EUROPEAN UNION AND UNITED KINGDOM

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ABSTRACT

The XX century for Europe is filled with many historical events. From the beginning of the First World War, Second World War, Cold War and fall of Communism Europe has been the main arena of events. After the Second World War to overcome the tragic past European countries decided to cooperate with each other. The old enemies Germany and France made the first step. Other countries joined the initiative. The efforts were finalized with creation of the European Coal and Steel Community. In this manner begin the long and difficult road of European Integration and the idea of European Union. In nowadays this process is passing through difficult times. United Kingdom decided to move on and leave the club. In this paper we will discuss in general lines the genesis of the EU, its members and its institutions, the history of relations EU-UK, and the Brexit process.

Key words: European Union (EU), European Integration, Lisbon Treaty, United Kingdom (UK), Brexit.

INTRODUCTION

Europe during the XX century has seen different wars, conflicts and slaughters. The First World War was no enough. Despite the efforts to avoid war the Second World War was inevitable. The old continent faced again destruction, hunger, poverty, illness, economic crisis. There was no trust among the nations.

The past should be forgotten to rebuild the new Europe. The traditional and old enemies had to cooperate and worked together. France and Germany understood this idea and they took steps to create cooperative mechanisms. The idea realized

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in 18 April 1951 when France, Germany, Italy, Belgium, Holland and Luxembourg signed the Paris Treaty. According to this treaty was created the European Coal and Steel Community. Other steps were taken to shape what is called European Union nowadaysa.

The EU is under construction. The road had and has difficulties and obstacles. It is not easy to find the common path. The aim of other European countries is to be member of the EU. Some members could have the desire to leave the European club. UK will be the first country to leave the EU. Brexit will be treated in this paper.

In order to understand better this process in the first section we will treat the steps to create EU, its members and its institutions. The history of relations between the EU and United Kingdom will take part in the second section. Brexit, referendum to leave and Brexit's impact will be examined in the third part.

1. European Union

European Union (EU) is "a political and economic union between European countries which makes its own policies concerning the members' economies, societies, laws and to some extent security."²

1.1 The creation of EU

The states in European continent experienced two world wars during the XX century. The wars brought destruction, hunger, poverty, illness, economic crisis and lose of hopes. In the end of Second World War the Europe countries also lost their positions in world political arena. United States of America (USA) and Soviet Union (SU) were the new world political powers. In this situation to create a balance between new powers and to avoid the future wars in Europe the coordination between European countries was necessary. The first attempt came from France and Germany.

² Robert Wilde, *The History of the European Union*, at: http://europeanhistory.about.com/od/governmentandlaw/a/europeanunionhist.htm, (Access Date: 08.12.2016)

The foundation stone of EU is the declaration of French Foreigner Minister Robert Schuman made on 9 May 1950. Schuman said:

"World peace cannot be safeguarded without the making of creative efforts proportionate to the dangers which threaten it. The contribution which an organised and living Europe can bring to civilisation is indispensable to the maintenance of peaceful relations. In taking upon herself for more than 20 years the role of champion of a united Europe, France has always had as her essential aim the service of peace. A united Europe was not achieved and we had war. Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity. The coming together of the nations of Europe requires the elimination of the age-old opposition of France and Germany. Any action taken must in the first place concern these two countries. With this aim in view, the French Government proposes that action be taken immediately on one limited but decisive point: It proposes that Franco-German production of coal and steel as a whole be placed under a common High Authority, within the framework of an organisation open to the participation of the other countries of Europe."

After this declaration on 18 April 1951 France, Germany, Italy, Belgium, Holland and Luxembourg signed the Paris Treaty. According to this treaty was created the European Coal and Steel Community (ECSC). The treaty came into force in 23 July 1952. The experience of ECSC was positive. Six countries took the decision to corporate together also in other fields. In Rome on 25 March 1957 was signed the tractate for creation of European Economic Community (EEC) and European Atomic Energy Community (EAEC).

Looking the good performance of economic corporation in EEC also other European states joined. Below is the list of countries that joined EEC (later named as EU):

- a) in 1973 Denmark, Ireland, United Kingdom (UK);
- b) in 1981 Greece;

³ Declaration of 9th May 1950 delivered by Robert Schuman, *European Issue*, No.204, 10 May 2011, at: http://www.robert-schuman.eu/en/doc/questions-d-europe/qe-204-en.pdf, (Access Date: 08.12.2016)

- c) in 1986 Portugal, Spain;
- d) in 1995 Austria, Finland, Sweden;
- e) in 2004 Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovak Republic, Slovenia
- f) in 2007 Bulgaria, Romania
- g) in 2013 Croatia.

The EU was created by the Maastricht Treaty on 1 November 1993. "Treaty referred to itself as 'a new stage in the process of establishing a closer union than ever before to the peoples of Europe'." Further development came with the Treaties of Amsterdam and Nice, which entered into force on 1 May 1999, and 1 February 2003. The purpose of these reforms was to preserve the EU's capacity to act in an enlarged Union by 15 to 27 or more members. Therefore, two treaties were focused on institutional reforms and compared with previous reforms, the political will to deepen European integration in Nice was relatively weak.

Lisbon Treaty was signed on 13 December 2007 and came into force on 1 December 2009. In article 2 of the treaty are given values in which is based EU. "The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail."⁵

1.2 EU institutions

According to Lisbon Treaty the EU institutions are:

- The European Parliament,
- The European Council,
- The Council,
- The European Commission,
- The Court of Justice of the European Union,

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/228848/7310.pdf, (Access date: 08.12.2016)

⁴ Klaus-Diter Borçard, *ABC – ja e të Drejtës të Bashkimit Evropian (ABC of European Union Law)*, Zvra e Botimeve e Bashkimit Evropian, Luksemburg, 2013, p. 12

⁵ Article 2 of Lisbon Treaty, at:

- The European Central Bank,
- The Court of Auditors.

European Parliament is composed by 751 seats. The members of the parliament are representatives of Union's citizens. Powers of the parliament are control, consultation and decision on legal acts.

"The European Council shall provide the Union with the necessary impetus for its development and shall define the general political directions and priorities thereof. It shall not exercise legislative functions. The European Council shall consist of the Heads of State or Government of the Member States, together with its President and the President of the Commission. The High Representative of the Union for Foreign Affairs and Security Policy shall take part in its work."

The Council is composed by the ministers of Member States. It takes care about legislative process, budgetary, coordination of macroeconomic policies, foreigner affairs etc.

"The members of the Commission shall be selected from among the nationals of the Member States on the basis of a system of strictly equal rotation between the Member States, reflecting the demographic and geographical range of all the Member States." The Commission competences are: promotion of the general interest of the Union, the application of the Treaties and of measures adopted by the institutions pursuant to the Treaties, administration and implementation of Union legislation, EU representation in international organizations, execution of the budget and manage programmes.

The Court of Justice of the European Union has 28 judges, one from each Member State. It ensures the interpretation and application of the Treaties. The Court of Auditors has 28 members. Its task is to examine if all income and all expenses have been made in legal and orderly way, and to examine whether the financial management has been sound.

⁶ Article 15 of Lisbon Treaty

⁷ Article 17 of Lisbon Treaty

European Central Bank, based in Frankfurt-am-Main, is at the center of economic and monetary union. Its task is to maintain the stability of European currency (euro) and to control the amount of currency in circulation.

2. EU and UK: Out-In-Out

The relations between EU and UK is a history with ups and downs. After the Second World War ended Wiston Churchill gave a speech at the Zurich University in 1946.

"We must build a kind of United States of Europe. In this way only will hundreds of millions of toilers be able to regain the simple joys and hopes which make life worth living. The structure of the United States of Europe, if well and truly built, will be such as to make the material strength of a single state less important. Small nations will count as much as large ones and gain their honour by their contribution to the common cause."

If we look at his speech Churchill had the idea that to leave in peace in the future a United State of Europe was necessity, but UK was no devoted to this idea. During the discussions for creation of ECSC UK was invited to be part but however rejected the offer. In 1957 the Treaty of Rome was signed. It led to creation of EEC and EAEC. Also in this case the Conservative Government of Anthony Eden refused to be part of the treaty. "According to Professor Stephen George, at the beginning the Conservative Government did discuss the possibility of joining with the six founding countries but eventually chose to back out as they saw the Community's plans as too ambitious."

In the beginning of 1960's British Government began to change mind and to see opportunity to be part of EEC. UK applied in 1961 to EEC but the French President Charles de Gaulle used veto. Also Britain applied again in 1967 and

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⁸ Bojana Perisic, "Britain and Europe: a History of Difficult Relations", *Institute for Cultural Diplomacy*, March 2010, p. 1, at: http://www.culturaldiplomacy.org/pdf/case-studies/cs-bojana-perisic, (Access date: 05.12.2016)

⁹ Bojana Perisic, "Britain and Europe: a History of Difficult Relations", *Institute for Cultural Diplomacy*, March 2010, p. 4, at: http://www.culturaldiplomacy.org/pdf/case-studies/cs-bojana-perisic, (Access date: 05.12.2016)

France rejected again. French President Charles de Gaulle saw UK as "America's Trojan Horse" and the British Commonwealth was an obstacle for UK to dedicate EEC.

In the early 1970s UK was facing economic problems. EEC countries had good economic performance. This reason led Britain to join the EEC. In 1973 UK became part of EEC. "According to the Communities Act, the European law has supremacy over all domestic sources of law of the individual member countries. However, one of the basic principles of the unwritten constitution of the UK is the Sovereignty of Parliament. The sovereignty of the British Parliament means that Parliament is the supreme power of the state and that it has the legal right to pass statute laws that are the principal form of British law. However, this was and still is greatly affected by its ECC membership since it leads to conflict with the fundamental supremIn order to become a member of the EEC, Britain had to accept the Communities Act as a legal basis of its membership. However, the UK continues to define its cooperation with Europe as intergovernmental and not as a constant process of political integration in which supranational institutions take precedence over all domestic governments.acy principle of the Community." 10

Two years after joining the EEC, UK in 1975 held the referendum to stay or to leave the EEC. Labour Party was leading the government in that time. The Conservative Party was a big support of membership. Its leader Margaret Thatcher during the campaign stumped the country in a woolly jumper made up of the flags of the member states. The supporters to leave was leading by the secretary of state for industry Mr. Tony Benn. Big newspapers like *The Sun*, *The Daily Mail* and *The Daily Expres* supported "in" campaign. *The Spectator and The Morning Star* were supporter of "out" campaign.

"'In' campaigners warned that withdrawal would trigger the collapse of the currency, a public spending crisis and massive job losses, while Ted Heath predicted the return of rationing. A recurring image in cartoons portrayed Britain as a sinking ship, with the great ocean liner of the European Community offering the only hope of rescue. 'Out' campaigners replied that it was membership that was

¹⁰ Bojana Perisic, "Britain and Europe: a History of Difficult Relations", *Institute for Cultural Diplomacy*, March 2010, p. 5-6, at: http://www.culturaldiplomacy.org/pdf/case-studies/cs-bojana-perisic, (Access date: 05.12.2016)

draining the life from the economy. Tony Benn claimed that 500,000 jobs had been lost in the first two years of membership. Staying in, he predicted, would decimate manufacturing and inflict mass unemployment across the country."¹¹

The situation in global stage was in favour of "in" supporters. Just thirty years before the 1975 referendum the Second World War finished. The effects of war were still present in Europe. In USA Watergate scandal erupted and President Nixon resigned. During that time American power was defeated in Vietnam. In a world divided between east and west UK's interest was to stay in EEC. In the referendum of 1975 majority voted to stay in EEC.

In 1979 the Conservative Party came into power. The new Prime Minister of UK was Margaret Thatcher. Despite the fact she was one of the biggest supporter that UK to stay in EEC, during her rule she did not improve relations between EEC and UK. Britain refused to join the European Monetary System and to adopt the common social policy.

Thatcher was replaced by John Major. Major government ratified in 1992 the Maastricht Treaty. But he opted out social policy, European monetary system and economic union. UK continued her traditional policy figured out in Churchill's article: "We are with Europe, but not of it. We are linked, but not compromised. We are interested and associated, but not absorbed." ¹²

In 1997 Labour Party won the elections. Tony Blair became the Prime Minister of new government. Under his rule began a new chapter in relations between UK and EEC. UK was appearing closer to the union. Blair signed the Social Chapter and promised to hold a referendum for using of euro. But referendum never took place. During this time UK had closed relations with USA. Blair supported USA in Kosovo war, in invasion of Iraq. According to Blair "the

¹¹ Emma Mason, "Britain decides: the first European Referendum", *BBC History Magazine*, 21 June 2016, at: http://www.historyextra.com/article/international-history/1975-referendum, (Access date: 05.12.2016)

¹² James Ellison, "The EU Referendum and the History of Britain and Europe", *Royal Historical Society*, at: http://royalhistsoc.org/eu-referendum-history-britain-europe/, (Access date: 03.12.2016)

British interests are best guarded by remaining "shoulder to shoulder" with the American government"¹³.

In 2007 Gordon Brown was the Prime Minister of UK. He attended a similar politic with EU as his successor has done. In general elections of 2010 Conservative Party won. David Cameron became the Prime Minister. During his rule relations between EU and UK would be tested in a new referendum.

3. Brexit

3.1 The referendum

Brexit is a world composed by the first to letters of Britain and exit. It means exit of Britain from EU. Brexit as a phenomenon became real after the referendum held on 23 June 2016. The roots of referendum we can find on 2013.

"In January 2013, the British prime minister, David Cameron, promised that should the Conservative Party win the 2015 election, he would 'renegotiate' the UK's future membership of the EU and put it to a referendum by 2017 at the latest. The decision poses a seeming challenge to LIG – predicated on economic rationales – and underscores the importance of giving weight to political factors in explaining national preferences. A significant amount of evidence suggests that the referendum decision was principally driven by the internal politics of the Conservative Party and, in particular, a ploy to maintain unity prior to the election. To manage the dissident voices and arrest the surge of UKIP, the prime minister launched the negotiation proposal. During the subsequent period, Cameron issued a number of statements regarding the UK's priorities, seeking to square the minimum demands of backbenchers with what other member states were likely to concede. This resulted in November 2015 in four objectives for the negotiation: (1) to prevent eurozone member states from unilaterally deciding on initiatives that influence the functioning of the Single Market; (2) to enhance the focus on competitiveness; (3) to allow member states to opt out from the attempt to create

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¹³ Bojana Perisic, "Britain and Europe: a History of Difficult Relations", *Institute for Cultural Diplomacy*, March 2010, p. 9, at: http://www.culturaldiplomacy.org/pdf/case-studies/cs-bojana-perisic, (Access date: 05.12.2016)

an ever closer Union; and (4) to reduce migrant workers' rights to social benefits."¹⁴

In 2015 Conservative Party won in general elections. Prime Minister David Cameron had to keep the promise to hold a referendum. After the agreement reached at the European Council summit in February 2016, Prime Minister David Cameron announced to hold the referendum on 23 June 2016.

Even the Prime Minister declared the date of a referendum to remain or to leave EU, he was one of the supporters for Britain to stay in EU. In remain camp were also Irish government, Labour Party, Scottish National Party, Liberal Democrats and the big part of Conservative Party. Most of economists favoured to stay in EU.

"The German government has repeatedly confirmed its willingness to come to terms with the UK to preserve an EU of 28 member states. Since Germany holds trade preferences similar to those held by the UK, it feared that a Brexit would strengthen the Mediterranean bloc, which is often argued to favour a stronger protectionism in EU external trade." ¹⁵

President Obama of USA and President Xi Jinping of China were also supporters of the idea UK in EU.

In the opposite camp were Minister of Justice Michael Gove and the former mayor of London Boris Johnson. Supporters "to leave" were also a part of Conservative Party and U.K Independence Party. "Abroad, the French National Front leader, Marine Le Pen, favoured Brexit, as do other anti-Europe parties in Germany, the Netherlands and elsewhere." ¹⁶

¹⁴ Mads Dagnis Jensena and Holly Snaithb, "When Politics Prevails: the Political Economy of a Brexit", *Journal or European Public Policy*, Vol. 23, No. 9, 2016, p. 1304, at: http://dx.doi.org/10.1080/13501763.2016.1174531, (Access date: 07.12.2016)

¹⁵ Daniela Annette Kroll and Dirk Leuffen, "Ties that Bind, Can also Strangle: the Brexit Threat and the Hardships of Reforming the EU", *Journal of European Public Policy*, Vol. 23, No. 9, 2016, p.1341, at: http://dx.doi.org/10.1080/13501763.2016.1174532, (Access date: 07.12.2016)

¹⁶ Steven Erlanger, "Brexit': Explaining Britain's Vote on European Union Membership", *The New York Times*", 27 October 2016, at: http://www.nytimes.com/interactive/2016/world/europe/britain-european-union-brexit.html? r=1, (Access date: 06.12.2016)

The referendum held on 23 June 2016. According to the final result 48.1% voted to remain in the EU and 51.9% voted to leave the EU. Below are the results by country. Results by country:

- a) in England 46.8% voted to remain and 53.2% voted to leave;
- b) in Scotland 62% voted to stay and 38% voted to leave;
- c) in Wales 48.3% voted to remain and 51.7% voted to leave;
- d) in Northern Ireland 55.7% voted to remain and 44.3% voted to leave. 17

After having a look at the final result we can say that the north of UK voted to stay in the EU. South of UK voted to go out from EU. Also the difference between "remain" and "leave" is small just 3.8%. Prime Minister David Cameron resigned. In stead of him Theresa May became the new UK's Primer Minister.

The reasons that British voted to leave are:

- a) The loss of sovereignty in favour of the EU;
- b) Enormous bureaucracy of the EU;
- c) Corporates are more favoured in the EU;
- d) Emigrant issue;
- e) The UK's contribution in the budget of the EU.

"Currently, the UK's contribution is worth about £13 billion (\$19 billion) per year, which is about \$300 per person in the UK." 18

3.2 The procedure to leave the EU

Article 50 of the EU Treaty is the legal basis to leave the EU. It is the first time that Lisbon Treaty foresees the possibility of withdrawal from the union. What will be the procedure to leave the union? Let's see what Article 50 predicts.

"1. Any Member State may decide to withdraw from the Union in accordance with its own constitutional requirements.

¹⁷ Malcolm Coles, Ashley Kirk and Charlotte Krol, "EU Referendum Results and Maps: Full Breakdown and Find out How Your Area Voted", *The Telegraph*, 1 July 2016, at: http://www.telegraph.co.uk/news/2016/06/23/leave-or-remain-eu-referendum-results-and-live-maps/, (Access date: 14.12.2016)

Timothy B. Lee, "Brexit: the 7 Most Important Arguments for Britain to Leave the EU", *Vox*, 25 June 2016, at: http://www.vox.com/2016/6/22/11992106/brexit-arguments, (Access date: 15.12.2017)

2. A Member State which decides to withdraw shall notify the European Council of its intention. In the light of the guidelines provided by the European Council, the Union shall negotiate and conclude an agreement with that State, setting out the arrangements for its withdrawal, taking account of the framework for its future relationship with the Union. That agreement shall be negotiated in accordance with Article 218(3) of the Treaty on the Functioning of the European Union. It shall be concluded by the Council, acting by a qualified majority, after obtaining the consent of the European Parliament.

- 3. The Treaties shall cease to apply to the State in question from the date of entry into force of the withdrawal agreement or, failing that, two years after the notification referred to in paragraph 2, unless the European Council, in agreement with the Member State concerned, unanimously decides to extend this period.
- 4. For the purposes of paragraphs 2 and 3, the member of the European Council or of the Council representing the withdrawing Member State shall not participate in the discussions of the European Council or Council or in decisions concerning it. A qualified majority shall be defined in accordance with Article 238(3)(b) of the Treaty on the Functioning of the European Union.
- 5. If a State which has withdrawn from the Union asks to rejoin, its request shall be subject to the procedure referred to in Article 49." 19

According the Article 50(1) the member can withdraw in accordance with its constitutional requests. In this point of view the referendum of 23 June 2016 is not sufficient. Still UK has not taken a decision to leave. It will be the duty of the government to begin the procedure of withdraw. It has two options to take a verdict to leave. They are: the government can begin the procedure using executive powers or the government will proceed after the parliament's act.

The first option is based on executive powers derived from the Crown. "Once exercised by all-powerful kings and queens, they have been dramatically reduced over centuries and the remainder are now vested in the hands of ministers. Exercising them can be controversial because they have the effect of bypassing Parliament. But it is accepted that the government can legitimately use prerogative

¹⁹ Article 50 of Lisbon Treaty

powers to enter into and depart from international treaties. That is permissible because usually the exercise of these powers internationally has no effect on statutory rights in domestic law."²⁰

In the other hand supporters of the second option argue that:

- Britan is parliament democracy;
- Invocation of Article 50 will involve constitutional changes in Britain. Consequently, these changes must be approved by parliament, which has sovereignty and legitimacy to make constitutional changes in Britain;
- Common Law principles has sanctioned that the government cannot cancel or abolish individual rights without the parliament approval;
- Parliament has the right to ratify international agreements;
- Just the parliament can abrogate the European Community Act 1972.

Based on these reasons government needs the Parliament Act to be in accordance with Article 50 (1). High Court has to decide on this issue.

Advantages and drawbacks of Article 50

Advantages	Drawbacks
 A guaranteed way to trigger negotiations with the EU - the decision to leave does not need the approval of others. Striking a new agreement would not necessarily require unanimity among the other member states, unlike an EU treaty change, which does. However, a complex 'mixed agreement' would require ratification in every EU member state. 	 One way street - once you have decided to leave, in practice, there is no turning back and you must be prepared to leave. No UK vote on withdrawal agreement - the rest of the EU will have the final say. Without a UK vote, the centre of gravity in the remainder EU is likely to be more protectionist, which could affect UK's trade terms. European Parliament veto over a continuity deal or future free trade deal. The EU is in charge of the negotiating timetable.

Source: Open Europe¹³

Advantages and disadvantages²¹

After the first step will be clarified the UK will notify the European Council the decision to leave the union. The UK and the EU will begin the negotiations to

²⁰ Clive Coleman, "What is the Article 50 case all about?", *BBC NEWS*, 4 December 2016, at: http://www.bbc.com/news/uk-38183127, (Access date: 16.12.2016)

²¹ Raoul Ruparel, "The Mechanics of Leaving the EU–Explaining Article 50", *Open Europe*, 22 February 2015, at: http://openeurope.org.uk/today/blog/the-mechanics-of-leaving-the-euexplaining-article-50/, (Access date: 17.12.2016)

conclude one agreement. The Council will represent the EU during the discussions. Negotiations can continue two years or more. During this time UK will respect the EU Treaties until the entering into force of the withdrawal agreement. If it will not have one agreement then the treaties will have no effect two years after the UK notification to leave the Union. If the Council and the Member States unanimously decide the time of negotiations can be extended²².

In the end, the negotiated agreement must be approved by a qualified majority in the European Council and must be approved by an absolute majority of the European Parliament. The UK must abolish the 1972 European Communities Act and replace it with another agreement. This means that UK and EU will have to conclude a new arrangement for future relations between them. We will see how will be in the future relations between Britain and EU.

3.3 The impact of Brexit

The first impact of Brexit was resignation of the Prime Minister David Cameron. Instead of him came Theresa May. The impacts will have in different areas such as the immigration; the movement of goods and services; the control of borders; foreign, security and defence policy; the health insurance; the common trade; the relations between UK and other countries; the UK integration; economy etc.

In the referendum of 23 June 2016 Scotland and Northern Island voted to remain in the EU. According to this result they can ask to organize referendums to leave the UK and to join the EU. The integration of the state will be in question.

One the reasons to leave the Union was the immigration issue. What will be the situation after Brexit? Will the immigrant from EU countries have the same treatment as the immigrants coming from non EU members? Or will be a preferential system for EU Member immigrants?

"The spectrum of options for UK immigration policy postBrexit remains wide – both as to whether the treatment of EEA and non-EEA nationals is harmonised, and the degree of restrictiveness of any new system. However, almost

²² Fjoralba Caka, "Si zbatohet Traktati i Lisbonës për daljen e Britanisë nga BE", *MAPO*, 13 July 2016, at: http://www.mapo.al/2016/07/si-zbatohet-traktati-i-lisbones-per-daljen-e-britanise-nga-be/1, (Access date: 17.12.2016)

any plausible outcome will result in an increase in regulatory burdens on business; a reduction in the flows of both unskilled and skilled workers; and an increase in illegal working. The key question for policymakers will be how to minimise these negative impacts while at the same time addressing domestic political demands for increased control without antagonising our EU partners to the point of prejudicing other key aspects of the negotiations. This will not be an easy task."²³

How will be the UK approach to the European Trade? It is hard to give an answer. They have different solutions. They vary from the total exit from European Single Market, or UK to be part of EEA (European Economic Zone) or to be part of FTA (Free Trade Areas). Everything have to be clarified in the future negotiations between EU and UK.

Richard G. Whitman gives three options for relations of EU and UK in the area of foreign, security and defence policy. They are: integrated player, associated partner or detached observer. "The key components of the EU-UK partnership will key issues beyond markets and encompass a security relationship. Shared borders and a common neighbourhood will dictate the need for working in partnership. Security—the foreign, security and defence policy component of the relationship—should represent the most straightforward aspect of the future EU-UK relationship that is to be negotiated. Its key benefit is that it would ensure that the UK's diplomatic and military capabilities are broadly aligned with the EU's external action and allow for synchronised policy and action."²⁴

CONCLUSIONS

European countries during the XX century experienced two world wars. The destruction and cruelties were huge. People suffered from different diseases. The poverty and economic crisis were inevitable. In the end of Second World War the

²³ Jonathan Portes, "Immigration After Brexit", *National Institute Economic Review*, No. 238, November 201, p. 20, at: file:///D:/AB%20Dersi/002795011623800111.pdf, (Access date: 17.12.2017)

²⁴ Richard G. Whitman, The UK and EU Foreign, Security and Defence Policy After Brexit: Integrated, Associated or Detached?", *National Institute Economic Review*, No. 238, November 2016, p. 49, at: file:///D:/AB%20Dersi/002795011623800114.pdf, (Access date: 17.12.2016)

European countries also lost their positions in world political arena. The cooperation between European states was the solution to overcome this situation.

The French Foreigner Minister Robert Schuman on 9 May 1950 gave the idea to create a High Authority of coal and steel which will be opened for European countries to join it. His idea was materialized with establishment of the European Coal and Steel Community (ECSC) in 1951. In 1957 was signed the tractate for creation of European Economic Community (EEC) and European Atomic Energy Community (EAEC). The EU was created by the Maastricht Treaty on 1 November 1993.

EU has 28 members. The member states are: France, Germany, Italy, Belgium, Holland, Luxembourg, Denmark, Ireland, UK, Greece, Portugal, Spain, Austria, Finland, Sweden, Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovak Republic, Slovenia, Bulgaria, Romania and Croatia. The EU institutions are: the European Parliament, the European Council, the Council, the European Commission, the Court of Justice of the European Union, the European Central Bank, the Court of Auditors.

The UK because of economic problems joined the EEC in 1973. Before this date UK tried two times to join but France used veto. From 1973 to nowadays the relations between EU and UK is a history with ups and downs. Just two years after joining the EEC Britain organized a referendum to remain or to leave. According to 1975 referendum results UK did not leave the EEC. During the time of Thatcher Britain refused to join the European Monetary System and to adopt the common social policy. The prime ministers that came after her tried to have a closer cooperation with the EU. Despite these efforts UK continued with its policy "one step in and one step out of the EU".

In general elections of 2010 Conservative Party won. David Cameron became the UK's Prime Minister. During his rule relations between EU and UK would be tested in a new referendum. After the agreement reached at the European Council summit in February 2016, Prime Minister David Cameron announced to hold the referendum on 23 June 2016.

According to the final result 48.1% voted to remain in the EU and 51.9% voted to leave the EU. The north of UK voted to stay in the EU. South of UK voted

to go out from EU. Also the difference between "remain" and "leave" is small just 3.8%. Prime Minister David Cameron resigned. In stead of him Theresa May became the new UK's Primer Minister.

Theresa May will lead UK to leave the EU. Article 50 of the EU Treaty is the legal basis to leave the Union. UK will notify the European Council the decision to withdraw. The UK and the EU will begin the negotiations to conclude one agreement. The Council will represent the EU during the discussions. Negotiations can continue two years or more. If the Council and the Member States unanimously decide the time of negotiations can be extended. The negotiated agreement must be approved by a qualified majority in the European Council and must be approved by an absolute majority of the European Parliament. The UK must abolish the 1972 European Communities Act and replace it with another agreement.

The Brexit impacts will have in different areas such as the immigration; the movement of goods and services; the control of borders; foreign, security and defence policy; the health insurance; the common trade; the relations between UK and other countries; the UK integration; economy etc. The new arrangement between UK and EU should reflect these issues. It is important because will give shape the future relations between Britain and EU.

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