

CHAPTER II

EUROPEAN UNION'S POLITICS AND ECONOMY BEFORE BRITAIN

EXIT

The beginning of historical relations between EU and the members is European Union made up of European countries, which since 1 January 1973 has 27 member countries. The Union was established on behalf of the European Union under the Treaty (Maastricht Treaty) in 1992. However, many aspects of the EU arose before that date through the previous organization, going back to the 1950s. The organization of this international work through joint supranational and intergovernmental system. In some fields, the decisions set out in consultation and consensus among member states, and in other areas organs of institutions that are supranational responsibilities run without needing the approval of its members. Important organs of the institutions within the EU are the European Commission, EU Council, Council of Europe, the European Court of Justice, and the European Central Bank. There is also the European Parliament whose members are directly elected by the citizens of the Member States. (Unknown, 2017)

The European Union establishes full diplomatic relations with almost all countries in the world. The EU has strategic partnerships with major players in the international arena, has a good relationship with developing countries around the world, and has signed bilateral Cooperation Agreements with a number of surrounding countries. Overseas, the European Union is represented by a network

consisting of 136 delegates of the European Union, which has a function similar to that of the embassy. The main foundation of the formation of the European Union is communities that give priority to economic affairs. Starting from the settings of the source of the raw material acquisition of production, up to the arrangements in the area of distribution of the results of production between fellow member countries. (unknown, 2017)

The early history of the formation of the European Union started and stressed from the formation of the European Community (EC). The European Community (EC) is an international institution the European countries comprising the European Coal and Steel Community (ECSC), European Economic Community (EEC) and European Atomic Energy Community (Euratom/EAEC). The pioneering countries incorporated into this community are known as The Inner Six (France, Germany, Netherlands, Belgium, Luxembourg, and Italy). The main purpose of the establishment of the European Community (EC) is the creation of the free market. In a free market economy all sources must move freely, no resistance by the limits of the state. Therefore the Treaty of Rome set the four freedoms (four freedoms) that binds i.e. freedom of transfer of goods, the freedom to move about the workplace, freedom of choice of residence and traffic services that are free, traffic-free capital. The meetings held by The Inner Six spawn policies that regulate matters related to the implementation and development of the sector of production and distribution between fellow member states. Starting from the cooperation between fellow member

countries within the framework of the processing of the raw material acquisition, production, and distribution of coal and steel (ECSC), until the formation of a broader community called the European Community (EC) which is a combination between the ECSC, EEC and Euratom,. (unknown, 2017)

The fact that the EU member states currently form part of the developed countries around the world shows that what aspired to since the beginning of the mission “rescue” of Europe is quite successful. Nevertheless, the historical background relations between big countries in continental Europe also holds a very important role in the development of the European Union since the beginning of its formation, so that it can be concluded that the decision making at every meeting held is also influenced by political and economic interests of a few large countries.

The primary mission of the rescue of Europe through cooperation in sectors of economy reaps enormous success on his journey to this point. Starting from the establishment of the ECSC (Treaty of Paris, 18 April 1951), and was later followed by the Treaty of Rome on 25 March 1957 that produces the decision of establishment of the EEC and Euratom which are then integrated with the ECSC in containers called the European Community (EC) was the forerunner of the successful member states in the achievement of the mission of the “rescue” of Europe.

Along its development, cooperations in the field of Economics also encourages the birth of other cooperation-cooperation is the fulfillment of the

political interests of the Member States (mainly the political interests of large countries such as France, Germany, and English cuisine)

So, in the outline it can be pulled out two main goals of the formation of the European Union, namely:

The establishment of cooperation between member states in the field of economics that focus on current human resources production, motion (source labor), the results of the production, and services without tariff or at least with a low rate of the uniformity.

The establishment of cooperation between member states in the field of politics so as to reduce the negative impact of a series between major countries in Europe that have existed since ancient times so that it could avoid the occurrence of war back in Europe, as well as being one of the world's power in international regulation. (Nugraha, 2012)

A. Political and Economic History of European Union

In 1950, the French Foreign Minister, Robert Schuman initiated cooperation on sectors of the steel industry in Western Europe, which was then agreed by the six countries, namely Belgium, France, Italy, Luxembourg, the Netherlands, and Germany, to form the European Coal and Steel Community (ECSC) in the following year.

Seven years later, in 1957, the six countries expand cooperation in the energy sector through the elimination of tariff barriers between countries, by establishing the entity of the European Atomic Energy Community (EURATOM) and the European Economic Community (EEC). From here, the brothers initiated the establishment of the single European market.

A decade later, in 1967, these three institutions (ECSC, EURATOM, and EEC) fused into one new organization known as the European Community.

In 1973, Denmark, Ireland, and the United Kingdom joined the European Community. Eight years later, in 1981, Greece entered into new members. Then in 1986, Spain and Portugal declared that they joined European Community block. In 1992 the Maastricht Agreement signed (the Treaty of Maastricht), which among other things confirm the purpose of the establishment of the European Union (EU), namely:

1. Promoting improved economic and social conditions are balanced and sustainable through the strengthening of economic and social cooperation in the monetary sector, including the use of the single currency (the single currency). (unknown, European union introduction, 2017)
2. Confirming single identity through shared security-related policies and the issue of Foreign Affairs, and defense policy.
3. Strengthening the protection of the rights and interests of citizens of member states through the EU citizenship.

4. Developing cooperation in the field of law and governance (Council of the European Communities Commission of the European Communities, Treaty on European Union, 1992). Subsequently in 1995, Austria, Finland, and Sweden joined the European Union. 1999 was the year of the introduction of the European single currency, the Euro.

In 2001 Greece joined the European Union. On 1 January 2002, the Euro was officially used as the currency of 12 of the 15 EU member states in total, namely Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain. For the record, the user's country group Euro currency known as the Euro Zone. In 2004 there were 10 new countries which joined the European Union, namely Cyprus (Cyprus), Czech (Czech Republic), Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia. The next three years, in 2007, Bulgaria and Romania joined. In this year also the deal of Lisbon was also agreed (the Treaty of Lisbon), which among other things contains simplification of the organizational structure of the European Union. Then in 2013 Croatia joined the European Union, bringing the total countries who are members of the European Union even amounted to 28 countries. (wikipedia, 2017)

1. European Union Organization

The organizational structure of the European Union is enclosed under three pillars of cooperation:

The European Community (the “European Community”) is the legal framework that hosts community policies relating to the single market (single market), the international trade, monetary policy, development aid, agriculture, fisheries, environment, regional development, energy and so on.

Security policy and foreign relations (“Common Foreign and Security Policy/CFSP”);

Judicial and domestic problems (“Justice and Home Affairs”) deal with cooperation in the field of civil and criminal law, immigration and asylum policy, border control, surveillance of illicit drug traffic, police cooperation and exchange of information. The third pillar is directed at the main objectives and is governed by the basic principles and partly with a framework of institutions.

The main objectives of the European Union is to improve the economic and social progress, especially with the creation of the free market, equitable economic and social as well as through the establishment of economic and monetary integration including the single currency (EURO). For external relations come out, the main goal of the EU is to further accentuate the identity or the role of the EU in the international scene, particularly in the field of joint security policy and foreign relations including the development of joint defense policy. (Commission, 2017)

As for the basic principles of the European Union is held to appreciate the national identity of member, democracy, and human rights.

2. Participation of members of European Union in Stockholm attack

terror action truck in Stockholm to steal the attention of the European Union to provide aid. European Commission President Jean-Claude Juncker said “ attack toward one country is also attack for us. One of the most lively and colorful cities in Europe being attacked by people who wanted the city to be destroyed. The European Union expressed solidarity to the people and the Government of Sweden”. He added the EU is ready to help the country overcome this problem.

Not only European Commission President, but also The President Of The Council Of Europe, Donald Tusk said “My heart was in Stockholm this afternoon. Our prayers for the victims and their families”.

Foreign Minister of Denmark Anders Samuelsen, who was working in Austria visit, conveyed the sense of sad and called for the cooperation of European countries to fight terror. “ It’s terrible and disgusting and we have to fight this kind of terror in Europe,” Samuelsen said. (Hardoko, 2017)

However, as the members of European Union several states show their participation to face the attack in Stockholm, Sweden.

3. Germany as a strong proponent of the European Union

Germany's post-World War II and Cold War commitment to the European integration project was grounded in a desire to reconcile with former enemies and spur economic and political development. Since the end of the Cold War, German leaders have used the EU as the primary forum through which to forge a more proactive role for Germany on the international stage.

Europe's inability and/or unwillingness to intervene to stem conflicts in the Balkans in the early- to mid-1990s fueled calls within Germany and other European countries for a collective European foreign, security, and defense policy. To some analysts, Merkel's predecessor, Gerhard Schroder, embodied a growing German desire to pursue German interests within the EU more assertively. Merkel has continued this trend, and demonstrated a willingness to forge a more proactive role for Germany within Europe. This growing assertiveness has at times put Germany at odds with other EU member states, causing some to question Germany's long-standing commitment to European unity.

As the case in several other EU member states, German EU policy under Merkel reflects a much tempered enthusiasm for EU enlargement and skepticism of several aspects of European market integration. On the other hand, Germany advocates deeper European integration in areas ranging from climate change policy to police and judicial cooperation, and has assumed an increasingly significant role in Europe's Common Foreign and Security Policy (CFSP) and European Security and

Defense Policy (ESDP). Germany was a strong proponent of the proposed EU constitutional treaty rejected by French and Dutch voters in 2005, and Merkel used Germany's EU presidency in the first half of 2007 to forge agreement on the outlines of a new reform treaty aimed at enabling a larger EU to operate more effectively.

Finally, some analysts point to personal differences between Merkel and her French counterpart, Nicolas Sarkozy, and to what some perceive as their more pragmatic approaches to EU affairs as evidence of a weakening of the Franco-German partnership long considered the engine of European integration. (Belkin, 2009)

4. The people of Denmark rejected a European Union regulation on cross-border supervision by a vote.

EU regulation on cross-border was supervised based on the votes of the pros and cons among the people of Denmark. When the party's central axis Denmark wants the citizens of Denmark received by either the European Union regulations. However more than 53% of citizens say ' No' to the proposal after voting results in the count. That took place a week after the attack on Paris and when Europe was struggling with the question of the refugee wave.

Lars Lokke Rasmussen as Prime Minister said " it's absolutely not" but he still respected the choice of voters. While the government supported by the opposition campaigned for say yes as the approval of the regulations of the European

Union. Because the government considers the rules of European Union, Euro politics which is law enforcement agencies of the European Union that faced organized crime and terrorism, will help authorities of Denmark after attacking Paris.

However, because the people of Denmark vote ‘ no ‘, the Government of Denmark had to negotiate to remain in particular Euro politics agreement is a matter of border control. “We will work hard for the citizens of Denmark to get the best deal. But it will be difficult,” Soren Gade said from Venstre Party told to news agency Ritzau . The Citizen Party of Denmark who are the anti-immigration (DPP), and support Rasmussen in Parliament, prevent the European Union to take over the control of some elements of the policy.

Some of the perpetrators of the attack on Paris is a citizen of France who had long been living in neighboring countries, Belgium.

At least one of the suspects, Abdeslam, is estimated to be still alive and cross the border to escape France after shooting and suicide blast in Paris on November 13th. (BBC, *Rakyat Denmark Tolak Aturan Uni Eropa*, 2015)

B. The History of United Kingdom During European Union

When did Britain decide to join the European Union ?

The United Kingdom made its first application to join in 1961. It was quickly apparent that there was a danger of political isolation within Western Europe, Commonwealth states were rushing to do deals with the new bloc, and it had American support. This application was vetoed by the French Government in 1963 with a second application vetoed by the French again in 1967. It was only in 1969 that the green light was given to negotiations for British membership. The United Kingdom joined the European Economic Community (as it then was) on 1 January 1973 with Denmark and Ireland. This proved controversial at the time. The Labour party initially sought renegotiation of membership. This was toned down to requiring a referendum on whether the United Kingdom should remain part of the community. This referendum was duly held in 1975 with a 67% vote in favour of continued membership. (Unknown, 2016)

1. The process of United Kingdom became a member of the EU

After World War II ended in 1945, the United Kingdom refused to join the new institution formed by a number of European countries. The agency is encouraging on the peaceful relations and cooperation. United Kingdom is more interested in focusing on trade and investment with a number of former colonies, such as the U.S., India, Canada, and Australia.

In the 1960s, the United Kingdom ever changed his mind. Britain eventually decided that it would be better if they merged with the European Economic Community (EEC), the EU'S future. However, the desire of the United Kingdom got the rejection of a number of European countries, especially France.

On United Kingdom's intention to join the EEC was rejected in 1961. The President of France, Charles de Gaulle, fearing United Kingdom will become Trojan horses--the enemy in the blanket--for U.S. influence.

After de Gaulle stepped down and was succeeded by Felix Gouin, in 1967, the United Kingdom again applied for becoming a member of the EU. This time the application was accepted and the United Kingdom officially joined the EU'S free trade zone in 1973. After that the EEC was renamed European Community and last into the EU.

Currently the European Union not only deals with the trade sector, but also human rights and foreign policy related to environmental law. A number of important organs of the EU, among others, EU Commission, EU Parliament, EU Court of Justice, and the EU'S Central Bank. (unknown, 2016)

2. UK membership of the EU since 1973 had a significant impact on the UK political system.

Most importantly, EU law takes precedence over UK law. Therefore laws passed by parliament, including most famously the 1988 Merchant Shipping Act,

which conflict with EU law, are illegal. This situation clearly contradicts the main principle of the UK constitution that parliament is sovereign. National judges therefore, have a higher court, the European Court of Justice, to whom they can refer suspected infringements of EU law.

Finally, under the constitution, ratification of a treaty falls under the Royal Prerogative. This means that an Act of Parliament is only needed where the provisions of the treaty are intended to have the force of law in the UK.

The EU is Britain's biggest trading partner. British citizens are free to work in any EU country and EU funding is spent on supporting farmers, boosting jobs in the UK, redeveloping rundown areas, and providing grants for university research. The EU has contributed to cheaper travel by challenging monopolies and boosting competition. It has reduced the cost of mobile data roaming and set water quality standards in Europe.

But giving subsidies to farmers led to over-supply of some crops and so the EU was forced to rethink its agriculture policy. Critics say the EU has taken too much power from the UK government, its regulations are costly to the British economy and without them, Britain would be able to sign other trade deals with growing economies like China and India. They also say that the EU wastes taxpayers' money on excessive bureaucracy - citing MEPs monthly trips to Strasbourg which cost 180m euros (£136m) per year. (BBC, What is the EU and how does it work?, 2017)

EU membership had a significant impact upon the work of government. The prime minister is regularly involved in European Council or Summit meetings with other EU leaders. Members of cabinet take part in monthly Council of Ministers meetings. For example, Margaret Beckett, as the minister with responsibility for agricultural issues, via Defra, represents the UK on the Agricultural Council.

The importance of the EU created a need to establish permanent UK representation in Brussels to assist with the monitoring and formulation of EU law. These civil servants work closely with their colleagues back in London to ensure the views of the UK Government are heard. Finally, the Civil Service, along with Local Government, is responsible for implementing EU directives. (BBC, EU Membership and The UK, 2004)

3. The Relations between European Union and United Kingdom

In 1960s the EU has stabilized. United Kingdom politicians are aware that their existence is outside the EU, which means they have no influence on the European Union. United Kingdom politicians are aware that they need to be on the table in Europe for the sake of leadership influence on Europe and European unity to assert to the level that makes the United Kingdom weak and insignificant. Therefore in 1961 United Kingdom conveyed the request to join the European Union. The request was denied twice by French President Charles de Gaulle. De Gaulle was trying to alienate the United Kingdom from Europe because he learned that the strategy of the United Kingdom is blocking the reunification of Europe. He accused

the United Kingdom "the enemy within" for European entities. However, De Gaulle resigned from the post of the President of France in 1969 and died a year later. The death of De Gaulle, Pompidou Subconscious met with Prime Minister of the United Kingdom Edward Heath in 1971. And after long negotiations, the United Kingdom was given membership in the European Union. (HT, 2016)

During the reign of Margareth Thatcher (1979-1990) differences among the politicians of the conservative party and the political class were complicated. A number of prime ministers resigned, including Deputy Prime Minister Geoffrey. Meanwhile there was no opposition to the European Union in 1971. However, opposition to the views of some politicians that the United Kingdom has lost authority to much of Europe. Professor Bojaddanor, an expert on the history of United Kingdom in King's College London said, "Europe is a hazardous toxic agenda in United Kingdom politics, not because of cause a split between the two parties, but because of deep splits in the parties (United Kingdom). Most hold that basic United Kingdom political upheaval after World War is largely not between left and right on the level of unrest among those who believed that the future UK stored in Europe and those who don't believe it". (BBC, Margareth Thatcher 1979-1990 , 2014)

4. The UK contribution to the EU budget

Britain as a second country that has given large contribution to funding toward European Union after Germany, expert deficit with countries of European

Union's members 30 millions received per day. Instead, the United Kingdom experienced experts balance surplus with every continent in the world.

In 2010, the contribution of 'dirty' UK to the EU budget reached 14 billion pounds sterling. In fact, the only English could save 7 billion pounds a year by all government spending.

In 2014, the United Kingdom is the fourth largest contributor after Germany, France, and Italy. United Kingdom pays 11.34 billion euros and exactly total of the payment is 116.53 billion euros. For the next year, the contribution of the United Kingdom against the European Union was not increased to 18.20 billion Euros of the total of 118.60 billion Euros.

In the calendar year 2014, total general government expenditure was £798 billion. UK has used a wide definition, which includes spending on healthcare, education, defence etc and also includes spending on social security benefits. Central Government spending and Local Government spending are both included. The amount covers the whole of the UK.

The treasury also publishes figures on the payments between the EU and the UK government. Their figures are very similar to those reported by the ONS as both use essentially the same data but due to some accounting differences there are some relatively small differences between the figures for example the treasury estimates the UK's net contribution to the EU in 2014 as £9.8 billion.

European Commission figures are from the data download in their 2014 financial report and have been converted into sterling using exchange rate data from Bloomberg.

Some commentators also draw attention to the fact that a certain amount of the UK's contribution to the EU budget goes towards our target for overseas aid spending. They argue that if we were to leave the EU, the UK would still be committed to this spending, so this money would not be saved. In 2014 it was estimated that £0.8 billion of our EU contribution counted towards our overseas aid spending target.

The European Commission figures account for all payments it receives from the UK Government and payments it makes to the UK public and private sector bodies. A small proportion of spending just over 2% cannot be allocated to a specific country and so are not included in the Commission's figures. There are also some payments to the commission that are not allocated to a particular country and therefore are also not included in their figures. An example of this is fines, which is again a small proportion of total spending, typically between 2 and 3 % of total expenditure. (Unknown, UK Perspectives 2016: The UK contribution to the EU budget, 2016)