



THE IMPACT OF BREXIT ON THE UK ECONOMY AS SEEN IN THE FOREIGN DIRECT INVESTMENT (FDI) 2018-2020

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Abstract

This study aims to explain the background of the U.K. leaving the European Union membership, describe the U.K. after leaving the E.U. membership, and explain the effect of foreign investment, especially investment, on the British economy. This thesis is based on the basic framework of thought using the Neo-Liberalism paradigm, the concept of Foreign Direct Investment, and the idea of dependency. In searching for data sources, researchers use qualitative methods. The phenomenological case study approach is a research design that seeks to reveal and understand a particular case or phenomenon that has a relationship with the essence of an individual's experience of a phenomenon that is experienced. The results of this study explain that the decision made by the U.K. to leave the European Union indirectly impacts various sectors, such as investment. Since leaving the EU, British investment has declined because the market system is still waiting for policies issued by Britain and the European Union regarding international trade rules. This is also supported by interviews conducted by the author with the Ministry of Foreign Affairs, which explained that the U.K.'s departure from E.U. membership impacted direct investment. So, the exit of the U.K. from the membership of the European Union has a direct or indirect effect because most of the U.K.'s finances are supported by foreign investment.

Keywords: UK, European Union, Brexit, Foreign Direct Investment, Economy Politics, European Studies

INTRODUCTION

The British government's decision to join the European Union focused on implementing tax-free tariffs imposed between member countries, causing the U.K. to feel unable to compete in trade if it did not (Norman Davis, 2000). Before joining the ranks of European Union countries, the U.K. refused to join the European Coal and Steel Community organization in 1951 (Kurniawan, 2009). In 1972, the U.K. decided to join the European Economic Community (E.E.C.) with the Inner Six countries, namely Italy, Belgium, Germany, France, Luxembourg, and the Netherlands, which were successful in improving their country's economy. The U.K. also joined the European Free Trade Area (EFTA) to make it easier for the U.K. to trade with European countries (Faridah, 2018). Furthermore, in 1979, the Labor Party's power ended and was replaced by the Conservative Party under the leadership of Prime Minister Margaret Thatcher. Another problem faced by the U.K. during Thatcher's reign was the Common Agricultural Policy (C.A.P.), which was considered to burden E.U. member countries, including the U.K.

Therefore, England requested E.M.S. assistance in agriculture and food but needed to follow the Exchange Rate Mechanism (ERM) regulations. Under the government of Prime Minister Margaret Thatcher, several points were emphasized for British foreign policy, first, ensuring that England remains respected and not forgetting that England is a superpower that has a permanent position in the U.N. and has nuclear weapons. Second, there is a very close cooperative relationship with the United States government; third, the British government wants to unite Europe more deeply. England only wants to take advantage of their participation in the European Union without any deep ties. (Howard, 2001)

The sceptical attitude of the British people towards the European Union because of the European Union's policy towards England, the sceptical attitude emerged mainly in the monetary and financial union policy, the use of one currency, and forming a monetary union with the Central Bank. However, the Labor Party in the Tony Blair government launched a "back to Europe" where Tony wanted England to remain united in the European Union because if England isolated itself from the European Union, England's influence on the European Union would weaken (Reynold, 2009). However, David had to face the eurozone, where European countries were in crisis, and there were differences in attitudes between the European Union and the United Kingdom to deal with the crisis; in resolving the eurozone crisis, Britain's fears were realized because of the dominance of France and Germany over the resolution of the crisis experienced by the Bank and several European countries. The British government always makes improvements and reviews the effectiveness of Britain in its membership in the European Union, which causes several members to split into pros and cons of Britain's membership in the European Union organization. According to Robbie's view, in 2016, prime ministerial candidate David Cameron launched a campaign to hold a referendum on Brexit, and the result of the Brexit referendum of the British people was 52% on 23 June 2016. (Jamies, 2009)

After the referendum, Britain did not immediately leave its membership in the European Union. However, a Eurosceptic group emerged because of the open-door policy for members of the European Union. From 1995-2015, Britain experienced an increase in the acceptance of immigrants entering Britain to 3.3 million immigrants from 900 thousand, while the increase in British immigrants was inseparable from the employment and economic fields; this was conveyed by the Center of Economic Performance (C.E.P.). The increase in the population of England and immigrants has caused concern among British society about jobs that are increasingly difficult to find. (Indah Sari Lestari, 2016) The results of the above referendum also caused a split opinion between David and Boris Johnson, where David wanted England to remain in its membership in the European Union, and Boris did not (Poltak et al., 2009). Prime

Minister David Cameron also resigned because the referendum results surprised many parties. On 11 July 2016, David's leadership was replaced by Theresa May and Prime Minister Theresa May after failing to realise Brexit. On July 7, 2019, May resigned and was replaced by Boris Johnson on 24 July 2019. The Brexit process by Boris took two years because it was hampered by the Lisbon Treaty, where Article 50 states that when a country wants to withdraw from membership of the European Union, the country must inform the Council of the European Union no later than two years so that negotiations can be carried out and determine the terms of its withdrawal from membership of the European Union. (Dawis Daniel and Howard, 2021)

In addition, after Brexit, especially regarding the British Economy, there are many doubts from investors and business people because of Brexit. Since the Brexit referendum, British business activity has decreased drastically. The change index shows that as much as 85% of the movement of manufacturing businesses and service industries showed that in November 2016, the U.K. industry experienced the sharpest decline in activity. After Brexit on 1 February 2020, the British Economy could shrink by 14% in 2020 and become the most significant economic decline since the 1706 crisis; this was stated by the Bank of England index. In early 2020, the British Pound experienced a decline of up to 8%, dropping to \$ 1.22 and 5% lower than the Euro currency since the 2016 referendum decision. By looking at the phenomena above, the author formulates the problem: How Brexit Affects the British Economy in 2020. (Danial Darwis, 2020)

METODE

This study will use a qualitative research method by taking data from books, journals, articles, and organizational reports related to the research. The results of this study will be obtained from the analysis that links data and conceptual and theoretical foundations. Furthermore, the author uses a case study approach by looking at the events that occur as phenomena. Phenomenology is a study of observation or observation of events directly. (Herdiansyah, 2015). The data collection technique used by the author is the documentation technique, where data is obtained from various writings and sources in the form of books, journals, articles and other relevant data related to the research topic. This study will use an inductive data analysis technique from specific to general; the author will describe the facts of specific things to produce a conclusion and research answers. This study will explain the economic conditions of the U.K. after Brexit in 2018-2020 in terms of Foreign Investment received by the U.K. in that year, looking at the U.K.'s trade policy, which changed after Brexit. Then, the author will explain in-depth and conduct a specific analysis of the impact of Brexit on foreign direct investment received by the U.K. using the concept of Foreign Direct Investment (FDI) and the theory of neoliberalism.

RESULTS AND DISCUSSION

In 2014, the development of British cars was not so familiar to the public; one example is Indonesia. Even so, the progress of the British automotive industry is getting faster in other countries. It is proven that England can produce 1 million units of vehicles in only nine months. Based on data from Motoring research in September 2014, England managed to penetrate the vehicle production figure of 137,068 units. Although it did not always run smoothly, in July 2014, production had decreased by 2.8%. This also had an impact on 8.1% of exports. Even so, this did not impact the British domestic market much, which grew significantly by 17.7%. This also led England to become the holder of the best production record in the last six years, counting back from 2014, which had happened in 2008. This proves that England also has a respected European automotive industry (Sanjaya, 2014). Automotive enthusiasts and trading partners of the U.K. automotive industry felt a very positive impact in 2015, with a 2.7%

increase in global automotive trade and demand for car manufacturing increasing by 11% for the European market share due to the economic recovery in the European Union. According to Hawes, despite export challenges in some markets such as Russia and China, demand in other countries for British-made cars has been strong and is the first record for exports last year. The European Union is the U.K.'s largest trading partner, and UK membership in the E.U. is very important for the automotive sector to secure future growth and jobs (BBC.com, 2016). The U.K. economic performance was still quite solid in Q1-17, or the three quarters after the Brexit referendum in 2016.

G.D.P. in Q1-17 grew by 2.0% yoy, from 1.9% in Q4-16, driven by increased investment and government spending. Increased investment and trade activity improve the employment sector, as a decreased unemployment rate indicates. However, people's purchasing power tends to weaken due to slow wage increases amidst increasing inflationary pressures due to rising oil prices and GBP depreciation, so consumption growth slows down. In addition, net exports also suppress growth due to higher imports than exports. Sectorally, G.D.P. growth in Q1-17 was contributed by an increase in the production and agriculture sectors. Meanwhile, the acceleration of the service sector, which is the mainstay of the U.K. economy, was somewhat restrained (P.E.K.K.I., 2020).

On the other hand, developmental regionalism means the efforts of a group of countries in a geographic region to increase the economic complementarity of political units and their capacity as regional economies through a more comprehensive development strategy. To demonstrate the strength of British business, confidence in the UK-Japan economic cooperation relationship as the U.K. leaves the European Union, and potential for future growth, Prime Minister May made an initial visit to Japan after previously meeting with Prime Minister Abe three times. The two Prime Ministers met at the United Nations General Assembly in New York in 2016. The second meeting occurred at Prime Minister May's official residence when Prime Minister Abe visited the U.K. in April 2017. The second meeting discussed various international issues. Their last meeting was at the 12th G-20 Summit in Hamburg, Germany, in July 2017. Japanese Prime Minister Shinzo Abe asked May to do various things to prevent Brexit chaos that several giant Japanese companies feared. Japanese companies have poured 46 billion pounds or around Rp. 82.9 trillion into the U.K., thanks to the efforts of the British government since Margaret Thatcher promised them a friendly place for trade with Europe. The U.K. is committed to strengthening good relations with many potential countries after Brexit; in particular, the U.K. is interested in strengthening the automotive industry and establishing a trade agreement with Japan. British Prime Minister Theresa May visited Japan to meet with Toyota Chairman Takeshi Uchiyamada, Nissan Chief Executive Officer (C.E.O.) Hiroto Saikawa and Hitachi leader Hiroaki Nakanishi.

The meeting discussed the development of the automotive industry of both countries. After the meeting, May also held talks with Japanese Prime Minister Shinzo Abe. The British government said there would be a new trade agreement between the U.K. and Japan in the automotive industry, which is expected to be approved by Japan soon (Graves, 1993). The relationship between the Japanese and British automotive industries entered its 36th year in 2017. According to figures released by the S.M.M.T., demand for Japanese brand cars in the U.K. has soared by 38.2% over the past half-decade. At the same time, British-made cars have increased by 34.5% among the Japanese public, making Japan the U.K.'s sixth largest export market and the second largest market in the Asian market after China.

Entering 2018, Toyota will make the latest version of the Auris car at the Derbyshire factory; despite the threat related to Britain's exit from the European Union, Britain has managed to calm Japan. The manufacture of this Auris car will use the highest engine from the Welsh Deeside factory. This step follows an investment of £ 240 million to reinstall the Burnaston engine and equipment that will allow it to build the next generation of Toyota

vehicles (Muhammad, 2017). The U.K.'s economic performance was still solid in Q1-17, or the three quarters after the Brexit referendum (23 June 2016). G.D.P. in Q1-17 grew by 2.0% yoy, from 1.9% in Q4-16, driven by increased investment and government spending. Increased investment and trade activity impact the improvement of the employment sector, which is marked by a decrease in the unemployment rate. However, people's purchasing power tends to weaken due to slow wage increases amidst increasing inflationary pressures due to rising oil prices and GBP depreciation, so consumption growth slows down. In addition, net exports also suppressed growth due to higher imports than exports. Sectorally, G.D.P. growth in Q1-17 was contributed by an increase in the production and agriculture sectors.

Meanwhile, the acceleration of the service sector, which is the mainstay of the U.K. economy, was somewhat restrained (P.E.K.K.I., 2020). Considering the trade-off between inflation expectations and economic projections predicted to slow down due to Brexit uncertainty, the Bank of England (BoE) maintained an accommodative monetary policy stance. The BoE maintained its policy interest rate (Bank Rate) at 0.25% and continued its asset purchase program. The relationship between the Japanese and British automotive industries entered its 36th year in 2017. According to figures released by the S.M.M.T., demand for Japanese-made cars in the U.K. has soared by 38.2% over the past half-decade. At the same time, British-made cars have increased by 34.5% among the Japanese public, making Japan the U.K.'s sixth-largest export market and the second-largest market in Asia after China. The growth of the British market in Japan is due to the Japanese people's preference for luxury, premium cars and increasingly sophisticated engines; the UK itself is the second largest producer of luxury cars after Germany; the latest production figures show that at the beginning of 2017 12,656 Japanese drivers preferred British-made cars (smmt.co.uk., 2017).

In early 2017, Honda planned to increase investment in the U.K. by building a new factory to expand the factory in the Burnaston area. However, due to Brexit, Honda postponed the construction of the factory, and Nissan did the same thing, which will make two new electric vehicle models. For Japanese companies in the U.K., tariff policy will be essential for the future. Investment relations between the U.K. and Japan have sometimes run smoothly, and both face many obstacles. They are starting from the ups and downs of the British economy to the threat of Japan closing its automotive factory in the U.K., which is worried about the impact of Brexit, which could cause losses for Japan. These challenges first come from the U.K. itself and impact the U.K. and Japan; British companies are preparing the most significant investment cuts in the last ten years in 2019 due to Brexit. Even if Prime Minister Theresa May gets a deal to make it easier for the U.K. to leave the European Union. The British Chambers of Commerce (B.C.C.) estimates that business investment could fall by 1% this year.

Weak investment by companies drags down productivity, which causes wage increases and burdens the economy as a whole, according to Adam Marshall, B.C.C. Director General, political inaction has had economic consequences, with many companies putting the brakes on investment and recruitment decisions. Worse still, some companies have moved investment and growth plans as part of their emergency preparedness. Some of this investment may never return to the U.K. Many financial firms have set up operations in other E.U. countries. Car manufacturers are also scaling back their expansion plans in the U.K., with BMW saying it could move some production if there is a no-deal Brexit. In 2018, business investment fell every quarter. Official figures show that this is the most extended period of decline since the global financial crisis. Chancellor of the Exchequer Philip Hammond had hoped that investment would start to pick up once a Brexit deal was done. However, the B.C.C. said that the diversion of resources to prepare for the risk of a no-deal Brexit and the high costs of doing business in the U.K., as well as the U.K.'s future relationship with the E.U., would limit the recovery in investment (Campbell, 2018). The challenge for the U.K. in investment is that if we look at the ups and downs of the U.K. economy due to Brexit, this affects foreign investment in the U.K.

However, it does not always have a negative impact when the U.K. experiences economic ups and downs; the value of foreign direct investment in the U.K. increased in 2017, the first year after most British citizens decided to leave the European Union. This increase was also the highest in the last eight years. The U.K. Office of National Statistics reported that long-term investment in the U.K. by foreign and domestic companies reached 1.564 trillion pounds or equivalent to USD 2.06 trillion. This value is 12 billion pounds higher, or 0.8%, compared to 2016 (Ventura, 2018).

Amid the ups and downs of the U.K. economy, on the other hand, Japan, which is also a U.K. partner in investing, faces external threats against the trade war, which ultimately forced Japan to hold back its investment, including its investment in the U.K. Amid concerns about the impact of the trade war between China and the United States, Japanese companies plan to increase capital spending this year. However, they remain vigilant and hold back investment until there is certainty regarding the trade war. Tight import tariffs and trade war uncertainty have also affected Japanese companies, especially those with businesses in China. Japanese investment is affected by the trade war friction between the United States and China, so Japan is holding back investment until the outlook becomes clear. Motor maker Nidec Corp and automation equipment manufacturer Yaskawa Electric Corp have also cut their annual operating profits due to weakening demand from China (Pertiwi, 2019).

A company survey showed that around 40% of Japanese companies see trade war friction impacting sales and profit plans in the next fiscal year. However, large companies said they still plan to increase investment by 14.3% in the fiscal year ending in March. On the other hand, the increasing trade war tensions threaten Japan and have caused global companies to shift production and supply chains out of China. They are looking for new facilities in several Asian countries and building new supply chains. As many as 25% of companies surveyed said they would review their supply chains in the coming fiscal year. The trade war has also impacted employee welfare in Japanese companies. This year's uncertainty of profit prospects is why companies have not increased basic salaries. Among companies that plan to increase basic salaries, only one in 10 intends to increase salaries significantly. This is because private consumption contributes 60% of the economy.

The investment challenges of the U.K. and Japan are analyzed using the Foreign Direct Investment (FDI) concept, where multinational companies can develop their subsidiaries in other countries that are export destinations to facilitate export-import activities and save costs. Transfer of technology and knowledge between countries. In line with R. Vernon's opinion regarding the Product Cycle, Japan has tried to innovate, develop new markets and seek standardization of products created according to research so that the challenges regarding investment after the Brexit transition can be adequately overcome.

With the Brexit transition, many companies initially wanting to invest in the U.K. withdrew. This is evidenced by Japanese companies holding back from investing in the U.K., one of which is Nissan. Nissan is a Japanese company engaged in the automotive sector. However, since the Brexit issue and the U.K.'s exit from E.U. membership, Nissan has held back from investing in the U.K. This is because Nissan considers that Britain's exit from the European Union could hamper the supply of Nissan cars to the European Union. This is because Britain is no longer a member of the European Union, so if the Japanese government wants to export cars from Britain to members of the European Union, another agreement with the European Union is needed.

Therefore, the Japanese company Nissan is still reviewing the U.K.'s relationship with the European Union. This is to the Contagion effect, defined as a significant increase in relations in several financial markets after a shock is transmitted to several countries or groups of countries (Barry E, 1996). One of the impacts of the contagion effect is a financial crisis, which involves the finances of the country concerned. This crisis cannot be linked to observations of

changes in macroeconomic factors or other fundamental factors because it is related to the behaviour of investors or other financial institutions. In other words, the standard theory of finance cannot explain. The financial crisis in a country can cause investors to withdraw their investments regardless of the fundamentals of the country's economy. This contagion is often caused by irrational investors, leading to financial panic, herding behaviour, loss of behaviour, and increased risk aversion. This is happening in the U.K., where many investors are starting to panic about the U.K.'s exit from the European Union because the U.K.'s exit will cause an additional 10% cost to enter the European Union market.

In addition, many workers in the U.K. are from the European Union and require a work visa to work in the U.K. In addition to Nissan, Honda's factory in Swindon, U.K., has announced that it will stop production in 2021 after operating for almost 30 years. The factory employs at least 3,500 people, but Swindon is a small town with only 180,000. Suppliers, food and hotel businesses, and even cleaners outsourced by Honda will undoubtedly be affected, with an estimated 7,000 jobs. When Margaret Thatcher (PRIME MINISTER of Great Britain in 1985) persuaded Honda executives to open a factory in the U.K., they were promised an "E.U. business gateway" because there were no import tariffs between E.U. member countries. However, import tariffs will be imposed since the U.K. left the E.U. This has caused investors to withdraw from the U.K. because there is no guarantee for investors regarding imports of goods from the U.K. to the E.U. This is proven by the decline in investment value of 150.8 T in 2019. The impact experienced by the U.K. is by the contagion effect, where changes in fundamental factors affect a country's economy. This happened in the U.K., where it chose to leave the European Union membership, which resulted in a decrease in investment in the U.K. As previously explained, the U.K.'s exit from the European Union membership has affected several economic sectors, such as the automotive and trade sectors. From the previous explanation, it is one of the countries affected by Brexit. This is because Japanese cars are widely exported to various countries in the European Union. However, since Brexit, the Japanese automotive industry has been required to pay an additional tax of 10% of the value of the goods sold. This impact was also felt in the trade sector experienced by the U.K., where one of its largest investors, Qatar, held back its investment after Brexit. Before the U.K. left the European Union, Qatar promised to invest 45 billion U.S. dollars in energy, health, trade and education. However, since Britain officially left the European Union, Qatar has withheld investment in the country. The same thing was done by Ireland, which withheld its investment in the food industry.

It should be noted that Ireland and Northern Ireland are the largest investors in Britain's food sector. Their factories have even been established in several cities in England. Since Britain's exit from the European Union, many workers in food sector factories have been forced to be laid off because most do not have permits to work in England. Based on the explanation above, there has been a decline in investment in the U.K. from 250 T to 150 T. This started when there was issue that the U.K. wanted to leave the European Union in 2016 until 2020, when the British government decided to leave the E.U. This decline was caused by a lack of market confidence in the policies issued after leaving the E.U. After announcing its exit from the European Union; the British government made new rules for investors and migrant workers who wanted to work in the U.K. This is what caused many investors to postpone investing in the U.K. (BBC.com, 2020)

From the data explained above, supported by the results of the author's interview with the Ministry of Foreign Affairs represented by Mrs Nidya Kartikasari as Director of Intra-Regional and Inter-Regional Cooperation for America and Europe, she stated that the results of the referendum conducted by the U.K. could not be immediately effective, because there had to be a negotiation process carried out by the U.K. and the European Union regarding several business sectors on both sides. It was added that the U.K.'s exit from the European Union

membership made some investors hesitant to invest because the negotiations between the U.K. and the E.U. have yet to reach a definite agreement and tend to change. In addition, countries outside the region, such as China, are affected by the U.K.'s exit from the European Union membership. This is because, in 2021, the Chinese government wants to build the Infrastructure Asia Investment Bank in the U.K. However, since the U.K. left the European Union membership, the steps taken by the Chinese government have been delayed because there are no clear regulations regarding trade routes between the E.U. and the U.K., and the target market it wants to reach is the European community. Mrs Ninda also explained that every policy implemented by a country that is related to cross-border countries would undoubtedly have a significant impact on politics, economics, and socio-culture. Therefore, a deeper review is needed in making policies, especially since the European Union is a fairly old organization today, so countries that leave membership will be affected directly or indirectly. (Interview, 4 January 2023)

Based on dependency theory, it shows that the backwardness of economic growth experienced by third world countries, and is unequal to industrial countries, is due to the factor of "dependence" or participation in the global capitalist economic integration system. It is worth remembering that dependency theory is one of the emerging approaches, especially from the perspective of third-world countries, towards the consequences of modernity characterized by the development of the capitalist industry. (Andre, 1960) This theory explains that England has also been dependent on the European Union for a long time. Moreover, the industries operating in England are run by British citizens and from European Union countries. This indirectly has an impact on England. It should be noted that the quantity and quality of the available workforce depends on how many people were born in England and how many migrants come to the country to work.

In addition, if we look at the paradigm used in this study, namely neoliberalism, we see that trade or economic cooperation is not based on countries with countries. But from a country with a supranational organization, namely the European Union. Therefore, this study also explains that the relationship between the cooperation carried out by the European Union and the U.K. makes both parties dependent. As a member of the previous E.U., the U.K. needs to improve its ability to prevent citizens from other E.U. member countries from coming to the U.K. to work. The British government feels that it cannot control the level of immigration from other E.U. countries, which is one of the critical factors for Brexit, even though the British government has previously issued policies to limit immigration as a member of the E.U. Therefore, a critical way Brexit can impact economic growth is by accelerating changes in immigration policy. This could be stricter for E.U. citizens or more targeted to attract certain types of migrants. Changes can also be made to immigration rules for non-EU citizens. Migrants generate additional economic output for the U.K. rather than taking jobs that native-born workers would otherwise do. In addition, immigration may affect U.K. productivity. The direction of this effect is theoretically ambiguous.

On the one hand, migrants may have skills complementary to those of U.K. workers, allowing them to earn more, or the arrival of migrants may encourage UK-born workers to upgrade their skills. On the other hand, easy access to a ready supply of workers may reduce the incentive for firms to invest in technology and machinery to increase productivity. Productivity growth is essential for raising living standards. However, the factors that drive productivity growth need to be better understood. Productivity in the U.K. grew steadily at around 2% per annum in the decades before the financial crisis.

CONCLUSION

The author concludes in the results of this study that the U.K.'s exit from the European Union has had many impacts on the country. This is because the UK has been a member of the European Union for a very long time; at that time, there was a dependency between the two parties, which impacted the economy, politics and socio-culture. One of the impacts was the decline in the economic sector experienced by the U.K. when it left the European Union in the form of a decline in investment that had existed in the U.K. for a long time. However, many parties have considered investing in the UK since the U.K. left the European Union.

This can be seen from the policies of several countries, such as Japan, where many Japanese automotive companies are in the U.K. However, since the implementation of new tariffs from the European Union, the automotive industry in Japan has been held back because every shipment of goods to the European Union will be subject to a return fee. A similar thing was experienced by Ireland and Northern Ireland, where both countries invested heavily in the food sector in the U.K. This is evidenced by the number of Irish and Northern Irish companies throughout the U.K.

However, since the U.K. left the European Union, many employees working in the Irish and Northern Irish food industry have been forced to be laid off because they do not have work permits. Working in the U.K. requires a work permit. In contrast, before leaving the European Union, the British government and the European Union made it easier for citizens to work across borders.

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