Forum: Economic and Social Council (ECOSOC)
Issue: Countering the social-economic effects of the Brexit on International and Europa communities
Student Officer: Christina Beykou
Position: Deputy President

INTRODUCTION
The initiation of Brexit was a result of a UK-wide referendum that took place on the 23rd of June 2016. The referendum stemmed from the growing support for the UKIP(UK Independence Party) political party, who voiced concern over the UK’s role in the EU. Euroscepticism amongst the UK population was by no means a new concept as it existed since the UK’s entry into the EU in 1972. Concerns over loose immigration rules and the financial strain on the UK given the recent European economic crisis as well as the need for financial aid by other European countries allowed the UKIP Party to promote Brexit. The pressure instilled on the government lead to the referendum. The result of the referendum was not a decisive majority as 52% of UK nationals voted to leave the EU. Regardless, article 50 was triggered which initiated the UK’s exit from the EU and a negotiation period with a 2-year deadline. An extension to negotiations was granted twice as the UK parliament was not content with some of the elements of the Brexit Deal. The UK left eventually the EU formally on the 31st of January 2020, but negotiations are said to be ongoing until the transition period has elapsed in December 2020.

Negotiations must be made to settle major issues such as foreign policy, border disputes, trade, and immigration. The EU and UK are seeking a trade agreement with zero tariffs and zero quotas in goods, but the UK wants to set its own rules and conformity assessments, contrary to the EU which wants the EU rules of origin concerning standards of labor and State Aid to remain. When it comes to services the UK seeks to go beyond the World Trade Organization’s commitments in areas such as the provision of professional, business, and digital services. The EU wishes to maintain its autonomy in unilaterally granting or withdrawing the equivalent in financial services. Concerning fisheries and the UK fishermen’s access to non-UK waters, particularly the North Sea, the EU wishes to maintain the existing access and quotas, the UK seeks annual renegotiation with a greater share. Concerning social security, there is a broad agreement on the mutual recognition of professional services and cooperation.

After a failed attempt to pass a Brexit Deal by former Prime Minister, Theresa May, and her cabinet, the current Brexit deal proposed by Boris Johnson was approved by Parliament on 23 January 2020. EU Parliament gave its consent to the withdrawal agreement on 29 January 2020.

The COVID-19 pandemic has delayed negotiations to determine the future relationship between the EU and UK, the two sides have been unable to meet since 5 March 2020, and there is yet no clear plan in place for the negotiations to resume. The increasingly uncertain circumstances have led to calls for an extension to the transition period, as provided for in the Withdrawal Agreement, which is currently due to expire on
31 December 2020. As the transition period is swiftly concluding, there are pressing socio-economic issues yet to be resolved.

**DEFINITION OF KEY-TERMS**

**Mandate**
An official right to do something. The UK government claimed that they had the mandate to start the UK’s departure from the EU after the 2016 referendum. It was later decided through a case in the Supreme court, that the consent of Parliament was necessary to make this decision for the UK.

**Quota**
A type of trade restriction, a specific quantity of a good that can be imported into a country at one time. The UK share of a given quota depends on the UK’s usage share, it is then applied to the preset tariff rate quota volume.

**Tariffs**
A form of import tax, extra charges made when trading goods with other countries. EU member states have no tariffs when trading with each other because they are members of the customs union, this will no longer be the case for the UK after the negotiations transition period.

**Referendum**
A vote on a single political question, a direct question with a yes or no outcome. It enters into force often in politics to give legitimacy to the government’s decisions. Such referendum took place in the UK in 2016 and it is commonly referred to as the EU referendum or the Brexit referendum.

**Sovereignty**
The supreme power of authority. In the case of the UK, Parliament is sovereign. Parliament is made up of two institutions, the House of Commons and the House of Lords. Meaning that constitutionally the UK Parliament should vote on any major decision, as the official representatives of the people.

**Transition Period**
Time intended for negotiations to be made between the UK and the EU member states to determine their future relationship, currently set to elapse on 31 December 2020. The UK’s Withdrawal Agreement Bill clearly states that the transition period cannot be extended even if a free trade deal is not agreed upon in time.

**Withdrawal Agreement Bill**
Passed in UK Parliament on 23 January 2020. It covers major aspects of the UK’s withdrawal from the EU such as conditions for the Divorce Bill and creates bodies such as the independent monitoring authority with which EU nationals in the UK can lodge any complaints about the way the government treats them. It constitutes an extensive basis for the negotiations that will be finalized after the transition period.
Single Market
Countries that trade with each other without tariffs or restrictions. The European Single market came into effect in 1993.

BACKGROUND INFORMATION

The 2016 referendum leave campaign was fueled by the need for sovereignty, the citizens believed that decisions should be made by the representatives they elected in Parliament not the ones in the European Parliament. Although the outcome of Brexit was seen by many experts to be very harmful to both the economy and the UK’s overall progress, the UK government claimed that they had the mandate to trigger Article 50 of the Lisbon Treaty at the end of March 2017; this article is a provision which provides a way for any EU member state to begin the process of leaving with a set period of 2 years, but the UK had multiple extensions. When asked if the UK should leave the European Union, the result of the referendum was not a decisive majority (52% Yes, 48% No). One of the UK’s pillars of Parliamentary meaning that democracy is Sovereignty, Parliament making crucial decisions such as leaving the EU through a vote.
The government challenged this principle when the UK’s departure from the EU after the 2016 referendum began. If there is no agreement reached by the end of 2020 the UK may face the prospect of being charged tariffs and having stricter measures when trading with the EU. More specifically, a few issues that have particularly challenged the EU and UK representatives during negotiation deals have been with regards to the status of UK citizens living in the EU and vice versa, the sum that the UK must pay the EU (estimated at 30 billion pounds), law enforcement and data sharing to ensure security, the proper licensing and regulation of medicine monitored by the European Medicines Agency, the upkeep of aviation standards and safety regulations and the UK’s Fishermen’s access to non-UK waters, particularly in the North Sea. However, Brexit could also alter the UK’s influence in world affairs, but not entirely as it remains a permanent member of the UN Security Council. A damaged UK economy could translate into less military and global economic power for the UK as well.

Social Effects
Court Jurisdiction/ EU Law
During the 11-month transition period, EU laws will still apply in the UK, this means that EU law will still be superior to domestic law. The UK’s Supreme Court must still follow conventions such as the 2000 ECHR (European Convention on Human Rights). EU law applies in multiple policy areas, all the Ministries of the UK Government would have to be involved in negotiations. After the UK leaves the EU the legislature must decide which policies on EU-derived law to keep in their UK domestic law. The Court of Justice of the European Union shall continue to have jurisdiction for any proceedings brought before it by the United Kingdom or against the United Kingdom before the end of the transition period.

Workers Labour Status
EU employment law protects workers’ rights by setting a minimum standard for domestic employment law. In 2018 the European Commission claimed that due to its geographical location and economic interdependence with the EU, there should be a UK-EU trade deal that “levels the playing field”. Provisions must be put in place to ensure that existing workers’ rights and domestic labor standards are maintained. The UK’s membership of the EU in line with the freedom of movement principle, allows people from the EU, EEA and Switzerland to work in the UK with minimal checks required. UK employers simply check for valid identification proving the worker is a citizen of the UK or an EU/EEA country, meaning they have the right to work in the UK.

Immigration
Nothing will immediately change for UK citizens until the transition period has elapsed. During that time the free movement of people is still applicable, meaning that EU citizens can work and live in the UK and UK citizens can do the same in EU countries. An EU passport or identity card will remain valid during the transition period. The UK government has expressed their desire to pass a law that will eliminate the free movement of EU citizens into the UK, a visa will be required to work and live in the UK long term. Half of the immigrants to the UK come from the EU, and polls leading up to the
referendum suggest that over 50% of those who supported Brexit considered immigration their biggest concern. UK government intends to implement a new points based immigration system which will apply from 1st January 2021, this means that EU citizens may be subject to greater requirements in order to work in the UK.

**Irish Border**
Complications have arisen in cases that unclear restrictions exist on where the UK territory ends and the EU territory begins. In Northern Ireland, there was a 55.8% majority to remain in the EU during the 2016 referendum. The decision greatly affects the Good Friday agreement signed in 1998 to end the violence that existed in the past, referred to as the “Troubles”. A 310-mile border exists between Northern Ireland and the Republic of Ireland, the agreement softened the border and allowed for cooperation. Many people commute across the border daily for work and Brexit means that there would have to be stricter controls at the border because Northern Ireland will no longer be a member of the EU with the rest of the UK, while the Republic of Ireland will remain an EU member state and inside the single market. This will limit the free movement of people, exchange of goods, and services. There is a fear that such a harsh split will reignite the animosity between the two nations. The Irish Backstop is a deal that prevents a border with custom controls, which was replaced in 2017 for the UK to renegotiate with the EU. The UK’s Prime Minister, Boris Johnson, wants Northern Ireland to be legally part of the UK’s customs laws, but operate as if it were a part of the EU Customs Union. However, the Republic of Ireland is insistent that an Irish Backstop is necessary and the Democratic Unionist Party aims to prevent a hard border between Northern Ireland and the rest of the UK.
Economic effects
Global trade
A single market endeavors to eliminate “non-tariff barriers”. There are many guidelines on safety and standards for workers and similar regulations apply across the zone. The EU claims that it won’t compromise the integrity of the single market as it is seen as an asset on the EU’s side. The Government claims that it does not seek membership of the European Free Trade Association (EFTA), the European Economic Area (EEA) or the Single Market. It is not looking at the existing models to build upon but rather create new agreements with the EU, including a comprehensive free trade plan. The single market seeks to ensure the free movement of goods, capital, services, and labor, referred to as the four freedoms within the EU. UK will remain a member of the single market during the transition period. The UK faces complications about upkeeping trading relations with third states because it seeks less restrictive rules of origin to be applied.

Brexit means that there will be fundamental changes in the British trade regime. The national terms of trade for the World Trade Organisation (WTO) membership must be renegotiated, along with many EU free trade agreements. Also, the UK will no longer be a member of the European Generalised Scheme of Preferences(GSP) or the Everything But Arms (EBA) Treaty which allows LEDC’s to export to the EU by paying fewer taxes. Internationally, the EU’s Economic Partnership Agreements with African, Caribbean, and Pacific countries will no longer apply to the UK. There will be economic effects involving every industry’s trade, the EU stands to lose out on its global export revenues, but the UK may lose up to five times more.

EU Multinational Companies
Many multinational companies have decided to remove their headquarters from the UK, as being located in a non-EU state has its disadvantages for companies that trade vastly among the EU. To avoid a loss of profit due to high tariffs, they have or will
relocate to EU states such as Germany and France. The Brexit vote and its outcome on EU multinational companies that are operating in the United Kingdom are unknown but have been predicted to have many economic, financial, and legal effects. The financial implications may be an increase in business and administrative costs, while there is simultaneously a decrease in Foreign Direct Investment (FDI) in the UK. The economic effect of Brexit could progressively result in inflation and an increase in the cost of imported goods for UK citizens.

**Divorce Bill**
The UK must agree on a sizable amount to pay the EU as a part of the Brexit deal. The amount is based on the UK’s share of the EU budget until 31 January 2020. Part of this money has previously been paid within the UK’s contributions as a member of the EU as a result of multiple extensions before the UK’s official departure from the UK in January 2020. The amount will be determined during the 11- month transition period when negotiations are set to be finalized, estimated by the Office for Budget Responsibility (OBR) to be approximately 30 billion pounds.
Fisheries
During the transition period fishing will remain governed by the EU’s Common Fisheries Policy (CFP), this allows for access to all waters but the 12 nautical miles from the coast must not be breached. Every year the volume of fish that can be caught changes so national quotas can set, this is determined by the European Parliament. British skippers have sold parts of the British quota to other EU boats, 60% of the fish caught in British waters is caught by foreign boats. Leaving the EU now means that the UK will be considered an “independent coastal state” that will control an exclusive economic zone, a vast maritime territory of 200 nautical miles into the North Atlantic. The UK is aiming to reach an agreement that will allow them to have annual talks with the EU to discuss quotas and the status of UK waters, similar to Norway. EU member states are pressured by their fishing communities to maintain the status quo. Another concern is where the fish can be sold, most of the fish caught by UK fishermen are exported but most of the fish eaten is imported.

This constitutes a very complex negotiation that concerns the stock of fish to prevent overfishing, prioritizing certain larger industrial trawlers and figuring out trade deals for fishing ranks. Fishing only accounts for 0.1 % of the UK’s overall economy and some EU member states do not have access to the sea at all. The Office for National Statistics has concluded that fishing contributes to the UK economy by over 790 million pounds. In the political declaration that accompanied the EU Withdrawal Agreement, it was determined that a deal on fisheries would be reached by 1 July 2020.

MAJOR COUNTRIES AND ORGANIZATIONS INVOLVED
Northern Ireland
The deputy leader of the Democratic Unionist Party (DUP), the political party that allowed Boris Johnson to pass his Brexit Bill, addressed the case for a double customs plan for Northern Ireland. The British Prime Minister, Boris Johnson is aiming to agree on Northern Ireland remaining as part of the UK customs area legally, while also being a part of the EU’s customs territory. The Irish Separatist party (Sinn Fein), who has sought to reunite Northern Ireland with the Republic of Ireland strongly stands against a hard border as a result of Brexit. They have fought continuously to avoid strict border controls and measures between Northern Ireland and the EU member state, but have historically been opposed to the EU, originally supporting the “Remain” campaign in 2016. Their interests were met in the Brexit Withdrawal Agreement, where it states that Northern Ireland will maintain a soft border with the Republic of Ireland.
Gibraltar (non self-governing territory)

Gibraltar is a British overseas territory located on the southern tip of Spain. The territory almost unanimously voted in favor for the UK to remain in the EU (96%), due to their dependence on trade with EU member states. Their economy is based heavily on industries that benefit from the EU’s lack of trade barriers. Concerns circulate the status of citizens, as an EU member state the UK could resist Spanish efforts to reclaim sovereignty but now Spain has the support of the other 26 EU member states on the issue. Bilateral talks continue in parallel to the main Brexit discussions, border controls must be put in place between Gibraltar and Spain to prevent smuggling. An agreement has been reached to fight tax fraud and money laundering, details of the negotiation will be settled during the transition period. Spanish workers are concerned that their labor status will be affected by stricter border controls and limited movement of people, as they cross the border daily to work in Gibraltar. This is the case because of the lower incomes and the higher rate of unemployment that exists on the Spanish side. At the same time Gibraltar has one of the highest per capita GDPs in the world, making it crucial for the economy of the surrounding area.

Spain

Spain has the largest proportion of Britons out of any other EU state, but the focus shifts on the financial effect of Brexit on the Spanish GDP (Gross Domestic Product)\(^1\). The Bank of Spain estimates that in the next five years their GDP would drop by 0.8% (over $11 billion) as a result of Brexit. The UK is also Spain’s greatest European investor, allocating them billions of euros every year. Although Spain has a golden visa schedule to allow non-EU residents that buy property in Spain above a certain threshold to gain an EU visa, it is still uncertain if this will be the case for the UK, as it is a key to the Spanish housing market. There is also the challenge Spain must face when monitoring the border with Gibraltar, an overseas British territory, that provides a job avenue for many Spanish citizens.

France

After Brexit is finalized, France will be the only EU member state with a permanent seat on the UN Security Council and a significant military power including an independent nuclear deterrent. The President of France, Emmanuel Macron, has not kept secret his intentions to exploit the opportunities that will arise from Brexit in his pragmatic approach to recalibrate post-Brexit. France’s trade balance with the UK means that the British depend more on French exports. This would give the French government an advantage in the negotiation. France will also have an opportunity to rebuild influence on a new political European stage and strengthen its relationship with Germany to relaunch the project of European integration. Also, checks that take place on the French-UK border will remain unchanged during the transition period until 31 December 2020, both into and out of the Schengen Area.

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Germany
Germany is both a political and geographical barrier between the UK and the rest of the EU member states. The UK and Germany have guided projects such as the single market, the intense competition policy, and the trade deals based on liberal ideology. Since the Second World War, a balance was created when the UK was economically, democratically, and militarily strong enough to balance out the EU, Germany long feared that if it forced to lead Europe there would be complications. Brexit means that the European Council will no longer be overpowered by the north, despite this; Germany does not have support after the 2015 Migrant Policy that was rejected so it is often opposed. Germany is aiming for a German – British Friendship Treaty, that will allow Germany to still have the support of the UK, to combat the continent’s opposition.

United States of America
President Trump has long supported Brexit, hoping to pass a trade deal when the UK leaves the EU. However, the US congress has kept a strong stand voicing that if the situation in Northern Ireland is affected and not resolved by the Brexit Deal then no trade deal will take place. The USA and the UK both have advanced, free-market economies, a robust US-UK deal is potentially set to serve as a template for future bilateral agreements that could be made with EU nations, a deal such as this one could provide a newfound dependence on free trade. Despite this, Brexit could hurt the UK economy when Trump's exchange war and financial arrangements are expanding the danger of a worldwide downturn, threatening the UK amid developing signs that Northern Ireland and Scotland would think about leaving the Union.

Poland
In the future, Brexit may benefit Poland both in the aspect of investment and immigration. Many Poles have migrated to the UK seeking higher-paying jobs, leaving Poland with fewer workers. This could be an opportunity to reverse migration trends and benefit Poland’s long term economic growth, which is currently lacking skilled labor workers.

TIMELINE OF EVENTS

<table>
<thead>
<tr>
<th>DATE</th>
<th>DESCRIPTION OF EVENT</th>
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<tbody>
<tr>
<td>1972-73</td>
<td>The European Communities Act passed, UK officially a member of the European Community</td>
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<td>Date</td>
<td>Event</td>
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<tr>
<td>23 June 2016</td>
<td>A UK-wide referendum on EU membership was a result of pressure put on the prime minister David Cameron by the UKIP political party</td>
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<tr>
<td>29 March 2017</td>
<td>Invocation of Article 50 of the Treaty on European Union</td>
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<td>July 2017</td>
<td>UK and EU negotiators in Brussels officially begin Brexit talks</td>
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<tr>
<td>March 2018</td>
<td>Draft Agreement of the Britain Withdrawal published by the UK and EU</td>
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<tr>
<td>April 2019</td>
<td>EU approves a “flexible extension” of UK membership until October 31</td>
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<tr>
<td>9 September 2019</td>
<td>Benn Bill passed, prevents the UK form leaving EU with no exit deal</td>
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<tr>
<td>17 October 2019</td>
<td>New Brexit Deal presented in Brussels</td>
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<tr>
<td>19 October 2019</td>
<td>Prime Minister, Boris Johnson is obligated by Parliament to ask for another extension</td>
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<tr>
<td>28 October 2019</td>
<td>EU agrees to “flextension”, a flexible extension to the UK’s withdrawal from the EU until January 31</td>
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<tr>
<td>12 December 2019</td>
<td>UK General Elections- Boris Johnson elected Prime Minister, Conservative Party majority</td>
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<tr>
<td>23 January 2020</td>
<td>UK’s EU Withdrawal Bill becomes law, made possible by the conservative Party’s majority in Parliament</td>
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<tr>
<td>31 January 2020</td>
<td>The UK leaves the EU officially</td>
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<tr>
<td>1 February 2020</td>
<td>11- month transition period to settle final negotiations for all the elements and complications created by Brexit begins</td>
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<tr>
<td>25 February 2020</td>
<td>European council published negotiating directives</td>
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<tr>
<td>27 February 2020</td>
<td>The UK publishes its approach to negotiations</td>
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**RELEVANT UN RESOLUTIONS, TREATIES AND EVENTS**

**Treaty on European Union (TEU)**
Signed in 1992. Article 50 of this treaty was triggered by the UK in 2016 beginning the process of the UK leaving the EU, it is a provision explicitly providing a way of leaving the EU. It sets out two years for a member state to leave the EU, the UK had multiple extensions so that negotiations could be made to pass the Withdrawal Agreement in January 2020. UK completed article 50 on 31 January 2020 and eventually left the EU.

**Treaty of Lisbon**
An amendment to the Treaty on European Union and the Treaty establishing the European Community signed in 2009. It changes how the Union exercises its powers, it allows for the enhancement of citizen’s participation and protection, a new institutional set-up is created and modifications are made to decision making processes to allow for an increase in efficiency and transparency. A higher level of parliamentary scrutiny and democratic accountability is therefore attained.

**Treaty on the Functioning of the European Union**
One of the two main Treaties that form the basis of EU law. Signed on 25 March 1957 by Belgium, France, Italy, Luxembourg, the Netherlands, and West Germany and came into force on 1 January 1958.

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Vienna Convention on the Law of Treaties
An international agreement that regulates treaties worldwide between states. Adopted on 27 January 1980, as of 2018, it is ratified by 116 states. Allows for the upkeeping of all other relevant treaties. Article 67(1) requires a state that wants to invoke the Convention to withdraw from a treaty to notify the other parties in writing, these ways severely delayed after the Brexit referendum in 2016.

PREVIOUS ATTEMPTS TO SOLVE THE ISSUE

European Parliament Research Service (EPRS)
Published a briefing on how the withdrawal process will ensue, the emphasis that the withdrawal will take place regardless of negotiations being completed. There is a need for a framework to navigate future relations.

General Affairs Council
A recommendation adopted by the European Commission on 3 February 2020 was that the council was to authorize open negotiations for a new framework for partnership between the UK and the EU. Recommendation based on European Council guidelines and the preexisting Political Declaration between the UK and the EU. The scope and terms for this future partnership were outlined in the comprehensive proposal. The European Council published negotiating directives on 25 February; the UK approach to negotiations was published on 27 February.

POSSIBLE SOLUTIONS

Referendums
It may be held to regulate the UK’s territories such as Gibraltar on the status of its citizens.

Raising awareness
Engaging in negotiations and talks with all parties involved. Representatives from the UK and EU Member States, assisted by the United Nations.

Regulations
Provisions put in place to ensure that the European Convention on Human Rights (ECHR) is kept a prominent part of the UK’s constitution and not abused by the government. Also, strengthening existing European Trade Laws for LEDC’s such as the Generalized System of Preferences to monitor trade. Gaps left by the lack of UK
participation in providing support for LEDC’s in the form of financial aid must also be addressed.

Collaboration with ASEAN
The UK’s decision in June to leave the European Union will have a wide-ranging impact in Asia. The area of trade and investment will be majorly affected, partly because it will lead to the reconfiguration of trading arrangements between the EU and Asia, it will involve the Association of Southeast Asian Nations (ASEAN). As its third-biggest exchanging accomplice outside Europe after the US and China, the ASEAN alliance is a significant market for the EU. The EU is ASEAN's second-biggest exchanging accomplice, representing around 13 percent of absolute ASEAN exchange. EU companies invested an average of €19 billion (US$21 billion) annually between 2012 and 2014. Restructuring these agreements without the UK will be key to the upkeep of relations between the EU and Asia.

Funding
It allows for research to be done by large institutions to find new ways of dealing with the effects of Brexit. Those include the International Monetary Fund (IMF).

Transitional Agreements/Negotiations
Court of Justice of the EU (CJEU) could have a role in transitional agreements between the UK and the EU.

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