

## **CHAPTER V**

### **CONCLUSION**

Britain or usually known as United Kingdom is located in the northwest of continental Europe which has big influence in political economic sector in the world. Along with other 27 members, Britain became a member of European Union which regulates politic and economic partnership as a single market area where every goods, services, capital and people can move within EU territory freely. As an active member of EU, Britain contributes in economic which pays the charge as EU member appropriate with funding and financial of the EU regulation and in political arena also sends representatives to the government of EU.

Britain and the rest of EU member states are interdependence to each other politically and economically. But since EU did not give such a good impact to the economy of Britain, Britain tried to solve the problem by making a referendum for Britain citizens whether Britain should stay as the member of EU or leave from its membership. The referendum that resulted the voters Britain Exit from European Union won. The decision to exit from EU membership will cause several impacts because there will be several changes if they discontinue EU membership and it will influence the interdependence of Britain and other EU members.

In the first time, WW II became the background of Britain joining EU. WW II began in 1939 until 1945 and left bad impacts that were felt by every country in the world. More than 30 countries including Britain were involved in this war and was

causing more than 50 million military and civilian dead. In order to recover Britain's condition after war, Britain joined European Economic Community in 1973 which aimed at giving member countries a free trade area where there was no tariff and barriers for them to exchange goods and services within the member countries area and it helped to recover economic of member states faster.

The political economic integration started after Britain was joining EEC. the integrations continue until EEC was changed into European Union. The economic integration that has been built was decreasing trade barriers for European Union members, making Single Market and controlling exchange rates within EU. The political integration of Britain and EU can be seen from the high number of immigration and the representatives of the government of the EU from Britain.

The decision to leave was taken due to several reasons felt by the government, citizen and Britain as a country. The political reasons of Brexit were the political elitism that happened in Britain which according to the citizens of Britain, they realized that the Parliament Members were not be able to represent the minorities anymore. The leave voters thought that if they voted Brexit, it would cut the political elitism that happen in the government system. And also Britain as an independent and sovereign state should have had power to control their internal and external affairs but actually Britain had not been a sovereign state because the decisions had been made by Britain were under other states intervention which in this case EU.

In economic side, the reasons of Brexit was unemployment in European Union territory in which EU failed to solve it in Southern Europe. Another reason is Britain paid more than EU allocated for the advantage of Britain.

These reasons was led to the decision of the discontinuity of the membership. The Brexit vote also leads to several impacts in Britain political economy which were separated into short-term and long-term impact both in political and economic aspects. The short-term impacts were the impacts that have been felt by Britain right after the referendum in political aspects. They are:

1. Political uncertainty both in the internal government of Britain and the uncertainty of the position of Britain in EU.
2. The decrease of immigration after referendum.

The long-term impacts which were the trend predicted by several experts about what would happen after Britain officially no longer the member of EU. They are:

1. The changing of trade policy
2. The changing of immigration policy
3. The changing of environmental and energy policy
4. The changing of Britain domestic and foreign policy

On the other hand, in economic arena the short-term impacts of Brexit are more severe than the political ones, which are:

1. Poundsterling exchange rate fell down
2. the fall down of foreign investment in Britain

The Long-term economic impacts which have been predicted by the experts about the trend of possibility to be happen after Brexit are:

1. The possibilities of decreasing number for foreign investment
2. The decreasing number on export import activities or international trade.