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**DEINTEGRATION IN THE EUROPEAN
UNION AND LESSONS FOR ASIA**

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Abstract

The European Union (EU) is one of the most successful integration arrangements in the world. However, the disintegration in Europe through Brexit is puzzling. This article aims to clarify this dilemma by addressing the following questions: Was the former French President, de Gaulle, right that the United Kingdom (UK) did not fit in the EU? Is it that the UK government failed to redistribute the gains from EU membership equitably to the Britons who voted for Brexit? Is Brexit happening due to a deceptive campaign? Or was it just the sovereignty that Britons do not want to sacrifice no matter what economic costs they face? This paper aims to clarify why Brexit happened and what lessons can be learned from Brexit for other integration arrangements around the world – especially in Asia. This paper argues that Brexit reminds us of the limitations of regional integration. It strongly advises policy makers to be cautious in expanding too far and too fast and suggests paying proper attention to educating citizens about the costs and benefits of regional integration.

Keywords: Brexit, European Union, economic integration, Asia

JEL Classification: F15, F1, D31, R5

Contents

1.	INTRODUCTION	1
2.	REGIONAL INTEGRATION AND THE EUROPEAN UNION.....	1
3.	WHO SUPPORTED BREXIT AND WHY?	5
	Factors Driving the Support for Brexit	5
4.	CONCLUSION AND POLICY RECOMMENDATIONS FOR ASIA.....	9
	Lessons from the Brexit Experience for Asia.....	10
	REFERENCES	12

1. INTRODUCTION

After a long drama, Brexit is now officially done. But the details of any possible deal have yet to be confirmed. More than three years after the Brexit referendum, it is still not clear exactly on what terms the United Kingdom (UK) is going to exit the European Union (EU). No matter what path she takes to leave the EU, it will undoubtedly have far-reaching socioeconomic and political consequences. The question in the 2016 Brexit referendum was simple: Should Britain leave the EU or remain? But that simple question placed an enormous decision-making burden on the British citizens because the UK's membership has a long history, and Brexit will potentially have an extensive impact on their lives and livelihoods in the years to come. As a result, the people and their representatives in the House of Commons are deeply divided on this issue.

The supporters of Brexit (hereafter “Brexiters,” for short) put the blame squarely on the EU for their economic, social, and political suffering. Brexiters believe that Brexit will make them economically prosperous, socially satisfied, and politically independent. But that argument goes against the fact that, as of today, the EU is the most successful integration arrangement in the world. The aim of this paper is to review why the deintegration process is happening in one of the most successful integration arrangements in the world and what lessons can be learned for other integration arrangements—especially in Asia.

The author uses a documentary analysis of recent debates over Brexit to examine why the majority of the British citizens supported Brexit. By classifying the reasons supporting Brexit as economic, social, and political factors, the author performs a fact check on the Brexit campaign to see whether Brexiters used a deceptive campaign to lure voters. Finally, the paper examines whether sovereignty and economic progress have been incompatible in the debates on Brexit. This paper proceeds as follows. First, the researcher offers a recap of the regional integration and the history of Britain's membership of the EU, including a theoretical background. Then, the researcher examines who voted for Brexit and why, followed by a critical analysis of the claims made by Brexiters from economic, social, and political points of view. Finally, the researcher concludes the paper by highlighting some lessons to be learned for other integration arrangements in Asia.

2. REGIONAL INTEGRATION AND THE EUROPEAN UNION

Regional integration is a formal cooperation between states on political, economic, and social issues. Contrary to common belief, regional integration is not merely an economic phenomenon. The reason for this is that the complex process of integration involves heated domestic debate (e.g., should Switzerland, or Norway, join the EU?); lengthy international dialogue (e.g., should Turkey be allowed in the EU?); and painstaking economic negotiations (e.g., the extent of tariff concessions—positive list, negative list, etc.). These phenomena have profound socioeconomic and political impacts on member states of regional integration arrangements.

Economists argue that free trade is not a zero-sum game. The past 200 years of experience indicates that free trade makes every country better off. But that does not mean that everybody in society will automatically be better off because of regional integration. Free trade might create winners and losers within a country. Economists, however, argue that the winners will win more than the losers lose—leaving the society

as a whole better off. Therefore, countries engaged in free trade should have a redistribution mechanism in place to compensate the losers. Otherwise, there might be a social conflict between the haves and have-nots. The researcher would shed some light on this if such a divide influenced Brexit to happen.

Today's European Union was not built in a day. The historical roots of the European Union lie in the Second World War. Soon after the War, Europeans were determined to prevent mass killings and destructions ever happening in Europe again. The Western European nations created the Council of Europe in 1949 to stop such atrocities. This was the first step toward cooperation among them after WWII. But Germany, France, Belgium, Luxembourg, Italy, and the Netherlands (hereafter, the Six) wanted to go further with their cooperation. How is the EU explained by different integration theories?

Different integration theories have tried to explain European integration. Liberal intergovernmentalism and neofunctionalism are considered to be the most widely accepted integration theories explaining the development and progress of EU integration.

Liberal intergovernmentalists assume that states remain the main actors of regional integration. Integration happens through states searching for mutually advantageous bargains based on cooperation and competition among national governments. According to Hooghe and Marks (2019), "liberal intergovernmentalism combines a liberal theory of domestic preference formation with an institutionalist account of intergovernmental bargaining in which states are instrumental and driven chiefly by economic interests." The formation of the EEC in the 1950s can be explained by intergovernmental action in response to the post-World War II crisis in Europe. According to intergovernmentalists, states may delegate some kind of sovereignty to supranational or subregional authorities. But that is not necessarily to make the national governments obsolete. Instead, the proponents of intergovernmentalism argue that it strengthens governmental policy coordination via coalition building among nation states (for details, see Moravcsik 1995).

Neofunctionalism, on the other hand, assumes that sectoral actors work under the states and operate to maximize their self-interest in cooperating with other sectors or countries. Thus, neofunctionalists think that societal actors develop international relations based on their interests. Such functional actors may agree to form supranational institutions if that seems more promising than national institutions in achieving their interests. The actions of such sectoral actors might pave the way for regional integration. The formation of the ECSC is considered to be an interplay of functionalism. Although states were still the main actors, technocrats driven by interest groups supported the idea of forming a Franco-German alliance in coal and steel, which, as neofunctionalists foresaw, eventually spilled over to other areas of cooperation to make today's vast European Union.

Both theories have merits in explaining the formation and progress of EU integration. But critics argue that none of the theories explain thoroughly the conditions under which the EU could be deintegrated as has been happening through Brexit in the UK recently. Therefore, a third theory, called "postfunctionalism," has emerged to explain the deintegration in Europe (Hooghe and Marks 2019). Postfunctionalism "emphasizes the disruptive potential of a clash between functional pressures and exclusive identity" (Hooghe and Marks 2019). The recent debate around Brexit follows this argument: It is a clash between economic interest and identity to "take back control." To fully understand the Brexit debate, we need to know a bit of the history of the UK's access to the EU project. But the supranational institutions of liberal intergovernmentalism and the deeper integration due to neofunctionalists' spillover effect have created an endured

tension between economic progress and sovereignty—which is vividly visible in the Brexit debate. The researcher now turns to the process of the UK's integration into the EU.

The UK's entry into the EU was no less dramatic than what we witness today with Brexit. Having experienced four major wars in a single century, at the end of World War II, the European leaders were desperately looking for a way to stop wars in Europe. As a political union was challenging to achieve in those days, the leaders in Western Europe tried to unite European states in a tight knot based on economic relations. Consequently, the then French Foreign Minister, Robert Schuman, put forward a proposal to place French and German production of coal and steel under one joint high authority. The project was designed in such a way as to create common interests among European countries, hoping that gradually it would lead to a political union “to make another war impossible” in Europe. Belgium, France, Italy, the Federal Republic of Germany, Luxembourg, and the Netherlands quickly accepted the Schuman Declaration (9 May 1950). They signed the Treaty of Paris in 1951 to establish the European Coal and Steel Community (ECSC). The ECSC paved the way for the signing of the Treaty of Rome in 1957, creating the European Economic Community (EEC)—the predecessor of today's European Union (EU).

Membership of the EEC, or any of the prior agreements that led to European integration, was open to all European states—including Great Britain. But in 1957, the UK decided not to join the Treaty of Rome. Instead, she initiated an intergovernmental organization in 1960 called the European Free Trade Association (EFTA) with Austria, Denmark, Norway, Portugal, Sweden, and Switzerland to promote free trade and economic integration among its members. Nonetheless, realizing that the significance of the EFTA is too little to counter the development of the EEC, the UK decided to join the EEC in 1963. But that intention was blocked by the then French President Charles de Gaulle twice: in 1963 and 1967. But why did Britain hesitate about joining at the beginning? What made her change her mind? And why did President Charles de Gaulle try to keep the UK out of the European integration?

The UK was not interested in joining the EEC in the 1950s. The well-known slogan of the Brexit campaign—“take back control”—was not new in British minds. At the crucial conference of 1947, there were agreements on all issues except one: “The French favored a customs union, the English a free trade area” (Campos and Coricelli 2015). That disagreement has continued, albeit subtly, until now. In 1955, the UK withdrew from the Spaak Committee due to the supranational structure of the proposed integration. Britain's alternative proposal to form a free trade area—instead of a customs union—was rejected by the Six. The British did not like the “supranational” structure of the EEC, perhaps because it was too early for them to give up their leadership role in the world, and they did not want to undermine their link with the Commonwealth. As a result, Britain decided not to be a part of the EEC process during the 1950s. But the UK changed her mind later.

Having failed to convince France and Germany to stay away from the supranational structure of the EEC, Britain established the EFTA—the European Free Trade Area. The initiative was perceived by many as the old “divide-and-rule” policy of Great Britain. Nonetheless, soon the EFTA was proved to be insufficient to counterweight the success of the EEC. Before long, Britain realized that her economy was no longer competitive as it was before. The income gap between Britain vis-à-vis other comparable states was closing rapidly. In 1945, for instance, the per capita GDP in the UK was about 90% larger than the average of the Six founding members of the EEC. By the time the Treaty of Rome was signed, the gap had come down to 15%. The difference had declined further to 6% by 1967. When the UK joined the EEC in 1973, the per capita GDP was 7% smaller

than the average of the Six member states (Campos and Coricelli 2015). The continued economic decline left her little choice but to seek EEC membership. It is widely believed that the UK joined the European project to stop her relative economic downturn. Therefore, Britain decided to join the EEC.

But the path to joining the European project was not as smooth as the British might have thought. To the surprise of many, President de Gaulle vetoed the proposal for the UK's entry into the EEC twice: in 1963 and 1967. *The Guardian* (1973) notes: "General de Gaulle, on his own testimony, has never said that he wanted to see Britain enter into the Common Market stripped naked" (Roberts 1967). His denial of British entry into the European project can be explained on personal, tactical, and strategic grounds.

From a personal perspective, he was furious with the British, because, according to a secret document, "Churchill plotted to oust General de Gaulle as leader of the Free French forces during the Second World War, describing him as 'a bitter foe of Britain' who left 'a trail of Anglophobia' behind him everywhere he went." Perhaps President de Gaulle had little trust in the British due to his personal experience and thus he blocked the British entry into the Common Market.

Tactically, President de Gaulle wanted to preserve the dominance of France in the leadership of the Common Market. Therefore, when Britain opted out of the Treaty of Rome, de Gaulle used that opportunity to preserve the leadership role of France in the Franco-German alliance by blocking Britain's entry into the EEC.

On strategic fronts, President de Gaulle argued that Britain did not fit in the European construction. He understood Britain as an open economy and too attached to the US. From his long experience of working with the British and Americans, he firmly believed that the British would eventually act as an American agent inside the Common Market. In a conversation with the BBC (Connolly 2017), Edith Cresson, the former French Prime Minister, noted that "[h]e [Pres. de Gaulle] had a lot of experience of the British, and he always thought that they'd be on the Americans' side ... so I don't think he believed that they'd play the game of Europe." As he believed that the British might eventually use America as a tool for interfering, he did not want to invite American dominance in European matters via the entry of the British.

Although de Gaulle delayed the process, he could not stop Britain's entry into the EEC. Eventually, Britain joined in 1973, and the citizens of the UK accepted the idea of shared prosperity through a referendum in 1975 when 67.2% voted to stay in the Common Market. Despite majority approvals, the British felt uncomfortable in sharing its sovereignty by accepting the superiority of EU rulings over her domestic jurisdictions. Hence, from the beginning, the UK tried to promote an intergovernmental relationship with other European states. This preference for intergovernmentalism is one of the reasons why the UK opted out of the Social Chapter in 1992 and stayed out of the common currency—the euro.

Despite her hesitations, the UK continued to be a valued partner of the EU. She took part in most of the processes strengthening the cooperation among EU member states. But following the 2008 financial crisis, UK citizens' dissatisfaction over EU activities started to grow, and finally—40 years after the first one—the issue was put to a referendum in 2016 once again. The poll was to choose whether to leave or remain in the EU. Defying most predictions, the outcome of the referendum showed a slight majority for leave (52%) over remain (48%). This shocking result led many researchers to examine who supported Brexit and why, and whether the EU could be blamed for the bizarre outcome of the referendum.

3. WHO SUPPORTED BREXIT AND WHY?

It is hard to understand why the citizens of the UK decided to leave the EU in 2016 while they were desperate to join the Common Market in the 1960s and overwhelmingly supported staying in it via a referendum in 1975. While different studies came up with slightly different reasons, the voting pattern reveals that lower-income groups, citizens with lower levels of education, voters from areas with higher levels of immigration, and those aged over 45 disproportionately voted for Brexit (Zhang 2018; Clarke, Goodwin, and Whiteley 2017). Other studies, such as Arnorsson and Zoega (2018) and Ashcroft (2016), supported these results. But what factors drove the British to support Brexit?

Factors Driving the Support for Brexit

Complex factors drove the outcome of the 2016 Brexit referendum. To keep this discussion simple, however, the researcher will focus on economic, social, and political factors that led to the result, because several studies indicate that the Brexiteers convinced voters by highlighting the perceived cost of EU membership (economic), too much immigration (social), and the benefits of “taking back control” of their country (political).

Economic arguments: For a long time, the UK has been the fifth-largest economy in the world and a leading center of global finance. Yet, 14.2 million people in the UK are in poverty, with 7.7 million (12.1%) being in persistent poverty. The child poverty rates are as high as 40% and are predicted to rise by 7% between 2015 and 2022 (Social Metrics Commission 2018). These records are disappointing to the British, who considered the EU a dysfunctional economic entity. Because of these hard facts, alternative arguments, e.g., “leaving the EU would be an economic disaster,” were not convincing enough for people to oppose Brexit (Mauldin 2016).

The disappointing figures mentioned above do indicate that EU membership might have created winners and losers in society. It is not surprising, then, that some sections of the community may have been unable to claim a fair share in open market competition. These vulnerable groups, if they exist, may require additional support (such as subsidies) from the government. The researcher would like to come back to this point later to examine whether redistribution was a problem. But economic misery was not the only reason why the majority supported the leave campaign. There were social as well as political motivations behind the support for Brexit.

Social reasons: Immigration (legal, illegal, or refugee) was one of the most contested issues during the 2016 referendum debate. Supporters of the leave campaign blamed mass migration as the root cause of their socioeconomic downfall. It is true that, due to the EU’s free movement of people, citizens of the UK had noted the massive influx of people coming to the UK without restrictions and settling down. The newcomers were mostly from Eastern European states. Although cheap labor was good for the UK economy, it was hardly noticed by citizens in general. Instead, many voters looked at its negative consequences and claimed that the immigrants were “eating up local jobs” or “importing crime.” Sensing the development of negative sentiments in the UK society, Brexiteers convinced voters to vote for leaving the EU.

Political arguments: Brexiteers vigorously used nationalism—with the slogan “take back control”—to convince voters to support Brexit. As indicated earlier, the sense of patriotism was not new in British minds. Since the 1950s, Britain had been hesitating about sharing sovereignty in exchange for economic integration. Apparently, the pain of

losing independence was higher in British minds than the likely gain in economic prosperity because of her glorious past: the fifth-biggest economy, a regional power, and a former world leader. The past glorious days of the UK made it challenging for some citizens to accept the position of an underdog. It is not surprising, therefore, that citizens of the UK feel bad about sacrificing sovereignty. But can states live alone in this globalized world?

Globalization has made it difficult and costly for countries to live in isolation. Over the last few decades, globalization has become indispensable for growth—though not without costs. Hence, globalization has been a controversial issue ever since, and is perceived differently by different generations. The younger generations, such as millennials, are more accommodating to globalization than the older generations, who may have found difficulty in acquiring the new skills required to take advantage of the fast-moving, technology-driven, globalized world. Globalization, or regional integration, or free trade, is bound to create winners and losers in society. It is the responsibility of the national government to design remedial mechanisms to compensate the losers to minimize the social divide. Did the government of the UK fail to redistribute the gains from the EU common market to those who voted for Brexit?

Brexit and internal redistribution: Various studies indicate that EU membership has offered substantial benefit to the UK. The UK joined the Union in 1973 to stop its economic downturn. And it worked. Since it joined, the GDP per capita in the UK has grown faster than that of France and Germany (Oxford University 2016). Subsequently, the UK's GDP kept increasing, and other economic indicators also improved due to greater access to the European market. According to the Confederation of Business and Industry (CBI) of the UK, 71% of their members report that the EU had an overall positive impact on their business. Only 13% reported a negative effect. A CBI literature review suggests that the net benefit of EU membership to the UK could be somewhere between 4% and 5 % of GDP or 62–78 billion pounds sterling per year (Lewis 2016). The *Financial Times* (2017) stated that the EU had been a good period for the economy. The continuous rise of real GDP growth from 1958 to 2015 suggests that EU membership had been beneficial for the UK.

In contrast, various estimates indicate that there will be an income loss of up to 10% of GDP if Brexit happens. Other estimates also suggest that loss of productivity might be around 6% to 9% after leaving the EU. The estimated negative consequences of Brexit support the notion that the EU was beneficial for the UK economy. Chadha (2016, cited in Campos 2016) argues that the cost of likely disintegration via Brexit would be substantial.

In a nutshell: “History is clear: Things have gone very well for Britain as a member of the EU” (Oxford University 2016); “Brexit will make the United Kingdom poorer than it would otherwise have been...” (Sampson 2017). Nevertheless, it is still puzzling why the extent of the poverty is so high in the fifth-largest economy in the world!

Poverty-prosperity paradox: There is a high probability that the UK economy will suffer after Brexit. Because various studies suggest that the UK benefited from EU membership and several studies (e.g., House of Commons 2016) also indicated that the UK economy would be worse off in the case of Brexit, the effect might be devastating if the UK crashed out without a deal. This gloomy prediction is not entirely fabricated. The sharp devaluation of the pound sterling after the referendum, a tendency of capital outflow, and relocation of some (big) businesses out of London indicate what might happen after Brexit. But, despite positive effects, why are so many people in the UK living in persistent poverty?

This paradox raises another question: Does the source of the dissatisfaction indicate an internal redistribution problem? We may recall that, theoretically, free trade is a positive-sum game: Every country engaged in free trade should benefit. Free trade, however, cannot guarantee that all the sectors of an economy will enjoy equal benefits. An open trade policy, for instance, might offer enormous benefits to the businesses and workers involved in export-oriented industries, but it may hurt stakeholders engaged in import substitution industries. In short, free trade makes an economy well off but may create winners and losers in society. This likely economic discrepancy creates a significant burden on the government to design appropriate policies (taxes and subsidies) to compensate the losers. As the researcher has been alarmed by credible studies (Social Metrics Commission 2018) that there is widespread poverty under the UK's prosperity, it is crucial to investigate whether the Government of the UK failed to redistribute the gains from EU membership to the groups who voted for Brexit.

The Gini coefficient indicates the income disparity of a country. It measures how the wealth of a country is distributed among its citizens, with zero meaning perfect equality, and 100 meaning that all resources are concentrated in one hand. As highlighted in the Standardized World Income Inequality Database (SWIID), the Gini coefficient of the UK started declining from 1970 and has continued to rise since 1980. The Gini coefficient of the UK began to increase and continued up to 2000, indicating higher inequality, which could be a potential cause of Brexit. But it should not be because, since 2000, the income inequality of the UK has declined to 34 (Dabrowski 2016). The UK's Office for National Statistics (2019) provides similar results. As a side note, comparatively, the income inequality of the UK is much less than that of the US. Therefore, if incomes had been increasing during the period of EU membership and income inequality was not that high, then economic factors cannot be blamed for Brexit. But if not economics, what then?

So what actually went wrong? The analyses so far suggest that EU membership was good for the UK. As an argument for Brexit, income distribution was not a big problem. Immigration was a problem, but it was hardly big enough to change the result, and sovereignty was an issue, but the UK has been able to live with that for the last 40+ years. So what was the real problem that led to Brexit? Did Brexiters oversell Brexit during the 2016 referendum campaign?

The leave campaign was based on wrong assumptions. Economic progress was not the only objective of EU integration. The overall aim was to achieve a political goal—"to make another war impossible." The desire, therefore, for the UK to be a part of the EU without accepting the superiority of the Commission, or the European Court of Justice (ECJ), was misleading. Likewise, the presumption that the UK would get a good deal despite leaving the EU has proven to be an illusion, because the EU is not going to allow the UK a free ride as it would set a bad precedent for others to follow, particularly at a time of rising populism in Europe, for such a free ride might threaten the very existence of the EU.

Membership fee: The argument about a huge membership fee was a clear exaggeration. It appears that the Brexit supporters used fiction rather than fact in regard to the EU membership fees. The politicians supporting the leave campaign exaggerated the cost of EU membership. One particular instance is that the UK's well-known Member of Parliament, later Prime Minister Boris Johnson, was ordered to appear in court over a £350 million claim made during the Brexit campaign. Johnson's claim makes little sense if one considers the actual net contribution of the UK.

The claim that the UK pays £350 million per week to the EU as a membership fee was fabricated. The net payment was nowhere near that claim. Actually, it was only £8.9

billion in 2017, which turns out to be less than £175 million per week. This exaggeration of the membership fee indicates that the leave campaign misinformed and misled the voters. Apart from misleading information about the cost of the membership fee, the leave campaign created panic around the influx of immigration to attract voters.

Fear of immigration: Immigration was indeed a big problem in the eyes of UK citizens. But it was not as big as had been propagated. During the campaign, Brexiteers tried to convince young local people by presenting fabricated information. Admittedly, there have been some problems at the UK borders with illegal immigrants. But the problem was not as big as demonstrated during the 2016 Brexit campaign. The UK is not part of the Schengen Agreement. Therefore, an excessive number of illegal migrants couldn't enter the UK by crossing the vast water around her borders. Apart from this, the Brexiteers also used misleading information to scare young voters who might be looking for jobs. For example, the Brexiteers highlighted that millions of EU citizens were looking for jobs in the UK to make Britons jobless—which was not entirely true because the EU area was also open for jobs for UK citizens.

Islamophobia: The Brexiteers were not shy about using Islamophobia to appeal to voters. Islamophobia is fear, hatred of, or prejudice against the Islamic religion or Muslims. During the 2016 referendum campaign, Brexiteers tried to use Islamophobia to create panic among the British voters. For example, Brexiteers used Turkey's entry into the EU as a weapon to create Islamophobia. Turkey's entry into the EU caused lengthy debate. There was hardly any possibility that Turkey was going to be accepted into the EU, given that the consensus of all members is necessary. It was not unknown, therefore, that Turkey's entry into the EU was unlikely. Nevertheless, Brexiteers used that issue to create fear among British voters. The purpose of the fabricated and misleading information used during the Brexit campaign was to paint a gloomy picture of the UK's future. Brexiteers demonstrated how deadly the impact would be for the British if they did not leave the EU. Many believe that Brexiteers exaggerated those issues to blackmail the voters emotionally.

But deceptive campaigns are not a rare event in politics because, according to this researcher, what could be a bigger lie than that politicians do not lie?! The misleading campaign, therefore, could hardly be a sufficient factor to convince millions of British voters to vote for Brexit. There must have been something more. One such thing appears to be the debate between political sovereignty (or self-government) and economic progress.

Sovereignty versus economic progress: At shallow levels of regional integration (such as a preferential trading arrangement, free trade area, or customs union), the pain of losing sovereignty is less visible than the gain in economic progress. Any step forward beyond a customs union leading to a common market or an economic union, however, requires acceptance of some kind of supranational authority. Dani Rodrik (2016) has explained this situation with the "globalization trilemma," when states can accept only two of the three elements of hyperglobalization (deep integration), national sovereignty, and democratic politics. The complexity of Brexit suggests that the British might have been facing the globalization trilemma described by Dani Rodrik, because deeper integration is only possible if the UK is willing to sacrifice national sovereignty by accepting some kind of control from the supranational authority of the European Council and European Court of Justice (ECJ).

For instance, the superiority of the EU Commission and the ECJ over national jurisdictions is an essential part of ensuring the EU's four freedoms: the free movement of goods, services, capital, and people set out in the Treaty of Rome in 1957. Likewise, several other agreements, such as the Schengen Agreement (1985), the Single

European Act (1986), the Treaty of Maastricht (1992), and the Treaty of Lisbon (2007), were aimed at deepening the relationship among EU member states. All these treaties involved explicit or implicit acceptance of the superiority of EU institutions. Thus far, the UK had used its “opting out” strategies (e.g., from Schengen or the euro) to defend her sovereignty. That strategy, however, appeared not to be tenable or sufficient anymore. Therefore, during the 2016 referendum, the citizens of the UK had a stark choice: either to give up the right to self-government for economic progress or to “take back control” at a high economic cost. The results from 91 polls (from 28 June 2016 to 30 November 2019) summarized by *What UK Thinks* (2019) suggest that the remain vote might get a slight majority if another referendum was offered. The Conservatives, however, proved that prediction wrong by winning the December 2019 election with a big margin. But it is not clear whether the voters chose the Conservatives in order to leave the EU soon, to get rid of the Brexit uncertainty at all costs, or because of the Labour Party’s (mainly Jeremy Corbyn’s) indecisiveness between leave and remain. Nevertheless, the outcome of the 2019 general election suggests that the British might have preferred national sovereignty over economic continuity. Therefore, it is not fair to blame the EU for Brexit.

4. CONCLUSION AND POLICY RECOMMENDATIONS FOR ASIA

The objective of EU integration was clear: to make another war impossible in Europe. To achieve that political objective through economic means, EU leaders pursued deeper economic integration with a supranational structure. But that progress toward deeper integration became incompatible with the British agenda. From the beginning, the British were hesitant about giving up their sovereignty. But they stayed in due to the substantial economic benefits of being part of the Common Market. When the integration became too deep to preserve independence, the UK government offered a Brexit referendum where the majority supported leaving the EU.

Analysis of the voting pattern reveals that White, Christian, and older Brits overwhelmingly supported Brexit, whereas minority groups—including Blacks and Muslims—predominantly voted to remain in the EU. This divide suggests that when Brits were trying to get back control of their economy, the “outsiders” must have felt comfortable in the hands of global circumstances, rather than living in a Britain with nationalistic sentiments. But if one looks at the fact that cities were overwhelmingly against Brexit, whereas towns were for it, this variation between cities and towns (rural areas) highlights again that regional disparity might have played a role. The old and pensioners voted to leave because they were the “old guard”—often driven by nationalistic sentiments. Also, the old Brits might have seen that Britain was creating more opportunities for outsiders and city dwellers, whereas their children, who were engaged mostly in low value-added sectors such as agriculture, were suffering from joblessness. One frequent target of all the sufferings is immigration. Therefore, many old, less-educated, and financially less-well-offs supported Brexit. But analyses do not seem to suggest that those factors were big enough to obtain a majority for Brexit. The arguments indicate that citizens’ ignorance and the misleading campaign were a cause of the bizarre outcome of the Brexit referendum. But another major issue was the mutually exclusive choice between sovereignty and economic progress. The citizens of the UK might have chosen to “take back control” of their economy despite substantial likely economic costs. Therefore, the EU cannot be blamed for the deintegration via Brexit.

Lessons from the Brexit Experience for Asia

Following the unprecedented success of the EU, countries in Asia, Africa, and Latin America tried to emulate the EU integration and replicate the EU's success. The outcome, however, was not that electrifying, except for a few organizations like the North American Free Trade Area (NAFTA) and the Association of Southeast Asian Nations (ASEAN) established in 1967 by Indonesia, Malaysia, the Philippines, Singapore, and Thailand.

Comparatively speaking, ASEAN—an intergovernmental organization—is a success story in Asia, albeit not without its challenges. Gradually, the number of member countries grew to 10 when Brunei Darussalam (1984), Viet Nam (1995), the Lao PDR (1997), Myanmar (1997), and Cambodia (1999) joined the group. The aims of the association are economic growth, social progress, and cultural developments, as well as the promotion of regional peace and stability (ASEAN 2019). ASEAN is extending its cooperation on many fronts, but the ASEAN Political-Security Community, the ASEAN Economic Community, and the ASEAN Socio-Cultural Community are particularly worth noting (ASEAN 2019). While all these communities sound nice in words, they might face difficulties while being implemented in full. ASEAN, for instance, might find it challenging to go beyond the ASEAN Free Trade Area (AFTA) because of geographic distance, and differences in socioeconomic, religious, and political structures. Hence, at any point beyond the FTA, there might be severe setbacks.

Size disparity could also be a barrier to deeper integrations. The economic and military power of the UK is a factor in why Brexit is happening. Powerful states like the UK can decide to go alone as they have economic and political abilities. The same might be true for India in SAARC. Because of her geographic size and economic weight, India is a “big brother” in the South Asian Association for Regional Cooperation (SAARC). Critics maintain that SAARC's slow progress in terms of further integration is mainly due to India's unwillingness to strengthen SAARC due to her ability to go it alone. As the UK's strength is a factor in it pulling out of the EU, similarly large states like India might break up prematurely. Policy makers from all sides should bear these issues in mind in formulating policies for further integration in Asia.

Going too far into deeper integration might open up ground for deintegration. For example, the South Asian Free Trade Area in SAARC is already an overambitious plan because intraregional trade is still insignificant (less than 10%). Despite this, some scholars are hoping for a SAARC Economic Area or Economic Community. This kind of overly optimistic view might backfire. Member states should find a common denominator before planning something big.

For ASEAN, for instance, given the huge disparity among member states, it is not clear whether it will be able to go as far as it wishes. The principle of nonintervention in each other's issues and the so-called “ASEAN way” might be working now. But such soft tactics might not be enough to address hard-core political problems such as the Rohingya crisis in Myanmar. The Rohingya issue has already become a stumbling block in BIMSTEC—the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation. Just as the rivalry between India and Pakistan has paralyzed the progress in SAARC, similarly the Rohingya issue might undermine the progress in BIMSTEC too. These experiences indicate that it is not always possible to draw a clear line between economic and political issues in managing regional integrations. Precautionary plans at the beginning of any integration process might minimize the damage at later stages.

Brexit has some valuable lessons for the People's Republic of China (PRC) and her Belt and Road Initiative as well. The Belt and Road Initiative of the PRC is a megaproject covering many countries across several continents. Its ambition is economic as well as political. Therefore, going further than trade integration might create sufficient skeptics to disrupt the operationalization of the project at later stages. Thus, the PRC leadership needs to consider the socioeconomic and political sensitivity before going deep into another territory. But mass education may help reduce skepticism around cross-border projects.

Citizens' knowledge is an essential factor in the success of deeper integration. If citizens are well educated about the causes and consequences of regional integration, then politicians are less likely to be able to mislead them. During the Brexit referendum, without sufficient knowledge, making the right choice was not that easy for British citizens. Politicians could have deceived the citizens through systematic propaganda because citizens were not aware of the consequences of Brexit during the 2016 referendum. The Brexit saga taught us that leaders in other integration arrangements should take note that citizens should be involved in the integration process and be sufficiently informed about it. Ironically, collective knowledge about regional integration is often uncommon among the citizens of most countries. In South Asia, for instance, very few know about what is going on in SAARC. The situation is not that different in other parts of the world. The lack of knowledge about regional integration is more apparent in Asia and Africa than in Europe.

Citizens should also understand that there is no such thing as a free lunch. Regional integration is a concept of shared prosperity—with the principle of giving and taking. As a rich country, the UK did indeed have to pay high membership fees, but, as a predominantly trading nation, she also benefited more from being part of the Common Market. If the general population of Britain had understood this equation correctly, the Brexit referendum result could have been different. Furthermore, analysis of the costs and benefits of regional integration should be done from a holistic point of view. In some sectors, a country might be sacrificing more than other partners, but in some other areas, she may be benefiting more than her counterparts. It should also be noted that it is easy to see the costs, but not every benefit is visible or quantifiable. If citizens considered the intangible benefits of regional cooperation, it is highly likely that every country would be happy to be a part of regional integration, and no nation would be in a situation like Brexit. Therefore, to educate citizens about regional integration, the issue should be included in educational curricula. There is hardly any country in the world that is not part of any regional integration. Nevertheless, the question remains: How many countries are teaching regional integration in schools and colleges?

In a nutshell, the most crucial lesson Brexit offers for other integration arrangements is that there is a limit to regional integration. The idea that "once started the regional integration would obviously spill over to other sectors and continuously go deeper" is not always the case. At shallow levels of regional integration, it is not necessary to sacrifice national sovereignty. At higher levels, however, the acceptance of some kind of supranational authority is inevitable. Therefore, leaders must take into consideration the limits of regional integration before making overambitious plans to integrate and expand regional integration.

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