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BREXIT'IN BİRLEŞİK KRALLIĞIN ULUSLARARASI SİYASETİNE VE MAKROEKONOMİK GÖSTERGELERİ ÜZERİNE ETKİLERİ

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UNIVERSITY OF GAZİANTEP
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IMPACTS OF BREXIT ON UNITED KINGDOM'S INTERNATIONAL POLITICS AND MACROECONOMIC RATES

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ABSTRACT

IMPACTS OF BREXIT ON THE UNITED KINGDOM'S INTERNATIONAL POLITICS AND MACROECONOMIC RATES

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Britain's decision to exit the European Union, which is abbreviated as Brexit, is a culmination of events in the history of EU-UK relations and this process will have crucial consequences on both continental and global scale. Therefore, this study focuses on determining the impacts of BREXIT on the United Kingdom's international politics and macroeconomic indicators through analysing the United Kingdom-European Union relations from a global perspective regarding the historical background, political aspects, and economic matters. From the perspective of historical background, the impacts of it on the UK's international politics will be shown by the fact that Brexit has its roots in its close history. In this regard, from Winston Churchill to Theresa May, the UK governments' approach to the EU will be examined. Furthermore, by using the data sets such as Gross Domestic Product (GDP), Total Investment (TI), Inflation Rate (IR), Unemployment Rate (UR), General Government Total Expenditure (GGTE), General Government Net Debt (GGND), and Current Account Balance (CAB) between 2006-2023 obtained from International Monetary Fund Outlook Database and t-Test: Paired Two Sample for Means, a statistical method, the impacts of Brexit on UK's macroeconomic rates will be determined. In conclusion, the results of t-Test analysis has shown that Brexit decision is expected to bring an important advantage to the UK because Brexit significantly affects 4 macroeconomic indicators out of 7 macroeconomic indicators discussed in the thesis. However, even if the current situation looks positive, it is still difficult to determine the impacts of Brexit on the macroeconomics of the UK because the studies on Brexit are mostly based on estimated values. Therefore, it is also expected that the ongoing Brexit negotiations between the EU and the UK might cause serious political and economic negativeness and uncertainties in the near future.

Key words: Brexit, Macroeconomic Indicators, Politics, European Union, International Relations, English Global Politics, t-test analysis

ÖZET

BREXIT'İN BİRLEŞİK KRALLIĞIN ULUSLARASI SİYASETİ VE MACROEKONOMİK GÖSTERGELERİ ÜZERİNE ETKİLERİ

KAYA, Fatih
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Brexit olarak kısaltılan İngiltere'nin Avrupa Birliği'nden ayrılma kararı Avrupa Birliği - İngiltere ilişkileri tarihindeki olayların bir birikimidir ve bu süreç hem kıtada hem de küresel ölçekte çok önemli sonuçlar barındırmaktadır. Bu nedenle, bu çalışmanın amacı Brexit kararının Birleşik Krallığın uluslararası siyasetine ve makro ekonomik göstergeleri üzerine etkilerini Birleşik Krallığın Avrupa Birliği ile ilişkisini siyasi ve ekonomik açılardan analiz ederek belirlemektir. Brexit öncesi ve sonrası perspektifinden, Brexit kararının Birleşik Krallığın uluslararası siyaseti üzerindeki etkileri Brexit'in köklerinin ülkenin yakın geçmişinde olduğu bulgusuyla gösterilmektedir. Bu bağlamda, Winston Churchill'den Theresa May dönemine kadar Birleşik Krallık hükümetlerinin Avrupa Birliği'ne bakış açıları değerlendirilmektedir. Ayrıca, 2006-2023 yılları arasında Uluslararası Para Fonu veri tabanından alınan Gayrisafi Yurtiçi Hasıla, Toplam Yatırım, Enflasyon Oranı, İşsizlik Oranı, Toplam Hükümet Harcamaları, Toplam Hükümet Borçları ve Cari Hesap Dengesi veri setini ve istatistiki metot olarak t-Test analizini kullanarak Brexit'n Birleşik Krallığın makroekonomik göstergeleri üzerindeki etkileri belirlenmektedir. Sonuç olarak, Brexit bu teze konu olan 7 makroekonomik göstergeden 4'ünü anlamlı bir şekilde etkilediği için t-Test analiz sonuçları Brexit'in Birleşik Krallığa önemli bir avantaj sağlayacağını göstermiştir. Mevcut durum olumlu görünse dahi Brexit sonrasına ilişkin çalışmalar çoğunlukla öngörü temelli olduğu için Brexit'in Birleşik Krallığın makro ekonomik göstergeler üzerindeki etkilerini belirlemek hala zordur. Bu yüzden Avrupa Birliği ile Birleşik Krallık arasında sonuçlanamayan Brexit sürecinin yakın gelecekte ekonomik ve siyasi açıdan büyük olumsuzluklar ve belirsizliklere neden olabileceği beklenmektedir.

Anahtar kelimeler: Brexit, Makroekonomik Göstergeler, Avrupa Birliği, Uluslararası İlişkiler, İngiltere Küresel Siyaset, t-Test analiz

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CHAPTER ONE

INTRODUCTION

The process of Britain’s exit from the Europan Union has been labelled ‘Brexit’ as a short term standing for British exit from the EU. The United Kingdom ended its 43 year-old relationship with the EU as a result of the public referandum held on Thursday 23 June, 2016. In the referandum, in which the participation rate was 71.8% with more than 30 million people, ‘Leave’ became the winner over ‘Remain’ by 51.9% to 48.1%. In the Brexit referendum, 52% of the people in Britain voted to leave the EU. However, Brexit is expected to have profound implications for the future of the EU and international politics in the long-term, about four years. Leaving the EU in terms of foreign policy seems to leave the United Kingdom facing many challenges. The time period between the UK’s entrance to the EU (Common Market at that time) in 1973 in its third application until its leaving in 2016 was not a fully agreed and integrated membership. In fact, this was a difficult relationship from the beginning.

The decision to leave the European Union is a very important step in terms of the member countries, with many social, cultural, political and economic impacts. It is predicted that the economic, political and institutional uncertainty following the Brexit referendum will have many politic and macroeconomic consequences for the UK and especially for the developed Euro-Zone economies and the world politics. The United Kingdom, on which the sun metaforically never set mainly in the 19th and early 20th centuries due to its hegemony all around the world, has been in conflict with its allies such as Germany, Russia and France from time to time when its allies also were interested in the same trade routes and markets. This stimulation confronted the allies because of the clash of the interests. This marks the different understanding of the European integration between the UK and the EU. The European Coal and Steel Community signed by the Treaty of Paris continued to exist successfully. In the post-World War II period, it brought the desired peace. Although the contribution of British statesman Winston Churchill in the European integration process could not be denied after World War II, he did not include Britain in the integration he mentioned in his 1946 speech in Zurich as follows:

> "…….I now sum up the propositions which are before you. Our constant aim must be to build and fortify the United Nations Organisation. Under and within that world concept we must recreate the European family in a regional structure called, it may be, the United States of Europe, and the first practical step will be to form a Council of Europe. If at first all the States of Europe are not willing or able to join a union we must nevertheless proceed to assemble and combine those who will and who can. The salvation of the common people of every race and every land from war and servitude must be established on solid foundations, and must be created by the readiness of all men and women to die rather than to submit to tyranny. In this urgent work France and Germany must take the lead together. Great Britain, the British Commonwealth of Nations, mighty America - and, I trust, Soviet Russia, for then indeed all would be well - must be the friends and sponsors of the new Europe and must champion its right to live. Therefore I say to you "Let Europe arise!"……" (Winston Churchill's Zurich speech).

Britain's stance during this period is aimed at preserving the existing sovereignty and independence while supporting integration in Continental Europe. This stance also shaped the general attitude of Britain to the European Community in later periods (Dinan, 2005). The UK has become a country where European skepticism developed, because it is both geographically distinct from the European continent and because it feels psychologically distant from the European integration movement. Factors such as language, religion, culture, identity, history or economy can affect European skepticism in a country. The fact that the UK is far from most of the Union's common policy areas, is not included in the Schengen Area, does not accept the euro as a currency, has a suspicion for the Economic and Monetary Union, and even has the idea of leaving the Union, proves the existence of European skepticism in the country. Considering the foreign policies of governments in the UK, which is considered one of the most developed countries of European skepticism, the approach to European skepticism is generally thought to be influenced by economic policies. Britain, rather than being a part of European integration, exhibits a model of participation based on benefit relationship, involving partnerships and having reservations in the majority of revision texts. The continuation of this attitude in the period of the membership of Britain, or even before the integration movement, and in the period of both the Conservative Party and Labor Party; It is an indication that Britain is doing its activities to benefit from the benefits of the European Union rather than being a part of deepening in the EU-England relationship. At this point, it is possible to say that the anti-European attitude that Britain has recently led by Cameron was the reaction to both European federalism and German sovereignty and the economic crisis in Europe. It is seen that economic factors are effective in determining the foreign policy behaviors of Britain and the spread of European skepticism, but also political or social factors such as national sovereignty and national identity may come to the fore due to the periodical developments (Saygın and Ultan, 2016). Therefore, it can be said that conflicts are a part of the politics just next to the good relationships. Having been affected by the hostilities within in the Europe, the United Kingdom has been neither totally out of the game nor totally in the game.

Due to the lack of clarity of the process that will be initiated in coherence with EU legislation and lack of the clear future of the UK's ties with the EU also the problem of how the mutual relations would evolve, there are some different opinions within the frame of the social, cultural, political economic advantages and disadvantages, which will stem from the divorce period. For instance, the results of the British referendum are manifested as a manifestation of long-standing discontent with the EU integration process and with the growing European skepticism in other EU countries. In particular, the radical right and left sections have developed an anti-EU and anti-migration strategy, using concerns about their discontent in their communities, their economic distress, the changing environment around them and the effects of globalization. As an island country, the United Kingdom has physically lived seperately from the Europe before communication and transportation services started to make everything easier and led to more interaction with the Europe continent. However, the feeling of isolation might be said to be so strong that it might have remained on the people of the island mainly because the UK is used to give orders rather than take as an old empire. Therefore, the process of Brexit is a –take control back- action.

The potential difficulties in the transition process from the EU to the separation of the EU and new agreements lead to increased uncertainty and stress. In case of separation from membership, how the relations between the UK and the EU will take shape is a source of concern and the new conditions that will arise as a result of the negotiations expected to last for a few years are of great importance. This is a serious concern for the UK, with the start of a two-year negotiation process within the framework of Article 50 indicated in European Union Legislation. The UK will be able to implement trade agreements that will require no tariffs with the continental Europe and by this way avoid any kind of restriction or quota in business and economic relation with EU countries, and, in contrast to the Customs Union, implement its own policies to regulate its all sort of import and export with non-EU countries. Here, the result requires that as an island of non-Europan, the UK will have to comply with a number of regulations in areas such as product standards, technical standards, labor market, health, safety and competition policy, and as the scope of the trade agreement increases, the scope of the regulations will expand. A UK-specific model or a Canadian-type free trade agreement is likely to increase the UK's control power. However, it is predicted that an agreement in favor of the UK will not be favored by the fact that Britain's departure from EU membership does not create a motivation to leave in other EU countries.

Despite the statements from Germany that this process is irreversible, the fact that the UK side did not seem too hasty at the beginning to speed up the process at times brought to mind the question whether or not the exit was abandoned. However, the Brexit process was officially initiated as Tim Barrow, the UK representative of the United Kingdom, handed the letter of Theresa May asking for the start to process of the 50th article in Lisbon Treaty on March 29, 2017, to the President of the European Council, Donald Tusk. It is planned that the negotiations will be completed within two years.

The main reason why the process seems a little complicated and unknown is that no country has ever applied to leave the European Union. In general, countries that are trying to join the EU will now be able to witness the exit from the Union through Brexit and see how the agreements and negotiations work.

The UK's entry into the EU has never been so easy and fast, it seems to be similarly theatrical. As the negotiations will spread over a two-year period, a gradual and soft progress is aimed. Until the negotiations are concluded, the United Kingdom will continue to be a member of the European Union and the European Union laws will be in force in the country.

If there is no extraordinary development, the Brexit process will proceed with the following steps:

1) President of the European Council, Donald Tusk, will prepare a guide on the Brexit draft following the progress of putting the 50th article into effect, and this work will be presented to 27 European Union members.

2) Following the adoption of these principles, the draft law restoring the rule of the EU laws will be submitted to the Parliament of the United Kingdom and then the negotiations between the delegations will begin.

3) Michel Barnier, the chief negotiator of the European Union, aimed to complete the first stage talks by the end of 2017. If the United Kingdom Parliament accepts the draft law restoring the rule of the EU laws as of the beginning of 2018 and the Queen approves it, the Brexit conditions can be expected to be cleared before the end of 2018. (In this case, the United Kingdom Parliament must also deal with a series of laws simultaneously to compensate for the legal loopholes that will arise after the European Union law is closed.)

In the meantime, before the end of 2018, a possible Brexit treaty should be approved by the Council of the European Union and the European Parliament after the approval of the House of Commons and Lords. Of course it should be noted that in order to be accepted by the European Union, 72% of the population of EU member states is required to approve at least 65% of the population. When all this is achieved, the UK will be able to leave the European Union in a negotiated way.

The parties are aiming for a final exit agreement on March 29, 2019. Although no final decisions are made on how much the kingdom owes to the EU, the royal citizens living in other EU countries and the fate of the other EU country citizens living in the United Kingdom, there is an agreement between the parties outlined on these three articles.

For the post-accession process, both the Kingdom and the European Union seem to agree that there should be a transformation process to be initiated after the accession. It is emphasized that this period of transformation is necessary for the citizens to comply with the laws that will change between the EU and the UK. It is also believed that the transformation process will provide the necessary time for the new relationship between the royal and the EU to be established. During the transformation process, relations and mechanisms between the EU and the UK will continue as if membership is not over.

The EU wants this process to take about a year from the end of the UK membership. But the Kingdom does not find this period enough to be about two years or as long as it wants to extend. Finally, if a treaty cannot be reached, or even if a country refuses to extend the negotiations, the UK will have to leave directly from the EU without any agreement.

First of all, it will be necessary to carefully monitor the position of Brexit as an unpredictable risk area against the EU. If a profile arises that is difficult to make the EU accept their wishes; in other words, it should not be forgotten that the current image of the United Kingdom will be damaged if the party that determines the rules of the exit and accordingly the free trade agreement appear only as the EU. The attitude of the EU towards compromise demands will not be very flexible, in order to push the EU apart from other euphoric voices, as well as to encourage masses who are warmer to staying in the Union, as in the case of Northern Ireland. The EU will also want to keep it in its own axis, not in front of the UK, in other words, from alienation. On the other hand, the United Kingdom has to maintain its relations with the EU on a soft basis in many respects, and its most important demand will be access to EU markets. As a result, Brexit will take place when both parties find a pragmatic relationship model at their most efficient point. For this reason, Brexit will be a complex and tiring bargaining process as well as a very challenging public diplomacy competition area for the parties. It is going to require some time for the United Kingdom to reformulate its internal and external trade policies globally, and to introduce the newly formulated system to its stakeholders in post-Brexit process.

As the UK will be the first country to leave the EU after the completion of the process, the course of this separation process will have a great uncertainty for both the UK and other EU countries. The separation of membership and the framework of the UK-EU relations in the upcoming period is a highly challenging process, which is expected to take a long time. Therefore, this study will focus on the potential costs and advantages of the UK's departure from the EU, especially for the UK, firstly, a general evaluation will be given by giving information about the historical background and political affairs of the relationship between the UK and EU, and then by using t-test analysis method, possible effects on the macroeconomic indicators that will be affected by the process, such as Gross Domestic Product, Total net investments, regulations, labor market, public finance and migrant issue, etc. will be estimated.

CHAPTER 2
THE UK-EU RELATIONS IN THE HISTORICAL CONTEXT

The relations with the European Union have progressed in the direction of the Community since the UK membership, which has been difficult to participate in the EU. Britain has started her in the European Union membership process during the reign of Prime Minister Edward Heath, the Conservative Party leader. Within the scope of this chapter, from the perspective of historical period, the UK-EU relations will be evaluated economically and politically; It will be tried to comment on the political impact of economic policies in the UK's EU membership process. However, in this evaluation, the periodical attitudes of the British Government will be compared. In the historical process, the approaches of British governments towards the European Union will be analyzed in the context of foreign policy attitudes of governments and the road to Brexit. After mentioning the pre-accession status of the UK, the UK will focus on the political relations between the European Union and the ruling period.

2.1. The UK-EU Relations Before the UK Participation in the European Union

The UK's accession to the European Union and its relations with the European Union followed a fluctuating policy. In the early years of the Community, Britain preferred a structure that contained more economic cooperation and did not limit state sovereignty and therefore did not look to the European Community. Although the contribution of British statesman Winston Churchill in the European integration process after World War II could not be denied, he did not include Britain in the integration he mentioned in his 1946 speech in Zurich. Britain's stance during this period, while supporting the integration in Continental Europe, the current sovereignty and the protection of its independence. This stance has also shaped the general attitude of Britain to the European Community in the future (Dinan, 2005:300). At the same time, Britain saw itself as a world power rather than merely a European power: it is so much that Churchill's trilateral structural classification involving the USA, Commonwealth and Europe summarized the view of the British administrative elitists of that period: we are with the Europe but not of it (Caşın,2013:64). Britain gave an open support for European integration especially supported the relation between France and Germany mainly because stability in the Europe would be nothing but the best of the Britain. Europe is a strong market and it should have been empowered. In his famous Zurich speech, Churchill openly expressed his approach to the European Union. But the British political leaders gave priority to what Churchill had called their own dream and task. These had two components: the commitment to the Commonwealth and the notion of a special Anglo-American relationship (Urwin 1995:31).

The world peace is difficult to keep without some internationally agreed creative and compherensive efforts. The devastating outcomes of the World War II forced the international system to look for and find new solutions for the changing world problems (Jones, 2018). For example, Robert Schuman, the Foreign Minister of France in that period, presented a declaration on the 19th of May,1950 in Paris, which would set the basis for what is European Union now. This declaration put forward the idea of establishing a supranational High Authority that would be a mechanism for pooling the coal and steel production of the France and Germany. The fundamental thought behind Schuman's Plan was that, by uniting the coal and steel industries of the Ruhr and Lorraine under supranational control, German economic independence would be curtailed, and a strong bond would be forged between France and Germany which would make war between them an impossibility (Dell, 1995:15).

The European Coal and Steel Community, as well as the European Atomic Energy Community and the European Economic Community, established in 1957 under the Treaty of Rome, were able to survive. In the post-World War II period, it brought the desired peace. The successful existence of the three Communities, which were founded by the 1951 Paris Treaty, and the Treaty of Rome in 1957 gave rise to the establishment of an organization which has enacted the UK and does not restrict the powers under the European Free Trade Area (EFTA) as a competitor to the European Community. Germany, France, Italy, Luxembourg, Belgium and the Netherlands, known as the, First Six,, successfully formed the European

Communities. The 1960s are a good time for economic growth for the European Communities. As a reflection of this good period, the Customs Union was already completed before the estimated and the continuity of these Communities has also mobilized England, which does not involve. England, who did not wish to be left out from an effective initiative that is European Union, wanted to be a part of it and applied in 1961. However, during this period, Britain's close relationship with the United States and the meeting of the British Prime Minister with the President of the United States, Kennedy, have put the French President Charles de Gaulle in doubt. This situation by influencing Britain's membership in the European Communities, France resulted in a veto of Britain's membership. In this process, de Gaulle asserted that Britain was not yet ready for a radical economic and political transformation to join the Six. The veto of England depends on two main reasons. The first of these reasons was that during the war the British immersed the French ship; the second is that the UK has close relations with the United States (Ülger, 2010:39). In 1967, the application again The United Kingdom, for the same reason, could not join the European Community. After Gaulle's resignation as French president in 1969, Britain joined the European Community in 1973.

2.2. The UK-EU Relations from UK's EU Membership to Brexit Decision

Britain's participation in the European Community was not easy; the relations with France, as well as the French President de Gaulle's attitude towards Britain, delayed this process as much as possible. In addition, it is another factor that the UK does not show the necessary attention to the initial formation of the Community and that the Community only sees the solution to the French-German problem. Moreover, it is not possible to say that the UK is not very interested in the political alliance within the Community and specifically the submission of the powers to a higher authority by the member states. Considering all this, the relationship between Britain and the Union, it can be said that the reflections are in fact an extension of the current relations since the initial years of membership.

2.2.1. Edward Heath's Period

The inclusion of new members in the 1970s caused some changes within the Group in the collective sense. For instance, the European Parliament, with the Luxembourg Treaty of 22 April 1970, succeeded its first budget in 1979 and managed to head directly to the first elections in 1979. In Paris, especially, in 1974, the European Community leaders asked one of the advocates of European federalism, Belgian Prime Minister Leo Tindemans, to form a report that will include the European Communities and intergovernmental dialogues until 1975. While Tindemans backs up the institutional structure of the Council of Europe, it aims at further empowering the Commission and the European Parliament; it also put forward some innovations in the Council, one being an unanimous vote. Nonetheless, the report pulled many members from the United Kingdom and France. Britain's reaction to the qualified majority. The responses of the member countries have caused the Tindemans report to be a failure. In the UK, inflation rate in the 1970s was over 13% and oil crisis with its damaging consequences lead to an financially hard period; and a referendum regarding if keeping membership of the European Community (EC) or not in 1975. Nonetheless, after the referendum results, it is understood that the maintenance of the membership status of the UK is wanted at a rate of 67%. During the referendum, British Prime Minister of that time, Edward Heath, hold the side of the European Community, and it can be said that the UK's joining to the Community and the accession negotiations were noteworthy gainings in Heath's period (Roberts, 2010:734).

2.2.2. Margaret Thatcher’s Period

The economic and political process of Britain's relations with the Union makes an understanding of the reason of the hesitant relationship necessary. The period of Margaret Thatcher is really significant in two sides; the one is that European skepticism (Euroscepticism) emerged and the second is that the period when Britain's financial policies were contrasting from that of the Union. During the period of Margaret Thatcher, in the context of the British-European Union relations, the perspective of European skepticism will be discussed, the economic policies will be studied and the foreign policy that was followed during this period will be discussed (Saygın and Ultan, 2016).

European skepticism is known as being one of the most influential factors determing the distance between the relationship of Britain with the Community. As a term, European skepticism emerged in the 1980s and it was initially used by Paul Taggart in the literature of politics. According to Taggart, the European skepticism, in its largest sense, is explained in the form of being against the European integration and to the suspicion (Taggart, 1998:365). But, the level of this opposition is important, too. For that reason, a difference was made between hard and soft European skepticism. Hard European skepticism means no way for European integration for both economic and political aspects and it opposes to Union membership; whereas soft European skepticism adopts opposing some certain applicaitons of the Union without completely disregarding integration.

The reasons for suspending European integration with suspicion were evaluated by the macroeconomic performance of national economies until the 1990s. It is a well-known fact that skepticism goes up after the increase of inflation and unemployment rates in countries and it starts to go down at the times of economic growth. The idea of public opinion regarding the European Union is formed by the direct insecurity of individuals. Despite the fact that the economic conditions were positive in the 1990s, the degree of European skepticism did not fall behind notably leading to the conclusion that the issue could be driven by political or social reasons more than by economics. National sovereignty comes first in the UK’s agenda. The most effective reason for this is the increasing suspicion of national sovereignty and national identities after the Maastricht Treaty. As a nation coming from imperial background, UK can not even imagine loosening the ties it used to hold. In this respect, the basis of the European skepticism is the relationship between the perception that the Union poses a threat to the national one and the economic interests of the countries (Hooghe and Marks, 2007:119-127).

Within the framework of European skepticism, Margaret Thatcher was the first one to come to the mind of the British prime ministers. Nicholas Ridley, Minister of Industry and Trade of the Thatcher era, stated that Germany used the money union as a tool to control all of Europe and resigned. Thatcher viewed the currency as the most powerful means of expression of sovereignty and therefore tended to reject an idea such as the unity of money.

During the process of the creation of the European Monetary System and the European Single Market, the agenda reached to the point of Economic and Monetary Union. Delors Report prepared in this context; It provides a program to ensure economic coordination among countries, to impose restrictions on national budgets of the Member States in the European Union, to establish an independent European Central Bank and to use the common currency (.http://ec.europa.eu/). The UK, which has opposed the idea of forming an Economic and Monetary Union from the outset, has acted in a different way from other Community member countries . This caused the Community to remain in a difficult position in the Council of Europe meetings until 1984. The UK's current situation has made it difficult to make the most of the UK's imports from the Community, the small size of its agricultural sector, as well as its contribution to the European Community's budget and its disproportionate use of the budget. In this period, Thatcher sees the European Community as a community of countries for joint economic gains, and the French-German proximity tends to adversely affect England's effectiveness (Dinan, 2008:230).

The first eighteen months of Thatcher's power displays how decisive Britain is in defending its economic policies, which in turn creates the term ‘Thatcherism’ and Thatcher's nickname is accepted and used as the Iron Lady. Thatcherism in this context; It is possible to define low inflation as a political style defending the state in the economic area and advancing the development of free market economy.

Thatcher wanted Britain to reduce its contribution to the European Community budget. The Fountainebleau Summit was different from the Brusel Summit and ended in favor of the UK. This summit is important for the UK's gains from the Union. Because this summit, since 1979, Thatcher claimed to be more than what they have received from the community claims that the UK has decided to reduce the burden, for this purpose, 66% of the difference between the contributions of the country with the contribution of the country is expected to be returned to the United Kingdom.

In her speech on 20 September 1988, Thatcher called “The Bruges Speech” (http://www.margaretthatcher.org/) to see that the successful narrowing of the borders of the state is only broadened again at the European level; It is not to see that a European upper state is effective from Brussels. She emphasized that the United Kingdom is actually more concerned with the economic part of the Community . It is also understood in this speech that Thatcher opposes any movement involving elements of federalism.

Thatcher doesn’t think similarly with the Community, both in the economic field, and also in political and ideological terms. She criticizes the Community due to the fact that the Commission is pro-federalism and continues to defend national sovereignty. Following a negative policy against the European Community, Thatcher used foreign policy as a tool of party policy, thus trying to draw the attention of the

British public from the internal politics to the Community. Following the Fontainebleau summit, fluctuating ties with the Community started to regulate and economic problems decreased.

Thatcher, who displayed a nationalist stance in general, sought to strengthen the relationship between England and the United States and established a close relationship with the US President Ronald Reagan. This situation led Thatcher to develop his policy towards Europe within the framework of American policy Bu. Compared to the attitude of Edward Heath, a member of the Conservative Party, it is possible to say that Thatcher pursued a more negative policy.

The UK's general policy against the European Community, led by Thatcher, can be said to be to stay away from the Community. Thatcher's idea of Free Market, which is more concerned with economically, is more important than Union integration. Particularly at the Fountainebleau Summit, the UK's defense of its rights in the Community and its victory over the Community is an important point that Britain is in conflict with the Community. In the first period of her tenure, Thatcher followed a negative attitude towards the European Community in order to close down the deficiencies in domestic politics. It can be said that this is due to the overlap of the EC and the economic interests of the UK. Thatcher opposed any attempt to be considered under the heading of federalism, while acting in partnership with the European Community in the interests of the country. She accepted the Single Act, but rejected the abolition of borders for both federalism and the prospect of control of terrorism and drug trafficking. It has been seen that it has a positive approach to European Political Cooperation, but has preferred to act on defense and security issues alongside the US rather than the European Community. It is possible to say that Thatcher's foreign policy is more affected by economic conditions and that European skepticism has developed in this direction (Saygın and Ultan, 2016).

2.2.3. John Major’s Period

After Thatcher, John Major, British Prime Minister, was expected to adopt a more silent foreign policy than his previous counterpart, and would not have impeded much obstacles in the European Community. Major, Thatcher on Community issues has adopted a more structured approach. Even after the membership of the European Union, the United Kingdom, discussing the issue of membership, played a greater role in the Union along with the termination of

Thatcher's rule and role. In the meantime, despite the fact that groups within the Conservative Party rejected the United States of Europe, it was noticed that the United Kingdom was adapting to policies such as environment, agriculture and health.

Major, rather than developing relations with the United States, gave importance to relations with the European Community as a European country; Instead of being isolated from the community, he tried to act in line with integration (Ball and Seldon, 2005:247). However, at the Maastricht Summit held in 1991, it has adopted the exemption from social conditions while aiming to protect the UK and gain advantages in the formation of the Economic and Monetary Union; Like Thatcher, Major has adopted the idea of not making concessions (Dinan, 2008:360).

It is generally seen as a process in which the necessity of the Single Market in the Major period is defended, against federalism and the issue of sovereignty with Thatcher. Therefore, it is understood that economic policies are the basis of European skepticism in this period.

2.2.4. Tony Blair’s Period

After Tony Blair came to power on May 2, 1997, after the 18-year Conservative Party administration, Britain's administration was transferred to the Labor Party for 13 years. Along with the Blair period, Britain replaced its attitude towards social policy in 1998; However, he made no concessions regarding the Economic and Monetary Union and did not make any transition to Euro (Ülger, 2003:95). It is necessary to mention the role of Treasury and Finance Minister Gordon Brown in the troubles experienced in Euro. Brown, who had a moderate attitude towards the euro in the beginning, showed a change in his attitude as he set the criteria for the transition to the Euro. In 1999, Brown stated that the UK could not pass to the Euro without the positive impact of the Euro on harmonization, flexibility, investments, unemployment and financial markets. It is possible to say that Labor Party put forward these criteria in order not to accept the Euro (Hughes and Smith, 1998: 93-103).

Although the transition to the euro was an economic decision, it also brought political consequences. The fact that the transition to the Euro, which is an important step that should be overcome in the European Union integration process, showed that Blair could not be the leader in the reform policy or defense policy in the European Union. It has been. In addition, the adoption of Gordon Brown's Euro-criteria by the Cabinet led Blair to remain alone (Schweiger, 2004:47-48).

The Blair period is a year in which the process of establishing common defense policies in the European Union is at the forefront. While Germany considers the role of the European Union in the field of security and defense at a regional level, Britain argues that it should be considered at a global level.

The Blair Government, which tried to adopt the process of Europeanization, accelerated the reform movements in the structure of the British Foreign Ministry, unlike Thatcher and Major. In addition, the Blair Government has been looking for a new direction, differentiating itself from European social democracy policies and liberal policies of the free market and has initiated a new initiative called ına Third Way Policy (Marsh, 2003:59-60). In this way, the process of specialization in the EU policies and the environment, human rights and security has begun.

As a result of the UK-European Union relations in the Blair period, the UK has become a “normal” member state from a country that has been continually debasement, and in this sense Blair's integration of the European Union, there have been important contributions in the process (O’Donnell and Whitman, 2007:253).

While Tony Blair wanted to prove that the UK was a European country in all aspects, he simultaneously wanted to place himself in the forefront of European Union leadership. Additionally, his decision to approve the treaty without a referendum in the ratification process of the Lisbon Treaty is considered to be one of the steps he has taken to become the EU leader. It is seen that it has a negative impact on leadership role. Having made significant progress in European Union policies and in reducing European skepticism, Blair's political career was overshadowed by the Iraq War, despite all the positive developments. The inability to prove the existence of weapons of mass destruction has been one of the important factors that hampered British foreign policy (Saygın and Ultan, 2016).

2.2.5. Gordon Brown’s Period

On June 27, 2007, former Finance Minister Gordon Brown, who took over from Tony Blair, came to power as the leader of the Labor Party. When Blair and Brown are compared in terms of their policies towards the European Union, it can be said that Brown adopted a more global approach. It is seen that Gordon Brown focuses on economic policy by approaching the European Union issue. In terms of methods, Brown's ideas have been defended more resolutely. In this respect, it is possible to say that conservative ideas are at the forefront, rather than the ideas of the Labor Party. Additionally, this is an indication that Brown shared the ideas very muck alike with Thatcher on issues such as the liberalization of financial services and privatization (O'Donnell and Whitman, 2007:254).

In the period of Brown , it was tried to create a vision that the mistakes made in the Iraq war will not be repeated. This situation is considered as the most important factor in the transition from unilateral foreign policy understanding of Brown to multilateral foreign policy. Within the framework of the new policy, increasing cooperation with international organizations and taking a more active role are the most important targets. Brown argues that Europe should be flexible, global and open to innovation, and that international organizations should be restructured. It is also supportive to give up their efforts to stop being a force and to pay more attention to issues such as terrorism, climate change and energy security.

2.2.6. David Cameron's Period

On 13 May 2010, after 13 years of Labor Party rule, on May 11, 2010, the post of Prime Minister was transferred from the Conservative Party to David Cameron. In a speech delivered by Cameron during the elections for the European Parliament in 2007; Europe mentioned that it should give importance to globalization, global climate change and global poverty (Hood, 2008:194). In general, it is possible to say that both the Labor Party and the Conservative Party underline the importance of globalization. In the first years of globalization, while state leaders are often faced with their bad sides, it should be taken into consideration by international organizations that they will bring great advantages in terms of the use of technology. In this respect, Cameron continued to defend the same ideas when he took office as the Prime Minister of England, Europe stated that it should focus on the effects of globalization. According to Cameron, issues such as the crisis in the Eurozone and the deficit of democracy point out that the European Union should start reforming itself (The Stationery Office Limited, 2012:7).

In the period when the Arab Spring began, Cameron Government, which tried to overcome the economic crisis in the country with foreign trade and who did not have a voice in the discussions of the European Union carried out simultaneously with the economic crisis problems, followed different policies both at the European

Union level and national level and to integrate them together. is observed. The Cameron Government supported many initiatives, including military, diplomatic and economic sanctions at the European Union level, as well as increasing the investments in the funds for which the Union would spend on this issue, and by publishing the Arab Cooperation Document at the national level and trying to reveal its soft power (Küçükkeleş, 2013:16).

In general, the relations between the UK and the European Union were evaluated in this period; Cameron, in fact, seems to act in accordance with Thatcher's ideas. It is a fact that European skepticism has become increasingly widespread in the UK due to the fact that it is an island country. Its close relations with the United States makes it reluctant to move to the Euro and it differs from Europe in its financial system. This has resulted in questioning European together with European identity in the UK. In addition, the issue of the UK's belonging to the European Union and the extent to which the Union has a consciousness has been discussed further. As a result, Cameron announced that the general elections to be held in May 2015 would lead to a referendum on Brexit if the Conservative Party won.

The mechanism of separation from the Union brought by the Lisbon Treaty is the basis for Cameron's statement, while legally granting states the right to leave the Union. Due to the UK's move away from Europe mostly, developments in domestic politics, and economic concerns, Cameron has always expressed his intention to take the referendum on Britain's membership if he wins the elections. It is possible to say that this attitude of Cameron was a reaction to the increasingly powerful German leadership and deepening federalism in the EU. Another reason Cameron explained that he would lead the referendum on membership is related to domestic policy. The rise of the anti-EU Great Britain Independence Party (UKIP), which was established in 1993 and succeeded in creating a distinct mass, has led Cameron to take a more nationalist position in domestic politics. It is also a fact that the new immigration laws regulated by Cameron and the policy of reducing the increasing immigration rate affect the relationship with the Union. Cameron is constantly expressing that he will pursue a policy towards the solidification of European Union citizens' attempts to settle in the UK. In particular, the immigrants to find work before coming to the UK, otherwise the benefits of the benefit of British citizens can not benefit from starting to make arrangements it signaled a more national policy.

However, economic reasons are also important among the important causes of European skepticism during the Cameron period (Sefer, 2014:57-58). The reflection of the 2008 economic crisis on Europe and the debt crisis in Greece has led to an increase in distrust in the European Union. During this period, not only the United Kingdom, but also in countries such as Germany, France, Italy, Spain and Poland, which are known as EU supporters, there has been an increase in mistrust. The issue of helping countries in which the economic crisis is effective is a negative approach to Cameron. Cameron did not approve financial planning for overcoming the 2008 economic crisis and the amendment of the Lisbon Treaty to deal with the Euro crisis. This situation caused re-tension between the European Union and England (Grice, 2013). Although the UK was not included in the Eurozone, it was concerned that the problems experienced would threaten its own economy Within the European Union, although the UK is the third largest economy within the Union, it has to consult with the other major states in the decision-making mechanisms and participate in the decision-making mechanisms and take the opinion of even the smallest member of the union. In addition, the UK chose to remain outside the Euro zone and continued to use Sterling. With the recent global crisis, pressures have been increased due to the borrowing in the Euro Area and many countries have been unable to pay their due date (Karagöz, 2018).

Britain has never fully achieved its integration in its dialogue with the European Union. The fact that Britain acts as a close ally of the US rather than being a part of Europe by engaging in close relations with the United States shows that it is cautious in its dialogue with the European Union and follows a policy that prioritizes its own interests. The rhetoric of past British government heads, party policies, and recent discourse by David Cameron confirm this. Historically, both the Conservative Party and the Labor Party have always been distant from the relationship of Britain with the European Union, and although a moderate policy has been followed, deep relations with the European Union have not been established. In the 1970s, when the Conservative Party was in power, accession to the Union took place, but the oil crisis and economic problems that took place in the world brought the membership debate to the agenda. In the Thatcher period, the United Kingdom further solidified its political stance towards the European Union. Although Thatcher may seem to support staying within the Union, on the contrary, it has followed a strict policy against economic and monetary union. She saw Sterling in particular as a symbol of sovereignty, not compromising a UK image against the transfer of authority and supremacy. Thatcher's tendency in this period was more in partnership policy than a deep relationship with the Union. This situation allowed the European skepticism to stand out in the country.

Britain has become a country where European skepticism has developed, because it is both geographically distinct from the European continent and because it feels psychologically distant from the European integration movement. Factors such as language, religion, culture, identity, history or economy can affect European skepticism in a country. The fact that the UK is far from most of the common policy areas of the Union, is not included in the Schengen Area, does not accept the Euro as a currency, has a suspicion for the Economic and Monetary Union, and even has the idea of leaving the Union, proves the existence of European skepticism in the country. Considering the foreign policies of governments in the UK, which is considered to be one of the most developed countries of European skepticism, the approach to European skepticism is generally thought to be influenced by economic policies. A global media environment fed by occupations and conflicts in the Middle East is fueling the rise of a nationalist and racist wave in continental Europe. The political will of the kingdom is one of the outcomes that could be expected to be influenced by a tougher racist wave after the Brexit process and after the country if it does not take an early stand to break these rising alienating waves.

As a result, the UK exhibits a model of participation rather than being a part of European integration, based on a benefit relationship, involving partnerships and having reservations in the majority of revision texts. Since the membership of Britain, or even before, it has to be seen as a structure which is not far from the integration movement, both during the Conservative Party and Labor Party. maintaining; It is an indication that Britain is doing its activities in order to benefit from the benefits of the European Union rather than being part of deepening in the EU-UK relationship. At this point, it is possible to say that the anti-European attitude that Britain has recently led by Cameron was the reaction against both the European federalism and the German sovereignty and the economic crisis in Europe. It is seen that economic factors are effective in determining the foreign policy behaviors of England and the spread of European skepticism, but also political or social factors such as national sovereignty and national identity may come to the fore due to the periodical developments (Saygın and Ultan, 2016).

Since 1973, it has been a member of the European Union. Governments never considered a referendum as a road to leave the European Union. Governments have always chosen to keep their the national advantages in the European Union and use it for their favor. Nevertheless, some factors were influential in changing this view as stated in the following chapters.

2.3. THE INFLUENCES OF BREXIT PROCESS ON INTERNATIONAL POLITICS OF THE UNITED KINGDOM

The separation of Britain from the European Union gives the impression that the country will remain single against the growing countries like the USA, Russia and China. In addition, the termination of the 43-year union will cause a loss of prestige for the Union, which is already undergoing a difficult process with the economic crisis. China's rising power will direct attention to Asian countries and new partnerships; a possible separation in this process may cause it to act alone in Europe. The European Union, which is going to lose a strong ring like Britain, is thought to be left alone with the weak link affected by the crisis. It should be noted, however, that the UK is meant to leave the European Union. whether to completely isolate itself from the European Union, or to reorganize existing conditions of membership only under the name of a new partnership.

In this process, the attitude of major countries such as Germany and France within the EU and the effects of a possible separation on both sides will occupy the present EU agenda.

The result of the Brexit referendum in the UK is the biggest problematic in the literature; The idea of having a union closer than ever with the motto “federalist ideas″ will increase after Brexit or integration will become more relaxed. In this study, the argument that the EU will disintegrate after Brexit is a controversial argument because it is an argument that the EU is a changing structure, but is not included.

Gamble (2018) has studied in his article the changes that have been made before and has asked whether BREXIT will cause permanent consequences for the politics and government of Britain. The question arouses on if it will be taken as a watershed in the political advancement of the United Kingdom or just as a part in a process of continuous transformation. The effects of Brexit won't stop at the UK. The second largest economy, the third most populous Member State, the UK, which has made a significant contribution to the EU budget, will cause fluctuations across the continent during and after its departure. As political representatives, including UK citizens and 73 European members of Europe Parliament (MEP) leaves institutions and the struggle of power between the Member States, which will remain, is going to change. If this happens, the votes will be based on their patterns and alliances, the ideological framework of institutions, and potentially policy making in the future. Beyond their relative role within the European Union, the internal policies of the Member States will also be influenced by where they are confronted with at least European home powers. The United Kingdom may not be able to help the EU by working together, but it can eliminate its strange reputation in the EU and become a more coherent partner. In addition, Brexit has led to a reconsideration of the global role of the EU because the military diplomatic and soft capacities of the intelligence of the united kingdom are no longer part of EU (Martill and Staiger, 2018:2).

Krotz and Schild (2018) stated that Brexit further sharpens the three fundamental future possibilities for the EU: (1) The one is German hegemony; (2) Regression of the European integration; in addition (3) a fresh French-German close cooperation in the heart of the European Union - what can be called back to the future. Each of the scenarios named here will move forward or back according to Brexit's further development, in particular (1) the overall empowering of Germany's relative position, also (2) the ability of France to deal with its economic and social problems through huge innovative reforms. Brexit can further emphasize the historically influential Franco-German relationship in the areas of union-level policy, such as security and defense, in which Britain plays an important role.

Armstrong (2018) pointed out that the United Kingdom (UK) had initiated the process of terminating the European Union (EU) membership. An important research question concerns the extent to which the European Union's regulatory policy will adapt or separate from EU policies after decades of validation by EU policies and regulatory bodies.While we should expect the United Kingdom administrative policy to maintain to move along with the EU in the short term, the framework of future isolation needs an analysis in great detail. The question of whether the exit from the European Union will head to a regulatory harmonization or regulatory segregation is generally assessed by taking note of the current literature on Europeanization and in particular the external administration of the EU. It is argued that the dynamics of harmony / distance between the United Kingdom and the EU will be a function of the operation and interaction of different governance styles (hierarchy, markets, coordination and networks / community). Nontheless, he warns against the presumptions that the position of Britain's membership after the regulations will only be reduced to EU effects. In other words, he argues that the global regulatory framework, which includes both the United Kingdom and the EU, is an important factor to mediate the impact of the EU on UK policy.

In the global geopolitical level, which has been constantly shifting in the last few years, the question of which planes and relations with the United States of America, the United States, NATO, the Middle East and Asia will be shaped around the agenda of the agenda is one of the subjects that are waiting for urgent answers. Of course, the Royal will need a long-term political stability in order to produce and realize that vision.

The current uncertainty led to both hopes and fears as well as the inconsistency of theorisation of the future as well as public confusion. In order to reflect a scenario of events, we will redden this early date, and let us predict the consequences and accept that surprises are in the store. At the same time, long-term historical trends will eventually determine how Brexit changes both Europe and Britain. But firstly why Brexit occurred should be understood well. The hypothesis as to why the UK decided to leave: Priority of Nation State. An advanced democratic government necessitates the consent and participation of the head of the state. British people being a citizen of England, are not necessarily a citizen of the European Union. As a result, citizens expect the United Kingdom should be governed as a sovereign nation state. The membership of European Union is eroding Britain's national sovereignty. Especially, it forces UK to control immigration and implement laws according to the EU. According to this hypothesis, the British people decided to leave the EU because they wanted to take control of their borders and their countries. The nation-state hypothesis is closely related to the idea of Rodrik (2011). The global economy is confronted by a political trilogy. Rodrik supports the imprtance of nation-states. Democratic politics and deep international economic integration incompatible and countries can choose from three options. In this context, the nation-state hypothesis sees the Brexit game: A reaction that is suitable to democratic attitude to the undermining case of British sovereignty caused by EU membership. Supposing that this point of view is correct, the European Union is incompatible with national democracy. The fact is that Europe remains democratic, or the European nations should create a collective identity in their place. Different national identities or supranational powers in the continental Europe should be diminished. Otherwise, the tensions experienced in the refereandum of Leave or Remain will inevitably appear in other member states. Therefore, the EU might face losing more members.

In the referendum, Scotland and Northern Ireland taking action to stay prominently in the direction of departure from the United Kingdom creates a significant uncertainty about the future of Britain's political unity (Jackson et al; 2016:2). In addition, countries such as Ireland, Malta, Cyprus, Luxembourg, Belgium and the Netherlands are expected to be heavily influenced by countries with strong commercial and financial ties to the UK (Cadman, 2016).

CHAPTER THREE

3.1. MATERIALS AND METHODS

In order to obtain information which is necessary for this application, the data sets such as Gross Domestic Product (GDP), Total Investment (TI), Inflation Rate (IR), Unemployment Rate (UR), General Government Total Expenditure (GGTE), General Government Net Debt (GGND), and Current Account Balance (CAB) were used. The data sets between 2006-2023 were obtained from International Monetary Fund Outlook Database. T-Test: Paired Two Sample for Means, as a statistical method was performed to determine if there is a significant difference between the means of macroeconomic rates before Brexit and the means of macroeconomic rates after Brexit in the study in Microsoft Office 10 Excel software.

3.2. FINDINGS

In this section, we will show the findings from t-test analyses about the relationship between the means of macroeconomic rates before and after Brexit.

Here are the hypotheses to be determined by using t-test: Paired Two Sample for Means:

1. Ho: There’s no significant difference between the mean of Gross Domestic Product before Brexit and the mean of Gross Domestic Product after Brexit.
   Ha: There’s a significant difference between the mean of Gross Domestic Product before Brexit and the mean of Gross Domestic Product after Brexit.
2. Ho: There’s no significant difference between the mean of Total Investment before Brexit and the mean of Total Investment after Brexit.

Ha: There’s a significant difference between the mean of Total Investment before Brexit and the mean of Total Investment after Brexit.

3. Ho: There’s no significant difference between the mean of Inflation Rate before Brexit and the mean of Inflation Rate after Brexit.

   Ha: There’s a significant difference between the mean of Inflation Rate before Brexit and the mean of Inflation Rate after Brexit.
4. Ho: There’s no significant difference between the mean of Unemployment Rate before Brexit and the mean of Unemployment Rate after Brexit.

   Ha: There’s a significant difference between the mean of Unemployment Rate before Brexit and the mean of Unemployment Rate after Brexit.
5. Ho: There’s no significant difference between the mean of General Government Total Expenditure before Brexit and the mean of General Government Total Expenditure after Brexit.

   Ha: There’s a significant difference between the mean of General Government Total Expenditure before Brexit and the mean of General Government Total Expenditure after Brexit.

6 Ho: There’s no significant difference between the mean of General Government Net Debt before Brexit and the mean of General Government Net Debt after Brexit.

Ha: There’s a significant difference between the mean of General Government Net Debt before Brexit and the mean of General Government Net Debt after Brexit.

7. Ho: There’s no significant difference between the mean of Current Account Balance before Brexit and the mean of Current Account Balance after Brexit.

   Ha: There’s a significant difference between the mean of Current Account Balance before Brexit and the mean of Current Account Balance after Brexit.
8. This hypothesis will be tested at the significant level of 0,05 and 0.10.

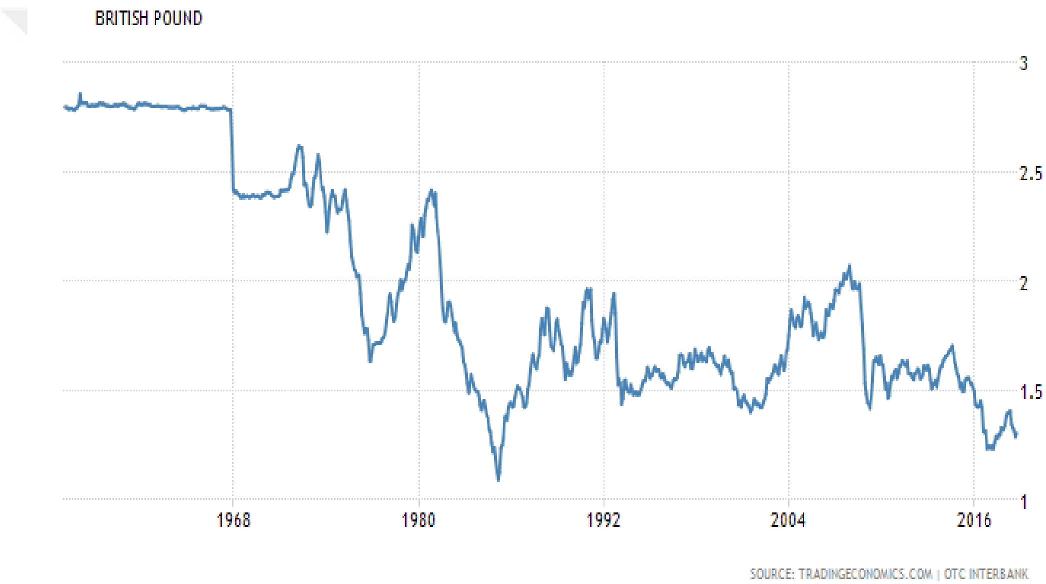
3.2.1. Gross Domestic Product (GDP)

Gross Domestic Product (GDP) refers to the currency value of all final goods and services produced within a given period of time within the boundaries of a country.

The change in GDP is one of the most obvious macroeconomic indicators of growth or contraction in the country's economy. GDP is commonly used as an indicator of the economic health of a country, as well as a gauge of a country's standard of living.

The surpassing of the GDP growth expectation in the positive direction will lead to an appreciation in the GBP as it indicates that economic growth is gaining momentum. For this reason, it is possible to see decreases in commodities such as Gold and Silver, especially increases in EUR / USD and GBP / USD parities. GBP/US parity is shown in table 3.1.

Table 3.1. GBP/US Parity



As seen in the table 3.1, the British pound has continuously decreased against US dollar since the European Union membership.

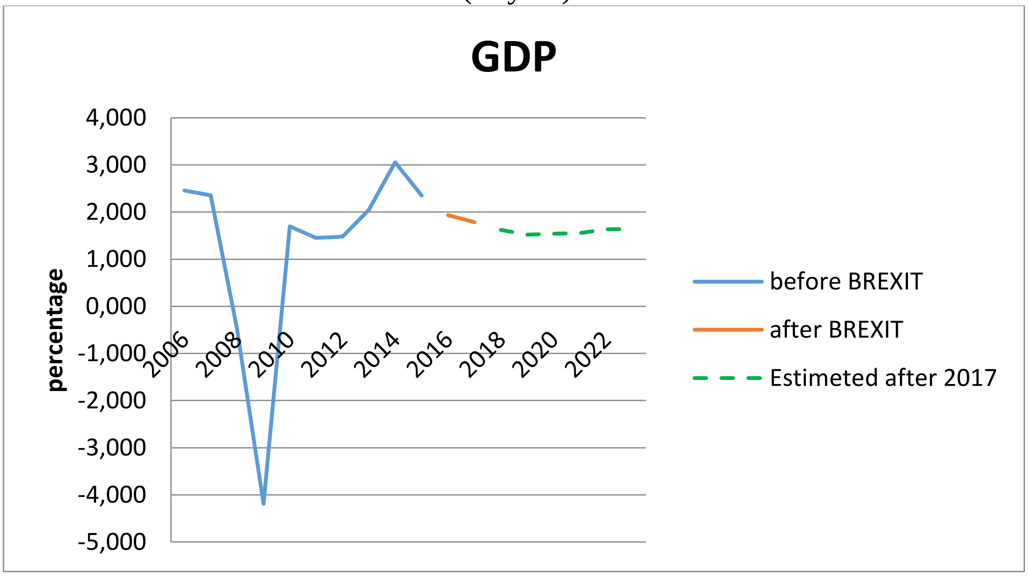
Keegan et al. (2017) stated in their book that Britain entered the European exchange rate mechanism in desperation, left in disgrace and prospered thereafter–presaging the 2016 vote to leave the European Union. Britain's 1990 entry was accompanied by a secret Bank of England warning of future trouble. On leaving in 1992, Prime Minister John Major insisted on time-wasting consultation that led to exhaustion of Britain's reserves.

If the announced figures fall below expectations, this would lead to a depreciation of the GBP as economic growth indicates a loss of momentum. For this reason, it is possible to see increases in commodities such as Gold and Silver, especially decreases in EUR / USD and GBP / USD parities.

Table 3.2. EUR/GBP Parity

As it can be seen from the table, the British pound has suffered continuously against EUR after Brexit. Increased volatility in exchange rates before and after the referendum, especially in the British currency, with the volatility in capital outflows and the deceleration in demand, are the developments that show that the Brexit is negatively priced by international investors.

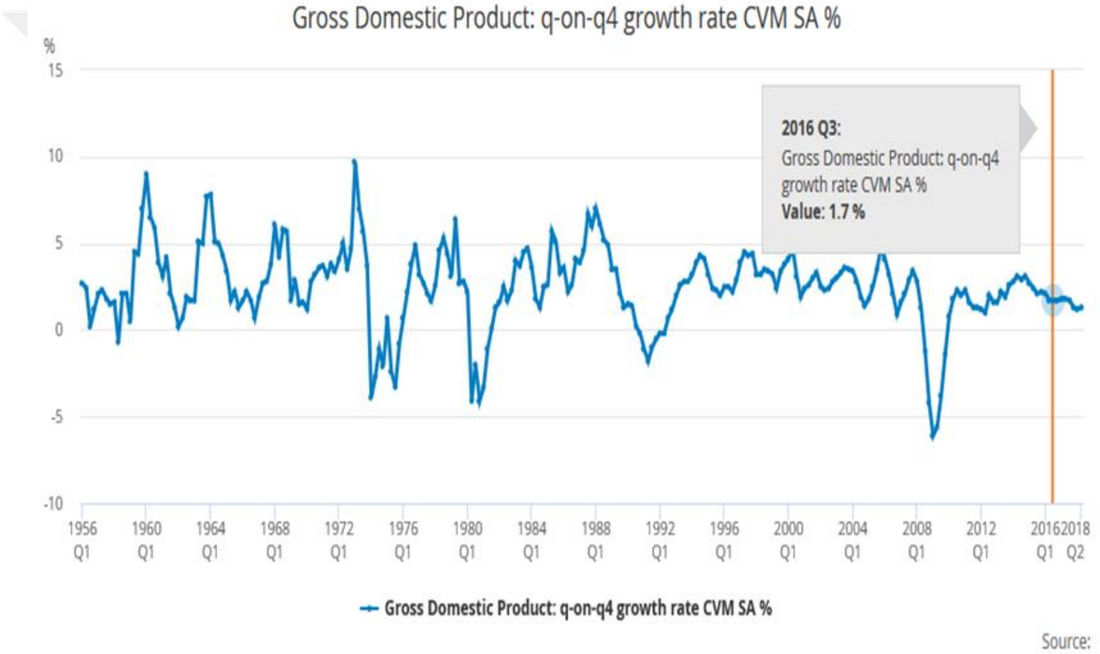
Table 3.3. Gross Domestic Product (% year)



As seen in Table 3.3, Gross Domestic Product is the lowest rate in 2009 namely before Brexit. And it is the highest rate in 2014 before Brexit. Gross Domestic Product is quite fluctuating before the Brexit, but the values after Brexit are very stable.

The high trade volume between the UK and the EU also means high volume of investment and high resource transfer between economies. Given the fact that a significant proportion of direct investments in the UK is coming from EU countries, the loss or limitation of access to the Common Market will harm the UK economy. GDP is shown in Table 3.

Table 3.4. Gross Domestic Product



As seen in the table 3.4, the Gross Domestic Product of the UK slightly entered a downward trend after Brexit.

However, the declining importance of Europe in the global economy, the decrease in production and the global downward movement in tariffs have improved the picture in terms of the export of the UK.

The troubles in the UK economy continue; industrial production is equal to the pre-crisis level in the UK. The low capital growth rate and low output levels brought about by the weak and unstable business environment, which continued after the crisis, only reached its pre-crisis performance after 2014. After the Brexit process, if the UK has made new trade agreements in favor of it, there will be a positive impact on trade in the long run.

Table 3.5. t-Test: Paired Two Sample for Means of GDP

	before BREXIT	*after BREXIT*
Mean	1,098555556	1,731111111
Variance	4,900531778	0,070679611
Observations	9	9
Pearson Correlation	0,225483039	
Hypothesized Mean Difference	0	
df	8	
t Stat	-0,874788367	
P(T<=t) one-tail	0,203591969	
t Critical one-tail	1,859548038	
P(T<=t) two-tail	0,407183938	
t Critical two-tail	2,306004135	

As seen in Table 3.5 t-Test: Paired Two Sample for Means of GDP, Pearson correlation coefficient of Gross Domestic Product before Brexit with Gross Domestic Product after Brexit was calculated as 0.225, that is, there is a very weak positive difference between Gross Domestic Product before Brexit and Gross Domestic Product after Brexit. The p value was calculated as 0,407. Since the 0,407 value is more than 0.05, the H0 hypothesis is accepted and there is no significant difference between Gross Domestic Product before Brexit and Gross Domestic Product after Brexit. It can be stated that Brexit will not affect the level of Gross Domestic Product in the UK.

3.2.2.Total Investment (TI)

The establishment of new or additional production facilities required for the production of goods and services and the additions made to the inventories (inventories) and the investment expenditures are the payments made for the realization of these works.

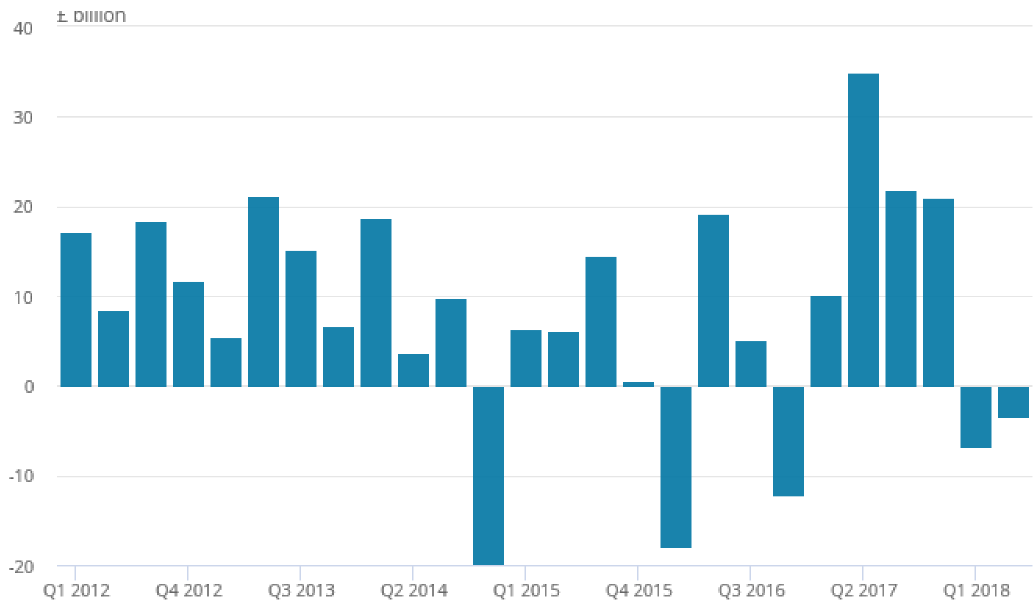
Total Investment consists of initial investment, the working capital, and subsequent additions to inventory and equipment which will be necessary for a fully operational and profitable enterprise. A significant portion of the investments are made independently of the national income. Such investments are called "autonomous investments"(Io). The investment demand is also affected by the marginal efficiency of the capital. The marginal efficiency of the capital is called the ratio of the amount of investment the income the capital will provide to the entrepreneur at the end of a certain period. The marginal efficiency of the capitalist decreases as the amount of investment increases.If the investor interest rate (i) and the marginal efficiency of the capital (r) are positive, the investor gives up and the investor decides to make the investment if i = r isunstable. Excited Investment: The investment affected by changes in the national economy.Autonomous investment + Excited investment = Total investment. The marginal propensity to invest is the change that the national unit change will bring about in investment expenditures.The average investment propensity (AIP) shows how much of the national income is invested at a given national income level.

The UK has the highest volume of direct investments in EU countries. Most of the direct investments are from the EU and the US.

On the one hand, the companies and the investors from countries outside the European Union use the UK as a gateway to Europe, taking advantage of the free movement of labor and capital as well as zero rate tariffs, and continue their direct investments in the manufacturing industries and financial services to the UK (Kılcı, 2018:1-26). Total Net Investment is shown in the Table 3.6.

Table 3.6. Total Net Investment

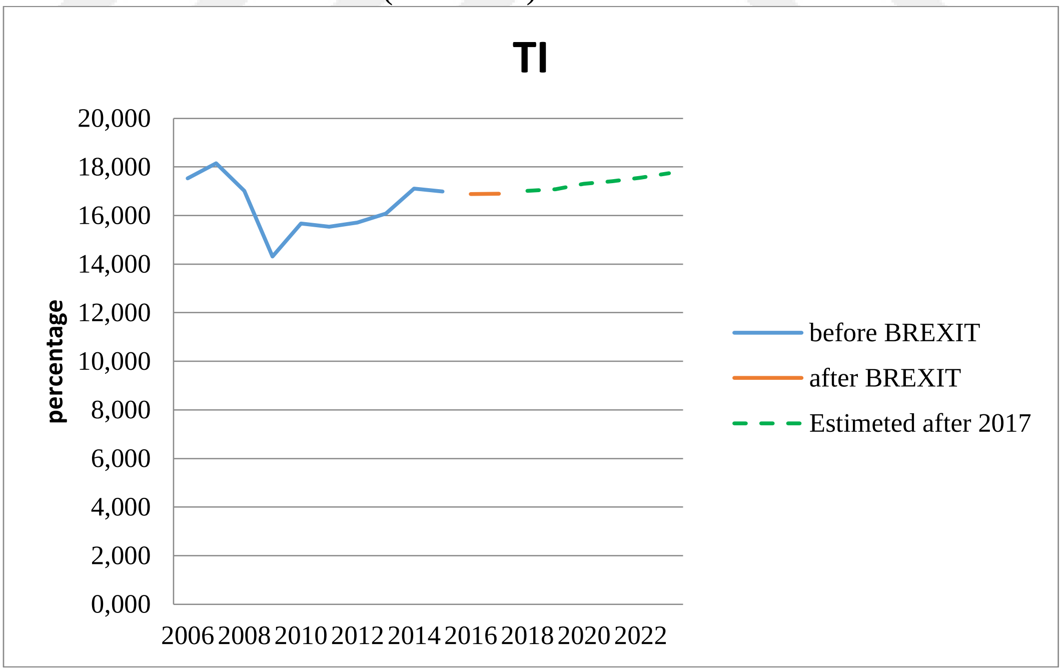
UK, Quarter 1 (Jan to Mar) 2012 to Quarter 2 (Apr to June) 2018



As can be seen from the table above, there is an increase in total investments after Brexit voting.

On the other hand, the departure of the UK from membership would result in a decrease in foreign trade volume and a decrease in direct investments, which, at the end of the day, would lead to a decrease in national income and the productivity of the workforce in the country would be harmed. Rehman and Pompeo (2018) studied that although there are a number of possible trade agreements, in most cases it does not mean that the firm rejects the legal principles of the EU or the strong words that the current UK government is determined to pursue. They discussed these options. Moreover, they focused on trade and investment flows between the UK and EU and discussed the possible short-term effects of Brexit decision with particular attention to the sector that is most affected by financial services. Considering that multinational companies operating in the UK bring new technologies and management practices and have an impact on their production capacity (Dhingra et al., p. 3), the reduction in direct investments by the Brexit process may have negative consequences in terms of these advantages and therefore may lead to a reduction.

Table 3.7. Total Investment (% of GDP)



As seen in Table 3.7, Total Investment reached its highest value at 18,152 in 2007. Its lowest value is at 14,135 in 2009. Also it can be said that the values after Brexit slightly rise.

Factors such as the UK being a highly open economy, the presence of political stability, the ease of starting business in Britain for foreign investors, the depth of capital markets, and the common language of English are significantly increasing the investment feasibility of the UK. Borchert (2016) documents how openness to services trade is higher within the EU than between EU and non-EU countries. For example, non-EU firms do not have passporting rights in financial services and only airlines that are majority owned by EU nationals can operate flights within the EU. Overall, the World Trade Organization option would result in the largest increase in trade barriers between the United Kingdom and the EU between the UK and the European Union. There is considerable uncertainty.

Table 3.8. t-Test: Paired Two Sample for Means of TI

	before BREXIT	*after BREXIT*
Mean	16,347	17,21133333
Variance	1,4220705	0,09433675
Observations	9	9
Pearson Correlation	-0,161590275	
Hypothesized Mean Difference	0	
df	8	
t Stat	-2,02802385	
P(T<=t) one-tail	0,038546605	
t Critical one-tail	1,859548038	
P(T<=t) two-tail	0,077093211	
t Critical two-tail	2,306004135	

As seen in Table 3.8 t-Test: Paired Two Sample for Means of TI, Pearson correlation coefficient of Total Investment before Brexit decision with Total Investment after Brexit decision was calculated as -0.162, that is, there is a very weak negative relationship between Total Investment before Brexit and Total Investment after Brexit. The p value was calculated as 0,077. Since the 0,077 value is less than 0.10, the H0 hypothesis is rejected and there is a statistically relationship or interest at 0,10 significance level between Total Investment before Brexit and Total Investment after Brexit.. It can be stated that Brexit decision will affect Total Investment in the UK.

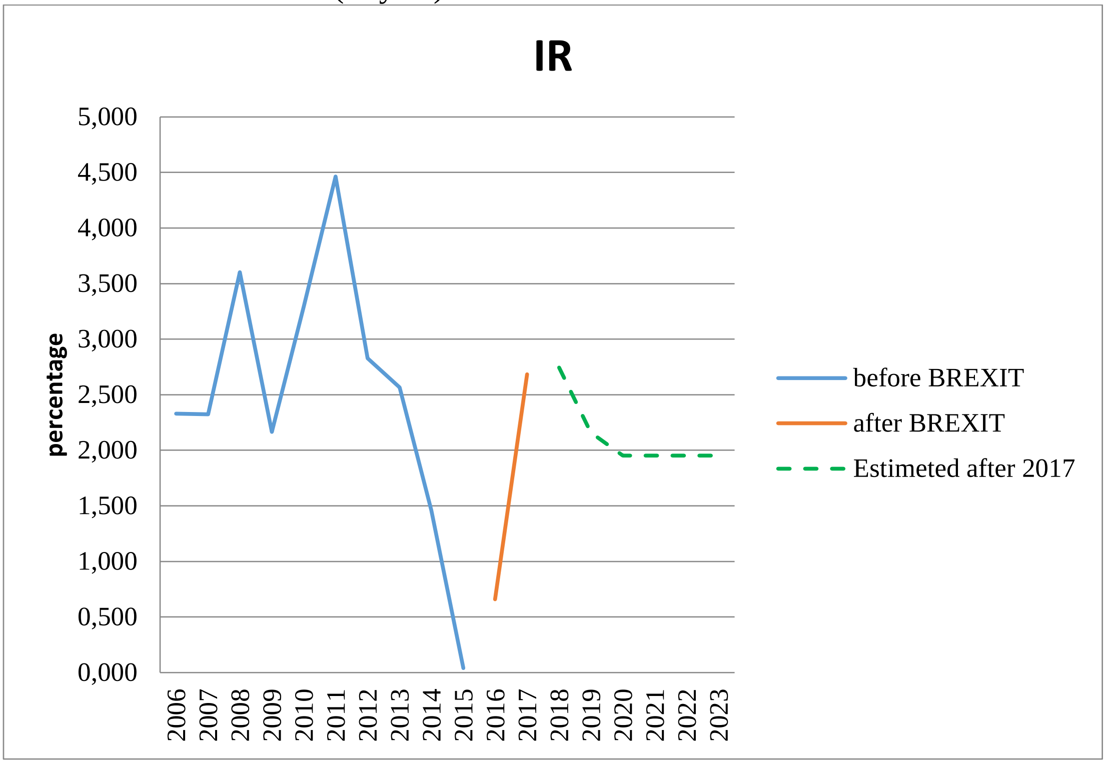
3.2.3. Inflation Rate (IR)

Inflation is an increase in the prices of goods and services. However, prices of goods and services may increase or decrease over time. Inflation is not just an increase in the price of a particular good or service, but a steady increase in the overall level of prices. In other words, it is not inflation that only the prices of some commodities increase continuously or the prices of all commodities increase one time. For example, if the monthly inflation rate is 1 percent, the prices in that month indicate that the general level has increased by 1 percent compared to the previous month. The fact that the annual inflation rate is 30 percent means that the prices have increased by 30 percent on average compared to the previous year, for example, a commodity basket purchased for 200 TL last year could be taken up to 260 TL this year.

Decrease in inflation doesn’t mean the decrease in prices, the increase in people's purchasing power, and the increase in income. Declining inflation means less price increases, less purchasing power of people, and stability and prosperity.Inflation rates are also very influential on currencies, as they can directly affect the steps taken by central banks in monetary policy. Also the inflation rate is the leading indicator for the changes in interest rates of central banks. For example, in the event that the inflation rates deviate upward from the targets of the central banks, the interest rate increase expectation is in the foreground. If the inflation rate is below the targets of the central banks, the interest rate decrease expectancy is foreground.

Inflation creates different effects in the economies of the countries with different methods. It depends on whether the inflation is targeted or not. If the inflation rate does not lead to a significant change in the welfare level (targeted inflation), this inflation can be compensated and the cost within the country will not be high.

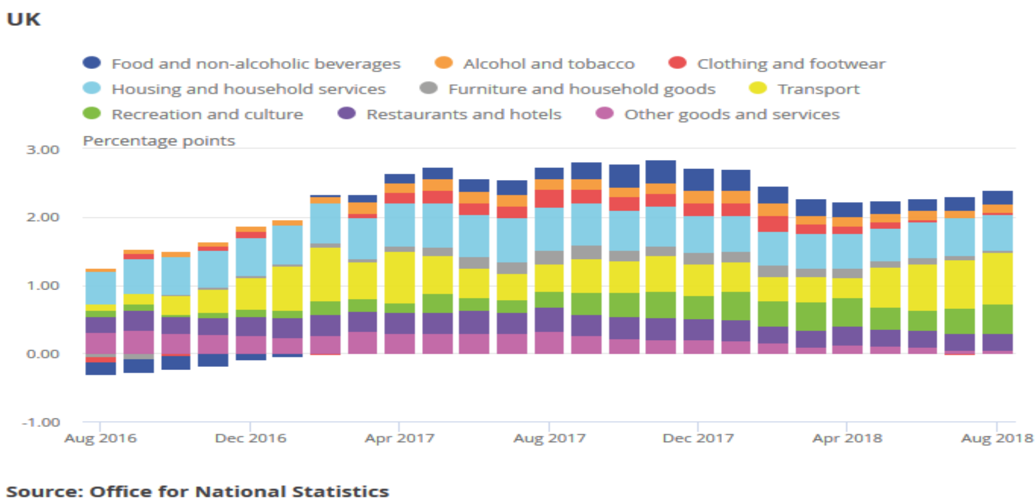
Table 3.9. Inflation Rate (% year)



As seen in table 3.9, Inflation rate is the highest value at 4,464 in 2011. Its lowest value is at 0,040 in 2015. The values of Inflation Rate after Brexit sharply rise, but estimated values firstly drop and then they are stable.

The views of the Brexit process that would create a nuisance for the UK would have a negative impact on the growth rate of labor force in the medium and long term if the UK lost its right to enter the Common Market, and the downward pressure on the wage and labor inflation will be negatively affected.

Table 3.10. Contributions to the CPIH 12 Month Rate



As can be seen from the table, an increase in inflation rate was observed after Brexit decision. Especially housing and household services and transportation are very considered.

As a result of the referendum, as well as undermining the low economic growth rates and the consensus on the advantages of cross-border integration, it also plays a role in accelerating the pressure on countries to increase their inward and protectionist policies, leading to uncertainty in the UK's commercial and financial relations with other EU countries. in terms of investment, employment and inflation.

Table 3.11. t-Test: Paired Two Sample for Means of IR

	before BREXIT	*after BREXIT*
Mean	2,781666667	1,788666667
Variance	0,7948255	0,78617325
Observations	9	9
Pearson Correlation	0,265094628	
Hypothesized Mean Difference	0	
df	8	
t Stat	2,763680639	
P(T<=t) one-tail	0,012267456	
t Critical one-tail	1,859548038	
P(T<=t) two-tail	0,024534912	
t Critical two-tail	2,306004135	

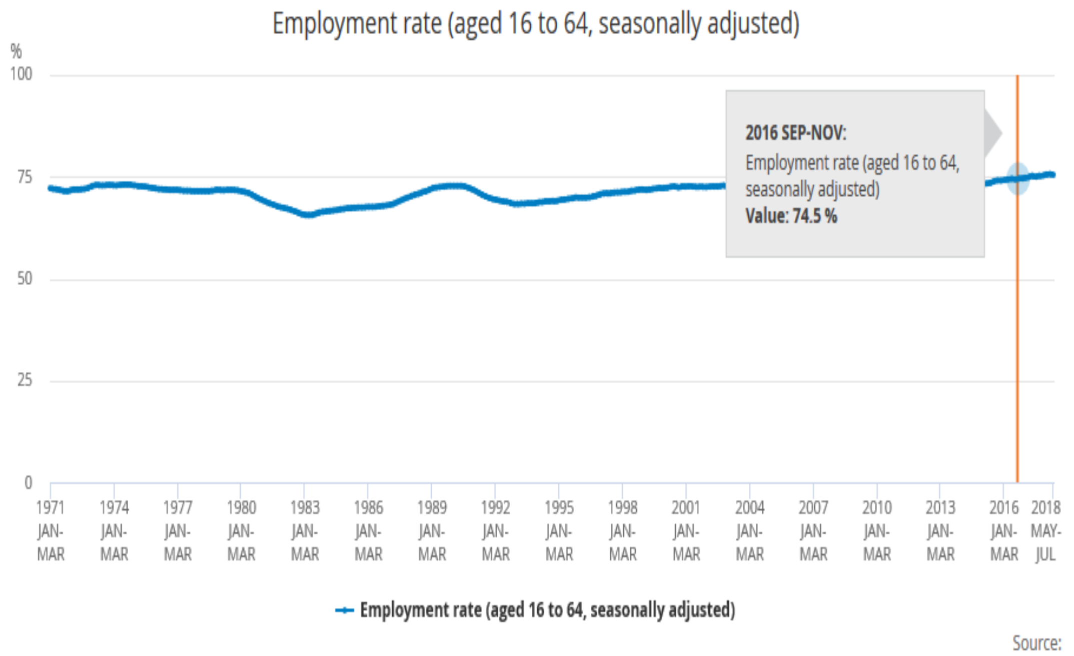
As seen in table 3.11 t-Test: Paired Two Sample for Means of TI, Pearson correlation coefficient of Inflation Rate before Brexit with Gross Domestic Product after Brexit was calculated as 0,265, that is, there is a weak positive relationship between Inflation Rate before Brexit and Inflation Rate after Brexit. The p value was calculated as 0,024. Since the 0,024 value is less than 0.05, the H0 hypothesis is rejected and there is a statistical relationship or interest between the mean of Inflation Rate before Brexit decision and the mean of Inflation Rate after Brexit decision. It can be stated that Brexit process will positively affect Inflation Rate in the UK.

3.2.4.Unemployment Rate (UR)

Unemployment is the presence of a workforce in and out of the labor force who is willing to work from the current wage and cannot find a job. Some elements of this definition need to be explained. First of all, one must have a working power in order to be considered unemployed. So unemployment is the case for the active population. In addition, one person should carry work desire. Secondly, the current wage in the market should show the desire to work and be ready to work as long as the current wage is paid. Under these circumstances, the unemployment rate is the ratio of the total labor force of the population who cannot get a job according to the above definition. For example, this population cannot find jobs, 10 million people, the total workforce 100 million people, unemployment rate is 10/100 or 10%.

In other respects, the economic performance of GDP and growth rate is another way of exploiting the productive resources of the economy. Employment is the fact that the factors of production - the economy, the land and the capital - are actually used in the production process. This is the broad definition of employment situation.

Table 3.12. Employment Rate



Source: Office for National Statistics

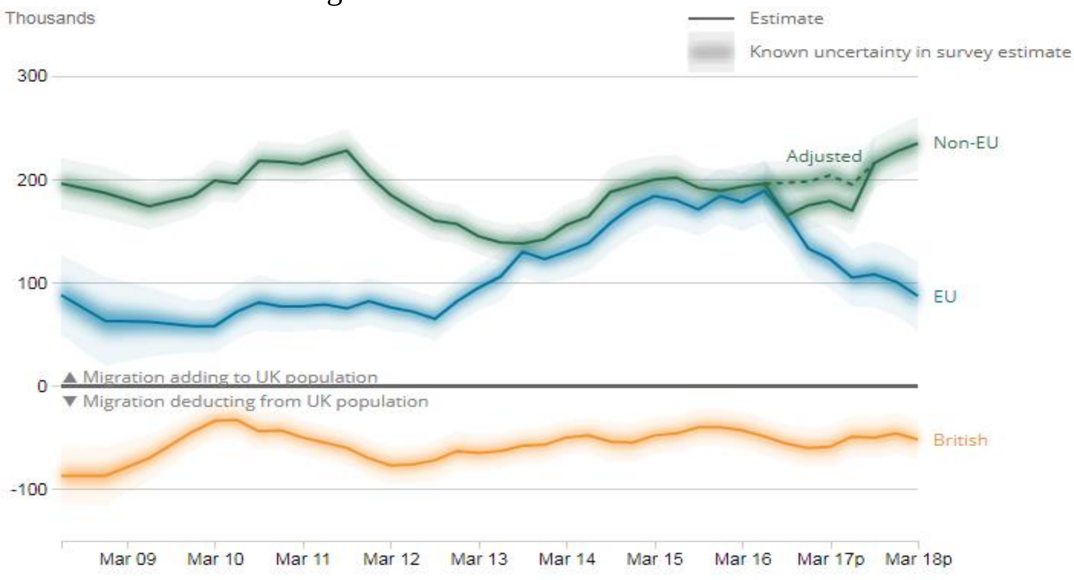
As it can be seen from the table, there is an increase in employment rate after Brexit referandum.

Moreover, the opinions that support Brexit decision do not take into account a point, due to the fact that the extreme regulations brought by EU regulations have resulted in a negative result for the UK. For one thing, Britain, in particular, has begun to make much more severe arrangements in the financial field than the other countries, especially in Europe. In addition, according to OECD data, the United Kingdom is the second country in the world to be the least regulated in terms of production after the Netherlands, and according to the OECD labor market protection index, for example, the United Kingdom is much lower than in the continental European countries and labor market regulation. Therefore, it is not correct to say that EU labor legislation and regulations reduce the flexibility of the labor market in the UK (Springford, Tiford and Whyte; 2014:11). In a study conducted by the OECD, it is emphasized that EU regulations are not the main reasons for the supply side constraints on the UK economy and that most of these are due to insufficiencies in country policies (OECD; 2013).

Therefore, the migration from Western Europe is thought to have positive effects on the British economy. These migrations contribute to the increase of the production of qualified labor force and to increase the economic growth in the long term. High qualified workforce leads to increased productivity by using technical knowledge and expertise. Free movement allows companies in Britain to reach the increasingly important, skilled and skilled workforce for high value-added industries. Dennison and Geddes (2018) examine how the UK's political dynamics on historical politics and migration have led to the outcome of the EU referendum and how the latter has transformed existing immigration policies. To do this, they have explored historical and theoretical tensions in the UK's immigration policy and politics over the last two decades. They have shown how these unresolved tensions use the negative attitudes of the Europeans towards the increasingly glaring migrant problem. They have proven that a sufficient proportion of the UK's elite and voters are reluctant and unwilling to overthrow the full 'local' demand for immigration to the EU's right-based regime, without allowing migrants to see other EU citizens in the UK. ultimately give up victory. The referendum process and its results ensured a broader public scrutiny of the debate on free trade and migration, and asked deeper questions about the future of the British economy and the political model needed to sustain it. With Brexit negotiations, which are under constant public scrutiny, they argue that the EU referendum sets a new, largely unbearable parameter in the medium term, which seems to lead to a reduction in the European migration policy in the UK.

The expansion of the EU into the east led to a reduction in the benefits of mutual migration to the UK and other European countries. Significant differences in per capita income distribution among the countries, the fact that the member states required the same rights as their own citizens for the utilization of public services to migrants according to EU legislation, led to the migration being considerably higher than the estimates. Western European immigrants are employed in areas such as engineering, medicine, technology and finance, which are qualified and highly paid, while they work in the same areas as in their own countries, but others work in low-quality and low-paying construction, production and service sectors. Especially the migration from Eastern Europe and the idea that these migrations lead to a decrease in the demand for low-qualified national labor force and a downward movement in salaries have played an important role in the Brexit. Sampson (2017) discusses the economic consequences of Brexit and the lessons of Brexit for the future of European and global integration. He concludes that Brexit will make the United Kingdom poorer than it would otherwise have been because it will lead to new barriers to trade and migration.

Table 3.13. Estimated Migration after Brexit Decision



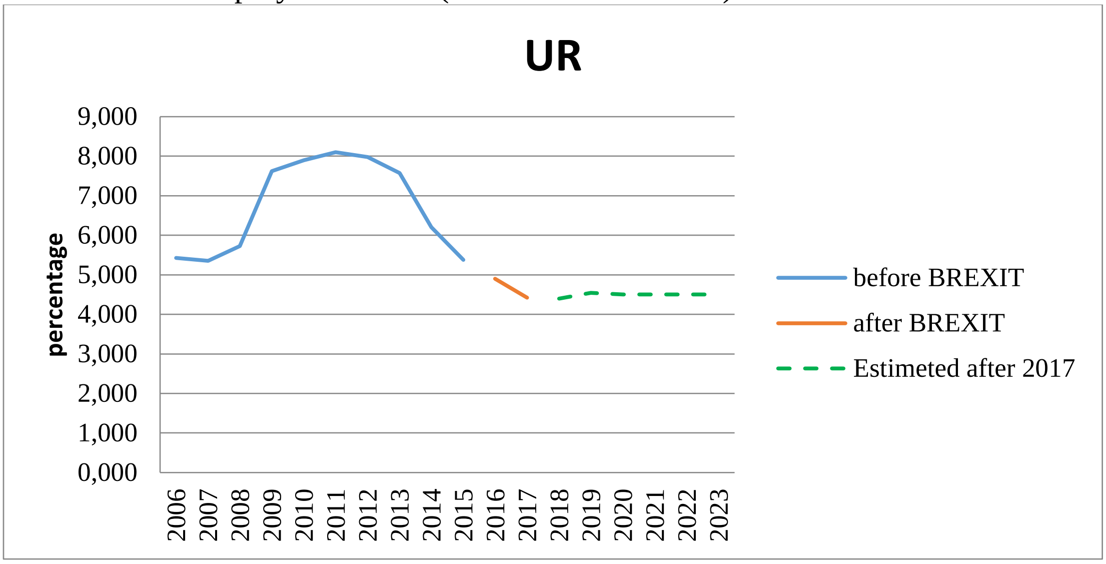
Source: Long-Term International Migration, Office for National Statistics

The important issue in which the Brexit process will affect the UK labor market is the abolition of the necessity to comply with some EU labor regulations.

The UK can move towards a new regulation based on a number of criteria and skills in labor migration, and so the reception of skilled labor migration can have positive consequences for the UK economy. It may also seek to regulate labor movement through mutual agreements with Western European countries.

The UK's implementation of an immigrant policy that encourages entry of high-quality labor force into the country, rather than low-skilled labor, has the potential to create problems in the medium and long term for low-paid sectors that are highly dependent on low-skilled labor, while creating opportunities for sectors with high qualified labor shortages.

Table 3.14. Unemployment Rate (% of total labor force)



As seen in table 3.14, Unemployment Rate is the highest rate at 8,1 in 2011. Its lowest rate is at 4,425 in 2017. Moreover, it can be observed that the values before Brexit decision are very higher and more volatile than the values after Brexit.

Table 3.15. t-Test: Paired Two Sample for Means of UR

	before BREXIT	*after BREXIT*
Mean	6,875	4,626333333
Variance	1,3775	0,09997725
Observations	9	9
Pearson Correlation	-0,615981906	
Hypothesized Mean Difference	0	
df	8	
t Stat	4,850019419	
P(T<=t) one-tail	0,000635911	
t Critical one-tail	1,859548038	
P(T<=t) two-tail	0,001271823	
t Critical two-tail	2,306004135	

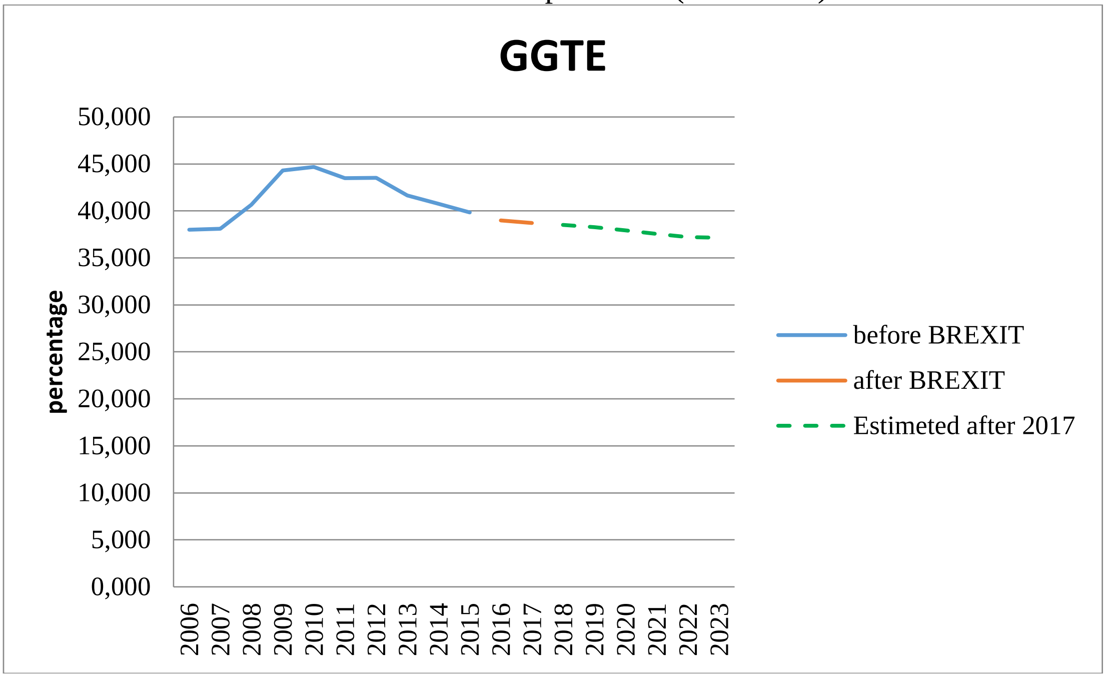
As it seen in table 3.15 t-Test: Paired Two Sample for Means of UR, Pearson correlation coefficient of Unemployment Rate before Brexit with Unemployment Rate after Brexit was calculated as -0,615, that is, there is a medium negative relationship between Unemployment Rate before Brexit and Unemployment Rate after Brexit. The p value was calculated as 0,001. Since the 0,001 value is less than 0.05, the H0 hypothesis is rejected and there is a statistically significant difference between the mean of Unemployment Rate before Brexit decision and the mean of Unemployment Rate after Brexit decision. It can be stated that Brexit process will positively affect Unemployment in the UK that is, after Brexit process is done, the mean of unemployment will decrease considerably.

3.2.5.General Government Total Expenditure (GGTE)

It is all the costs of purchasing goods and services that the government has done to perform economic, social, political and administrative activities, such as education, health, justice, transportation, bridges, and security in a particular period.

Expenditures made while performing their duties in these areas constitute public expenditure. Wages paid for work in the construction of a school, a hospital's heating, lighting, communication costs, salaries paid to doctors, and so on. It is an example of public expenditure. Public expenditures are expenditures which are deemed appropriate and permitted by budget law. These expenses are paid by the bodies authorized to make the expenditure in the form of payment of money or goods.

Table 3.16. General Government Total Expenditure (% of GDP)



As seen in table 3.16, the highest value of General Government Total Expenditure is at 44,68 in 2010, the lowest value of General Government Total Expenditure will be estimated at 37, 22 in 2022.

The most quantifiable measure of the net monetary provision of the advantages of leaving the EU is the financial contribution payments to the EU, which are considered to be the equivalent of unlimited access to the Common Market. In addition to the amount calculated based on the size of the economy, the United Kingdom pays the share of the total value-added tax to the EU. The British government will save 10bn £ annually, according to the views of Britain's departure from the European Union (Springford, Tiford ve Whyte; 2014, s. 84).

Despite the negative reactions of the people, the studies show that the migration from the EU will increase the productivity in the long term by increasing the productivity and increase the dependence on migrants due to the aging population. In addition, because the immigrant population is quite young, the rate of utilization of health services seems low. In fact, migrants are in a position to make a net contribution to the Treasury, namely thanks to the decrease of the expenditure of health services, GGTE will decrease in long-term.

The contributions to the EU budget have both positive and negative economic impacts; First of all, from a positive point of view, the funds provided by the EU to support economic development are used to promote growth in less developed regions such as Northern Ireland and Wales in the United Kingdom. Second, Britain is perhaps the country with the greatest support in research funding. Given that the researchers and scientists in the United Kingdom have received substantial support from the EU Research and Development Funds, the Brexit could be expected to disrupt these funds and damage the country's work in the field of science.

Table 3.17.t-Test: Paired Two Sample for Means of GGTE

	before BREXIT	*after BREXIT*
Mean	41,68022222	38,24011111
Variance	6,344994944	0,780374361
Observations	9	9
Pearson Correlation	-0,507462197	
Hypothesized Mean Difference	0	
df	8	
t Stat	3,369031472	
P(T<=t) one-tail	0,004899822	
t Critical one-tail	1,859548038	
P(T<=t) two-tail	0,009799643	
t Critical two-tail	2,306004135	

As seen in table 3.17 t-Test: Paired Two Sample for Means of GGTE, Pearson correlation coefficient of General Government Total Expenditure before Brexit with General Government Total Expenditure after Brexit was calculated as -0,507, that is, there is a medium negative relationship between General Government Total Expenditure before Brexit and General Government Total Expenditure after Brexit. The p value was calculated as 0,009. Since the 0,009 value is less than 0.05, the H0 hypothesis is rejected and there is a statistically significant difference between the mean of General Government Total Expenditure before Brexit and the mean of General Government Total Expenditure after Brexit. It can be stated that Brexit will affect General Government Total Expenditure in the UK that is, after Brexit process is done, the mean of General Government Total Expenditure will decrease considerably from 41,68 to 38,24.

3.2.6.General Government Net Debt (GGND)

When a country is called a debt stock, the total amount of domestic and foreign debts of that country at any time is understood. Debt burden is the ratio of an individual country's total debt stock in a given period to GNP in that period. In general, only the debt obligations of debts are included in the concepts of debt stock and debt burden. In other words, interest is not included in these two concepts. This is the principle that borrowing rates should be regarded as an expense item. For example,Turkey's revenues and debt principal payments since 1985. Despite being excluded from the budget, interest payments on these debts, in the generally accepted sense of the foregoing, still continue to be recorded as expense in the budget.When it comes to Treasury, it is natural to consider only the State debt within the framework of these concepts, while the general tendency is to include all external debt in foreign debt, including private sector debts of the country, in domestic debt, In summary we can formulate the concepts of debt stock and debt load as follows:Total Debt = Domestic Debt + External Debt.

Total Debt Load = Total Debt / GDP

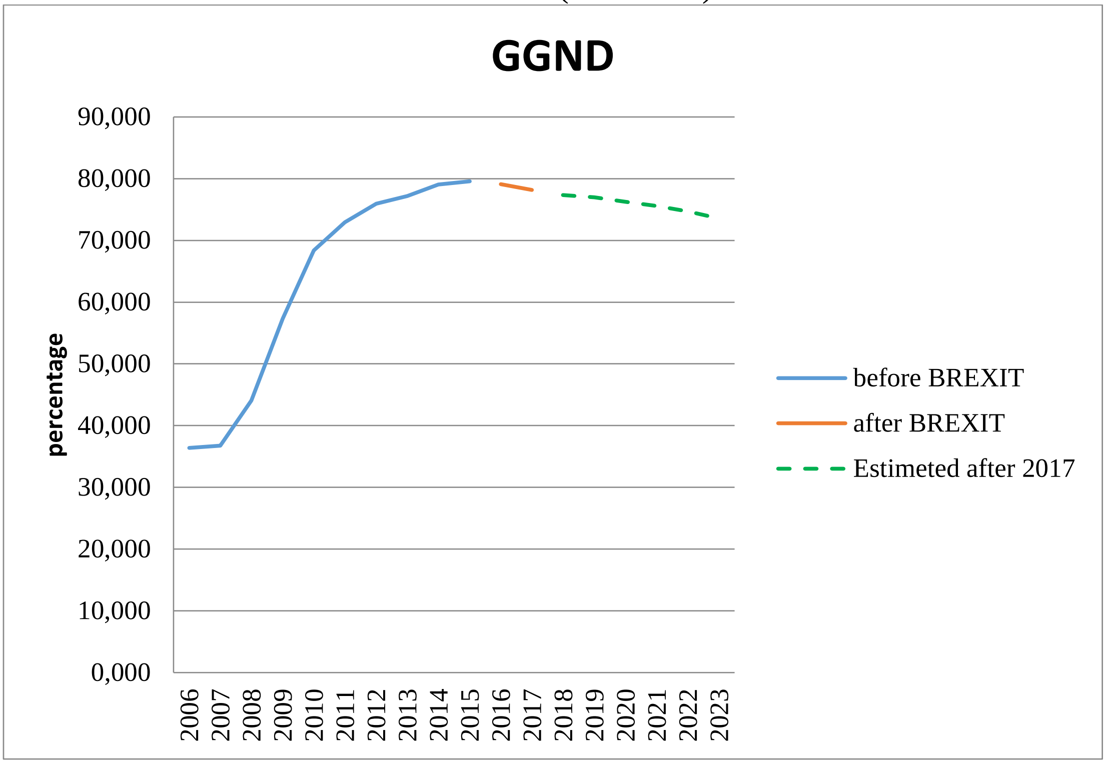
Table 3.18. Government Deficit and Debt

M8R	Government Deficit and Debt Under the Maastricht Treaty				
	(Revisions from figures published in April 2018)				£ million
	General government net borrowing	General government gross consolidated debt at nominal value	Gross domestic product (GDP) at current market prices	Net borrowing as a percentage of GDP	Gross consolidated debt as a percentage of GDP
Financial years					
	-MNY3	YEQG	BKTL		YEQJ
1992/93	0	0	-775	0,0	0,0
1993/94	0	0	-239	0,0	0,0
1994/95	0	0	296	0,0	0,0
1995/96	0	0	406	0,0	0,0
1996/97	36	0	622	0,0	0,0
1997/98	160	0	645	0,0	0,0
1998/99	157	0	2.374	0,0	-0,1
1999/00	168	0	1.051	0,0	-0,1
2000/01	201	0	640	0,0	0,0
2001/02	237	0	3.139	0,0	-0,1
2002/03	185	0	3.093	0,0	-0,1
2003/04	145	0	3.307	0,0	-0,1
2004/05	-2	0	2.666	0,0	-0,1
2005/06	136	0	2.441	0,0	0,0
2006/07	131	0	2.851	0,0	-0,1
2007/08	126	0	5.809	0,0	-0,2
2008/09	105	0	7.374	0,0	-0,2
2009/10	101	0	6.878	-0,1	-0,3
2010/11	-413	0	7.186	-0,1	-0,3
2011/12	125	0	10.217	0,0	-0,5
2012/13	-203	0	10.385	-0,1	-0,5
2013/14	-80	0	7.667	0,0	-0,3
2014/15	-984	0	5.918	-0,1	-0,2
2015/16	-354	1	10.191	-0,1	-0,4
2016/17	-224	-21	3.061	0,0	-0,1

Source: Office for National Statistics

As seen in table 3.18, in the year after Brexit, Gross consolidated debt as a percentage of GDP decrease to -0,1. It is highly good value in terms of the performance of general government debt.

Table 3.19. General Government Net Debt (% of GDP)



As seen in table 3.19, the highest value of General Government Net Debt is at 79,58 in 2015, the lowest value of General Ggovernment Net Debt is at 36,378 in 2006. From 2006 to Brexit decision General Government Net Debt sharply rises, but after Brexit decision, the values are stable in high level.

Table 3.20. t-Test: Paired Two Sample for Means of GGND

	before BREXIT	*after BREXIT*
Mean	60,892	76,806
Variance	312,954006	3,9992585
Observations	9	9
Pearson Correlation	-0,938611119	
Hypothesized Mean Difference	0	
df	8	
t Stat	-2,438340229	
P(T<=t) one-tail	0,020334832	
t Critical one-tail	1,859548038	
P(T<=t) two-tail	0,040669664	
t Critical two-tail	2,306004135	

As seen in table 3.20 t-Test: Paired Two Sample for Means of GGND, Pearson correlation coefficient of General Government Net Debt before Brexit with

General Government Net Debt after Brexit was calculated as -0,938, that is, there is a very strong negative relationship between General Government Net Debt before Brexit decision and General Government Net Debt after Brexit decision. The p value was calculated as 0,040. Since the 0,040 value is less than 0.05, the H0 hypothesis is rejected and there is a statistically significant difference between the mean of General Government Net Debt before Brexit and the mean of General Government Net Debt after Brexit. It can be stated that Brexit will affect General Government Net Debt in the UK that is, after Brexit process is done, the mean of General Government Net Debt will increase considerably from 60,892 to 76,806.

3.2.7.Current Account Balance (CAB)

In the current account, the goods and services performed by the country in other countries are included. The current account consists of four accounts.

Foreign Trade Balance Account: In this account, the export and import of goods made from other countries are followed. Balance of Services: In this account service exports and imports from other countries are followed. Tourism, transportation, freight, international banking and insurance and construction services are recorded in the balance of invisible transactions.

Balance of Goods and Services Investment Account: Interest income and expenses constitute the balance of investment accounts of goods and services for profit transfers.

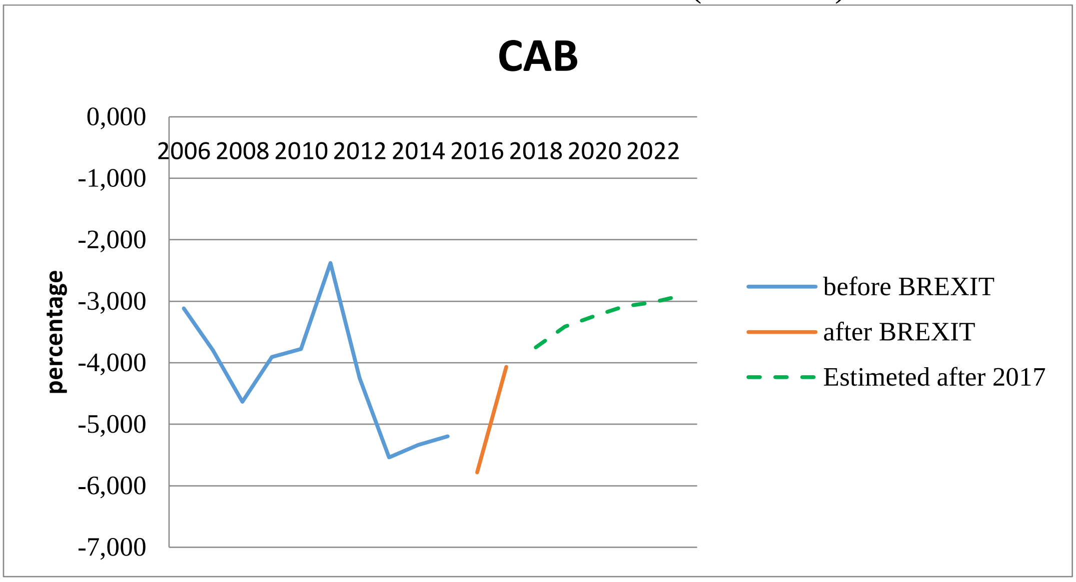
Unrequited Transfers Account: In the case of unrequited transfers, there are transfers of government funds and foreign workers' transfers abroad. There is no need to pay for items in this account.

The current account balance is composed of the sum of the four account balances mentioned above.

Current Account Balance = Balance of Foreign Trade + Balance of Services + Balance of Goods and Services Investment Account + Unrequited Transfers

Negative current account balance means that the goods and services exports of that country are smaller than the imports of goods and services, and the current account is defined as the account deficit (current deficit). A positive balance of current account balance means that the goods and services exports of the country are bigger than the goods and services imports, and the current transactions are defined as surplus accounts (current surplus).

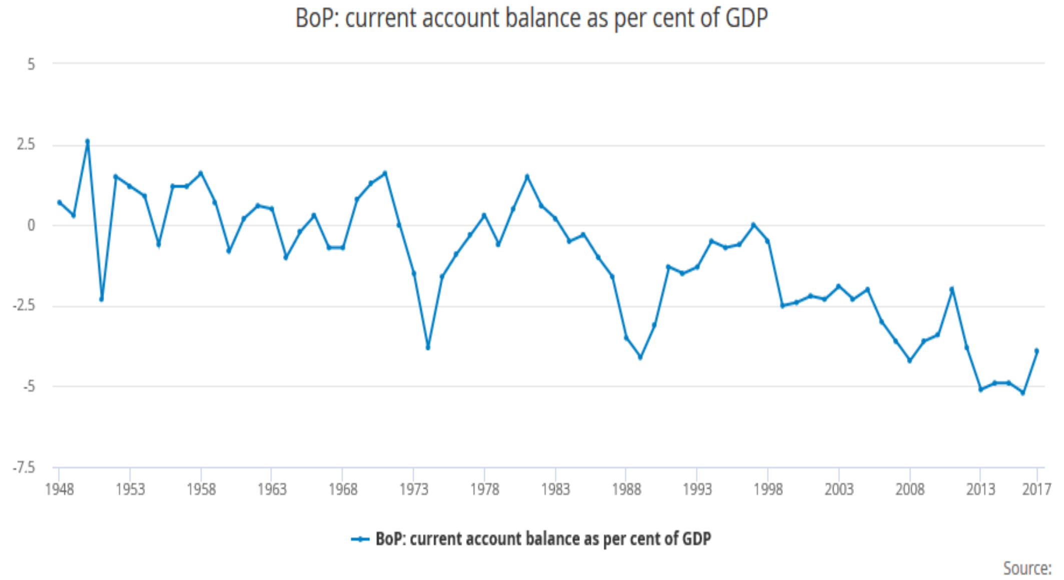
Table 3.21. Current Account Balance with Estimated (% of GDP)



As seen in table 3.21, the highest rate of Current Account Balance is at -5,784 in 2016, the lowest rate is at -2,379 in 2011. Before Brexit, there's a wavy movement, after Brexit, the movement sharply rises.

The Common Market provides advantages to the UK over free trade agreements; The availability of common technical standards and regulatory requirements makes it possible to move freely between the UK and the member states, without imposing goods on any obstacles. European Union countries, Britain's goods and services exports has an important place and the calculation of the EU's already free trade agreements with South Africa, when Switzerland and Turkey held with countries such as goods and services trade is included, the volume of trade is further increased. Therefore, there are many advantages for England.

Table 3.22. Current Account Balance



Source: Office for National Statistics

As can be seen from the table above, the current account balance increased a little affter Brexit.

In recent years, the declining importance of Europe in the global economy, the decrease in production and the global downward movement in tariffs have improved the picture in terms of the export of England.

Table 3.23. t-Test:Paired Two Sample for Means of CAB

	before BREXIT	*after BREXIT*
Mean	-4,081888889	-3,828888889
Variance	1,007536611	1,041765611
Observations	9	9
Pearson Correlation	-0,373934196	
Hypothesized Mean Difference	0	
df	8	
t Stat	-0,452339016	
P(T<=t) one-tail	0,331519234	
t Critical one-tail	1,859548038	
P(T<=t) two-tail	0,663038468	
t Critical two-tail	2,306004135	

As seen Table 3.23 t-Test: Paired Two Sample for Means of CAB, Pearson correlation coefficient of Current Account Balance before Brexit with Current Account Balance after Brexit was calculated as -0,373, that is, there a weak negative relationship between Current Account Balance before Brexit and Current Account Balance after Brexit. The p value was calculated as 0,663. Since the 0,663 value is more than 0.05, the H0 hypothesis is accepted and there is no statistically significant difference between the mean of Current Account Balance before Brexit and the mean of Current Account Balance after Brexit. It can be stated that Brexit will not affect Current Account Balance rate.

3.3. THE CAUSES OF BREXIT DECISION

The United Kingdom seeks for independence from Brussels bureacraucy. Brexit supporters say no to the globalization. They argue that globalization has caused an increase on the unemployment in the UK, leading to regional disequilibrium. In addition to these arguments, the two arguments are further highlighted in separation: The increasing immigration problem with the impact of globalization and conflicts is the financial burden of European countries' unstable economies (mainly the PIIGS countries, Portugal, Italy, Ireland, Greece, Spain), the debt problem - or the debt trap. and should be loaded by France, Germany and Britain. The EU Management plans have been adopted neither by the British Government nor by the conservative part of the people in England. Moreover, the thoughts of the radical representative UKIP (UK Independence Party) were also shared by the British Labor Party.

European skepticism or otherwise anti-EU opposition is often called the political view of people who criticize or directly oppose EU ideas and institutions. Considering the main source of this skepticism; Although the European integration project has primarily undermined European nation-states, it is the source of this idea that the European skeptics are willing to slow down, stop or reverse this integration altogether. In addition, EU institutions have undermined the EU's democratic deficit (democratic deficit) is a bureaucratic structure of the EU institutions and it is also stated that they are far from the peoples.

Hobolt (2016) stated that the result of the UK referendum on European Union (EU) membership had sent shock waves over Europe. While the UK is a violation of the power of the European Parliament, anti-immigrant and anti-participation sentiments, which produce the outcome of the referendum, are gaining strength throughout Europe. Analyzing campaign and survey data, she shows that the difference between the winners and the losers of globalization is an important driving force for the votes. The British preferred the EU exit or Brexit “, particularly those who expressed less educated, poorer and older voters, as well as concerns about migration and multiculturalism. While there is no evidence of a short-term infectious effect with similar membership referendum in other countries, the Brexit vote still constitutes a serious challenge for the European political institution.

It is currently emerging as the National Front Party of France, one of the most important actors of EU skepticism throughout Europe. Another country where EU skepticism is widespread is the Netherlands. The Freedom Party, directed by Geert Wilders, was founded in 2006. Like the National Front, the Freedom Party demands that the Netherlands leave the EU. In this context, Wilders makes clear that there is a referendum on this as in Britain. Another interesting example is Germany. In Germany, perceived as the economic locomotive of the EU, a party called Alternative for Germany ’(Alternative für Deutschland, AFD) emerged Szczerbiak and Taggart (2018) examine the link between the latest EU crises and the development of euro-based Eurosceptisism across Europe. This is based on data from expert surveys outlined in qualitative data, outlining the way in which we can see experimentally the link between the effects of crises in European countries and the ways in which they are taking action by political parties states. It sets out the four main frameworks that the EU objected to European states: economic factors, migration, democracy / sovereignty and national factors. At the same time, there is a clear difference between the effects of different crises. Brexit had a very limited impact, although the Eurozone crisis had a particularly strong impact on the party systems of the countries most affected by the rescue packages, and the migration crisis had a particularly strong impact on party policies in the post-Communist states of Central Europe. Brexit has had the effect on national party policies, although it changes in the long term.in 2013. According to other examples, AFD is a moderate EU party with skepticism.

In the UK, because of issues such as the withdrawal of some of the powers delegated to Brussels recently, the immigrant problem, the EU budget and its return to the economy, and also the effect of rising anti-EU sentiment in the Conservative Party, Prime Minister Cameron said that he would lead the EU membership to a referendumin if he won the general election 2015.

Brexit decision, which began with the re-questioning of the economic gains with the European Union, was one of the promises of the British Prime Minister and

Conservative Party President David Cameron in the last 2015 elections. Britain, one of the three leading countries of the European Union, has put forward its grievances about sovereignty, economic management, competition and immigration issues with Brussels in the reform negotiations and proposed Brexit as a trump unless these problems are settled.

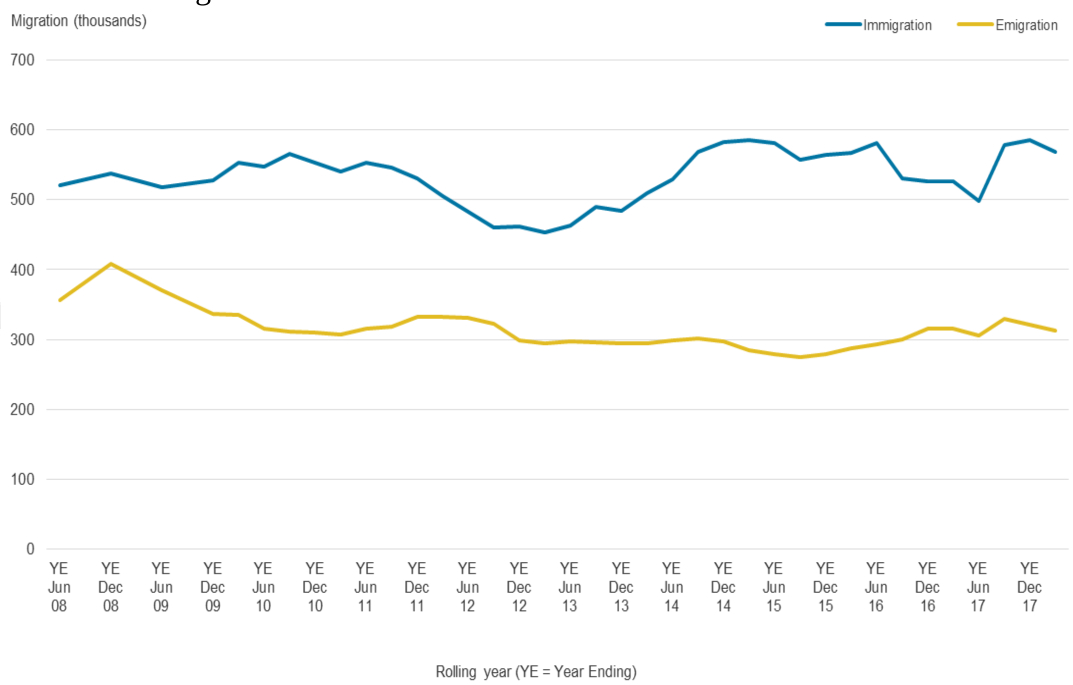
On the way to the Brexit process, he wants Britain to apply to different currencies rather than being the only single currency of the euro from the European Union. In addition to this demand, Britain, which wanted to simplify the cash flow in order to increase the competition rate of the European Union, demanded the removal of bureaucratic obstacles. As a result of the negotiations and the partial acquisition of what the British wanted, Cameron began an anti-Brexit campaign.

Those who campaign against EU membership have channeled the EU into a scapegoat by channeling the UK's grievances about social policies and the labor market, unemployment and government grievances to the EU. The basic arguments put forward by this camp are as follows:

- EU membership prevents Britain from mobilizing its full potential on a global scale; draw back the country. Britain cannot pay for its contributions to the EU budget. The contribution to the EU budget can be divided for other public priorities such as education and health.
- Restricts the freedom of the business world because it imposes EU membership on excessive rules and regulations.
- The competencies of the EU are increasing. Decisions on many issues are now taken in Brussels. Britain's sovereignty and the right to determine its own future has been removed as Schimmelfennig (2018) pointed out that Brexit was the result of a self-determination, the rise of a European party and a mix of integration influences (migration) that challenged the availability of referenda. On the contrary, the institutional and material bargaining power of the states demanding dissolution is significantly lower than those demanding pre-election in the context of integration negotiations. As a result, the demands for disintegration will alleviate their demands and make concessions to the EU during the negotiations. The ongoing UK-EU divergence negotiations confirm this expectation.

- EU membership led to the influx of migrants to Britain. In particular, those who come from EU member states to work in Britain are both increasing unemployment and burdening the social security system. Britain must regain control of its borders (www.ikv.org.tr).

Table 3.24. Migration



Source: Office for National Statistics

As seen in the table 3.24, after Brexit, both immigration and emigration increased.

Turkey is a member of the EU, which is 81 million, the membership of this country will bring the free movement of the Turks. Moreover, the visa liberalization negotiated with this country means that the Turks will enter the Schengen area freely. This includes risks both in labor markets and in security. Aras and Altug (2017) try to find the answer of the following question in their study, "What are the effects of the crisis created Brexit on the European Union-Turkey relations in the European Union?". In this context, primarily Brexit subject causes, development, and are discussed in detail and in terms of results, in which level Brexit affects on the European Union-Turkey relations is examined.

3.4. POSSIBLE ECONOMIC EFFECTS OF BREXIT DECISION

In the literature, many studies have looked at the overall impacts of Brexit on the public finances,.International organisations, such as the IMF and the OECD, and also they have contributed to the debate, looking both at the impact on the UK’s macroeconomic indicators and the economic relationships between the UK and EU, but also at potential risks for the global economy, and politics for example, Bulmer and Quaglia (2018) studied the economic and political effects of Brexit on the UK and the EU and warrant scholarly examination. They have two main aims:to investigate the implications of Brexit for the EU and the UK, placing this assessment in the context of the long-term evolution of UK-EU relations; and to draw some lessons fromit, relating these findings to debates within the literature on EU policy-making, comparative politics and political economy.

The UK's ability to leave the European Union could open the door to some other countries and a fragmentation in Europe. It could also lead to a loss of clarity in the financial markets and a trade destabilization that could adversely affect the global economy. Howarth and Quaglia (2018) have recently studied that focuses on Single Market-related policy developments in finance in the Brexit context. Theoretically, Europe is concerned with two working units that make contradictory predictions in the development of EU policies on financial market integration and financial regulation: One focuses on a new mercantilist war among member states, while the other emphasizes the importance of transnational financials. networks (or coalitions). Empirically, they find limited evidence of the formation of international alliances in favor of the United Kingdom. They maintain broad access to the EU Single Market in financial services. In contrast, the main financial centers and national authorities in the EU27 competed to drive the financial business away from the UK - what they described as a war between member states and national financial centers.

Britain will be forced to make new trade agreements with other countries as a result of separation from the EU and it may be subject to World Trade Organization rules. If the Brexit happens, this will cause a loss of around 200 billion pounds each year for the next 15 years and loss of foreign investment of 200 billion pounds(www.turkishyatirim.com).

Brexit may pose a threat to the security of Gibraltar if the UK leaves EU membership, and also the UK's ability to protect the interests of Gibraltar could be weakened if it left the table in Brussels. As a result, the offer of its sovereignty can be brought to the agenda again.

The philosophical separation of Britain, which represents a much more liberal view than the continent of Europe, means a more prescriptive and a less flexible European Union. Britain's decision to leave the EU means that for international financial institutions, Ireland can stand out as a priority option because of English speaking.

With the separation of the united kingdom from the EU and the loss of Eu voting rights, in addition to the new potential regulations in the future, they may have a negative impact on almost all export sectors. Ifelebuegu et al. (2017) studied the potential implications of Brexit on energy policy and security in the United Kingdom (UK). Given the uncertainties associated with the decision to leave the European Union (EU), the need to consider its potential effects on the UK’s energy sector becomes even more pertinent. With the lens of several widely revised trading regimes in the light of Brexit, it is unlikely that the UK energy policies will likely change significantly, while Brexit still threatens the UK's capacity to protect its energy supply.

If the UK is separated from the EU and Scotland joins the EU, financial institutions in London may carry out their headquarters to Edinburgh, not Europe, or Goldman sachs, one of the largest foreign investors in the UK banking sector, announced that it would stop its operations in London by moving other financial centers in Europe if the UK came out of the EU.

At the sectoral level, Brexit will affect UK's mechanical impact most engineering, automotive and chemical industries. EU's MFN import tariffs are relatively high in these areas. However, the financial sector may be the largest loser. Conversely, this industry in Germany, France and Luxembourg may have advantages. On the continent, losses will be concentrated in automotive, food and paper industries.

EU Customs Union Agreement is implemented through zero customs duty on imports of industrial products from Turkey to the UK. If the Brexit happens, and even if separated from the European Economic Union, it may affect the foreign trade of Turkey. In this case, new agreements on tariff relations between Britain and Turkey will be required (www.turkishyatirim.com).

CHAPTER FOUR

CONCLUSION

The results of the Brexit's referendum were declared as a manifestation of long-standing discontent with the EU integration process and with the growing European skepticism in other EU countries. We live in a periof of interesting political developments. At such times, our passionate conviction keeps the ideal great appeal of the hard, disorganized and hardly conceivable thoughts. Emotional politics in Europe today is fundamentally a judgment about the nature of liberal representative democracy and political norms. The anti-EU movements have been strengthened in recent years, both on the right and left sides of the political spectrum. All these developments required the EU to establish an effective democratic system that would enable the representation and participation of the peoples. In this process, however, the EU institutions remained largely technocratic and bureaucratic. The growing power of the European Parliament or the fact that the European Commission is now elected by Parliament is not enough. In particular, the radical right and left sections have developed an anti-EU and anti-migration strategy, using concerns about their discontent in their communities, their economic distress, the changing environment around them and the effects of globalization (www.ikv.org.tr).

The decision to leave the European Union may have many economic, social, cultural, political effects. Indeed, it is quite an important step. In the following Brexit referendum, the economic, political and institutional uncertainty in the UK and the Euro-Zone can cause many negative effects on the macro-economic rates of the UK. In the short term, the financial opportunities and conditions of the British economy become difficult and weak consumer confidence; in the medium and long term, it is expected that the country will be exposed to the effects of Brexit. As it is known, Brexit will also bring the EU Single Market out. The absence of Britain to a market based on the free movement of goods, services, people and capital will be reflected in the country's economy as restrictions on high trade barriers and the mobility of labor. In the long term, Brexit is expected to have structural effects on capital, migration and technical developments. In particular, the decrease in labor productivity, the decrease in foreign direct investment and the decrease in the labor force with high skills would not be surprising. On the other hand, Britain's commodity and labor markets are the most flexible in EU countries. With Brexit, it may be possible for Britain to seek further liberalization. However, the gains to the UK will be able to remain low.

Leaving the EU would allow the UK to develop a more competitive regulatory framework. European Union regulations make the British economy extremely bureaucratic and at the same time narrows the field of action to penetrate rapidly growing economies outside Europe. Therefore, the departure from membership could alleviate the pressure of regulations on trade relations and enable free trade agreements with countries with high growth potential outside Europe.

The UK has very important soft power and hard power elements. The soft power phenomenon used by Joseph Nye in the literature for the first time in 1990 is the ability of a country to influence and change the behavior of other countries through elements such as culture, political values and diploma without any sanction or payment. Britain, which has a great weight in terms of soft power, will leave the EU may reduce the soft power assets of the European Union and harm its effectiveness in the international arena. The UK also has strong power elements such as military power, financial power and foreign policy effectiveness, and the EU benefits from the strong position of Britain in international institutions such as G8, G20, IMF, NATO, World Bank, OECD, UNSC. As a result of its superiorities in the mentioned aspects, the UK also strengthens the EU while implementing certain sanctions in the financial sector (Global Counsel; 2015:25).

The separation of Britain from the European Union gives the impression that the country will remain single against the growing countries like the US, Russia and China. Britain's Brexit negotiations come at a difficult time for the EU. Euro-zone and migration crises have not reached a definite solution. The rise of populist Euro-skepticism will be discussed. The EU and its politics have become more politized than ever. Both the USA and Russia will strongly challenge the view of the international order that the EU represents.

In addition, the termination of the 43-year union will cause a loss of prestige for the Union, which is already undergoing a difficult process with the economic crisis. China's rising power will direct attention to Asian countries and new partnerships; a possible separation in this process may cause it to act alone in Europe. The European Union, which is going to lose a strong ring like Britain, is thought to be left alone with the weak link affected by the crisis. It should be noted, however, whether the fact that what is meant by the UK discourse of separation from the European Union is to completely isolate itself from the European Union, or to reorganize the existing conditions of membership only under the name of a new partnership (Saygın and Ultan, 2016).

The actions of those representing the UK and the EU will become more important now than they were at other times, and it will make it necessary to carefully review policy makers on both sides of the channel. Events can also affect the final outcome of the negotiations in ways that it is difficult to predict. National elections, terrorist attacks, economic shocks or geopolitical crises can have an independent effect on the outcome of the negotiations. The theory can therefore only take us so far. It may help us to map the scenarios and reveal underlying assumptions, but the events will need to be constantly corrected and carefully considered as they arise. Brexit examining is like tracking a moving target as Martill and Steiger say (Martill and Staiger, 2018:263). As in her third Big Brexit talk on March 2, 2018, British Prime Minister Theresa May said that for the first time the European Union exit was disadvantaged, “We all have to accept some serious facts. We leave the domestic market, life will be different. Access to markets on both sides will be less than before Brexit. However, May still announced that they will put Brexit into practice. When asked by the German daily Handelsblatt May whether Brexit is worth the disadvantages, “May replied, Well, that is’. But “does this mean that we should rethink Brexit decision? No. May said they received an order from the public and they would implement it (Leitel and Volkery, 2018).

We can conclude that according to EU legislation, before the process to be initiated is completed and the process of separation from membership, there are different views on the economic costs and advantages amongst economists. It is clear that the country will need the most economic stability and a clearly planned global re-position in order to avoid all these challenges undamaged. This will be possible with strong leadership. Otherwise, the United Kingdom's global impact production capacity will be eroded.

The United Kingdom will try to seek a new alliance against the geopolitical challenges that it might face following its exit from the EU alliance. On the one hand, the country should be closer to the US and on the other hand, it can be expected to seek more flexible relationship models with Russia. But more importantly, it will be the size of the geoeconomic relations that the United Kingdom will develop in Asia with India and especially with China. In a formula that does not undermine strategic balances (without an alternative to the EU or the United States), Asian-UK relations are also expected to raise levels.

If the UK attempts to develop a balancing policy against the deepening German and EU influence in the Balkans and Central Europe, it can pave the way for multi-dimensional and stiff competition on the continent.

Brexit decision has potential to bring many opportunities for the UK - in addition to the areas of land. If the Kingdom can move from the EU's strict control to a more flexible trade model, it will want to try out new geopolitical moves in areas where the imperial history is still alive. The Middle East and the Gulf region, which are still very rich in terms of energy resources, will face a strong and peaceful United Kingdom, both in history and in the current chaotic environment.

If the United Kingdom can provide cooperation models formulated on win-win, it can develop a deeper commercial engagement with members of the Commonwealth. Similarly, the United Kingdom will try to make the post-Brexit position more attractive by producing strong joint economic projects with Asian countries (www.dunyabulteni.net/).

Whether Brexit decision will be rigid or soft (Hunt and Wheeler, 2017) is important for evaluating how the EU will take shape after the Brexit. Theresa May, ″ Brexit means Brexit “ (independent.co.uk, 2016) she signaled that Britain would have nothing to do with the EU after its departure from the EU. With this explanation, May says that Brexit will be ″ rigid”. Hard Brexit and EU are also expressed in the common market and are expected to have serious consequences. Although the attitude of England will be clear in the context of changes in the international system and in the EU, it is also true that these statements contain political discourses that will meet the demands of the electorate. In this context, the relationship between the UK and the EU within the framework of mutual interests may change.predictable.

If the UK, which has traditionally strong tools in Middle East politics, wants to set the EU or Germany's ambitions to develop in the region, then the ongoing guardianship conflicts on the region may become more complex. (Germany's disagreements with Turkey in the process of reconnaissance aircraft in Incirlik base and troops to Jordan to shift the decision seems to be an interesting development in the conception process.

Discussions about the security of the borders of the Union had been complicated by the problem of Syrian refugees. prevention of movement within the Schengen area to Union stepped asylum seekers mass efforts, but will support the southern countries such as Greece and Turkey and the Aegean was possible with a serious force buildup. Turkey's dedication far beyond that owns many of the 3 million Syrians have been in place their own facilities, they still want to move to EU countries. In this sense, it is well-actual data does not appear - keep the EU Turkey's position as a stakeholder in the business can be expected to provide both financial support. The moderate policies of the EU towards migrants, especially on the German axis, have disturbed the British people and therefore Brexit campaigns have been shaped around a politic concept “ whiter England”. It is also observed that the Brexit process creates an interesting crisis of identity and an interesting sense of belonging and control over the changing social values.

In order for the European Union to continue to make sense to its members, it must be on the one hand to try to implement democratic processes in the governing mechanisms, and on the other hand, continue to be convincing about the necessity and benefits of a single market option. The opportunities for a single market in the fields of energy, telecommunications and labor mobility are issues that will strengthen the Union's arguments.

The United Kingdom's decision to leave the European Union is a history that is not surprising, given the history of the Kingdom's relationship with the EU. Migrant crisis, issues related to sovereignty rights, deep-rooted nationalist sentiments of the British people, and the increasing racist and nationalist tendencies of the Union have been influential on the Brexit results.

Considering the results of the Brexit decision for the Union, it will be necessary to emphasize that the rising nationalist currents in other EU countries are strengthened after the Brexit decision. With the separation of the Kingdom, which is one of the politically dominant countries within the Union, from the Union, the internal political balances of the EU will undoubtedly change.

Brexit as hosting a number of risks that could jeopardize the European Union's geopolitical future opportunities if offers to strengthen the Union if this process unscathed. The worst-case scenario is the possibility that the EU will enter into a rapid disintegration process. Greece crisis, the discomfort of EU policy in Hungary, with the waves of the Union to strengthen political tensions in Poland nationalist currents can trigger processes that can be forced. The scenarios for the EU's rapid disintegration seem to have been pushed aside by the election of Emanuel Macron, the president of the country, who has been a strong supporter of the EU project in France. However, it should not be forgotten that the nationalist wave continues to be strengthened by crises in France and many other EU countries. This suggests that we should not undermine the possibility that we are at the very beginning of a process in which dissociative ideas cannot be easily covered. Even if it seems highly unlikely in the short term no matter if connected to both the EU and the disintegration of the real economy in countries dependent on environmental livable serious crises in both the EU's fascinating country. This process will gradually open the doors of a Russian influence or a more hegemonic US influence over Europe on an undesirable rate (www.dunyabulteni.net/).

For the United Kingdom, it is clear that the greatest impact of this decision will be experienced in the economic sphere. The United Kingdom, which will have to seek a new alliance against the geopolitical threats it might face and it will need a strong and stable political environment more than ever.

In addition to the debate on the separation of Britain from the EU and the political effects it will create, it is also likely that the political decision will lead to significant economic effects. The second major economy of the EU, the emergence of the Union from the Union, with the political decision immediately began and still observed in the short-term. Along with its impacts, the EU economy and the British economy will have significant impacts in the medium and long term. A large number of studies on the various scenarios and results of Britain's departure from the EU show that Brexit can cause a high economic cost.

As to the results of t-Test analysis applications as an econometric analysis, suggest an important advantage at least more than 50% to the UK of Brexit because Brexit significantly affects the 4 macroeconomic rates of the 7 macroeconomic rates discussed in this study, such as General Government Net Debt, General Government Total Expenditure, Unemployment Rate, and Inflation Rate. It is determined that Brexit will lead to a considerable decrease of both unemployment average and inflation average. Even if the current situation looks positive, it is still difficult to determine the impacts of Brexit on the macroeconomics of the UK because of the studies mostly based on estimated values. Therefore, the process of Brexit with EU may cause disruptive impacts. It may be useful to suggest that England is a very important trade partner for Turkey. Germany is Turkey's biggest trading partners, after it, also Britain, we provide the highest foreign trade surplus, stands out as a European country. As a result of the EU Customs Union Agreement, zero customs duty is applied to industrial products imported from Turkey to the UK. Brexit may affect Turkey’s foreign trade, so in this case, new agreements relating to tariffs between the United Kingdom and Turkey.will require.

United Kingdom and Turkey, shown as the most unique countries in the history of European integration. The United Kingdom is a state whose membership has been rejected twice and ultimately left the European Union; In Turkey, more than half a century as a result of the relationship could still be a member of the Union. United Kingdom leave the European Union's (Brexit), as in effect created a crisis created at Union level on the potential impact on Turkey. Brexit primarily means the loss of an important country supports EU membership for Turkey. Turkey's European Union membership distance standing in the face of major countries such as Germany and France, which is still an important country within the Union United Kingdom remained longer in a position not to support Turkey. Also in the post Brexit, United Kingdom in the future there will be also is applicable for Turkey's relationship with the European Union or the European Union without being a member of the Customs Union in a manner similar to Turkey continued United Kingdom that he would not continue the relationship with has made considerable debate.

Therefore, the possibility of evolving a different post integration Brexit Turkey in the European Union may take place in a different location (Aras and Gunar, 2017). With the help of Brexit, new model between The UK and EU will be created in this way England can engage with the European Union with a special model, so Brexit can pave the way for Turkey's joining EU with a special model except for full membership.

Near East in the civil war and chaos affected by two important countries as Iran and Turkey, can offer a significant alternative geopolitical and geo-economic cooperation opportunities for the United Kingdom. But in this area can open the Kingdom's own large area, stopping Islamophobic movements in Iran and the country depends upon the producing successful alternatives in Israel and Turkey equations.

The departure of the UK from the EU will cause Ireland to be the priority option for financial institutions. Therefore, international companies may be considered to establish branches and subsidiaries in Ireland.

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ÖZGEÇMİŞ

Fatih Kaya 1988 yılında Gaziantep'de doğdu. Gaziantep Üniversitesi Fen Edebiyat Fakültesi İngiliz Dili ve Edebiyatı Bölümü'nden 2011 yılında mezun oldu. Ayrıca, ikinci üniversite olarak Anadolu Üniversitesi Açıköğretim Fakültesi Kamu Yönetimi Bölümü mezunudur. Gaziantep'te M. Nurettin Horoz Lojistik Mesleki ve Teknik Anadolu Lisesi'nde İngilizce Öğretmeni olarak çalışmaktadır. İyi derece İngilizce bilmektedir.

VITAE

Fatih Kaya was born in Gaziantep in 1988. He graduated from the Department of English Language and Literature, Faculty of Arts and Sciences at Gaziantep University in 2011. As his second bachelor degree, he also graduated from the Department of Business Administration at Anadolu University Open Education Faculty. He has been working as an English teacher at Gaziantep M. Nurettin Horoz Logistics Vocational and Technical Anatolian High School. He knows English at an advanced level.

ANNEXES

ANNEX 1

A.1. Symbols and Abbreviations

ESCC	European Space Components Coordination
EU	European Union
EU27	European members from 1 Jan 2007 to 30 June 2013
EUR	Euro
G8	Group of Eight.
G20	Group of Twenty.
GBP	Great Britain Pound
IMF	International Monetary Fund.
NATO	North Atlantic Treaty Organization.
OECD	Organization for Economic Cooperation and Development.
TL	Turkish Lira
UNSC	United Nations Security Couneil
USA	United States of America
USD	United States Dollar