

Brexit: Its impact on EU and ASEAN

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Abstract:

Regionalism has become a prominent feature of the global world order. Every state strives to be a part of regional grouping. Behind this quest of membership lie numerous benefits that regional organizations provide. Regional groups provide protection against the negative consequences of globalization. Regionalism is one of the best tools for poor and weaker states to represent their voice in international fora i.e. ASEAN. But the decision to leave EU by UK in 2016 has aroused many questions on the relevance regionalism. Skepticism shown by Britain has challenged EU in terms of successful model of regional integration. Therefore, a question arises that even though regionalism provides benefits to member states than what factors led to the Brexit? as it is evident by the history of regionalism that EU and ASEAN are one of the two successful regional organizations of the world. So here rises another question that what will be the impact of Brexit on EU and ASEAN? For that purpose, this article starts with exploring the history of Britain in EU. Second section of this article examines the implications of Brexit on EU and in third and last section of this article; implications of Brexit on ASEAN have been examined.

Key Words: Brexit, Regionalism, Globalization, European Union, ASEAN

History of Britain in EU:

Britain has always been kind of skeptic towards any membership of regional organization due to its imperial interests and its trade links with the commonwealth. Its status as a one of the most powerful countries of the world impeded its path of membership in any regional Group. But for a very short period of time, before the formation of European Coal and Steel Community in 1951, Britain was one of the foremost advocates of the early federalist movements that were prevalent in Europe during early 1940s. Therefore, in order to see actual stance of Britain on the membership of European Regionalism it is essential to discuss the history of Britain's relationship with Early European Regionalism.

Britain was the major country in Europe that supported the early federal solution for a war torn Europe. Therefore, “for this purpose two organizations was established in Britain: Federal Union and Federal Union Research Institute.”¹ Through numerous conferences and research publications both organizations helped a great deal in early efforts for a Federal Europe. As “W.B. Curry’s The case for Federal Union developed the theme that the basic cause of war was national sovereignty that could be prevented through common federal Government managing common affairs.”² Indeed many ideas that were discussed in FURI i.e. common currency, fixed exchange rates, free labor migration, again occurred in the meetings of European Economic Committee in 1957. But very soon the early efforts of Britain for Federal Europe started fading as John Pinder aptly explains “the fall of France, the rise of USA, alliance with USSR and growing hostility towards Germany combined to turn the thoughts of British, including many Federal unionists this way. Sir William Beveridge, chairman of FURI in 1940, became an advocate for UK association with USSR and US in order to build world organization. As a result it took twenty years to wheel to come to full circle and UK to seek entry into EEC and thirty years before it was in.”³

In the early years of Cold War, Britain again took interest in the European Cooperation. One of the most important reasons behind this interest was national interest of the Britain. Britain wanted to focus on its commonwealth links and withdrawal of USA from Europe was a challenge for Britain as it would have created burden to secure Western Europe from USSR’s encroachment. So in order to secure Britain’s interests Bevin (foreign minister of Britain) ended aid to Greece and Turkey that, subsequently resulted in the USA’s policy of containment and Marshal Plan Aid. The position of Britain in early cold war period is rightly stated by Young, For Britain, “European issues were not of the foremost concern rather Britain’s global and military interests took precedence.”⁴

When treaty of Rome was signed and European Economic Community and EURATOM was established in 1957. Britain adopted balance of power approach against other emerging powers

¹Dedman, Martin J. (2010), **The Origin and Development of European Union Since 1945-2008: A History of European Integration**, New York: Routledge, p.17.

² Ibid., pp.16-17.

³ Pinder, John (1986), Federal Union 1939–41, in W. Lipgens (ed.), **Documents on the History of European Integration**, vol. 2, Berlin and New York: Walter De Gruyter, p.25.

⁴ Young, J. (1984), **Britain, France and the Unity of Europe 1945–51**, Leicester: Leicester University Press, pp.180-86.

in Western Europe and in this case against EEC, as a result, Britain again opted out from membership. It was one of the biggest mistakes of statesmanship in Post-War Era.

Very soon Britain realized its mistake of not joining EEC because its power was started to decline in post World War II. As John Young shows in his research that, “Britain’s miscalculation in 1955 appears extremely erroneous especially as officials realized already that the UK’s power was declining, that Commonwealth trade was likely to fall and that if a common market succeeded it would harm Britain’s interests, making membership essential.”⁵

Therefore, for the first time Britain applied for membership in EEC in late 1960s but Charles De Gaulle (French President) unilaterally rejected Britain’s application as he regarded Britain as “American Trojan Horse in Europe (allowing greater US penetration of Common Market) and feared that EEC could be subsumed in colossal Atlantic Grouping under the US control.”⁶ Again Britain applied for membership in 1967 but again rejected by General Gaulle on the basis of its poor economic performance. But after resignation of General Gaulle and policy reversal of France (as Germany’s rise created apprehension in France a need was felt to include Britain in order to balance Germany’s rise) Britain, finally, became a member of European Cooperation.

The culture of nationalism has always been prevalent in Britain and for that reason it was not a member of European Cooperation from its initial days. Moreover, “it is not a supporter of European integrative efforts, like original six members; rather it has opted out from the single currency and social chapter when the treaty of EU was signed in 1992.”⁷

Here arises another question that why Britain relinquished the membership of EU? What factors led Britain to take exit route? Basically, there were numerous reasons behind Brexit. Due to the provision of common market Britishers were witnessing large scale of un-employment and humongous amount of migration inflows in Britain that created the problem of security as terrorism is on the rise. Many voters believed that single market provision was hurting small businesses in Britain and Brexit will redress all the economic issue that Britain was witnessing by remaining in EU. One of the most important reason behind Brexit could also be attributed the fact that untrammled globalization all over the world has paved the way for nationalism. Right

⁵Young, J. (1989), *The Parting of the Ways? Britain, the Messina Conference and the Spaak Committee June–December 1955*, in M. Dockrill and J.W. Young (eds.), **British Foreign Policy 1945–56**, London: Macmillan, pp.197-224.

⁶ Dedman, op.cit., p.101.

⁷ASEAN and The EU in Perspective: BREXIT and Beyond, Aug 2016, *ASEAN FOCUS*, ASEAN Study Centre, ISEAS: Yusof-Ishak Institute, p.14.

wing parties in Britain were able to evoke nationalistic sentiments of Britishers, therefore, preferred to leave EU by invoking article 50 of Lisbon treaty. Therefore, historical analysis reveals that Britain has always been skeptic in terms of seeking membership in European Union and policies of national interest guided its inclusion in European Union and now in contemporary times when nationalism is on the rise Britain has chosen to part away from European Union.

Implications of Brexit on EU:

Both EU and Britain will surely be affected by the decision of Britain to leave EU. Theresa May suggested to leave EU without straining financial relations with EU but for the second time it got rejected and Britain's parliament voted for no-deal. If Brexit happens without any deal than there will economic disadvantages for Britain as it will not be a member of EU's largest single market. "The Bank of England warned in its report that a disorderly Brexit would cause the UK economy to contract by 8%. The value of the pound would slump by as much as 25% and home prices could plummet 30%."⁸

On the other side economically, EU will have some long term disadvantages as "a report suggests with that Britain is one of largest trading partners of EU-27 that accounts for 13% of trade in goods and services."⁹ Moreover Britain was witnessing larger amount of migration inflows and for that reasons Brexit will hurt income and Jobs in EU in the long run.

But spirit of integration after Brexit will increase as Britain had always been skeptic on the stance of deeper integration and without Britain all other members of EU will be able to focus on its original approach where it, first, pursues strong integration and all material benefits follow as a byproduct of deeper integration. There were apprehensions among some commentators that in the wake Brexit there could be a chance of right wing parties to sweep over elections that will strengthen the stance of Euro-Skeptics. But elections in Spain, France and Germany showed that contagion of Brexit has been passed.

Implications of Brexit on ASEAN:

⁸ Kottasova, Ivana (28 November 2018), **The UK government says its Brexit deal will hurt the economy**, *CNN Business*, [Online: Web] Accessed on 10 December 2018, URL: <https://edition.cnn.com/2018/11/28/economy/brexit-economic-impact/index.html>

⁹ Chen, Jiaqian et.al. (10 August 2018), **The long term impact of BREXIT on European Union**, *IMF Blog*, [Online: Web] Accessed on 10 December 2018, URL: <https://blogs.imf.org/2018/08/10/the-long-term-impact-of-brexit-on-the-european-union/>

ASEAN was established in 1967 by Bangkok Declaration. It was first major inclusive regional organization in the region that aimed to create a true Southeast Asian region. Most significant motive behind the establishment was to protect and promote state-building as almost all the states were newly independent, in addition, fear of communism, during Cold War, also contributed to the establishment of ASEAN. ASEAN's main motive was to protect 'Westphalian System', therefore, no supranational institution was established as it was the case in EU. ASEAN adopted a consensus building and less legalistic approach to decision making which is known as 'ASEAN Way'. ASEAN has been successful since its inception but many concerns are raised on the relevance of regionalism in Southeast Asia in the wake of Brexit. Here it is argued that there will be no effect on ASEAN after Brexit rather Brexit will strengthen the position of ASEAN in the world.

First of all, ASEAN is basically an elite-driven organization where democratic participation, unlike EU, of citizens is not visible, Moreover, there is no ASEAN citizenship, no ASEAN Parliament and for that reason there is no resentment among citizens of ASEAN. In addition, "commentators have suggested that, for better or worse, ASEAN and national leaders would not place such a decision in the hands of the people in the form of a referendum, in any of its constituent states."¹⁰

Decision making structures in ASEAN are governed according to 'ASEAN Way' (consensus and consultation), and for that reason no decision will have supranational effect on ASEAN member states. Therefore, all the decisions in ASEAN are taken in tandem with the principles of non-interference, so there is less possibility of ASEAN member states having a single citizenship and market, unlike EU, which was the principle reason behind the Brexit. Moreover, rising nationalism on the world stage will not have any consequences on regionalism in Southeast Asia as ASEAN is governed according to the logics of nationalism where one of the principle reasons behind the establishment of ASEAN was to protect 'Westphalian' state sovereignty.

Epilogue:

This article discussed the effect of BREXIT on the regionalism in EU and ASEAN. In the wake of Brexit various questions were raised on the relevance of regionalism all over the world. But BREXIT will not have any serious implications on the regionalism in both regions as in EU it is

¹⁰Murray, Philomena and Laura Allison-Reumann (8 September 2017), **Will Brexit affect Regionalism in Southeast Asia?**, *The Diplomat*, [Online: Web], Accessed on 11 December 2018, URL: <https://thediplomat.com/2017/09/will-brexiteffect-regionalism-in-southeast-asia/>

argued that Britain have always been a Euro-skeptic and after BREXIT there will be less impediments in EU integration. On the other hand, regionalism in ASEAN will not be affected by BREXIT rather its position as a model of regionalism vis-à-vis EU has strengthened. There are two reasons behind this argument. First, ASEAN is elite driven organization and second, it is not supranational, therefore, doesn't concern itself with domestic politics. Moreover, rising Nationalism in the contemporary phase of untrammelled Globalization will not be a concern for ASEAN as sole reason behind its establishment lies in the protection of Nationalism.

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