

STATEMENT OF ORIGINALITY

This is to certify that to the best of my knowledge, the content of this thesis is my own work. This thesis has not been submitted for any degree or other purposes.

I certify that intellectual content of this is the product of my own work and that all the assistance received in preparing this thesis and sources have been acknowledged.

Yogyakarta, August 25st 2017

Author

Atika Fadhilah Putri

20130510337

ENDORSEMENT PAGE

This Undergraduate Thesis Entitled:

The Political Economic Implication of Britain Exit (Brexit) toward European Union

Written by:

Atika Fadhilah Putri

20130510337

This undergraduate thesis has been examined and endorsed by the board of examiners from the Departement of International Relations, Faculty of Social and Political Sciences, Universitas Muhammadiyah Yogyakarta.

Day / Date : Thursday, May 4th, 2017

Time : 08.00

Place : R. Ka Prodi

Acknowledged by:

Advisor/Chief of Examiner

Adde Marup Wirasenjaya, S.IP., M.A.

NIK : 163 064

Examiner I

Examiner II

Dr. Nur Azizah, M.Si.

Prof. Dr. Tulus Warsito, M.Si.

NIK : 163 004

NIK : 163 008

PREFACE

The highest praise and gratitude are dedicated to Almighty God, Allah SWT who always gives His endless kindness and bless that make it possible to finish this undergraduate thesis entitled: “ The Political Economic Implication of Britain Exit (Brexit) toward European Union” . This undergraduate thesis is submitted to fulfill the requirement for achieving S-1 Degree of International Relation major, Faculty of Social and Political Science, Universitas Muhammadiyah Yogyakarta as well as the application of the theories and knowledge that the author had already obtained during the undergraduate study.

The author would also like to express her sincere gratitude to all those who have contributed in the process of writing this undergraduate thesis especially for the advisor of this undergraduate thesis, Adde Marup Wirasenjaya, S.IP., M.A. also the board examiners, Prof. Dr. Tulus Warsito, M.Si. and also Luluk Iswati, S.Pd., M.Hum. The author realizes that there are still rooms for improvement for this undergraduate thesis. The author hopes that this undergraduate thesis could be useful for international relation study.

Yogyakarta, August 25st 2017

ACKNOWLEDGEMENT

Assalamu'alaikum wr, wb Alhamdulillah rabbil'alamin. Every gratitude and bless again are dedicated to Allah SWT because of only through His will this undergraduate thesis can be finished as the requirement to achieve the Bachelor degree of International Relations from University of Muhammadiyah Yogyakarta. This undergraduate thesis is also successfully presented because of the support and guidance that I got from the supportive actors surrounds me. Therefore this foreword is dedicated to specially send my gratitude for those personnels because of their supporting role:

- First of all I would like to express my highest gratitude to Allah SWT, because without His permission and His bless to me, I am definitely will not capable to finish this undergraduate thesis well. I felt His blessing in every word and sentence I typed in this undergraduate thesis and His guidance in every difficulty I faced. I believe my achievement in this undergraduate thesis is only the first step toward more exciting life that Allah already prepared for me.
- The other gratitude I send toward my parents, Mom and Dad Melia Fadjriani S.KM, Junharto S.KM who already worked really hard to support me in every

phase of my educational period in University of Muhammadiyah Yogyakarta. I will never stop my struggle to prove that I really love both of you through my achievements. I want both of you to know that I will do my best to make Mom and Dad become happiest and proudest parents in the world. Hugs and kisses to you Mom and Dad.

- And my other hugs and kisses are giving to my older sister, dr. Rezky Meike Pertananda for what she has given and done to me during my university life, it seems like thank you and gratitude are not enough.
- To all my lectures in University of Muhammadiyah Yogyakarta, thank you very much for the transfer of knowledge during my undergraduate study. This undergraduate thesis is the accumulation of all knowledge that all of you taught to me. It will be never ending charity invested in me from all of you.
- A very special thanks and my highest gratitude to Pak Adde Marup Wirasenjaya as my undergraduate thesis advisor, who supports my thesis, to guide me in writing the thesis and giving me so much inputs in writing the thesis, thank you for the time and energy that you already gave to me so far, may Allah S.W.T give the best for you in life and afterlife.
- This is especially thanks to my other half drg. Igamayank , Fitriana Lestari S.IP , Gifachri Bani Amarobitaqwa S.IP who always support me when I'm all messed up during did this under graduate thesis.

- A very special thanks to my bestfriend to sister Sherly Pratiwi without her I can't laugh even stressed during did this undergraduate thesis.
- For all the people that I love from bottom of my heart, Rizka Damayanda Lubis, Fitri Afriani, Yuyi Tari, , thanks for always be there for me, thanks for never leaving me behind, you guys have special place in my heart.
- Thanks for Icha Bulan is that always with me when we did the undergraduate thesis. Aam Endah Handoko, Dian kusma, Arfa Ahmad, Ayunda, Ratna Anjani. Qori, Rizky, Maria Firsta my baby girl hope you guys will also graduate next year.
- For the good friends in IPIREL, Lutfi Mubaral, Sholihan, Aldo, Adhie Putra Perwira, Herdianto, Dilla Irawanti, Elma Bonita thanks for recognizing me as your friend when other friends won't.
- Thanks to my happy sisters brothers , Difta Sadli, Jee Martha, Fenty Putri, Syuryansyah, Rahmy, Hafizh Suhanda,
- Thanks for Reza Fernando S.IP
- Thanks for Haris Hasyari who motivates me to lose my weight in one month.

ABSTRACT

The United Kingdom is set to have a referendum by the end of 2017 not to remain in the European Union. This so-called In/Out referendum (which could be held as early as June 2016) may well result in Britain's exit from the EU, colloquially known as 'Brexit'. However, Brexit gives political and economic impact to European Union. European Union as regional forum receive political impact that will lose the capacity in global political arena because Britain would open opportunities to form stronger coalition groups, and opened the container to build a new political coalition. Brexit resurges the ideas of Neo mercantilism as the principle political economy in European Union after the subsidiarity ideas.

Key: Brexit, United Kingdom, European Union

The Political Economic Implication of Britain Exit (Brexit) toward European Union.....	1
INTRODUCTION	1
CHAPTER I	1
A. Background	1
B. Research Question	6
C. Theoretical Framework	7
Neo-Mercantilism	7
Regionalism	9
D. Hypothesis	9
E. Purpose of Research	10
F. Research Methodology	10
G. Type of research	10
H. Organization of the Writing	11
CHAPTER II.....	12
A. Political and Economic History of European Union	15

1.	European Union Organization	17
2.	Participation of members of European Union in Stockholm attack 19	
3.	Germany as a strong proponent of the European Union.....	20
4.	The people of Denmark rejected a European Union regulation on cross-border supervision by a vote.....	21
B.	The History of United Kingdom During European Union	23
1.	The process of United Kingdom became a member of the EU	23
2.	UK membership of the EU since 1973 had a significant impact on the UK political system.....	24
3.	The Relations between European Union and United Kingdom.....	26
4.	The UK contribution to the EU budget.....	27
	CHAPTER III	30
A.	The Global Implications of Brexit.....	36
	CHAPTER IV	46
A.	Brexit resurgent the ideas of Neo Mercantilism as the principle political economy in European Union.....	46
B.	European Union as regional forum receive political impact that will lose the capacity in global political arena	56

CHAPTER V..... 60