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BREXIT AND ITS IMPLICATIONS FOR POLISH RESIDENTS AND TOURISTS

Streszczenie

Celem tej pracy jest analiza sytuacji Wielkiej Brytanii przed i po Brexicie w celu poinformowania czytelnika o bezpośrednich i długoterminowych konsekwencjach dla mieszkańców i przyszłych gości Wysp Brytyjskich, w tym społeczności polskiej. Aby zrozumieć złożoność obecnego stanu rzeczy, wyjaśniono szereg kluczowych terminów i procesów. Nieuniknione w czasie zmiany zostały zilustrowane na przykładzie praktycznych aspektów życia codziennego. Przyglądając się zaleceniom sugerowanym polskim rezydentom i turystom każdy obywatel Unii Europejskiej mieszkający, przebywający lub planujący wyjazd do Wielkiej Brytanii może zdać sobie sprawę z tego, co należy zrobić, aby legalnie pracować, handlować i podróżować na wyspy po Brexicie.

Introduction

The United Kingdom joined the European Union in 1973 when it was known as the European Economic Community. For a number of years it grew in size inviting the European countries that were ready to follow the common rules and regulations. The EU is an economic and political union involving its European member countries. It allows free trade, which means that goods can move between member countries without any checks or extra charges. The EU also allows free movement of people, to live and work in whichever country they choose. Having accepted Croatia in 2013, the European Union amounted to 28 member states (Brexit: All you need to know...).

In Article 50 of the Treaty on European Union (TEU) it is clearly stated that any Member State may decide to withdraw from the Union in accordance with its own constitutional requirements. It also reads that a Member State which decides to withdraw shall notify the European Council of its intention. In the light of the guidelines provided by the European Council, the Union shall negotiate and conclude an agreement with that State, setting out the arrangements for its withdrawal, taking account of the framework for its future relationship with the Union. [...] In another part of the article it is said that the Treaties shall cease to apply to the State in question from the date of entry into force of the withdrawal agreement or, failing that, two years after the notification referred to in paragraph

2, unless the European Council, in agreement with the Member State concerned, unanimously decides to extend this period (Poptcheva, 2016).

All the above means that after the final withdrawal decision, all the former agreements between the leaving country and the EU will cease to exist within the period of two years. Britain decided to take advantage of the above opportunity and is the first member state to have withdrawn. The phenomenon came to be known as Brexit which is an abbreviation for the term “British exit” and refers to the UK leaving the EU. It originated from “Grexit” that was used for many years to refer to the possibility of Greece leaving the Eurozone. The UK stopped being a member of the European Union at 23:00 GMT on 31 January 2020 (Brexit: All you need to know...).

Brexit – causes and outcomes

When David Cameron became the Prime Minister of Britain in 2010 as head of a Conservative Liberal Democrat coalition, he had to withstand pressure about a Europe vote from the pro-exit UK Independence Party and from restive Eurosceptics in his own party. Finally, in 2013 he promised an in-out referendum on EU membership if the Conservatives won the 2015 election. He secured an absolute majority in 2015 and hence the referendum (Definition of ‘Brexit’). There was a number of reasons behind the decision to leave or remain within the EU used in the debate that preceded the big vote.

The arguments made by the advocates for leaving centred on immigration and national autonomy. Thus, the supremacy of European laws over British laws – as exemplified by the European Court of Justice – was deemed unacceptable. Another related issue was the inability of the UK to stem the flow of immigrants coming from other EU countries. One objective of the leave camp appears to be to maintain access to the single European market in goods, services and capital – hence protect the interests of the City and the manufacturing sectors – while reducing the flow of immigrants coming mostly from Eastern Europe (Arnorsson, Zoega, 2016).

The counterargument made by the Remain side was that free migration was one part of the four freedoms that define the Single Market set up in the Treaty of Maastricht in 1993. The participation in the European Union and the Single Market has allowed the UK to benefit from access to a large market without giving up political independence. The claim was that 27 remaining countries within the EU would never allow the UK to have access to the common market in goods, services and capital while not being a part of the common labour market. In addition, participation in the Single Market through the European Economic Area would require the UK to adopt the EU rules and legislation that apply to the Single Market without having any say in setting these rules as well as to pay an

annual sum to the EU. Hence, leaving the EU would not bring any rewards while increasing uncertainty about future trading arrangements, which would lower investment, employment and growth (Arnorsson, Zoega, 2016).

The public vote was held in June 2016, when the majority that is 17.4 million people opted for Brexit. This gave the Leave side almost 52%, compared with 48% for Remain (Brexit: All you need to know...). Arnorsson and Zoega (2016) found out in their research that the pattern of voting in the referendum reflects differences in the age composition of the population and the share of the less educated, with the older generation and the less educated voting for Brexit, in addition to a low level of per capita income having the same effect. These variables not only explain the voting patterns but also the attitude towards immigrants as neighbours, the dangers posed by immigrants to society and feelings of apprehension towards the European Union. The less educated may have more to fear from immigration and free trade and for that reason want to leave the EU. The reasons why the old would want to leave are more difficult to decipher. These individuals may have good memories of life without the EU or be driven by nostalgia of the past. Low income individuals most probably fail to recognize that the poor economic status of certain regions is the result of a long-term evolution driven by the decline of manufacturing and the rise of a service economy rather than belonging to the EU.

The UK had benefited for 47 years of EEC cooperation and collective EU contributions. Now it was time for the politicians on both sides to negotiate how much money the UK should agree to pay to the EU as part of a Brexit deal. The negotiated amount came to be known as the divorce bill and it was based on UK's share of EU budgets up to 2020 as well as continuing liabilities such as EU civil servants' pensions. Soon David Cameron resigned from the post of the Prime Minister and Theresa May took over. Under the new Prime Minister's deal, Britain was expected to pay the EU the total of about £39bn over a number of years. Brexit was originally meant to happen on 29 March 2019, but the deadline was delayed twice after MPs rejected the deal negotiated by Mrs May. One of the most problematic issues was the case of Northern Ireland and its neighbour the Republic of Ireland, the former belongs to the UK and the latter to the EU. Since Brexit spells the end of the common labour market and the beginning of formal border controls, it had to be agreed how to regulate the flow of goods between the two countries taking into account all the historical tensions that might come back with the disruption of economic stability. After MPs voted down the deal for a third time, Mrs May resigned (Od jutra okres przejściowy...).

New Prime Minister Boris Johnson needed a Brexit extension of his own. The key change is that under Mr Johnson's deal, a customs border will effectively be created between Northern Ireland and Great Britain. Some goods entering Northern Ireland from Great Britain will be subject to checks and will have to

pay EU import taxes known as tariffs. These would be refunded if goods remain in Northern Ireland (i.e. are not moved to the Republic of Ireland). This led to the new deadline of 31 January 2020. With the new date in schedule the Office for Budget Responsibility (OBR) estimated a total for the divorce bill of about £30bn. In addition to the contributions to the 2020 EU budget, the UK will also contribute to financial commitments that the EU made while it was a member, but which have not yet been paid. The UK will also contribute towards EU staff pensions incurred before Brexit. The UK will receive some money back - the £3bn of capital it paid into the European Investment Bank, as well as a small amount of capital paid into the European Central Bank (Brexit divorce bill...).

Transition period

The 11-month transition period (or the implementation period) began on 31 January 2020 right after Brexit came into force at 11pm Greenwich Mean Time and is due to end on 31 December 2020. It is time for negotiations between the UK and the EU on how their future relationship will look like. Prime Minister Boris Johnson wants the transition period to finish before 2021 even though the European Commission suggests a year longer timetable as allowed by Article 50 of TEU (Od jutra okres przejściowy...).

In the meantime, the UK will continue to pay money to the EU budget, follow all of the EU's rules and keep the same trading relationship. However, many aspects of the future UK-EU relationship need to be agreed on. Some of them are law enforcement, data sharing and security, aviation standards and safety, access to fishing waters, supplies of electricity and gas as well as licensing and regulation of medicines but the priority is a new free trade agreement. It has been decided that the UK will leave the single market and customs union at the end of the transition and a free trade agreement will allow goods to move around the EU without checks or extra charges (Brexit: All you need to know...).

If a new free trade agreement cannot be agreed in time, the UK will have to trade under rules set by the World Trade Organization where each country without such an agreement sets tariffs or taxes on goods entering. This may be unbeneficial for Britain as for example cars passing from non-EU countries to the EU are charged at 10% of their value whereas dairy products on average are taxed 35%. On the other hand, it has to be remembered that the UK and the EU currently have the same rules and regulations ranging from the financial help companies are allowed, to the way wine is labelled. Moving away from some of these rules might make it easier for the UK to secure trade deals with other countries. A UK-EU trade deal seems to be a challenge, though, as the EU wants the UK's rules to remain similar to prevent its companies gaining an advantage (Edgington, 2020b).

New solutions for the UK citizens

Seven immediate changes have been observed since the Brexit day. Firstly, the UK's 73 Members of European Parliament have lost their seats and the UK is bound to leave all of the EU's political institutions and agencies. Yet the UK will follow EU rules and the European Court of Justice decisions during the transition. Secondly, Britain will not attend EU summits any more. Neither the UK Prime Minister nor British ministers will attend the EU meetings to decide world politics (e.g. setting fishing limits). Thirdly, the UK will be able to start talking to countries around the world about setting new rules for buying and selling goods and services including the US and Australia. Fourthly, the UK's passports will change colour. Blue passports will be making a return (first used in 1921) after they were replaced in 1988 with the red design. It is noteworthy, though, that existing red burgundy passports will continue to be valid (Edgington, 2020a). Interestingly, new passports will be manufactured by a French company in the Polish town of Tczew (Jasińska, 2019).

Next, about three million commemorative 50p Brexit coins have already entered circulation. They bear the date "31 January" and the inscription: "Peace, prosperity and friendship with all nations." It is said that *Remain* supporters will refuse to accept them. Moreover, the UK's Brexit department is sure to shut down. The team that handled the UK-EU negotiations will disband and the UK's new negotiating team will be based in Downing Street. The Department for Exiting the European Union was set up by former Prime Minister Theresa May in 2016. Lastly, Germany will not extradite its citizens to the UK. It will not be possible for some suspected criminals to be brought back to the UK if they flee to Germany as its constitution allows its citizens to be extradited only to another EU country (Edgington, 2020a).

Certain aspects of life will remain the same for the British after Brexit. First, British citizens will be treated the same as EU nationals in terms of travel (e.g. they will undergo the same passport control). Flights, boats and trains will operate as usual. Second, driving licences and pet passports will continue to be accepted as long as they are valid. Third, European Health Insurance Cards (EHIC) will still be valid ensuring the UK nationals state-provided medical treatment in case of illness or accident in any EU country. Moreover, freedom of movement, including living and working in the EU & UK, will continue as it currently does. Furthermore, UK nationals living in the EU will continue to receive their state pension together with the annual increase. Next, the UK will continue to pay into the EU budget. This means existing schemes will continue to be funded by EU grants. Finally, UK-EU trade will continue without any extra charges or checks being introduced during the transition period (ibid.).

Legal solutions for Poles in the UK

To understand the complexity of the present-day situation in Britain, it is advisable to familiarise with some key terminology connected with the Polish living, working or travelling to the UK. To start with, a UK resident is defined as a person who has their main home in the UK, who is registered with a medical practitioner, and has been resident in the UK for 6 months out of the last 12. Until now, Poles staying in England for 5 years could apply for permanent residence status (How do you define...). A tourist, in turn, is a person who is travelling or visiting the UK for pleasure. It is of great significance to acknowledge that after Brexit people who do not register with the EU Settlement Scheme will not be able to prove that they came to the UK before Brexit and thus will not be able to legally live, work etc in Britain (Stay in the UK...).

EU citizens and their families who have been living in the UK for five years can now apply for the “settled status”, which allows them to stay in the UK for as long as they wish. What is more, any child born in the UK to a mother with settled status will automatically become a British citizen. Settled status means one can work in the UK, rent housing, use the NHS, have access to pensions and benefits and travel in and out of the UK. After a year it also gives one a chance to apply for UK citizenship. There are similar privileges if one obtains a “pre-settled status”, which is an option for those EU citizens who have been living in the UK for fewer than 5 years (Brexit: All you need to know...).

The application process is very convenient and one can do it even on their phone via the downloaded app and digital photos of the required documents that list as follows: a passport or ID card, a digital face photograph and a document confirming continuous residence in the UK e.g. a social security card - NIN number. It must be noted that applications from people with serious criminal convictions or security concerns can be rejected (Stay in the UK...). By the end of 2019 many EU citizens resolved to take advantage of such an opportunity. Cockroft (2019) noted that Polish, Romanian and Italian nationals submitted the highest number of applications whereas Turecki (2020) pointed out that out of over 900 thousand Poles in Britain, 400 thousand still had not submitted the UK settled status application form by the beginning of 2020. They must meet the deadline of 30 June 2021.

New arrangements in Polish-British cooperation

There is a number of questions concerning present-day and future co-existence of the British and the EU citizens. Here are some of the answers on the website for Poles interested in various aspects of life in Britain after leaving the EU.

Apparently, until the end of 2020 no revolutionary changes can be expected in terms of visas. Poles will not need them to travel to Great Britain. The British government does not announce any difficulties in issues of tourist trips, studies in the UK or business trips to the UK. Initial announcements of politicians in Britain show that in 2021 after the transition period is over one will be able to stay in the UK without a visa for 3 months. If one wants to stay for more than 3 months, they will have to apply for a visa (Co oznacza Brexit...).

In 2020 the Polish will still need only an ID card to cross the border with Great Britain. According to preliminary findings, it is only in January 2026 that the EU and UK will decide whether they will continue to respect the identity card itself when entering Britain, or whether passport control will be introduced. If anything changes during UK-EU negotiations in 2020, one will be informed in advance about the necessity of having a passport when travelling to the UK so as to have enough time to obtain it (ibid.).

By 2021 one will be able to move around the UK with a Polish driving license. Many analysts believe that the European driving license will be extended for next years (Sullivan, 2016).

During the transition period Poles will travel to the UK for profit on the same terms as now. Migration changes in 2021 are to gradually reduce labor influx to the UK. According to preliminary arrangements one will need to apply for a work permit and employee visa in the UK, the inflow of people with low qualifications will be limited, high-skilled economic migrants, such as doctors, lawyers and IT specialists will be primarily awarded (Co oznacza Brexit...).

In 2020 trade and cooperation between Polish and British entrepreneurs and companies will not change. No new customs duties or additional border controls will be introduced. According to Brexit analysts from 2021 the new UK-EU Free Trade Agreement will most likely hit transport and logistics companies the most. Especially if the UK decides to leave the customs union. In this case, new customs regulations will have to be created (ibid.). Moreover, Dembinski, chief advisor to the British-Polish Chamber of Commerce, claims that since Great Britain is one of the largest trade partners of Poland next to Germany and the Czech Republic, it is estimated that Poland will be among the EU countries most severely affected by Brexit. If the agreement is negotiated, the decrease in exports will reduce Polish GDP by 0.14 percent, i.e. about PLN 3 billion. If no agreement is reached, the reduction will reach 0.24 percent of GDP, i.e. about PLN 5 billion. In turn, the number of jobs can drop by 20,000, and 35 thousand, respectively. The consequences will also be severe for the British economy (Od jutra okres przejściowy...).

Students who are currently studying at British universities will be able to finish their studies according to the old rules. The same applies to students who will start their studies in autumn 2020. The rules for recruiting, studying and

granting student loans for people who will start studying in Great Britain in 2021 are not yet known. They will depend on the new UK- EU arrangements (Co oznacza Brexit...).

In 2020 the EU directive “Roam Like At Home” is to be in force, thanks to which Poles can use free calls and internet data packages within the UK. From 2021 the situation will most likely change and the connections will be more expensive (ibid.).

Until the end of 2020 social assistance will be paid in accordance with the current rules including benefits such as housing benefit, single-mother’s benefit, child benefit, maternity/paternity leave etc. (ibid.). Similarly, the European Health Insurance Card (EHIC) should be unchanged, entitling EU citizens to receive medical care in the UK. It seems likely that after the transition period EHIC card will stop to apply and one will be obliged to take out health insurance (Will the EHIC...).

Concluding remarks

Even though Scotland, Northern Ireland and London opted for remaining in the European Union, the leave campaign supporters, mostly from provincial regions, were in the slight majority. They argued that the rules of the Single Market infringe too much on the UK’s sovereignty and ability to satisfy the wishes of its population, in particular when it comes to immigration. When the transition period is over, the influx of immigrants will definitely be curbed, but we need to wait at least a year or two to see whether it will be the expected cure to the problems of the disillusioned Britons. Hopefully, the new trade agreements between Britain and other countries will be good enough to satisfy either side. Poland is interested in prolonged cooperation with the UK as it has been its third biggest trading partner so far. Polish residents who wish to stay on the Isles should apply for the settled status as soon as possible to enjoy the sense of stability and continuity in terms of work and standards of everyday life. By the end of 2020 Poles as the EU citizens will still be able to take advantage of many privileges when going to Britain so if one is planning to visit or study in the UK, they should make up their mind quickly as once the transition period is over their Britain related dreams may not easily come true.

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Liczba znaków ze spacjami 24 760