britain because they get fresh work force without increasing wages or pushing up inflation; interest rates also remained low. Eurosceptics view this migration in a negative way and claim that migration from Europe is one of the primary causes of Brexit. They argue that these migrants are responsible for spreading terrorism. They give the example of 2017 West Minister Attack, Manchester Arena Bombing and London Bridge Attack. All these attacks were conducted by Islamist Extremist and not having a strong migration policy was considered one of the reasons. Europhiles argue that restricting migration would weaken the economy of Great Britain and that would damage the regional economic role of Great Britain.

Agriculture sector will suffer because there are a large number of people working in it who have arrived from EU. These people are very diligently working in this sector. There are large EU workers associated with food processing industry and also with veterinary medicine, and they make up a very large amount of work force. Losing these workers would become problem for Britain. Education sector might also suffer because there are large number of students coming from EU countries. Policies related to them would also be important for their future free access to Britain for educational purposes. NHS sector of Britain is already suffering due to restriction of government on issuing work based visas.

¹¹² Tom McTague, "May intervenes to speed up new UK immigration plan," *Politico*, May 11, 2018.

Skilled and unskilled workers add to the workforce of Great Britain. Thus, Agriculture sector, food processing industry, veterinary medicine and Education and research sector will suffer by restricting immigration after Brexit. That would damage the regional economic standings of Great Britain.

EU-CANADA agreement covers the special provision that allows an intra-company visa when a transfer is made in the company, but among different countries. British Government could take a note from it. One possible solution to this conundrum is that Britain should offer specific number of visas for a particular sector,¹¹³ like areas which are expected to suffer more from less immigration from EU countries should be given a fixed quota of visas for EU national, but that would be a preferential treatment for EU nationals which many Eurosceptics do not like.

Europhiles argue that migrant crisis has nothing to do with membership of EU. Refugees were inducted in Germany and they had absolutely no right to live in Britain because Britain was not in Schengen Passport-free travel area. Europhiles say that linking migrant crisis with membership of EU is a part of well thought-out policy of conservatives and Eurosceptics to change demographic realities of Great Britain. Eurosceptics do not care much about migrant crisis and nefariously linking terrorism to it, they are only exhibiting nationalistic tendencies. If Britain becomes part of Single Market then they would have to allow free movement of labor and of course becoming part of Single Market is very important for their strong financial services export to EU. Eurosceptics say that even if Britain remains part of Single Market then there should be selective migration, because EU migrants take advantage of British Social services system which is not in the interest of common British people. Europhiles claim that EU migrants give more in terms of taxes than they take from British social services and in process they also help reduce budget deficit. So restricting migration would also decrease the contribution in tax to British Government and that would further weaken the Public Sector financing in Great Britain, and in process regional economic standings of Great Britain would go down. Europhiles argue that EU immigrants consume services in Britain which creates demand for more services and as a result more jobs are created.¹¹⁴ There is no relationship between British masses losing their jobs and a large

¹¹³ Thomas Colson and Adam Payne, "Here are Theresa May's options for immigration after Brexit," *Business Insider*, June 18, 2018.

¹¹⁴ Harvey Redgrave, "EU Migration: Examining the evidence and policy choices," *Tony Blair Institute For Global Change*, 2017. 16

influx of EU immigrants coming into Britain. British masses have mainly lost their jobs due to global financial crisis of 2008 and its pitfalls; weak economic recovery which is subsequent to it, is also the reason.¹¹⁵ Great Britain would face significant economic meltdown in its regional economic status if it puts strong restrictions over its migration policy. EU's legislation regarding migration like agency workers directive would be abolished; that is the only tangible benefit that restrictive immigration policy would give to British economy. Working part time directive gives temporary workers the status of full workers.

A possible solution for Great Britain is joining Single Market and treating migration as Switzerland has treated. This is also called Swiss Option for Brexit. According to this option, Swiss employers should prefer Swiss jobseekers while they are considering anyone for employment. This would allow Great Britain to enjoy benefits of Single Market and at the same time restrict migration.

4.5 British Contribution to EU Budget

Great Britain is the third biggest contributor to EU budget. It is also one of those ten countries of EU who receive less and pay more to budget of EU. Great Britain also receives a rebate from EU regarding its contribution to budget. If that rebate is removed then Great Britain would become second biggest contributor to EU budget. But each economy pays according to its size and that is the reason why Great Britain pays more. But Great Britain also receives benefits in trade from EU in different sectors. After Brexit, if Great Britain decides to contribute less than what it was contributing before, or even decides against the very idea of contributing in EU budget, then it might get hostile trading conditions from EU after Brexit. Those hostile conditions will severely damage the regional economic role of Great Britain. Leaving EU would save Britain something of the magnitude of 10 billion pounds a year.¹¹⁶ In case of no deal EU would cease to give EU structural funds to some areas of Britain; like Wales get EU regional development fund. British Government would also be required to offset this structural-economic imbalance which would adversely affect the savings from contribution to EU budget.

¹¹⁵ Jonathan Wadsworth et al., "Brexit and impact of immigration on UK," *Lse Cep Brexit Analysis No.5*, 2016. 1

¹¹⁶ Swati Dhingra et al., "The economic impact of 'Brexit'," *Woodford Investment Management LLP*, 2015. 28

If Britain does not decide to be part of Custom Union and negotiate its own trade deals then it would require making new FTAs with other countries and should offer them low tariff and non-tariff arrangements. Britain, in that case, would not be collecting custom duties which EU is currently collecting at its behalf. That would further reduce saving from the budget. If Britain goes for Norway option then it also would have to contribute to the budget of EU as Norway is contributing to budget of EU.¹¹⁷ Norway is paying in the budget of EU as per size of its economy and Britain would have to do the same. There are different permutations related to that but a rough estimate suggests that Britain would have to contribute at least half of what it is contributing right now. Britain would still have to contribute even after leaving EU due to some of the commitments to EU projects which it had previously made long ago and those projects are expected to be completed by 2030. Great Britain wanted a continued access to single market and that was possible only if it joined EEA, and for that it had to contribute in the budget of EU. But by joining EEA it would also reap benefits. All non-EU members of EEA enjoy four freedoms of single market. These four freedoms are free movement of people, capital, services and goods. Rights, privileges and legal obligations of non-EU members of EEA in single market are same as those of full EU members. Norway option or EEA membership is of good significance to Great Britain as non-EU members of EEA also enjoy the freedom of conducting Free Trade Agreements with members of WTO without any supervision of EU. However, non EU members of EEA are not part of European Union Custom Union. Another drawback of being a member of EEA is that non-EU members have to incorporate in their national laws all the laws related to Single Market. These laws are related to consumer protection, environmental protection, company law and social policy. Eurosceptics dread these laws and they pinpoint that these laws would damage regional economic role of Great Britain as well as its international economic role. However, non-EU members of EEA are exempted from Common Agriculture Policy (CAP), Common Foreign and Security Policy, Justice and home Affairs. These policies are also the policies which Great Britain wanted to avoid. Great Britain also wanted to avoid direct effect and primacy laws of EU and non-EU members of EEA do not have to show any compliance to these laws.

So Great Britain might still have to contribute to the budget of EU.¹¹⁸ UK and EU are in continuous state of negotiations regarding this.¹¹⁹ Eurosceptics argue that European Court of

¹¹⁷ Simon Jenkins, "At last, good news on Brexit: Britain is heading for Norway," *The Guardian*, March 22, 2018.

¹¹⁸ Lianna Brinded, "Everything you need to know about the Brexit "divorce bill"," *Quartz*, November 21, 2018.

¹¹⁹ Fiona Harvey, "Why battle to fix Europe's fisheries policy is not over yet." *Guardian*, December 19, 2018.

Auditors have failed to give clean signals to the spending of EU budget. Europhiles reply that it has happened due to the complicated rules of procedures for checking the spending of EU budget; corruption has got nothing to do with it. Britain is the third biggest contributor to budget of EU.¹²⁰ Eurosceptics say that EU budget is directed to nations from Eastern Europe and countries contributing directly to it do not draw any benefit from it. Europhiles say that cohesion funds, where EU budget is largely spent alongside CAP, are aimed at bringing economic prosperity to smaller and impoverished nations so that their economies can improve and they can increase their trade volume with larger nations. Conspicuously, Eastern Europe and Central Europe economies have gained a lot from cohesion funds in recent times.¹²¹ As these countries have progressed tremendously their increased trade is with big Western European Nations who are also chief contributors to EU budget. So, all in all contributors have received their credit, by increase in trade with smaller EU members, for their contribution to EU budget.

Eurosceptics also pinpoint that EU budget spending is not proportional; it is spent in France and Germany too, despite the fact that they are the principal contributors to it. Europhiles reply that only impoverished and downtrodden areas of France and Germany receive funds from EU budget so that it sets into motion a grand process of socio-economic readjustments in these two countries. EU also gives away CAP funds as per historical legacy of a country and also based on regional model, that is payment is made on per hectore basis.¹²² While the first half of the distribution-principle remains fraught with challenges over its correct consumption, because countries receiving it over historical legacy are usually financially well off, concurrently second half makes sure that CAP is distributed on correct principles. Reaction of EU member countries would vary post Brexit towards Britain on its separation from EU and they would differ on makeup of post Britain EU budget.¹²³

Although, there is large hue and cry by Eurosceptics that leaving EU would make Britain a strong country; they should leave a falling Europe and even inside Europe they would become a strong regional economic player. Tellingly, empirical evidence cited by Europhiles

¹²⁰ Tim King, "Brexit's impact on the EU budget," *Politico*, November 23, 2017.

¹²¹ Lili Bayer, "4 takeaways from EU's big regional cash shakeup," *Politico*, May 29, 2018.

¹²² Zsolt Darvas and Guntram Wolff, "Rethinking European Union's Post-Brexit Budget Priorities," *Policy Brief* 1(March 2018): 3, accessed August 28, 2018.

¹²³ Jan Strupczewski and Alastair Macdonald, "EU launches battle for bigger post-Brexit budget," *Reuters*, May 2, 2018.

suggest otherwise. If we look in terms of GDP per capita EU outranks the growth of USA and China.¹²⁴ EU countries are fastest growing economies of the world and doing handsomely in trade and economic activities. Even the future forecast of economic growth of EU is very well. Eurosceptics also argue that EU designs its policies in a manner that they only benefit rich and berate poor. This argument is not well founded as distributional effects of Brexit show that all income groups will suffer equally from Brexit. The rationale behind it is that EU countries consist mostly of fast-paced, tech friendly modernized economies which mean they are quite similar to Britain. The final savings from the contribution to EU budget would be minimum as Great Britain would need to compensate local economies, it would also require to strike new trade deals on favorable terms; there would also be at least a little economic disruption, Great Britain would also not receive EU funds which it received before and finally it would require to contribute something in EU budget for membership of EEA.

4.6 Common Fisheries Policy and Brexit

Fisheries Industry has a significant importance for Great Britain. It is producing only half of what is demanded from it. Fishing Industry gives about 1.4 billion pounds to Great Britain's economy annually. There are issues of quota hopping, disproportionate TAC allowed by Common Fisheries Policy. Great Britain also wanted to update its fisheries management system and also wanted to adopt a system which ensures marine conservation. There was a significant politics played by politicians of UKIP during Brexit Referendum over Common Fisheries Policy and Fishing Industry. Adjustments in CFP were necessary to ensure that Great Britain plays an effective and constructive regional economic role in fishing industry.

In 2016 largest trading partner of United Kingdom in Fisheries Industry was France. Spain was third and Italy was fifth in terms of being largest trading partners of Great Britain in fisheries industry in the same year. In 2016 Great Britain had a trade surplus with EU in fishing industry of 127.2 million pounds. Great Britain also sent 71% of its fishing exports to EU and got 34% of its fishing imports from EU. So Great Britain should not make a hostile fisheries policy towards these EU countries after Brexit. Till Transition agreement signed between Britain and EU, which would end in 2020, CFP will remain enforced on British fisherman.¹²⁵ EU decides fishing quotas for each EU member every year. Quotas are

¹²⁴ John Van Reenen, "Brexit's Long-Run Effects on the U.K. Economy," *Brookings paper on the Economic Activity* 1970, No 1(Fall 2016): 378, accessed August 20, 2018.

¹²⁵ Kait Bolongaro, "FAQ: Behind the Brexit Fisheries Transition Deal," *Politico*, March 21, 2018.

considered non-competitive and prone to corruption by British fishermen. A recent Danish fishing case strengthens this claim of British fishing industry.¹²⁶ In Danish Fishing case, there has been cheating on fishing quotas as Denmark is allowed to take fish in British Exclusive Economic Zone, a permission granted to them by CFP. This scandal will strengthen the role of Britain in Brexit negotiations with EU. Europhiles argue that about two third of the fish consumed by British comes through importing fish. In case of Hard Brexit, trade cost will rise and price of the fish will also rise.

One of the most fundamental areas of CFP which must be renegotiated is portion fixed for small coastal areas fishermen. As small coastal boats which make up 77 % of English fleet have the right to catch 3% of fishes specified by EU quota, while the big trawlers owned by the private companies have the right on a lot more than that.¹²⁷ This flaw of CFP is prevailing all over Europe. UKIP, which was the face of Brexit, promised all fishermen that this flaw will be eradicated from CFP during their campaign to vote for leaving EU. But now CFP will continue to act at least till transition period which will end in 2020. This disparity must be removed as Britain would also like to make its own fisheries management system as well as its own quota of total allowable catches (TAC). But Britain's position of negotiation over fisheries is beset with few key challenges. First of all Britain depends heavily on EU for its fisheries export and import; so any hostile policy would make trade cost with EU related to fishes relatively high. Secondly, British fishing trawlers regularly go to Norwegian, French and Irish waters, and therefore, if Britain banned its territorial waters for EU countries they could also reciprocate.¹²⁸

Theresa May went to Scotland and gave the fishermen of Scotland her solemn pledge that Britain will strike a positive deal post Brexit for its fishermen in which disparities will be removed. She also ensured them that government will redress the grievances of smaller fishermen after leaving EU.¹²⁹ Theresa May sounded very optimistic regarding post Brexit Fisheries policy of Britain, but Britain should now at least make sure to show compliance with International Law. Britain should also cooperate with North-East Atlantic Fisheries Commission(NEAFC) and neighboring maritime states to make sure that fishes are managed

¹²⁶ Kait Bolongaro and Bjarke Smith Mayer, "Danish fishing scandal strengthens UK's Brexit hand," *Politico*, August 17, 2017.

¹²⁷ John Lichfield, "Brexit is a red herring when it comes to the plight of UK fisherman," *The Guardian*, June 11, 2018.

¹²⁸ James Blitz, "Will Britain's fisherman be better off after Brexit?," *Financial Times*, July 3, 2017.

¹²⁹ Simon Johnson, "Theresa May pledges UK will control its fishing waters after Brexit transition," *The Telegraph*, March 29, 2018.

in such a way that their long term preservation is also ensured as per injunctions of International Law. This would require a continuous cooperation with EU and also with some of its major states, so Britain still cannot completely ignore them. Britain would still require market access to EU because EU is the biggest market of fisheries in the world.

While Great Britain should renegotiate its fisheries policy after Brexit with EU, it should also take into consideration the fact that EU is also destination of major fishing imports of Great Britain. It should make sure that there is low tariff in fishing import and export area with EU. Eurosceptics argue that European nations act like stakeholders of tragedy of commons while catching fish from their quota. Europhiles say that even without CFP Great Britain would have to give fishing rights to EU states according to International Law. Eurosceptics argue that Great Britain should become a member of Regional Fisheries and Marine Organization to avoid any kind of loss it might incur for leaving Common Fisheries Policy. Europhiles say that Great Britain depends upon EU states for importing raw material which is used in processing of sea food. Therefore, Great Britain should make a balanced fisheries deal with the EU countries. If Great Britain goes for Norway option then there will be tariff as well as import quota on certain valuable species of fish ranging from 2-25%, although, members of European Economic Area enjoy preferential trading partner status. Eurosceptics argue that Great Britain should not bargain with EU for tariff free access of its fishing products in exchange for an access to its fishing water. They further cite the example of Norway and Switzerland in this regard. According to them, Norway has fixed zero tariffs for importing fish for all WTO members. Switzerland has fixed same tariff rate for all the fish imports made by WTO countries from Swiss Fishing Market. This greatly helps Norway and Switzerland in attracting members of WTO for trading in fisheries market with them. Eurosceptics further say that quota share arrangements are based on injustice. France capture 84% of the stock of fishes in English Channel despite the fact that stock there is mostly present in Great Britain waters. Europhiles argue that fish in English Channel spent most part of their lives in foreign waters and therefore they are not only for British fisherman but also for the French. Great Britain would be required to re structure its common fisheries policy if it wants to play a strong regional economic role in fisheries industry.

4.7 Digital Services of Great Britain

Digital services are an important part of trade between EU and Britain. Digital Services Sector involves telecommunication, computers and other information services. In Digital

Services Sector EU was the destination of 43% of exports and 56% of imports. Great Britain's regional economic trade with EU in this sector is continuously growing. European workforce is freely moving between Great Britain and Europe and they might not be able to do that in case Hard Brexit or no deal Brexit is pursued. There is a growing fear that telecom companies or software companies might wish to relocate their offices from Great Britain in case of no deal Brexit. Telecom Industry and Software Industry is the future of technology in the whole world. There are many things associated with these important industries. Trade Analysts predict that in future telecom and software industry will progress a lot. If Great Britain suffers in these two areas due to no-deal or due to insufficient provisions for Digital Sector in exit deal then it would lag behind at global and regional level. There are about 1 million jobs associated with Digital industry in Great Britain and in future it is predicted that there would be further jobs. That would damage the regional economic role of Great Britain.

Digital Single Market is also very important for the future of Digital Market in Great Britain and also in Europe. Digital Single Market includes EU single Market digital Marketing, E-commerce and telecommunication. Digital Single Market includes access to online products, smooth conditions for digital services to grow and bolstering European Digital Economy. Digital Services in UK are helping people taking care of mental health facilities.¹³⁰ Digital Single Market has a huge potential to grow in future. British Government should ensure that exit deal should include conditions which would include Great Britain in the future development of Digital Single Market. British Government should also assure EU that Britain's domestic laws will not obliterate its functioning in the future activities of Digital Single Market. Under terms and conditions of WTO it would become hard for Britain to trade in Digital Single Market mainly because of the fact that there is State-led dispute resolution mechanism in this regard under WTO terms. EU would also like to restrict Digital Single Market because of the challenges posed by rapidly growing technology industry to the global world. Different telecom and software companies will face difficulties in trading with Great Britain under WTO terms and that would decrease the regional economic role of Great Britain as far as its digital industry is concerned.

¹³⁰ Madhumita Murgia, "How digital services are transforming UK mental healthcare." *Financial Times*, August 18, 2019.

4.8 British Aviation Industry

Great Britain's aviation industry is very strong and it has serious future apprehensions regarding post-Brexit settlement with EU. European Common Aviation Area (ECAA) which is a single market in aviation industry provides great benefits to its members. Great Britain has been a member of this ECAA. ECAA provides the right to domestic flight to its member states, Great Britain as a member of ECAA enjoys these rights. If Great Britain continues to be member of ECAA then it would like to retain voting rights in EU aviation agency, with European Aviation safeguard agency (EASA) and EU aviation initiative of Single European Sky. Currently, non-EU Members of ECAA do not have these rights. In case Great Britain does not decide to be a part of ECAA and maintain a separate bilateral treaty with EU in aviation industry then it should make provisions regarding these voting rights in that bilateral treaty.

Great Britain would also like to have separate bilateral treaties with those countries who have open skies agreement with EU, especially, USA which has open skies agreement with EU. Great Britain can go back to Bermuda ii agreement between USA and Great Britain but stakeholders from British Aviation industry are not happy with that agreement. A mutually beneficial bilateral Air services agreement is the need of the hour for Great Britain. In case Great Britain fails to strike a deal with EU there would be no other option for Great Britain but to suffer heavy losses in aviation industry because there are no conditions for cooperation of aviation under WTO terms. Great Britain would not be able to rely on pre-existing individual agreements with EU countries because then EU would have tremendous competency level than when those agreements were made. British Aviation Experts suggest that comprehensive air services agreement must be made between Great Britain and EU which should be dealt separately from exit deal which Britain wants to make with EU, because in exit deal bargaining Great Britain might lose something important from aviation industry. Air lines might even decide to register their operations in EU in case proper provisions are not made between EU and Great Britain, and according to EU laws these must be controlled by EU shareholders. In other words, British Air Lines will drastically decrease. UK aerial companies are looking to get registered from EU as third country.¹³¹ Over all, decreased functioning of British Aviation Industry will damage its regional economic role after Brexit.

¹³¹ Jasper Jolly, "UK aerospace industry steps up no-deal Brexit plan to switch regulator." *Guardian*, July 28, 2019.

CHAPTER NO 5

BREXIT'S IMPLICATIONS for GREAT BRITAIN'S REGIONAL SECURITY ROLE

Brexit has regional legal security as well as political security implications for Great Britain. This chapter discusses both regional legal security and regional political security implications of Brexit for Great Britain. Regional Legal Security implications consist of Europol, Eurojust, Schengen Information System, Advance Schengen Information System, European Investigative Order and Prum Convention. Regional Political Security Implications of Brexit for Great Britain are discussed in Eastern Europe, Balkans, Status of Gibraltar, Dual role of EU and Frame Work Nation concept. Regional Security role of UK will change after Brexit both at regional political level and regional security level. UK does not care about its overseas territories or about its deteriorating domestic security situation. Moreover, it is not heeding to law maintaining efforts of EU. UK's behavior clearly shows state egoism or statism which is a manifestation of classical theory of realism.

The first half of the chapter discusses regional legal security implications of Brexit and how they are going to affect its regional security role. Great Britain is heavily dependent upon EU for enhancing its capacity to combat criminal as well as terrorist activities. Security situation is very precarious not only in Great Britain but also in whole Europe.

5.1 European Investigative Order

European Investigative Order (EIO) is a very necessary tool for handing over the evidence from one member state of EU to the other. EIO focuses on investigative measures that can be adopted rather than type of evidence that can be collected. Already, some of the Eurosceptics have criticized it severely and they have cited it as the violation of fundamental human rights. Europhiles say that it promotes better coordination among the member states of EU and it is better than mutual legal assistance and European Evidence Warrant. The future of EIO after Brexit also hangs in balance as it is to be seen that whether British Government keeps it or abandons it. British Legal Experts want to keep it. In case there is no exit deal then it will be

there till the end of transition period which is 31st December 2020.¹³² Whether it stays after that or not depends upon specific nature of exit deal. If European Investigative Order does not apply, then British Government has the option to go back to 1959 Council of Europe Convention on Legal Matters.

5.2 Schengen Information Systems

Schengen information system (SIS) is very vital to control law and order in Europe. It is based upon the premise that all the integral information must be shared through a database. Great Britain has been a great beneficiary of SIS. Initially, it was conceived to control cross-border trade. Later on it developed and evolved into a substantive legal structure. Schengen Convention (CISA) of 1990 laid the framework for police cooperation among multinational states. It included in itself the lumping together of different inputs from different professionals relative to border management. Police professionals and Legal professionals made a combined approach which included inputs related to every area. Their joint effort led to harmonization and Europeanization of all the policies related to border management.¹³³ SIS started to work properly in 1995 and afterwards it gradually expanded with the passage of time. Initially, only seven member states used it, and then 22 EU member states were benefitting from it. SIS was also enhanced with passage of time to make room for the new countries joining it. There were certain discrepancies with-in SIS which were required to be ironed out. There is a major drawback in it that there was no limit applied to use of data for specific purposes. For example, there was specific set of data for purpose of law enforcement and also a specific set of data for immigration control.¹³⁴ Now, originally competent authorities from a particular country can access this data but this limitation is usually not honored by big countries. Secondly, there were pre-conditions attached to Schengen area countries but for non-Schengen area countries, there were no set of rules. Different member states have different interpretations of threat and security perception. Therefore, it becomes extremely difficult for them to list the categories of threat and law breaking parameters. In process, many innocent people also get listed in the SIS. Like Germany used to enter the failed asylum seeker in SIS which is a wrong entry. Tellingly, SIS II was created and all the discrepancies were tried to be removed. After Brexit, there is a high possibility that Great

¹³² Marleen Bouwer, "Criminal Investigations post Brexit," *The Law Society Gazette*, January 2, 2019.

¹³³ Joanna Parkin, "The Difficult Road to the Schengen Information System II," *Centre for European Policy Studies Brussels*, 2011. 1-39.

¹³⁴ Joanna Parkin, "The Difficult Road to the Schengen Information System II," *Centre for European Policy Studies Brussels*, 2011. 20-21.

Britain would not be using Schengen Information System because the country using this database must show compliance with European Court of Justice Regulations.¹³⁵ Great Britain can do a special association agreement to use this database like USA has made. But even USA cannot directly access this database. Some Eurosceptics are suggesting that Great Britain should use Interpol's I-24/7 instead of SIS. Europhiles are arguing that I-24/7 cannot effectively give threat alerts as SIS can give.¹³⁶ If Great Britain is not given an access to SIS-I then its law and order situation will suffer and regional legal security standing will go down.

5.3 Modified SIS II and Great Britain

There was an urgent need to create a system after 9/11 which would require a robust check and balance affecting and checking the records of the whole system. A comprehensive database was formed and various countries started using it. Among them was Great Britain who previously tried to stay away from it because it did not want to be a part of Schengen Area. Great Britain wanted to use the informational record of SIS II to control its law and order. Currently, Great Britain is hugely benefitting from the system. Border Management is one of the key reasons why Great Britain is leaving EU. Conversely, SIS II has helped it to maintain a check over border security. Now it must strike out a deal which would help it to keep using SIS II. If Great Britain fails to do so its regional security will suffer. According to a report, British law enforcing authorities access database more than 1.4 million times.¹³⁷ In 2017 alone Great Britain was third in list of countries that had accessed this database the most.¹³⁸ British Authorities use it for policing, criminal laws and immigration control. Terrorists coming back from Syria to Great Britain were also caught by British authorities through SIS II. SIS II is also designed in a manner so that it cannot be hacked. IT experts from all around Europe work hard to keep it safe and secure.¹³⁹ Stolen Cars are also recovered through SIS II. In modern era states pool up their resources so that a joint front can be put in front of terrorists. For such efficaciousness SIS II is very necessary. Modern

¹³⁵ Jennifer Rankin, "Will the UK lose access to EU's crime fighting databases after Brexit," *The Guardian*, May 29, 2017.

¹³⁶ Lizzie Dearden, "EU-wide information system threatened by Brexit used by UK 539 million times every year, police say" *Independent*, May 2, 2018.

¹³⁷ Chloe Briere, "Cooperation of Europol and Eurojust with external partners in the fight against crime: What are the challenges ahead?," *Brexit Institute DCU Dublin*, 2018. 1-29

¹³⁸ Gabriela Bas zynska, "EU scrutinizes post-Brexit security deal," *Reuters*, May 4, 2018.

¹³⁹ Chloe Briere, "Cooperation of Europol and Eurojust with external partners in the fight against crime: What are the challenges ahead?," *Brexit Institute DCU Dublin*, 2018 , 15-16.

Policing is unimaginable without state cooperation. In such circumstances there could be profound impact on Great Britain of abandoning access to SIS II after Brexit.

EU is further amalgamating five databases for the purpose of future security cooperation. These five databases are Visa Information System (VIS), EURODAC (European asylum finger database), European Criminal Record Information System (ECRIS), Entry-Exit System (EES). And SIS-II. These five databases were formed to facilitate European countries in securing their borders. In order to maintain integrity of data all information will not be available to everyone. Police authorities will only have access to SIS-II but not to information from other databases. Similarly, Asylum authorities will only have access to three databases SIS, VIS, EURODAC. In the same go, Custom Authorities will only have access to SIS-II. Special access can be granted to different authorities to different databases but that would be only a make-shift arrangement. Future vision of EU will combine all these systems to enhance interoperability and interconnectivity of all the EU member states to fight against terrorism and uplift their security. Great Britain at any cost would require access to these databases in future immediately after Brexit. Theresa May and her team were trying to negotiate a deal which would keep them in the scheme of things related to these five databases and particularly in relation to SIS-II. Great Britain's record of entering threat alerts in SIS-II has also not been great as it is only 15th in that regard.¹⁴⁰ Great Britain has been using the system since 2015 although it is not member of Schengen area. Great Britain has not been able to record terrorist suspects entering into its borders wanted by other Schengen countries.¹⁴¹ If Great Britain does not have access to SIS-II or even has limited access to it, then its regional security will be threatened and its regional legal security standings will suffer.

5.4 EUTE-SAT

EU's terrorism situation and trend report analyzes all the terrorist activities which have been carried out in EU in a year and also the type of countermeasures which EU has taken to lower the level of terrorism in its member countries. This report is very useful for all the member countries to know the progress of EU against terrorism in the region. This report also validates the terrorist fighting activities in the particular country and also the terrorist fighting ability of that country. This report comes out on annual basis. After Brexit, Great Britain

¹⁴⁰ Gabriela Baszynska, "EU scrutinizes post-Brexit security deal," *Reuters*, May 4, 2018.

¹⁴¹ Nikolaj Nielsen, "UK unlawfully copying data from EU police system," *euobserver*, May 28, 2018.

would be out of scope of analysis of this report. That would hurt Great Britain's capability to fight terrorism. Great Britain could take countermeasures and issue a report of its own but that would take some time and terrorism is a phenomenon which needs to be immediately addressed in Great Britain. Great Britain could take some exemption that would include Great Britain in the scope of analysis of this report.

5.5 Europol and Eurojust after Brexit

Eurojust is an organization of EU which is specifically formed to coordinate crime fighting agencies of different EU member states. It also works in supreme coordination with other agencies such as OLAF, European Judicial Network, OPPE and Europol. Tax Fraud, Money Laundering and other big organized crimes are dealt with in its jurisdiction. Eurojust deals and re addresses a whole host of issues such as counterfeiting, forgery of official papers, illegal arms dealing, cybercrimes, illegal human trafficking and many others. Eurojust is not entitled to investigation of any unlawful activity however; it could act as bridge to speed up the pace of activities between EU member states related to that matter. In case of legal cooperation between non-EU member state and EU member state, Eurojust can act as facilitator for cooperation and information exchange in cases, it has an association or less than association agreement signed up with that non-EU member state. After Brexit, in case if there is no agreement between EU and Great Britain then Great Britain would acquire the status of "Third Member State" and it might be requiring the cooperation of Eurojust in that regard. Great Britain might want some kind of arrangement to coordinate with Eurojust after Brexit. Europol coordinates to fight organized crime and international terrorist activities. After Brexit, there are fears that Great Britain would leave Europol and that would increase regional legal security threats to Great Britain.¹⁴² UK would be unable to control human trafficking after this.¹⁴³

Great Britain would like to increase cross border cooperation related to security issues. Britain would like to carry on Prum Convention after Brexit. Prum Convention was made outside EU framework but it had conditions that understandings made in it were only applicable as long as they were in accordance with EU laws. Moreover, it states that EU law should be above Prum Convention. Prum Convention deals with vehicle registration, DNA

¹⁴² Rob Merrick, "Brexit: UK admits it will leave Europol and fears 'major drop' in crime fighting cooperation," *Independent*, November 14, 2018.

¹⁴³ Toby Helm and Mark Townsend, Migrant deaths: Britain faces exclusion from elite EU policing unit." *Guardian*, October 26, 2019.

analysis, controlling illegal immigration, joint police patrols and pursuance of doctrine of hot pursuit. Great Britain stayed out of it but decided to benefit from some of its instruments. Prum Convention was heavily criticized by Britain due to some reasons particularly for its democratic deficit and also for promoting disintegration in EU. After Brexit, Britain would like to make an arrangement according to which it should be in a position to continuously use some of the facilities resulting from Prum Convention.

Great Britain has also provided office for EU anti-piracy effort at North Wood because it has appreciated anti-piracy efforts of EU. Controlling piracy is vital for the trade of EU.¹⁴⁴ European Union Naval Force has conducted Operation Atlanta to stabilize the region connected to sea of Horn of Africa and Indian Ocean. EU is combining its forces and resources in this regard with N.A.T.O and also with US navy. Great Britain would have to withdraw from such efforts of EU naval forces in the post Brexit era which would be detrimental for the image of Great Britain. Britain wants to cooperate with EU on regional legal security and also on regional military security. But it would prefer structures outside EU for achieving that objective. Emanuel Macron French President has proposed European Intervention Initiative (EII) for the sake of military cooperation with Great Britain outside EU.¹⁴⁵ Interoperability enhanced by EII was susceptible to suspicion and cooperation was enhanced through battle groups.

Great Britain is also heavily dependent upon EU technology for its defense and vice versa. Great Britain is purchasing hardware military equipment from Thales, Airbus and Leonardo.¹⁴⁶ EU is also purchasing military equipment from Great Britain. This trade would heavily suffer after Brexit.

Now the problem is that EU is neither in a mood nor in a position to afford Great Britain a pleasant exit deal after Brexit. Nevertheless, it would strive to make sure that a kind of trade of deal must be penned between Great Britain and itself. EU would either give Great Britain strategic concessions in terms of Custom Union and Single Market or it would give Great Britain a preferential third member status relative to Eurojust and Europol. EU would be economically affected by Brexit especially because of the fact that it was just out of Eurozone

¹⁴⁴ Toby Vogel, "EU plans coordinated anti-piracy mission to Somalia," *Politico*, October 1, 2008.

¹⁴⁵ Daniel Boffey, "Nine EU states joins off on joint military intervention force," *The Guardian*, June 25, 2018.

¹⁴⁶ Malcolm Chalmers, "Brexit and European Security," *Royal United Services Institute For Defense and Security Studies*, 2018. 10-11.

Crisis and it could still be in a situation to revisit it. Although, there is still lot of intentional commitment from British and European leaders to make deeper security arrangements post Brexit irrespective of the economic deal that is made. Yet there would be pressure from internal elements for showing Great Britain let hindrance or filter in terms of future arrangement.

Great Britain would no longer be shaping common foreign and security policy. There are bleak chances that EU would give Great Britain an “Observer Status” because it would set up a negative precedent for other EU nations. Great Britain would be deprived to formulate on a whole host of treaties due to its miffed exit from EU. These issues are international climate change, resetting procedures for cyber security, enhancement of EU membership, dealing with nations making out recalcitrant arms export treaties and perhaps most importantly modalities of operation related to nuclear safety. Great Britain can make some compromises by accepting EU standards in relation to custom union and single market and making some contributions to European Defense Fund (EDF).¹⁴⁷ In return Great Britain can reach the position to negotiate its “Observer Status” in different EU structures and procedures related to CDSP. EU would make petty arrangements in lieu of custom union and single market because of shortage of time and secondly because it would not like to go completely against one of the major regional and international actor, that is, Great Britain. There are areas of foreign and security policy where EU and Great Britain have different schools of thought and they want to take different actions.¹⁴⁸ British influence in Belarus, Moldova, Ukraine and Balkans would definitely decline.

Second half of this chapter discusses regional political security implications of Brexit and how they are going to affect regional political role of Great Britain.

5.6 Impact of Brexit on Eastern Europe

Vladimir Putin is also increasingly threatening Eastern Europe and is trying to take advantage of its economic snafu which befalls it. Russia ever since the end of cold war has tried to maintain a sphere of influence in the Eastern Europe which is a major cause of concern for Western European Nations. Russia has always preferred to deal with OSCE rather than

¹⁴⁷ Malcolm Chalmers, “Brexit and European Security,” *Royal United Services Institute For Defense and Security Studies*, 2018. 10-11.

¹⁴⁸ Malcolm Anderson, “UK security and Brexit - An assessment of the implications,” *Culmer Raphael Institute*, 2016. 1-2

dealing with EU and N.A.T.O due to the fact that historically OSCE has been more neutral in dealing with Europe than N.A.T.O. Post cold war European security order is marred and highlighted by the fact that Russia must be contained. Russia on the other hand has decided to sharpen its teeth under Putin and has reposed to the old policy of Pan-Slavism. Russia was never integrated in EU or N.A.T.O and advancement of N.A.T.O in the Eastern Europe over the pretext of regional stability was seen by Russia as a blatant act of offence. This increasing presence of N.A.T.O in Eastern Europe inflames the Russian rage. Now they are more than ever determined to restore their regional dominance in the post-Cold War European Security Order. EU was acting as soft face of N.A.T.O and Western Bloc and was focusing more on socio-economic development of Eastern European Nations rather than acting on the security impacts of the situation. Western Bloc even tried to soften up Russia in regards of opening up several venues of strategic partnership except the full membership. Likewise, it opened up Conventional Forces in Europe Treaty (1990) and Vienna Document (1990) and definitely the most important one OSCE. Russia smelled a foul intent from Western Bloc despite these strategic arrangements. Russia was suspecting that Western Bloc was trying to hoodwink Russia for trying to develop Eastern Europe in the name of regional development and socio-economic stability. Great Britain is an important member of Western Bloc, and member of both N.A.T.O and EU. With the advent of Brexit regional political security role of Great Britain would have been damaged. Great Britain's regional political security role in Eastern Europe would definitely decrease.

EU believes in greater Europe which would be more inclusive. Greater Europe will focus on socio-economic development and achieving greater political autonomy for the masses. EU launched its European Neighborhood Policy (ENP) which included countries from Eastern Europe. EU also granted structural funds to Eastern European countries which really benefitted them to boost their economy.¹⁴⁹ External Action Service of EU launched Eastern Partnership Program (EaP) in 2009 to provide a platform for the post-Soviet states in Eastern Europe for their cooperation with EU. EaP included in itself visa-arrangements, strategic partnership and free trade deals. EaP also gave the concept of civil society forum which provided platform to civil society organizations to discuss democracy and human rights situation in the participating countries. EaP Civil Society Forum (CSF) has taken the task of human rights situation in Azerbaijan and also the implementation of association agreements between EU and Georgia, Ukraine and Moldova. Russia saw these efforts with suspicion and

¹⁴⁹ Valentina Romei, "Central and Eastern Europe show way on growth," *Financial Times*, June 14, 2017.

decided to put forward its own proposal for the Pan-European Security order. Russian proposal was based on Russian influence at equal footings with rest of Europe under the aegis of OSCE. Russia also gave its own idea of Eurasian Economic Union (EEU) which was for the economic integration of post-soviet states. Russia tried to tie together post-Soviet states. EEU brought together different Eurasian nations for the purpose of economic integration. It also created single market which helped people to move freely and also enabled free movement of labor and services.¹⁵⁰

Russian aggression in South Ossetia and also in Ukraine worsened the situation and Western Bloc along with N.A.T.O, realized how severe the revisionist attempts of Russia to gain political domination are. EU enforced economic sanctions over the Russia amidst this chaos in Eastern Europe. Even after Russian aggression is over there are continuous efforts by Putin to maintain a hostile stance towards Ukraine, especially, when conditions are hostile for him at domestic front.¹⁵¹ Great Britain has played its role in checking this Russian aggression by putting sanctions over Russia, with EU. With the event of Brexit, this strategic leverage of EU for a quantified response against Russia will diminish. Although, Great Britain is the third biggest producer of natural gas in the Europe, and before Brexit it was also the member of Energy Union, but Brexit would still limit the role of Great Britain against the increasing role of Russia in Eastern Europe. This would be a huge loss for Great Britain as far as its regional political security role is concerned.

Brexit has benefitted Russia. Vladimir Putin has considered it a strategic victory for Russian Federation and for its strategic objectives in Eastern Europe.¹⁵² Recently, allegations have been leveled against Arron Banks, which was the chief financial donor to leave campaign of Brexit Referendum that it has most of his businesses in Russia and there could be Russian backing behind its donations. Although, these are still just allegations but investigations have to be made and if there is some truth to it then Russian involvement would be confirmed.

Eastern European migrants who have also come in large number to United Kingdom after 2004 are finding implications of Brexit unsuitable for their professional needs in Great

¹⁵⁰ Benoit Vitkine, "Vladimir Putin's Eurasian Economic Union ready to take on the world." *Guardian*, October 28, 2014.

¹⁵¹ Neil MacFarquhar, "Russia-Ukraine Fight over Narrow Sea Passage Risks Wider War," *The New York Times*, November 26, 2018.

¹⁵² James Randerson, "Putin mocks 'undemocratic' calls for second Brexit vote," *Politico*, December 20, 2018.

Britain.¹⁵³ Immigration is considered one of the major causes of Brexit. Eastern European migrants have enjoyed a lot of economic success in Great Britain. A report of European Bank for Reconstruction and Development says that Eastern European Companies will also suffer if no deal about Brexit takes place.¹⁵⁴ Eastern Europe wants economic development to save itself from clutches of aggressive Russia and to become an economically developed region.

5.7 Dual Role of EU

Historically, Western powers have always tried to use international institutions on the pretext of neo-liberalism for enhancing their influence as imperialist states. Great Britain has always helped USA and its other Western Allies for increasing their influence and achieving their strategic and economic ends. Usually, this modern slavery is committed through N.A.T.O, and also under the aegis of UN peace keeping forces. Western Powers have always tried to spread its tentacles in third world countries on the name of spreading democracy and for promotion of human rights. But in reality they usually have some economic interests in that country like some natural resources. Moreover, in some cases the real aim is to achieve some strategic gain. Western world is doing this mostly without involving EU, because of the rationale that EU is dominated by Germany.¹⁵⁵ Although, the twenty two nations which are present in N.A.T.O are also present in EU. Nonetheless, there are fears that “EU is continuation of Germany by other means”.¹⁵⁶ This fear also underpinned the advent of Brexit and it also strongly persisted in US. According to some British scholars this assumption is based on the historical reasons that date back to unification of Germany, and its involvement in the world wars. Germany first tried to dominate the world through its military muscle and after meeting a failure to achieve that it tried to achieve this goal through other means. That other mean is EU which is being used by Germany to spread its influence all over again. Eurosceptics also argue that Germany is on the course of trying to take revenge from Great Britain for its involvement in Germany’s downfall in the two world wars, and that is the reason behind EU’s stringent attitude towards Great Britain. Germany, according to critics, is showing softer attitude towards Russia through EU. Germany is resorting to this by claiming

¹⁵³ Daniela Sime and Naomi Tyrrell, “How Brexit is making young Eastern Europeans in the UK fear for their future,” *The Conversation*, June 27, 2018.

¹⁵⁴ Tom Arnold, “No deal Brexit will hit eastern-Europe, Turkey trade: ERBD,” *Reuters*, March 29, 2019.

¹⁵⁵ Stuart Jeffries, “Is Germany too powerful for Europe?” *The Guardian*, March 31, 2013.

¹⁵⁶ William E. Patterson et al., *Brexit and Beyond: Rethinking The Future of Europe*. (London: UCL Press, 2018), 93.

that they are helping N.A.T.O through various means. Operation Artemis was one such effort where EU carried out an operation in Congo in 2003 so that N.A.T.O did not have to intervene, because N.A.T.O was also busy with Global War on Terror (GWOT) at that time. EU carried out operation after consultation with U.N.O and maintained a steady presence in Congo. Operation Artemis was the first rapid mission of EU, first outside Europe, first one with the concept of framework nation. This operation remarkably decreased the magnitude of intensity of conflict in the democratic republic of Congo. It also pointed out to German efforts in reestablishing itself as the primary US ally in Europe. Great Britain's presence in EU is mandatory, according to some foreign policy experts because Great Britain should check the spread of influence of Germany.¹⁵⁷ Brexit is derailing this process. In the long run, this could hurt the political security status of Europe. Europe could be more fragmented and unsafe and that would hurt Great Britain and its regional political security role because a divided Europe will be more inclined towards bending to other powers of the continent.

5.8 FRAMEWORK NATION CONCEPT

Framework Nation Concept (FNC) is a key concept for pan-European security as well as for the increase in Atlanticist military cooperation. FNC gives European Nations tactical liberty to develop multinational units which would exacerbate the military preparedness of European Nations. FNC is introduced by Germany and it is a cause of great concern for Great Britain since Britain considers this another attempt by Germany to bypass it and create a security order which would act as antagonist force to dominance of N.A.T.O. Germany forwards this premise that FNC would act as an opportunity for the smaller nations to increase their defense capabilities. Smaller Nations of Europe would benefit from the resources and experiences of N.A.T.O and would reap benefits from it. Great Britain thinks that this FNC would open up a new set of security challenges for the whole Europe due to its dual nature and also due to its enhanced capabilities. Great Britain believes in the concept of smart defense but with limitations applied to it. Germany argues that due to budgetary constraints the defense of small nations cannot be upgraded and made them compatible with modern defense and strategic needs which are very urgent due to increasing shadow of Vladimir Putin over Eastern Europe. FNC would require continuous political cooperation from the European Nations which looks a bit tricky. Nevertheless, some of the nations have shown unparalleled resolve to cooperate. Closer cooperation with N.A.T.O in this regard is also very mandatory.

¹⁵⁷ Ibid., 92.

N.A.T.O has a very vast experience of dealing with different nations and conducting a multitude of operations worldwide. N.A.T.O could play the role which Great Britain wants it to play to ensure its safety of European Security Order. Great Britain wants it to apply the concept of Smart Defense. Great Britain's regional political security standings would suffer after Brexit.

Critical factor linked with FNC is that European Nations can any time withdraw them from it. This factor de-couples German influence attached with FNC. Great Britain also favors Bottom-up approach in FNC instead of top down approach which Germany prefers.¹⁵⁸ Great Britain thinks that it would create an all-inclusive participation in the FNC. In future all the nations would not be able to maintain standing armies due to uncountable reasons. Moreover, there is an increase in number of war fares. Some nations may be more capable and battle hardened in one area but in other area they may not be as good. So every nation has different capabilities. FNC would allow different nations to pool up their resources and use them under different unimaginable contingencies. British conceptualization regarding FNC is that it should focus on developing military squads which could operate under high intensity. British military in the past has conducted various exercises and operations with N.A.T.O and also with US Army; therefore it is ready to conduct exercises with any nation under joint military spectrum of FNC.

Brexit has put an air of forlorn on the Eastern European Nations but through FNC this adverse effect can be mitigated and Eastern European Countries can be put on stable footings with an enhanced state of self-reliance. Eastern European Nations could benefit from FNC but Great Britain might be excluded from it in the future due to Brexit; that would damage the regional political security role of Great Britain. Had Great Britain been there it would have checked the influence of Germany in FNC.

5.9 Implications of Brexit for Gibraltar

Gibraltar is a British overseas territory and it participated in the Brexit Referendum. Gibraltar has voted heavily to stay in EU but when Great Britain withdraws, it also has to withdraw. Spain has territorial claims over Gibraltar. After withdrawal of Great Britain from EU, Spain would enjoy stronger position in EU. Brexit would make case of Spain for Gibraltar much

¹⁵⁸ Rainer L.Gatz and Martin Zapfe, "NATO's Framework Nation's Concept," CSS 218 (2017): 2, accessed May 5, 2018.

stronger in EU. Gibraltar wanted an access to Single Market.¹⁵⁹ After the Brexit Referendum, Spanish Minister said that Gibraltar should be co-governed by Spain and Great Britain. At Spanish Gibraltar border, there are complete border checking regulations as Gibraltar is not part of Schengen area. About 10,000 Spanish Nationals daily cross this Spanish-Gibraltar border for employment purposes.¹⁶⁰ Therefore, Gibraltar is very important for Spain. Gibraltar did not participate in any European Communities election, but in 2002 Gibraltar was allowed to participate in the European Parliament Election, and in 2004, it for the very first time participated in the European Parliament Election. British Government has strongly claimed that after Brexit Gibraltar would remain to be a part of Great Britain. If in future Gibraltar ceases to be part of Great Britain then Great Britain would lose an important airport of Europe from where it can fly from one European airport to the other. On the other hand, Gibraltar wants an access to British Financial services sector and British financial services export. Great Britain is committed to Gibraltar after Brexit but Spain has historic claims over it. Spanish Prime Minister Pedro Sanchez has said that Spain should have veto over the kind of exit treaty that would be signed between EU and Great Britain because that would also apply over Gibraltar.¹⁶¹

5.10 Security Implications of Brexit in Balkans

The Great Britain has also very important regional political security role to play in the Balkans. Brexit will change that role or not, that would be seen in the coming times. Bosnia-Herzegovina and Kosovo are the major areas of Balkans where United Kingdom is playing a very assertive and active role, and where its decreased role may have very significant impact on the state of affairs. Great Britain for long has been playing a very significant role in the Western Balkans and taking steps to move it closer towards a full EU membership. Migration from Bosnia and Kosovo towards Europe and Middle East is a major cause of concern for United Kingdom. Ever since the end of Yugoslav war, United Kingdom has played a very effective role in the peace keeping efforts made in the region of Western Balkans and it has also sent the economic aid over the time. British Diplomat Paddy Ashdown was sent to see the implementation of Dayton Accords, the treaty which finished the Yugoslav war and brought peace to the region. Paddy Ashdown took a very harsh approach towards the people

¹⁵⁹ Diego Torres, "EU's Gibraltar 'colony' lines boosts Spain," *Politico*, February 1, 2019.

¹⁶⁰ Marius S.Ostrowski, "Gibraltar after Brexit: why Spain, not Ireland will decide UK's fate," *The Conversation*, February 28, 2019.

¹⁶¹ Diego Torres, "EU's Gibraltar 'colony' lines boosts Spain," *Politico*, February 1, 2019.

who were threatening peace and security in the region. Great Britain has indirectly fast tracked the negotiation process between Serbia and Kosovo. Internal stability in the Balkans is very important for Great Britain. Great Britain even suggested alongside Germany a set of constitutional changes in the Western Balkans which would make countries in it politically and economically ready for the full EU membership and hence make the region more powerful to avoid the indirect manipulation of Russia. Stabilization of Kosovo is another example why Great Britain has remained at the forefront of efforts to make the region peaceful. In 1999 Great Britain was among the first countries to build up international support for a NATO led air campaign which lasted for the seventy-eight days and which resulted in the ouster of Serbian forces from Kosovo.

Even in U.N.O, United Kingdom was among the leading countries that made it clear that eventual outcome of the Kosovo would be that country should be granted complete independence. When Kosovo unilaterally announced its independence in 2008, Great Britain along with France and USA was at the forefronts of efforts to give the country complete statehood. Great Britain heavily advocated for the complete membership of Kosovo in different organizations. These organizations included IMF, World Bank, European Bank for Reconstruction and Development and International Olympics Committee. Membership of these organizations allowed Kosovo to enjoy international status as an independent country and also to remain assertive in its domestic matters. In the meanwhile, Great Britain also made efforts to initiate a dialogue between Kosovo and Serbia. Sir Robert Cooper, a British Diplomat, initiate the efforts to start the dialogue between Serbia and Kosovo. Kosovo was told that this would help her to achieve the full accession of EU membership. Great Britain also made Kosovo realize that it should also include in the dialogue the status of Serbian population in Kosovo. Moreover, bilateral trade should also be included in the process. Through this dialogue process Serbia and Kosovo agreed to act jointly in the regional disputes and also to maintain this process in future. Conspicuous efforts were made by United Kingdom in the past twenty years to make the region of West Balkans peaceful. Great Britain's role as member of EU has been very important for maintaining an important player's status in Balkans. All the Balkan States want to become the permanent member of EU. This has been a very enticing factor for them. Recently, even Serbia showed its enticing inclination to join EU. So if Great Britain leaves EU then it will give her less leverage to be an effective player in Western Balkans, and hence, Serbia and Kosovo may come under Russian influence.

Another major problem that needs to be looked upon in Western Balkans is problem of migration. Not only holy fighters from Muslim population of Balkans are joining ISIS in the Middle East but they are going to Europe from different routes. These holy fighters when go back to Western Balkans, there they spread the culture of radicalization which leads to an increase in their numerical strength, and this decreases Balkans chances of becoming the permanent member of EU. EU dislikes this idea of spread of radicalization in Europe. Recently, it has led to an increase in terrorist activities all over Europe. United Kingdom also does not want to join Custom Union because it will increase the infiltration of terrorists to the United Kingdom. ISIS members of Balkans are also coming to the Europe through Turkey. If this problem needs to be eliminated or even minimized then Great Britain needs to play an effective and efficient role. Great Britain itself will not gain anything significant in area of Border Management by leaving EU, because it is not part of Schengen area. Those countries that are part of Schengen area do not have any borders. Great Britain is not part of Schengen and its borders will not change whether or not it remains part of EU or not. There is a very small population of people from Balkans in United Kingdom. The main destination of Balkans migrants was Germany where there is a big population of inhabitants of Western Balkans. When the migration increased Germany immediately announced that it will not entertain any further migrants from any part of Western Balkans. In fact, Germany announced that it would deport anyone coming from Balkan States to Germany. So problem was solved for the time being but it still remained there. However, illegal migration of refugees from Middle East to Europe through Greece and Turkey is one of the primary causes of concern for the very conservative British masses and is also considered a major reason for Great Britain's withdrawal from European Union. In 2017 mega terrorist activities were carried out in United Kingdom. Terrorist activities were also carried out in major parts of the Europe. Scores of innocent civilians were made victim of these terrorist activities.

Corruption, Organized crime and growing radicalization are the major problems of Western Balkans which are the cause of headache for Great Britain, EU and USA. As a result of these activities Russia can find it safe to be more active in the region which is completely unacceptable for the major Western powers. German Chancellor Angela Merkel said about Balkans, "Political stability in the region means political stability for us too, We know this from experience,"¹⁶² According to many people the solution of all these problems is that Balkan countries should be given full membership of EU. EU wants to develop western

¹⁶² Matt Robinson, "Balkans can help EU 'feel attractive' after Brexit, Macedonia says," *Reuters*, July 12, 2017.

Balkans and it is taking step towards it. Balkans could be treated as Eastern European countries which have been very recently granted membership of EU like Hungary. But here again problem is that Great Britain cannot exercise its influence inside EU when it is leaving it. That will be running away from her responsibilities. Some skeptics say objective elements of Great Britain's foreign policy will not change and they will be able to help Balkans. But they are ignoring the fact that British influence inside EU will definitely decrease and it will not be of some help to any state who wants to join EU. Conversely, Germany's influence inside EU is increasing and even Balkan States are looking towards Germany to gain leverage inside EU and hence to become its full members. British Politicians in the past have always advocated for the enlargement of EU. This advocacy has come due to number of reasons. But now due to growing antagonism against EU they are even silent against expansion of EU. The counter argument to this is that Great Britain can play its role as NATO member in the uplift of Balkans but this is far from reality. The rationale behind it is that NATO is mainly a Defense organization while EU is a socio-economic and political organization. Therefore, becoming a member of NATO, Great Britain cannot effectively play its role as it can play inside EU. Additionally, there is very little desire in Balkan States to join NATO but there is a very big desire among the Balkan States to join EU. Reason behind is that EU is considered a very successful regional and international organization among comparatively less developed European States. On the flip side, NATO is considered just a military alliance which has been formed to serve the purposes of International hegemony of USA. In the 21st Century economic development is considered a measure of nation's progress. Western Balkan States want to move ahead in the international arena. Therefore, there is greater desire on their part to become part of EU rather than joining NATO.

Conclusion

Brexit short portmanteau of British Exit from the European Union is the historical decision made by the British Government with the consent of British people. Great Britain is one of the oldest democratic countries of the world. So British government is not in a position to decide on its own on the issue of Brexit. Democracy is in the blood of British people. Literacy rate and standard of education is very high in Great Britain. British masses are very vigilant and sensitive about national issues. They are also quite vocal and knowledgeable about their political rights. They do not blindly accept the critical decisions of national importance made by their elected governments.

Theoretical Framework used for this research is classical realism and every chapter of this research throws light on actions of UK as a state going for its national self-interests which is in the paradigm of classical realism. Regional political role of Great Britain shows UK looking after national self-interests. Its regional economic role after Brexit shows UK not looking towards ground realities. Its regional security role shows UK preserving its own institutions in face of law and order uncertainty. Historical background to Brexit shows that UK has always considered itself superior from rest of Europe and cared for its own interests. Thus classical realism clearly describes this research.

A national debate is going on in the whole country of Britain between pro-Brexit and anti-Brexit people of this country. Europhiles are hell bent on the idea that if referendum is re-conducted then Brexit will be cancelled. David Cameron who willfully resigned after Brexit has said that if referendum is again held then its result will be reversed. Consequences of Brexit are thought to be very serious and long lasting for the whole country of United Kingdom. The stakes are very high, not only for United Kingdom but also for European Union and even for the whole region. Therefore, this subject must be studied thoroughly and deeply. Brexit is not a simple procedure of leaving European Union by Great Britain. It will cast long shadows on all the neighboring nations as far as Eastern Europe and Russia. Already there are many British masses who are calling it an unfair decision. They are suggesting that there should be differentiated integration inside EU.

The subject of regional implications of Brexit for United Kingdom has been studied thoroughly here under different headings and sub headings so that no stone is left unturned and no angle neglected in this study.

Historical Background of Brexit covers Great Britain's colonial legacy. Atlantacism and geographical reasons of Brexit have been shortly mentioned. Euro-Skepticism is also discussed in this chapter. Some light has been thrown on role of European Coal and Steel Community as well as Pleven plan for combined defense of Europe. European Economic Community and role of European Free Trade Association (EFTA) has been discussed. EFTA from its inception till now has been the bedrock of economic liberty for its member states. Thatcherism and British paradigm shift towards EU has been analyzed. Road to referendum and acerbic role of UKIP has been briefly defined. How euro skepticism politically evolved and converted into a strong force which took the masses of Britain in its grip, has been described.

Major causes of advent of Brexit, like Economic causes, deeply entrenched nationalism, ecclesiastical reasons, geographical factors, Eurozone crisis, and superiority of English language, Border Management, Red Tapism of EU and options for Great Britain regarding Brexit have been thoroughly discussed in Chapter "Causes and Options for Brexit". Similarly regional economic implications of Brexit for Great Britain, like FDI, financial services, immigration and trade barriers after Brexit have been reviewed "Brexit Implications for Great Britain's Regional Economic Role" has been analyzed. British contribution to EU Budget and its effect on the masses of Britain have been analyzed. Digital Single Market, Common Fisheries Policy and European Common Aviation Area (ECAA) in relation to changed British regional economic role after Brexit have been discussed. Regional Economic Role of Great Britain under these various sub-headings has been discussed brought under focus.

Chapter "Brexit Implications for Great Britain's Regional Political Role". British contribution in shaping up EU's sanction policy and possible future change in this regard has also been discussed. Galileo satellite system and how Britain would get limited access to it after Brexit has been analyzed. Similarly, shift in Britain's role at UNO and a possible decline in its influence at UNO after Brexit and resultant decreased regional political role of Great Britain has been thoroughly presented. Political implications of Brexit and a possible damage to union of Great Britain after Brexit have been considered. In this regard possible areas like Common Travel Area (CTA), Border between Ireland and Northern Ireland, Interreg and Peace program have been analyzed.

Security is the most important issue for any nation and Regional security implications of Brexit for Great Britain have been thoroughly discussed and reviewed in chapter "Brexit

Implications for Great Britain's Regional Security Role." of this study. Frame Work Nation Concept (FNC) for pan-European security and Atlantic military cooperation have been studied in this chapter. Schengen Information System (SIS) is very vital to control law and order in Europe, and it has also been reviewed. Conspicuous role of Euro just has been highlighted. This organization coordinates crime fighting agencies of different EU member states. How will it affect Great Britain after Brexit, has been reviewed. How will be Eastern Europe affected after Brexit is an interesting area analyzed in this chapter. Similarly, regional political security implications of Brexit in Balkans have also been looked into. Finally Dual Role of European Union has been projected at the end of this chapter.

In short, this study i.e. Regional Implications of Brexit for United Kingdom deals with all the important and related aspects of the subject. It throws light on the internal factors of Great Britain which resulted in Brexit. It also covers regional implications of Brexit for Great Britain and the whole region ranging from economic causes, nationalism, ecclesiastical factors, Geographical reasons, English language factor, factor of Euroskepticism in Great Britain, problems of Border management, anti-democratic nature of EU and most practical post Brexit options for Great Britain. Economic implications of Brexit have also been studied in detail. Political implications of Brexit for Great Britain and Europe have been analyzed and are very significant. Moreover, it has been proved that security of Great Britain is interlinked with security of Europe.

In a nutshell, it is difficult to recommend that Great Britain should say good bye to a well-established strong organization like EU at this stage.

Research Findings

- I. Great Britain has different options for Brexit. These options are Norway option, Switzerland option, Norway plus option, Turkey option, Canada option, U.S.A option, Ukraine option and Balkans option. Every option has its pros and cons. No single option can be called best option.
- II. United Kingdom will also weaken its ties with Republic of Ireland after Brexit. There are number of areas in which both Great Britain and Ireland support each other. After Brexit, the cooperation in these areas will be diminished. These areas are Common Travel Area, Interreg and Peace Program.
- III. Great Britain has historically supported U.S.A in Europe. Even in case of EU, it has made sure that EU policy guidelines should follow interests of U.S.A as much as possible. After Brexit, this strategic relationship might be damaged. Especially, Great Britain's sanctions policy might not be in proper guidelines with U.S.A which it previously used to be.
- IV. Great Britain and Scottish relations after Brexit might also be damaged. Great Britain and Scotland are both part of union of Great Britain and both have great historical ties. Scotland is not separately member of EU but it cooperates with EU through Great Britain. Scotland has even benefitted a lot from the policies and programs of EU. Scottish National Party (SNP) has shown great tendency towards EU due to its lenient policies towards smaller European nations. Scotland has previously organized a referendum that it wants to be separate from Great Britain. Referendum result went with small margin in favor of staying with Great Britain. After Brexit, if such referendum is organized again then there is a possibility that Scotland might decide to separate from Great Britain. That would damage the nuclear program of Great Britain stationed in Scotland.
- V. Great Britain's role in regional diplomacy will also suffer because of the fact that at U.N.O EU has a very strong presence. In General Assembly, EU is very influential and strong to table and pass resolutions which are considered necessary for the security of European region as well as of the world.
- VI. Great Britain will lose its right to use applications made by EU. This also involves those applications which are partially funded by Great Britain. Galileo Satellite System which is made by EU is one such application. Great Britain dearly wants to use it because of its wide range applications. Currently, it is using Satellite made by USA

- VII. Great Britain has a very strong presence in European Single Market of Aviation. It benefits a lot from it. British Airways can fly from anywhere in Europe to anywhere. After Brexit, this British role in European Common Aviation Area (ECAA) will decrease and there is also a possibility that British Air lines will lose British ownership.
- VIII. Great Britain has a very strong financial services export to EU. It is a part of Single Market of financial services. After Brexit, Great Britain might lose its productivity in financial services export to the EU. That would be huge loss for Great Britain as far its financial services are concerned.
- IX. Common Fisheries Policy (CFP) has been one of the key drivers of Brexit referendum. As leave Campaign leaders promised more share of fishing quota to ordinary British fisherman. British politicians claim that CFP require more comprehensive adjustments. After Brexit, when Great Britain leaves CFP then it cannot make a hostile fisheries policy towards EU because it had a big amount of import and export of fisheries with EU. There is evidence that certain European countries catch more fish than what they are officially allowed. Danish Fishing Case, which occurred very recently, strengthens this belief.
- X. British contribution to EU budget has been a very controversial area and also one of the most debated one during Brexit referendum. After Brexit, Great Britain plans to abandon contributing to EU budget. A deep analysis of this area reveals that Great Britain will save only a little amount after not contributing to EU because EU's financial grants to United Kingdom will also be cancelled.
- XI. Great Britain before Brexit has coordinated with EU over fighting crime and sharing evidence related to it. Great Britain is fighting crime at different levels. It desperately needs a continued cooperation in this area. Europol and Euro just has cooperated with them in this regard and this cooperation might be in trouble after Brexit. As Brexit will make this cooperation uncertain.
- XII. Europe is in need of unity more than ever before. The main reason behind it is the presence of a belligerent Russia in the Eastern Europe. Europe should be united against Russia at different levels to mitigate Russian threat. Brexit is dividing the unity of Europe which is not in the security interest of the whole Europe. Russian military aggression in Ukraine and in Georgia testifies that fact.
- XIII. Great Britain has overseas territories which would also be affected by Brexit. Great Britain has controlled its overseas territories and used them to its own

advantage. Falklands, Gibraltar and Cyprus are the British overseas territories. Gibraltar has historical Spanish claims which will be strengthened by the Brexit.

XIV. Great Britain has historical role in the Balkans. It has always played its role for the socio-economic uplift of the region. Great Britain has played its role for the peace process in Balkans after the war in 1990s. Great Britain has also played constructive role for the full membership of the Balkan countries in the U.N.O. After Brexit British role in Balkans will be minimized.

XV. Great Britain has always cooperated with the N.A.T.O in the Europe. This cooperation will be definitely affected after Brexit. This cooperation will be reduced. EU has twenty seven members as N.A.T.O but EU has tried at occasions to act in different capacity to the displeasure of U.S.A. After Brexit Great Britain will lose chance to act as bridge between N.A.T.O, EU and U.S.A.

Recommendations

- I. EU should analyze its policies in a new way. It is suggested that EU should go for differentiated integration rather than going for wholesome integration in most of the areas. Brexit should be seen as an opportunity for EU to re-look at its policies.
- II. EU should also consider that it is about time to be more transparent and accountable through its institutions.
- III. EU should focus more on the development of backward areas of Europe rather than focusing on regions outside Europe.
- IV. Brexit is neither an easy process, nor a very short one for Great Britain. A super power of the past running away from its commitment with in European region will not earn regional and international respect and good will. Great Britain might even fail to make favorable post-Brexit deal with countries outside Europe.
- V. Therefore, it is recommended, through this study, that Great Britain should try to make best possible deal with EU after Brexit
- VI. Transatlantic Trade and Investment Partnership (TTIP), TPP and NAFTA would help Great Britain, EU and USA. Any one of them can bring great economic prosperity for the whole region post Brexit. Great Britain economic uncertainty may be decreased by adopting TTIP, TPP or NAFTA option. It is recommended that Great Britain should go for TTIP option to deal problems arising out of Brexit

- VII. The best option for Great Britain would be Swiss option. It is a part of European Free Trade Area (EFTA), but it is not part of single market or custom union. Switzerland has also made special committees with EU who looked after the dicey aspects of deals taking place between EU and Switzerland

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Annexure: I

MAP OF ENGLISH CHANNEL



FIGURE 1: MAP OF ENGLISH CHANNEL

Source: WORLD ATLAS WEBSITE (<http://www.worldatlas.com/webimage/countrys/europe/ukechannel.htm>)

Annexure: II

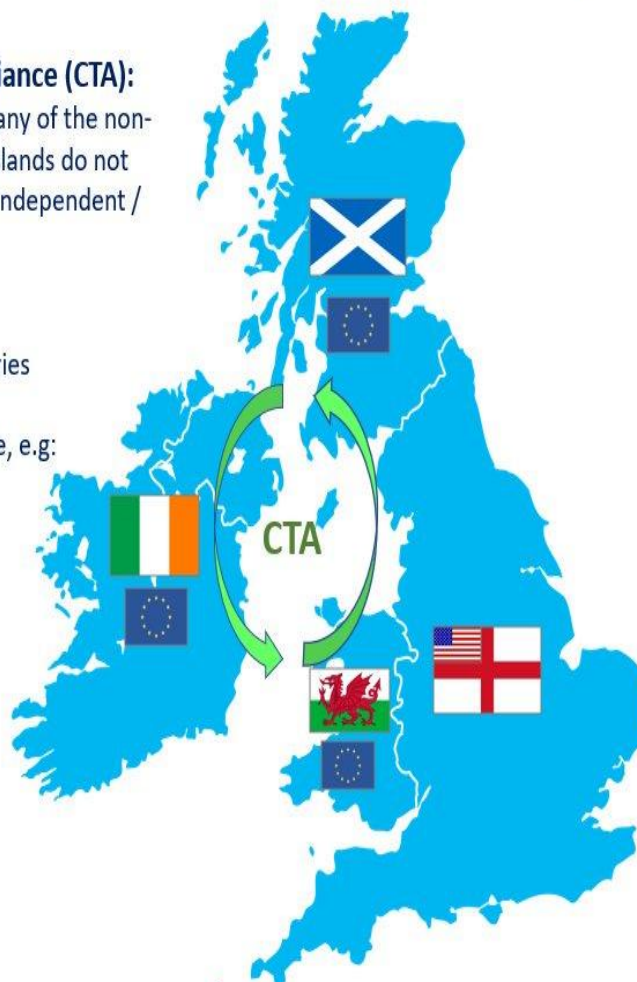
BORDER BETWEEN IRELAND AND NORTHERN IRELAND**No Deal Post - Brexit Trade Map****Celtic Trade Alliance (CTA):**

Backstop in case any of the non-English entities/islands do not want to become independent / united.

Trades with:

34 non-EU countries
28 EU countries
+ more in pipeline, e.g:

Australia
New Zealand
Japan
Singapore
Canada
USA

**Englandia Sole Trader:**

Free chlorinated chickens for every English household.

Free poisoning treatment at selected US-outsourced NHS England hospitals

Trades with:

US - if you're lucky
Otherwise... ask the inept David Davis or Liam Fox

Check out my other tweets on Brexit: #MagicMoneyTreeCard #BrexitBoardGames #ChequesAndTheCity

FIGURE 2: BORDER BETWEEN IRELAND AND NORTHERN IRELAND

SOURCE: TWITTER (<https://twitter.com/SkyNews>)