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BREXIT AT THE SECURITY AND DEFENCE DIMENSION: ECONOMIC ASPECT

British Referendum of 2016 has shown that the majority of British citizens prefer to leave the European Union. So, the Article 50 of TEU [2], which guarantees this right, has been triggered. Recently, a two-year time frame of Brexit has been extended in order to consider the most plausible path of British withdrawal [10]. In this essay, the possible consequences of Brexit, referred to implementation of Common Foreign and Security Policy (CFSP) will be examined.

Established in 1993 by the Maastricht Treaty, CFSP regulates the EU external action with the purpose to safeguard peace, security and stability. CFSP, and its integral part CSDP, are funded from the EU and national budgets [20]. The articles 42-45 of the TEU underpin core capabilities of the EU in this field. In particular, article 42.7 commits member-states to provide each other an aid in case of an armed attack, along with the article 51 of the UN charter and in accordance to own constitution. CSDP belongs to special competence of the EU, which implies a key role of the Council and the European council in its definition and implementation [11].

The Global Strategy for the EU Foreign and Security Policy, adopted in 2016, highlights main objectives CSDP, among which to strengthen cooperation between member-states and increase their resilience, and enhance relations with NATO along with reinforcement of the EU autonomous military potential [13].

First of all, the UK is a member of the European Defence Agency until it leaves the EU [6]. EDA is empowered to conclude special agreements with non-EU countries to enable them to participate in its activities. Such agreements have been signed with Norway (2006), Switzerland (2012), the Republic of Serbia (2013) and Ukraine (2015), and, probably, such an agreement will be signed with the UK.

One of the key initiatives of CSDP is the PESCO, established in 2017 with a purpose to strengthen operational preparedness and reinforce military capabilities. Despite numerous benefits provided by this tool, the UK, Malta and Denmark decided not to take part in it [3]. So, the Brexit will not affect PESCO, as the UK has no powers and rights referred to its projects [17].

The second recent CSDP toolbox is the EDF, established in 2016 in order to support comprehensive research and industrial development. The EDF do not imply any additional contributions from member-states and is financed within the EU budget. The Capability Development Programme is also funded within its framework. Currently, projects of total amount of €525 million are scheduled to be implemented in 2019-2020 time frame, and other €13 billion are previewed for the following 7 years. The UK has been among biggest contributors to the EU budget since its adhesion the. In 2018 the share of the UK to the EU budget equals 11,88%, which makes The United Kingdom the third-big contributor after Germany (20,78%) and France (15,58%) [16]. It means that the projects that are funded from the common budget might appear in difficulties if the single project-based agreements are not elaborated.

One of the most debatable aspects of Brexit is an access to the Galileo, the European global satellite system that serves to ensure efficient functioning of the transport infrastructure, running of satellite navigation-dependent activities in various sectors (6-7% of European GDP) and human safety as well [9]. The UK insists on full access to navigation data, PRS signal for military needs and also it wants to preserve the rights of British companies to tender for the Galileo contracts. According to the EU strategy of autonomous development, it is not possible to fully rely on the UK in security questions, and only the third-party access can be granted. The consequences for the EU are ambiguous: from the one hand, the European firms could replace the British ones and gain from the contracts, but from the other hand, the EU may loose British technology and expertise, which could damage the whole project [1].

Maritime security is another important point of Brexit. Having a very stretched marine area that lies under its responsibility, the UK has developed a complex commercial infrastructure, which includes objects of fishing and oil industries, wind farms and nuclear power stations. At the same time, British investment in maritime security is not so high in comparison to other European countries [8]. The UK needs the European support in the sea, so this fact may be used as an argument in order to negotiate more favourable conditions in other issues.

Some authors argue, that the impact of Brexit on security will be much higher than on defence. The main reasons for that are higher level of interdependence between states and a vast range of specific binding legislation in security sector, while the defence issues lie under intergovernmental cooperation [15].

The Brexit impact on the European security and defence is largely due to the withdrawal agreement, which is not concluded at the moment. This agreement will set up the rules and character of post-withdrawal cooperation. As the UK states now, it has a lot in common with the EU have with regard to values and interests, and they are facing the same global security threats. So, the UK is eager to develop tailored partnership through special agreements in European capabilities development, implementation of civilian and military missions and intelligence sharing [7]. Nevertheless, the UK can only become a third-party partner in EDA, EDF, PESCO, Galileo etc, so it will be deprived of decision-making power [18]. This consequence of Brexit gives all the powers to the EU that will gather benefits from cooperation, holding the absolute leadership.

Even if the UK reduces its financial contribution to common security projects, the EU will overcome it increasing efficiency of own funds and attracting new participants to

further cooperation. For this reason, it has been created a number of special toolboxes to increase coherence between the EU-NATO planning processes and also to institute an output-oriented approach to own security and defence projects (CDP, CARD, PESCO, EDF) [4]. So, the recent initiatives of the EU in security and defence ensure stable development of this sphere, and the consequences of Brexit most probably will impact more on the UK than on the EU. Moreover, the EU may obtain increasingly predominant position in the world arena, keeping the decision-making process under its control.

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INCOME OF THE POPULATION OF UKRAINE

The sphere of income of the population is one of the main and most important components of the formation and accumulation of human potential. Revenues determine both material and social and spiritual levels of human life, provide quality of life, form a system of motivations and incentives.