

The UK-EU Relationship Post-Brexit: A Complex Path Forward

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The UK's departure from the EU continues to affect politics, economics, and society, with the so-called "reset" of relations facing renewed scrutiny. Five years on, the landscape remains fraught, with European leaders vocalising regret and British businesses grappling with the fallout. The current Labour government's approach, led by Prime Minister Keir Starmer, has sparked cautious optimism but also unease among those wary of the potential for creeping EU influence.

Several world leaders have not minced words about Brexit. German Chancellor Friedrich Merz, in a recent interview with *Die Zeit*, expressed deep regret over the UK's exit, stating, "I deeply deplore the decision, as it weakens both the UK and the EU." French President Emmanuel Macron, speaking at a Paris press conference, echoed this sentiment, asserting that the UK was "stronger within the Union." Even US President Donald Trump, never shy with opinions, labelled Brexit "sloppy" during a podcast last month. These views reflect a broader European sentiment: a YouGov poll across France, Germany, Italy, and Spain found that majorities in each nation would welcome the UK's return to the EU fold. Intriguingly, fewer Europeans than Britons oppose rejoining, suggesting a warmer reception abroad than at home.

However, enthusiasm for rejoining comes with caveats. Polls indicate 58–62% of Europeans believe the UK should adopt all major EU policies, including those on the euro and Schengen Area, rather than cherry-picking favourable terms. This stance highlights a tension: Europe may welcome the UK back, but not on British terms.

The economic toll of Brexit is hitting hard, particularly for small and medium-sized enterprises (SMEs). A survey by the British Chambers of Commerce found that 66% of SME leaders would now vote to remain in the EU, up sharply from 53% in 2016. The culprit? Increased red tape has eroded profits and complicated trade. Exporters face cumbersome paperwork, while importers contend with higher costs, ultimately passed on to consumers. This reality has fuelled calls for closer alignment with the EU to ease burdens, though such moves risk inflaming Brexiteers who prize sovereignty above all.

Starmer's government has prioritised rebuilding ties with key EU players. Recent bilateral meetings with Merz and Macron focused on defence cooperation and migrant control, culminating in high-profile events. Macron undertook a state visit, which included a banquet hosted by King Charles III. At the same time, Merz and Starmer delivered speeches at the Victoria & Albert Museum, a nod to shared cultural heritage. These efforts feed into the E3 alliance, a trilateral framework with France and Germany aimed at bolstering security and economic growth.

Yet, Starmer must tread carefully. Brussels is wary of bilateral deals that sidestep the EU27's collective authority. The EU summit on 19 May 2025 laid the groundwork for negotiations on carbon emissions trading and a sanitary and phytosanitary (SPS) area, with talks set to begin this autumn. The EU's negotiation guidelines, available on their official website, stress that the UK will have no say in EU decision-making but should be consulted

early in policy formation. This balance aims to foster cooperation without granting undue influence.

The Labour government's pivot towards regulatory alignment is evident. UK in a Changing Europe's latest Divergence Tracker reports 21 instances of alignment with EU rules, up from just four in the prior period. These span youth mobility, fisheries, SPS standards, and the Gibraltar Agreement with Spain. Conversely, divergence remains in areas such as trade deals with the US and India, a ban on sea bottom trawling, and immigration policy. Critics, including the Liberal Democrats, argue progress is too sluggish, pushing for an immediate Customs Union to boost growth.

Former MEP Richard Corbett, in a recent *Guardian* op-ed, framed Brexit's dilemma starkly: "The UK faces a choice: distance itself from Europe, sacrificing economic gains for sovereignty, or align with the single market, accepting rules without shaping them, like Norway or Switzerland." For cash-strapped Britons, lower prices through alignment may outweigh ideological concerns.

Until 2024, the House of Commons' European Scrutiny Committee evaluated the impact of EU law on the UK. Its dissolution has sparked debate, with Labour Movement for Europe Chair Stella Creasy MP advocating for renewed oversight. Her amendment, backed by Reform UK's Richard Tice, calls for analysing "dynamic alignments" post-summit. This cross-party support signals growing recognition that closer EU ties demand transparency.

Progress is undeniably slow. Starmer's tightrope act balancing pro-EU business interests, Eurosceptic voters, and Brussels' expectation leaves little room for bold moves. The Liberal Democrats' impatience reflects a broader frustration: the reset is better than stagnation, but far from transformative.

A recent case before the European Court of Human Rights, brought by three UK politicians, including Caroline Lucas, alleged that the government failed to investigate foreign interference in democratic elections. The Court, in a ruling this week, found no violation of the right to free elections, dismissing claims of inadequate investigation into alleged Russian interference. This decision, while closing one chapter, leaves lingering questions about electoral integrity.

The UK-EU relationship remains a work in progress. Starmer's cautious diplomacy seeks to mend fences without surrendering sovereignty, but the path is fraught. Businesses crave

relief, voters are divided, and Europe watches closely. As negotiations loom, the question persists: can the UK forge a pragmatic partnership with the EU without reigniting old battles?