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What will the post-breakup period of the UK and the EU bring?

At the end of 2020, the transitional period ended and UK and EU had no other option but agreed the terms of the Brexit finally - the UK is no longer perceived as part of the EU since the beginning of 2021. However, the specific relationship between London and Brussels is nothing new, it has persisted since the beginning of the UK's integration into the EU. A very skeptical attitude towards the creation of an

integration from European countries has led Britain to always prefer to maintain a closer relationship with the United States. Even this attitude of the UK changed in the 1960s due to the deterioration of its financial situation, Charles de Gaulle's fears of mutual rivalry with Great Britain largely prevented its entry into the union. With its entry into the EU finally after de Gaulle's death, the UK immediately became one of the largest contributors to the "family" budget. However, the problems between the states had begun to appear and the finances sent to the EU became the cause of growing tensions in EU relations, which even culminated in 1984 with Margaret Thatcher's request to return part of the funds invested in the budget. Fears of Britain's departure were allayed by the granting of an UK correction, which was just the beginning of a line of concessions to guarantee the functioning of mutual relations. This was followed by other exceptions as the Schengen area or migration and asylum policy, which was nevertheless one of the stumbling blocks in the 2016 referendum on leaving the EU.



And it seems that the financial budget will continue to be a significant problem even after the exit of the United Kingdom, but this time especially for the European Union. As the United Kingdom, a net contributor, was contributing the most to the budget from European countries, the Union is expected to have to deal with a loss of around € 75 billion once it leaves. States' contributions based on their GNI are currently an increasing source of revenue, with a declining share of traditional resources such as customs duties, levies, VAT and the like. What does this really mean for the European Union? As the Union loses a substantial part of its revenue, it has essentially two options - to cut spending by cutting the budget or to increase revenue by forcing states to contribute more. The financial framework for 2021-2027 was approved at € 1,279.4 billion, which is € 196.9 billion more than in the previous period 2014-2020. Of course, financial spending also increased as a result of the coronavirus pandemic, when part of the funds is supposed to help to mitigate the effects of this crisis. The budget cut-off is therefore not taking place, so there must be an increase in revenue, which, however, causes a split between states. As the Union's spending increases, the willingness of states to contribute more to the common budget decreases. While rich states, the so-called net contributors demand a reduction in the budget, cohesion states demand that existing funds be maintained, especially for traditional EU policies. It remains to hope the member states will find an acceptable solution for both parties, and that the budget will not be another thing that divides the EU countries more than unites them. The introduction of new types of income, such as a plastic

waste levy, a digital levy or an emissions trading levy, which the EU plans to discuss in the coming years, could also help.

Brexit also has a great impact on the people of Gibraltar or Northern Ireland. Following an agreement between the Union and Britain, they will continue to be citizens of the United Kingdom, but will also benefit from the Schengen area as the people of the Member States. They have the opportunity to continue to travel freely between borders, which should make life easier for the tens of thousands of people who cross the border for work every day. Concerns have arisen in particular in the negotiations on the situation between Ireland and Northern Ireland over fears of a resurgence of unrest that has lasted for more than 30 years before the Good Friday Agreement was signed in 1998. And even though Northern Ireland will not have to go through a hard Brexit after the agreement, their relations with Britain have cooled even more as a result. It was precisely its people who, in the 2016 referendum, voted by a majority in favor of remaining in the Union, and therefore the escalation of tensions in the future is not entirely ruled out.



The United Kingdom will get what it has wanted for at least the last few years, it will have all policy areas fully in its own hands. This means, for example, that the United Kingdom will no longer be part of the Erasmus + program and that studying for a short time at one of Britain's prestigious universities will no longer be so accessible to European students. Britain plans to create a similar program that would allow British students to study abroad, but will no longer finance European students studying in Britain. Transport between the UK and the EU should not be disrupted much, but travel will require a passport instead of an identity card. However, it is necessary to apply for a visa for a long-term study or work stay.

British entrepreneurs will be the ones who will feel leaving the EU the most, as this will increase food and other goods controls, compliance with health standards and proof of origin at borders. This can increase delivery periods for some products and severely damage some manufacturers.

However, the good news for exporters is that there are no plans to impose tariffs or quotas on British products, which would significantly reduce their competitiveness.

These are just some of the consequences of the UK's exit, but it must not be forgotten that London is thus losing the opportunity to play a key role in the direction in which Europe, in particular, will move forward. If the driving force behind the Brexit campaign was to return Britain its "glory," it will be difficult to get its promise. The United Kingdom will lose the enormous weight of the word that the European Union has on the international stage.

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