Making a More European Britain
The Political, Economic and Societal Impacts of Brexit
Tim Oliver and Garvan Walshe
Making a More European Britain

The Political, Economic and Societal Impacts of Brexit

Tim Oliver and Garvan Walshe
The Wilfried Martens Centre for European Studies is the political foundation and think tank of the European People’s Party (EPP), dedicated to the promotion of Christian Democrat, conservative and like-minded political values.

For more information please visit www.martenscentre.eu.

Editor: Eoin Drea, Senior Research Officer, Martens Centre
External editing: Communicative English bvba
Layout and cover design: Gëzim Lezha, Visual Communications Assistant, Martens Centre
Typesetting: Victoria Agency
Printed in Belgium by Puntgaaf, Kortrijk

This publication receives funding from the European Parliament.

© 2020 Wilfried Martens Centre for European Studies

The European Parliament and the Wilfried Martens Centre for European Studies assume no responsibility for facts or opinions expressed in this publication or their subsequent use. Sole responsibility lies with the authors of this publication.
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>About the Martens Centre</td>
<td>04</td>
</tr>
<tr>
<td>Executive summary</td>
<td>06</td>
</tr>
<tr>
<td>About the authors</td>
<td>08</td>
</tr>
<tr>
<td>Introduction</td>
<td>10</td>
</tr>
<tr>
<td>Politics: a Europeanised Westminster Model</td>
<td>14</td>
</tr>
<tr>
<td>Economics: Britain’s European economy</td>
<td>24</td>
</tr>
<tr>
<td>Society: European Britons</td>
<td>30</td>
</tr>
<tr>
<td>International: a European power in a multipolar world</td>
<td>34</td>
</tr>
<tr>
<td>Conclusion: a Europeanised UK outside or inside the EU?</td>
<td>38</td>
</tr>
<tr>
<td>Policy recommendations</td>
<td>42</td>
</tr>
<tr>
<td>Security and defence</td>
<td>43</td>
</tr>
<tr>
<td>Politics</td>
<td>44</td>
</tr>
<tr>
<td>Economics</td>
<td>43</td>
</tr>
<tr>
<td>Social</td>
<td>44</td>
</tr>
<tr>
<td>Bibliography</td>
<td>46</td>
</tr>
</tbody>
</table>

**Keywords**: Brexit – Britain – UK – EU – Europe – Euroscepticism – Pro-Europeanism
About the Martens Centre
The Wilfried Martens Centre for European Studies, established in 2007, is the political foundation and think tank of the European People’s Party (EPP). The Martens Centre embodies a pan-European mindset, promoting Christian Democrat, conservative and like-minded political values. It serves as a framework for national political foundations linked to member parties of the EPP. It currently has 31 member foundations and two permanent guest foundations in 25 EU and non-EU countries. The Martens Centre takes part in the preparation of EPP programmes and policy documents. It organises seminars and training on EU policies and on the process of European integration.

The Martens Centre also contributes to formulating EU and national public policies. It produces research studies and books, policy briefs and the twice-yearly *European View* journal. Its research activities are divided into six clusters: party structures and EU institutions, economic and social policies, EU foreign policy, environment and energy, values and religion, and new societal challenges. Through its papers, conferences, authors’ dinners and website, the Martens Centre offers a platform for discussion among experts, politicians, policymakers and the European public.
About the authors
**Tim Oliver, Ph.D.** is the Director of UK and EU Research at TRD Policy, a Senior Lecturer at Loughborough University London, and an Associate of LSE IDEAS, the foreign policy think tank of the London School of Economics. He has taught at the Royal Military Academy Sandhurst, the London School of Economics and UCL, and was a Jean Monnet Fellow at the European University Institute in Florence. He has worked in the House of Lords and the European Parliament, and has held research and visiting positions at New York University, the SAIS Center for Transatlantic Relations (Washington, DC), RAND (Washington, DC) and the Stiftung Wissenschaft und Politik (Berlin).

**Garvan Walshe, Ph.D.** is the Executive Director of TRD Policy, and a former national and international security policy adviser to the British Conservative Party. He writes regularly for CNN, Foreign Policy and Conservativehome. He studied at the University of Manchester and the European University Institute in Florence. He is the founder of the pro-democracy NGO Unhack Democracy Europe and serves on the advisory board of the Migration Matters Trust.
Executive summary
This paper sets out how Brexit is pushing the UK towards aligning more closely with the rest of Europe in its politics, society, economics and international position. This is the result of long-running trends coupled with the political tumult created by the 2016 referendum and the effects of the negotiations that followed. The emergence of pro-Europeanism as a political force is one of the most important and obvious changes. Brexit has also confronted the British with several realities about the UK’s economy, society and place in the world that show it to be more European than many will have recognised. In addition, the process of withdrawal has exposed the decentralisation and fragmentation of the formerly exceptionally unitary UK state that began in the 1990s, with tensions emerging from Scotland and Northern Ireland voting to remain while England (with the exception of London) and Wales voted to leave. However, none of this should be taken to mean that divergence from Europe will not happen or be sought, or that the British people will eventually vote to rejoin.
Introduction
The decision by 52% of those who voted in the 2016 referendum to support Leave would appear to prove long-standing suspicions that Britain is insufficiently European and was always destined to be an aloof and ‘awkward partner’ in European integration.¹ Britain has tended to see EU membership, this argument goes, as a transactional relationship rather than as an intrinsic part of modern British identity.² Indeed, even the transactional relationship has been merely a necessary step in managing Britain’s relative post-war decline—not a great deal, but an unavoidable one. This reluctance was on full display in the 2016 referendum when the Remain campaign focused largely on the economic benefits of membership and eschewed any overtly emotional appeals to identity. This contrasts with the 1975 referendum when Edward Heath (leader of the then Conservative Opposition) made an emotional appeal for Europe as a peace project. Any European identity has also had to compete with what David Rennie of The Economist called ‘Cutty Sark Britain’, after the nineteenth-century tea trading ship. This global identity is connected most clearly to the US, the Commonwealth and the ‘Anglosphere’. Its adherents imagine Britain escaping from European troubles to prosper by trading on the high seas with Anglophone ex-colonies.³ It is easy then to see why the referendum result could be interpreted as a message from the British (or at least the majority of those who voted) that they do not consider themselves and their country to be European.

This would be to make several questionable assumptions. The first is that the referendum reflected a long-term drift of the UK away from Europe. Closer inspection shows that the reverse is true. The UK, as we explore below, has over the past few decades grown more similar to other European countries, especially those in Western Europe, in its politics, constitution, economy, society and place in the world. Britain’s politics have become more pluralist and decentralised, and while elements of the UK’s majoritarian ‘Westminster Model’ remain in place, changes such as devolution, a multi-party system and the growth of judicial review have moved it closer to European practices that are characterised more by consensus politics than by majoritarian practices.

The second assumption is that Britain is demographically different from many European countries, thanks to high immigration from its former Empire. In fact, recent demographic changes, not least

immigration from Central and Eastern European countries, as well as the continuation of established patterns of immigration from Western Continental Europe and Ireland have deepened the British population’s links with the rest of Europe. Whatever happens with Brexit, millions of British citizens now have (non-British) European passports, spouses and children.

The third assumption is that Britons do not see themselves as European. In a 2001 International Affairs article, Timothy Garton Ash asked the question ‘Is Britain European?’ His answer: ‘yes, but not only’. As with any identity, as Ash went on to point out, Britain’s European one can ‘only ever be a partial identity’. This remains so, but the politics of Brexit following the referendum have helped create a new pro-EU identity among some Britons. This identity is partial and shallow (do not expect these people to know all that much about the EU and how it works), but is intensely held. We might say that they do not know much about the EU, but they feel that the wrong people are against it. Protesters wearing European flags have become a common sight on British streets. We expect this change to outlast the UK’s withdrawal now that ‘Leave’ and ‘Remain’ have become important markers of political identity in the UK. Even if the substance of this commitment fades, it will cast a shadow over future debates much as ideas of imperial (and Commonwealth) preferences and identity still form part of contemporary debates about UK trade and international relations.

The fourth assumption is that the referendum result will automatically lead to Britain not making further links and reversing those that exist. The UK and the EU have had difficult relations, with the UK opting out of some areas of integration and in recent years appearing uninterested, both publicly and privately, in further cooperation. However, the negotiations over the UK’s withdrawal have required the UK to think more about the rest of Europe and engage increasingly with the EU’s institutions and member states. As a European country, the UK’s need to shape and influence the politics of Europe will require it to continue engaging with the institutions and countries of the EU, other European organisations and bilateral European relationships. This will apply not only to the UK government. With UK officials and ministers excluded from EU decision-making, representatives of British politics, business and civil society will have to increase their efforts to engage with the economic superpower on their doorstep.

---


Though the jury is out on whether it will be more a matter of the UK playing Canada or Mexico to the EU’s US, it cannot get around the fact that it is less than 50 kilometres away from one EU member state and shares a land border with another.\textsuperscript{6}

The fifth assumption is that the UK will play no part in defining either what ‘European’ means or the future of the EU. The EU’s continued success and unity will remain an important concern for the UK. The UK’s success will be less important to the rest of the EU. However, the UK will remain one of Europe’s largest countries; one of the EU’s largest trading partners (on a par with the US and China); a leading partner in a number of areas, such as in NATO; and a country through which, due to the dominance of the English language, important global views of Europe will be framed.\textsuperscript{7}

To examine these themes in more depth, this report takes a broad-ranging overview of Britain’s relations with the EU and the rest of Europe. It focuses on four areas: the UK’s political system; its economy; its social, cultural and identity politics; and its standing in Europe and the world.

\textsuperscript{6} Along with the smaller and also controversial border between Gibraltar and Spain.

\textsuperscript{7} In 2018 the EU’s total trade in goods with the UK was €514.6 billion, with the US €564.2 billion and with China €527.8 billion Data taken from European Commission, \textit{DG Statistical Guide July 2019} (2019).
Politics: a Europeanised Westminster Model
The UK’s politics have long been deemed out of sync with most of its European neighbours in two ways. First, it has been seen as the epitome of a majoritarian political system and the opposite of the more consensus-based systems found in a large number of other European states. Second, pro-Europeanism has been absent as a political force. In both of these aspects Brexit has highlighted or helped fuel changes that are shifting the UK towards a politics that is similar to and aligned with the rest of Europe. We can see this in three areas: structural changes to the UK’s constitution and political system, the growth of pluralism and populism in UK politics in ways that align with European trends, and the emergence of pro-Europeanism as a political force in UK politics.

Since the advent of universal male suffrage in the late nineteenth century, the UK’s political system has traditionally been associated with majoritarian politics to such an extent that the ‘Westminster Model’ has taken its name from the British seat of government. Its defining characteristics are two-party politics with a first-past-the-post (plurality) electoral system yielding one of the two to form a one-party government. In this model, that government exercises tremendous power in a centralised unitary state where there is little judicial oversight. The contrast with the rest of Europe, and the EU’s institutions, is taken to be stark. Politics elsewhere in Europe are said to be defined by pluralist multi-party systems, proportional electoral systems, consensus and coalition politics, and federalism.

Debates about whether the UK can still be said to fit the majoritarian model are not new. Constitutional changes undertaken since the 1990s have created new centres of power outside of the House of Commons which have sought to check the UK’s central government. First, the UK has moved towards a quasi-federal system of government. Devolved systems of government in Scotland, Wales and Northern Ireland; an assembly and mayor for London; and some devolution to cities such as Manchester vary in terms of their formal powers. Each, however, has produced new democratic centres of political debate and power. Alongside this, the courts have played a bigger role, thanks initially to the incorporation of the European Convention on Human Rights into British law. This, for

---

9 One Member of Parliament is elected in each individual district. The candidate with the most votes wins but does not need a majority of the votes cast. This favours big, geographically concentrated parties.
the first time, gave British citizens recourse to human rights laws within the UK and thus without the need to seek a decision from the court in Strasbourg. The creation in 2009 of the UK Supreme Court gave the judiciary a more prominent role in the UK’s constitutional matters. Although the principle of parliamentary sovereignty, that no higher power exists within the UK than the Westminster parliament, remains in place, the courts increasingly challenge it. The most notable examples have been the Miller case on the invocation of Article 50 and the Miller/Cherry case concerning Boris Johnson’s attempted prorogation (suspension) of parliament, both of which aimed to check the power of the executive. Devolution, however, is not federalism. Westminster retains the power to make changes to the regional assemblies’ powers. Neither the Supreme Court nor any other court can override a law passed by both houses of the British parliament (although they can become creative in their interpretation). Even the Human Rights Act can be overridden by explicit legislation.

Despite this, Brexit has reinforced trends weakening and checking the centralised, executive-dominated British system. It has fuelled demands for further reform, such as for a codified constitutional settlement, with support also coming from Leave campaigners. The devolved parliaments and governments, not least Scotland’s, have been at the forefront of efforts to shape and resist Brexit. The overturning of the UK government’s decision to prorogue parliament in September 2019 stemmed in part from action taken through the Scottish courts and served as a reminder of the growing role of the judiciary. While Northern Ireland’s Assembly was suspended between January 2017 and January 2020, the central role the region has played in the UK–EU withdrawal negotiations has been a reminder of how territorial and ethnic–religious politics remain an important part of UK political life. The Mayor of London, Sadiq Khan, has led efforts to highlight that the capital city, the UK’s economic heart, voted Remain (by 60%). This includes a global campaign built around the slogan ‘London is open’. Similar calls have been made by the political leaders of other cities, such as the mayor of Manchester.

Brexit has not only fuelled demands for further devolution of power to these regions (and in the cases of Scotland and Northern Ireland, raised the possibility of separation from the UK), but in a twist has also highlighted the need for change to allow Leave voting areas more power. With the

12 A. Heath, ‘We Need a New Brexit Constitution to Replace the Shattered Old Order’, The Telegraph, 18 September 2019.
exception of London, England has no regional governments, despite it being home to 84% of the UK’s population. The tendency of English voters to back Leave and the way the negotiations have been handled (or mishandled) by Westminster have increased calls for changes such as the establishment of an English parliament or some form of constitutional reform to bring about more decentralisation in England. While it remains unclear how any such changes will be undertaken, Brexit has made clearer the need for UK politics to address its long-unaddressed ‘English question’. Much like a number of other European states, the UK has always been a multi-nation union. Brexit has made this clearer and fuelled demands for constitutional reform, with both Remain and Leave campaigners now demanding a fully codified constitution to manage the uncertainties the 2016 vote has unleashed. It has reminded many across the UK of the contested state of Northern Ireland and the UK’s responsibilities there. Even the break-up of the UK would bring its constituent states into closer alignment with Europe. The closer links with the EU sought by Scotland or Northern Ireland would impinge on the ability of England to diverge. In the meantime, managing regional, nationalist tensions is pushing the UK towards a federal-style politics found across the democratic world, and which in Europe in particular—for example Catalonia, Bavaria and Northern Italy—is connected to long-standing nationalist and/or cultural differences.

The UK is not only coming to terms with being a multi-nation union with elected representatives across the country asserting their powers. It is also coming to terms with having a multi-party political system, which has transformed the foundations on which the Westminster parliament is based. Britain’s two-party politics can appear very much out of sync with the multi-party politics elsewhere in Europe. But to adopt such a view would be to overlook that the two-party system is, to a large extent, propped up by a majoritarian electoral system for the House of Commons. Look beyond this and it soon becomes clear that the UK has long had multi-party politics in its local and regional governments, the House of Lords, elections to the European Parliament and even, to some extent, for the House of Commons. The hung parliament of 2010–15, which led to the creation of the first peacetime coalition government, might have been seen by some in the UK as an aberration. In fact it represented another step in the long-term decline of the dominance of the Labour and Conservative parties. The Liberal Democrats, nationalist parties, the Green Party and more recently Eurosceptic parties have taken an increasingly large share

---

of the votes and public support. This does not mean the Conservative and Labour parties are doomed. They both saw boosts to their shares of the vote in the 2015 and 2017 general elections, along with the Conservative victory in the 2019 general election, shows how much they remain the UK's predominant parties. But whereas once the expectation was that one of them would automatically secure a majority and form a government, hung parliaments or small majorities are now seen as a highly likely (though by no means guaranteed, as shown in 2019) outcome of general elections. This change in part reflects how British politics are no longer based on class as was once the case, or on a simple two-party choice based on left and right. Much like elsewhere in Europe, a mix of identities, issues and political alignments now defines how the British vote. This is why in the general elections of 2010, 2015 and 2017 just under half of British voters did not cast their vote for the same party each time. In Scotland in particular, the success of the Scottish National Party has made it hard for Labour especially to assemble a majority in England and Wales alone. Brexit itself was not only the product of the growth of the UK Independence Party (which in the 2014 European Parliament elections became the first party other than the Conservatives or Labour to top a national poll since the Liberals before the First World War, a feat repeated by the Brexit Party in the 2019 European Parliament elections). It was also caused by the financial crisis, immigration and Britain's long-running rejection of a European identity. Beneath these factors, and connected to them, can be found anger at austerity, growing inequality, the identity politics of English nationalism, populism, and a clash between liberal and authoritarian outlooks.

The UK's vote to leave has added to this trend. It has caused deep divisions within the Conservative and Labour parties, leaving the Conservative governments of Theresa May and Boris Johnson, until December 2019, unable to govern with the power once wielded by UK governments. While there has always been more consensus in the House of Commons than would appear from the two-sided division and the parliamentary theatrics this gives rise to, this has been largely behind the scenes.

---

Finding cross-party consensus in public, not least on as divisive an issue as Brexit, has been extremely difficult for the Conservative government and party, the Labour party, and groups of Remain- or Leave-supporting backbench MPs seeking cross-party cooperation to shape Brexit. Consensus politics, or efforts to move towards it, will continue because Brexit has added to the divisions weakening the unity of the two parties on which UK government has long been based. Brexit will also continue to put pressure on decision-makers to seek some form of consensus over the many aspects of the UK–EU relationship that still need to be agreed. In the meantime, British politics, once known for its stability and predictability, has begun to resemble the short-term unpredictable politics found in some other European states long famed for their more volatile party systems. As Professor Rasmus Nielsen has pointed out, a country until recently famed throughout the rest of Europe for its pragmatic and transactional politics now has its share of ‘nationalists, ideologues and romantics.’

Attempts to reach consensus in British politics will not be easy because of the decline of ‘centrist’ moderation. As seen elsewhere in Europe, both the left and the right have moved towards pitching themselves as parties of the people versus the elite. In the process, the Conservative and Labour parties have aligned with outlooks found in left and right parties across Europe that have shown increased scepticism towards globalisation and its associated—or alleged—political and economic orders. The Conservative Party has long sought to strike a balance between free trade and globalism, on the one hand, and nationalism, on the other. But today, thanks in large part to a growing English nationalism, the nationalist side has prevailed. While populism has grown across the democratic world, and there are some overarching themes connecting US and European populism, in some important areas Britons tend to align more with European views (in so far as such views can be identified) than with those predominant in the US, not least over the role of the state in people’s lives and the causes of climate change.

---

Finally, Britain’s vote to leave the EU has led to the emergence of British pro-Europeanism as a political force. Support for European integration has traditionally been based on support for a transactional, businesslike relationship. Britons have struggled to identify as Europeans, a key factor in the victory of the Leave vote.\textsuperscript{26} Pro-European campaigns have long been weak, almost non-existent. In comparison, Eurosceptic groups have a long pedigree. The vote to leave reflected in part the success of the latter in organising and working over a much longer time frame.\textsuperscript{27} This was aided by a media of which large parts over the course of British membership had become increasingly alarmist about the EU.\textsuperscript{28} In the face of such scepticism, many British politicians, including prime ministers, hid or downplayed their support for UK membership. The prospect of losing EU membership has outed pro-European politicians, bringing pro-Europeanism out of the shadows and into the mainstream. As shown in Figure 1, the number of Britons who feel European grew significantly in 2016, with a noticeable growth in those who put European identity first. There has been a slight decline since 2016, but for some people the feeling of being attached to Europe has grown stronger, as Figure 2 shows. The boost has also added to the polarisation of British society between Remainers and Leavers. As we explore further below, this connects with wider social and political divisions in British society. The persistence of these divisions and their connection to a Remain–Leave identity axis means these pro-European feelings will not disappear. Nor will Eurosceptic ones. Britain’s withdrawal will not remove the EU from UK political life. Instead, the likelihood of prolonged negotiations over a new relationship and attempts by the UK to influence the EU will keep arguments over links and alignment with the rest of Europe at the heart of UK politics.

\textsuperscript{28} O. Daddow, ‘The UK Media and “Europe”: From Permissive Consensus to Destructive Dissent’, \textit{International Affairs} 88/6 (2012).
Figure 1 Results of surveys in which Britons were asked ‘Do you feel . . . ?’

Source: Data taken from Eurobarometers, 1992 to June 2019, UK only.
Figure 2 Results of surveys in which Britons were asked ‘How emotionally attached do you feel to Europe (Europe in general, not the EU)?’

Source: Data taken from the European Social Surveys, September 2016 to Feb 2019, UK only.
Economics: Britain’s European economy
Given the EU’s place as the UK’s main trading partner and the UK’s strong support for the single market, it was inevitable that the 2016 Remain campaign would focus heavily on the economic links binding Britain and the EU together. The EU has also negotiated many trade deals that have shaped the UK’s economic relations with non-European countries. In addition, as shown by the UK government’s 2012–14 Review of the Balance of Competences, through the EU the UK has adopted and developed whole fields of regulations ranging from competition to the environment.\(^{29}\) The UK has also been at the forefront of shaping these regulations and the EU’s wider political economy, not least through the creation of a single market which has often (although not perfectly) focused on deregulation and free trade.\(^{30}\) While UK trade with the rest of the EU has declined, as the UK’s largest neighbouring economic area, the EU and the rest of Europe will remain the main marketplace for UK trade. In a twist, the EU’s economy will be more important to Leave voting areas, where businesses trade more with the EU, than in Remain areas such as London, which have more diversified and global trading links.\(^{31}\) This may, in time, provide a basis for pro-Europeanism in these areas.

Some Leave campaigners have sought to use Britain’s withdrawal as the means to effect a larger change to the UK’s economy, one that would involve turning Britain into a ‘Singapore on Thames’. This proposal is predicated on the ability of a non-EU UK to deregulate and therefore decouple from and undercut what its advocates see as the EU’s burdensome regulatory system.\(^{32}\) This faces several challenges, not least because the UK is already one of the most deregulated economies in the developed world. This has helped make it, in the view of the World Economic Forum, the third most competitive economy in Europe (with Switzerland and Sweden ahead of it) and the ninth in the world.\(^{33}\) Proposals to deregulate further have been resisted, including by some on the right, because they would cut back on environmental and health protections. This does not mean such calls have not been made and will not be made in future.\(^{34}\) But as yet there has been no clear domestic support, even from Leave voters, for reviving deprived areas through stripping away workers’ rights or lowering environmental and health

\(^{29}\) M. Emerson, *Britain’s Future in Europe: Reform, Renegotiation, Repatriation or Secesssion?* (Brussels: CEPS, 2015).
standards. While there has been much talk of agreeing a trade deal with the US, this has also provoked strong opposition connected to agriculture (not least due to fears linked to ‘chlorinated chicken’, among others), the National Health Service and pharmaceutical industries (motivated by fears over privatisation of the service and price rises for drugs).\textsuperscript{35} Brexit has therefore helped show that it is not the EU that restricts the UK’s economic performance. It is more the product, as even Boris Johnson once argued, of domestic failings such as poor investment in infrastructure and human capital.\textsuperscript{36} Indeed, Brexit may have brought about a wider reckoning with some of the problems with Britain’s economic model.\textsuperscript{37} The EU has long been blamed for holding Britain back. But talk of ‘shackling ourselves to a corpse’, a phrase often used to describe Britain’s relationship with the EU or European cooperation, is becoming less credible as Britain finds itself confronted with the realities of the alternative economic and trading arrangements open to it.

During the 2016 referendum some Leave campaigners made much of the idea that when it comes to negotiating trade agreements that significantly boost Britain’s economy, a UK outside the EU would be able to do this more easily and successfully than the EU could.\textsuperscript{38} Emphasis was put on the EU’s cumbersome procedure for agreeing trade agreements involving areas in which the EU shares competences (powers) with its member states. Famously, in Belgium these agreements require the approval of the regional and national parliaments. Even if it were true that the UK could negotiate better agreements with non-EU countries than the EU could—something that is unlikely because the EU27’s economy is five times larger than the UK’s—the agreements would not replace EU trade lost to the UK because of Brexit.\textsuperscript{39}

Volumes of international trade follow the predictions of what is known as the ‘gravity’ theory, so named because of its similarity to Newton’s law of gravity in the physical world. Trade between any two countries is proportional to the product of the size of the economies trading, and inversely proportional to the distance between them. Though other factors, such as sharing a land border, having a common language and past colonial ties also encourage trade, economy size and distance are by far the most

\textsuperscript{35} S. Lowe, ‘The UK Has Much to Fear From a US Trade Deal’, Centre for European Reform, 3 June 2019.
\textsuperscript{36} D. Winnett, ‘Quitting the EU Won’t Solve Our Problems, Says Boris Johnson’, The Telegraph, 12 May 2013.
\textsuperscript{38} D. Davis, ‘Britain Would Be Better Off Out of the EU – And Here’s Why’, speech given on 4 February 2016.
important. It was hoped that the increasing importance of services trade and instant communication would reduce the effect of distance. However, this has turned out not to be the case, mainly because services trade still largely involves moving people, and travel becomes, relatively speaking, much more expensive and disruptive the further you need to go.

Evidence from history confirms this. As Table 1 shows, even at the height of British imperial power and industrial might (in the era of ‘Pax Britannica’), Britain’s exports and imports to and from Continental Europe amounted to around 40% of its total trade, around the same level as now. We calculated the distance between the UK and the trade-weighted geographic centre of the EU27. By comparison, the US is 8 times further away, India 9 times, South America 13 times, China 11 times and Australia 24 times.

### Table 1 UK–European trade in the era of ‘Pax Britannica’

<table>
<thead>
<tr>
<th>Year</th>
<th>Share of the total exports to Europe</th>
<th>Share of the total imports from Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>1816–18</td>
<td>44.2%</td>
<td>-</td>
</tr>
<tr>
<td>1836–38</td>
<td>41.1%</td>
<td>-</td>
</tr>
<tr>
<td>1849–51</td>
<td>38.0%</td>
<td>34.8%</td>
</tr>
<tr>
<td>1869–71</td>
<td>41.6%</td>
<td>42.3%</td>
</tr>
<tr>
<td>1889–91</td>
<td>34.8%</td>
<td>44.3%</td>
</tr>
<tr>
<td>1899–1901</td>
<td>39.4%</td>
<td>43.0%</td>
</tr>
<tr>
<td>1911–13</td>
<td>35.0%</td>
<td>40.6%</td>
</tr>
</tbody>
</table>

Source: Data taken from the Economic Statistics Centre of Excellence, ‘Overseas Trade’ (n.d.).

---

42 For the other trading blocs we used the political centre as the capital cities are normally economically dominant. In practice this makes the US appear closer than it really is because of the significant economic importance of Illinois, Texas and California, in addition to the Eastern Seaboard.
Finally, Britain has long been a leading proponent of the global rules-based free-trade system. But it is withdrawing from the EU at a time when this system has come under increasing pressure. Hopes that the UK could set a new example by breaking some of the deadlocks in global trade reform have been lowered by the need to negotiate with the EU and the limited capacity the UK has to effect such global change. Hopes the UK could introduce new ideas into global trade were in part based on its growing trading links with non-EU economies. However, other EU members have also developed comparable links. There is no reason to think that the UK is radically better (or worse) than other European countries at trading with emerging economies. As a result, how the EU frames its trading relations with these emerging economies will also shape how the UK approaches them.

---

43 J. Springford and S. Lowe, ‘Now is the Worst Time for “Global Britain”’, CER Insight (27 June 2019).
Society: European Britons
Over its 46 years of EU membership, British society has become more European in three ways. Each is set to continue in part because these elements are not entirely the product of EU membership. First, while large numbers of Britons have long resisted identifying themselves as European (polling has shown the British to be the least likely across the EU to identify as such\textsuperscript{44}), as noted earlier in Figures 1 and 2, this is changing because Brexit has led to the emergence of a pro-Europeanism not seen before in UK politics. It might lack the sort of leadership that could have won another referendum, but the passion and feelings aroused have the potential to outlast withdrawal.\textsuperscript{45} That Euroscepticism is especially prevalent amongst older voters, who remember life before EU membership, points to a decline over time as younger Remain-leaning voters—who, at the time of the referendum, had known nothing but EU membership—become the majority. A sense of regret, of romantic nostalgia and of a way of life taken from them, could become as important a part of the identity of Remain voters as they grow older as it is for some older Leave voters regarding their views of life before the UK joined the EU.

Second, the UK faces demographic changes similar to those in the rest of Europe. Concerns about immigration played a significant part in the Leave vote, not least about immigration following the 2004 EU enlargement to Central and Eastern Europe. Today, of the approximately 9.3 million Britons who were born outside the UK, an estimated 3.6 million were born elsewhere in the EU.\textsuperscript{46} One result of this is that Polish has become one of Britain’s most spoken languages. Numbers migrating to the UK dropped significantly following Britain’s vote to leave. Nevertheless, even in 2017–18 the UK was the second most popular destination after Germany for intra-EU migration.\textsuperscript{47} EU citizens living in the UK along with British citizens resident elsewhere in the EU represent one of three large groups that link the UK to the rest of the world: British citizens living elsewhere in the EU (1.3 million), elsewhere in the Commonwealth (2.5 million), and in the rest of world, including the US (the latter being home to 1.2 million UK citizens).\textsuperscript{48}

Immigration to the UK looks set to continue in significant numbers, barring some radical change to the

\textsuperscript{44} R. Ormston, \textit{Do We Feel European and Does It Matter?} NatCen and UK in a Changing Europe (October 2015); see also Carl, Dennison and Evans, ‘European but Not European Enough’.


\textsuperscript{48} This data has been compiled from the UN, \textit{International Migrant Stock 2019}, UN Department of Economic and Social Affairs (2019).
UK’s political economy. Britain’s economic model has in part been based on immigration from both the rest of the EU and around the world providing large numbers of high-skilled, high-paid and low-skilled, low-paid workers. This has been especially true for London, which has grown into a modern global city, with its population rising from 6.7 million in 1988 to just over 9 million in 2019. As with the rest of Europe, Britain faces the problem of an ageing population and the need for the workers, not least carers, to cope with this. The growth of Britain’s black and minority ethnic population also mirrors patterns seen elsewhere in Europe. As with the rest of Europe, demographic links with the non-European world look set to grow. Nevertheless, while workers from countries such as Australia or the US will be popular with UK employers, workers from Europe are also likely to remain popular due to their proximity, cultural similarities and, especially with regard to Central and Eastern Europe, willingness to work for less.

Finally, Britain will remain a country defined by European cultural and social links and will in turn play a part in shaping what it means to be European. Links between the rest of Europe and the UK in sport, research and culture are difficult to measure or define. In each of these areas the UK, like any other European state, also has extensive links with other non-European countries and regions. Spain and France, for example, have extensive links with the Spanish- and French-speaking worlds. Countries in Eastern Europe retain strong links to Russia. There is little doubt that the UK’s cultural links with and affinity for the US are very strong, but it should not be forgotten that the cultural influence of the US is found across Europe, as are commitments to close transatlantic relations. Britain’s cultural links with Europe, and especially Western Europe, are similarly extensive. These links can be found in a range of areas such as attitudes to religion or concerns about the environment. Of course, in each of these areas differences exist across Europe; and in some of them there are similarities between the UK and a number of non-European countries, such as the US, Canada and New Zealand. When asked, however, whether they would prefer the US or the EU to be the most powerful force in world politics, 47% of Britons side with the EU compared to 27% for the US. The UK will also continue to play a powerful part in shaping what it

51 D. Coleman, Immigration, Population and Ethnicity: The UK in International Perspective, Migration Observatory, Oxford University (2013).
means to be European in terms of culture and place in the world. Its highly successful cultural industries, whose English-language content finds a ready market for British films, television, books and music, will ensure that a British perspective continues to be heard (even if the reason so many Europeans now learn English is because of the powerful cultural influence of the US).
International: A European Power in a Multipolar World
Britain’s position in and approach to the wider world is shaped disproportionately by political, economic and security developments in Europe. As Churchill observed, ‘Europe is where the weather comes from.\(^55\) The centrality of Europe to British strategic thinking is therefore nothing new, with Brexit serving as a powerful reminder of this. The British Empire was not an end in itself. Rather, it served as a means of providing the resources needed to assert British power against its rivals, most of whom were European and had empires of their own. A long-standing aim of the ‘special relationship’ between the UK and the US has been to maintain the latter’s commitment to Europe. As noted above, any trade deal negotiations with the US, or any other major economic player, will be undertaken with a view to how they shape the UK’s relations with its European neighbours. For its part, the US has sometimes looked to the UK as its leading ally within the EU. Outside of the EU the UK will inevitably find it needs to increase its efforts in Europe to compensate for this loss in the UK–US relationship. Europe might no longer be the centre of global politics it was in the nineteenth century, through the World Wars and later during the Cold War. Nevertheless, disengaging from European political, economic and security matters in order to pursue ambitions elsewhere in the world that do not connect back to Europe is a strategic dead end for the UK.

Britain’s vote to leave has led to several changes in the UK’s approaches to the reality described above. First, the negotiations over the UK’s withdrawal have required the redirection of diplomatic resources away from other areas of the world towards the rest of Europe. This has reversed a long-standing trend in the Foreign and Commonwealth Office of directing resources away from the EU towards non-European areas of the world.\(^56\) Second, despite grandstanding by some ministers threatening to withdraw British officials from meetings and networks, the need to maintain links and develop them further will only grow as the UK finds itself outside the meeting rooms in which key EU decisions are being made. As a member of the EU, the UK has not always needed to be present in discussions on matters such as the euro, which it has not adopted, to have its concerns considered. As a ‘third country’ outside of the EU, the UK will find this far more difficult because there is only one non-EU country that has the influence necessary to have generally been considered to be ‘present’ in EU decision-making forums without actually having to be physically in attendance: the US. The EU itself has been open to ideas about how

---


to involve the UK in a range of foreign, security and defence discussions, including those on relations with Iran and Russia. However, while the Political Declaration agreed as part of the UK–EU Withdrawal Agreement does not preclude such cooperation, the detail shows little that would break from the norm of how the EU deals with a third country. The UK’s exclusion from the Galileo satellite programme has shown that accommodation is not always possible despite the UK’s willingness, expertise and considerable past investments.\(^{57}\) Nor would arrangements connected to defence serve as an adequate means by which the UK could shape discussions over the much wider economic, non-military security and social matters that will also affect the UK. This will be a challenge not only for the UK government but also for the British businesses and civil society organisations seeking to shape EU politics. Nor will the unity of the EU and the stability of Europe disappear as central UK concerns. The prospect of an EU that is a more united and effective player in international relations has clear implications for the UK and its interests. Instead of paying less attention to EU and European politics and pivoting away towards other areas of the world, British decision-makers and diplomats will find they need to ‘do more Europe’.

How Britain deals with the need to commit more time and resources to engaging with the rest of Europe while withdrawing from the EU and facing an emerging multipolar world will weigh heavily in the minds of those developing the UK’s security and defence strategies. The EU will feel the appeal of working with the UK thanks to both mutual international concerns and a shared interest in the UK’s defence and industrial capabilities, parts of which are linked to other European states through treaties and industrial links. This will add to the UK’s continued engagement with the EU. For British decision-makers, a number of options present themselves.\(^{58}\) These include a neutral verging on isolationist approach; a European-focused approach that falls short of rejoining the EU; a more humanitarian foreign policy, similar to the policies pursued by Scandinavian countries; and a more ambitious global role that balances interests in Europe with interests in other regions around the world. Whichever is chosen, Europe will figure as a major concern. And if the UK takes the isolationist or humanitarian options, it will begin to adopt an approach to international affairs that is similar to the approaches taken by a number of other European countries.


\(^{58}\) N. Kitchen and T. Oliver, ‘Written Evidence Submitted by Dr Tim Oliver and Dr Nicholas Kitchen’, submission to the House of Commons Defence Select Committee’s inquiry ‘The Indispensable Ally? US, NATO and UK Defence Relations’, House of Commons Defence Committee, 30 March 2017.
Finally, Brexit has shown that in international relations the UK is a more European-style regional power than it has been prepared to fully recognise. This alone will put significant limits on any plan to pursue an ambitious global role that balances commitments in Europe with other areas of the world. In negotiations with the EU, the UK has struggled to assert itself, in no small part because the EU is the much bigger power.\(^9\) The UK now risks being squeezed between the economic giants of the US, the EU and China. Claims that Britain has taken back control have looked hollow when the British prime minister can be humiliated by leaders such as the prime minister of Luxembourg. Aspirations and talk of global links and trade have become more muted as time has passed, and focus has increasingly been placed on the reality of European links and influence.

Conclusion: a Europeanised UK outside or inside the EU?
Brexit has consumed, humiliated and frustrated Britain and its political leaders. Amidst the chaos and uncertainty unleashed, it is easy to overlook some of the longer-term trends and changes it represents. Not least how European the UK is and how Brexit is not a one-way movement of the UK away from the rest of Europe, but in many ways represents Britain moving closer to European norms. Brexit has revealed how much Britain’s politics, economy, society and place in the world are similar to, and are and will continue to be shaped by, the wider politics of Europe. The British have long struggled to recognise their European identity, and many still reject it. However, Brexit has confronted the British with some of the realities of that identity. They are realities that successive governments have accepted and quietly worked with in searching to build and shape relations with the rest of the EU. Many of these formal links might now be severed or altered in some way by the UK’s withdrawal. The economic, social, security and political need for them, however, will not disappear. Future negotiations on the UK–EU relationship mean those links could once again be formalised or be reconstituted in new ways. Calls for this will be helped by Britain’s new-found pro-European voices, which have been created, or at least brought out of the shadows, by the UK’s vote to leave. Close alignment, however, should not be taken for granted. As recent debates about the UK’s withdrawal from the EU have highlighted, on both the right and left some continue to hope that this withdrawal will allow the UK to diverge.

Should the above also be taken to mean that the UK will eventually rejoin? Not necessarily or at least not anytime soon. There are three main reasons for this. First, in the 2016 referendum the EU was a difficult sell. Racked by the eurozone and Schengen crises, the EU did not appear to have become the future it had offered in the 1970s when the UK joined. While in 2020 the EU appears better positioned, even within the remaining members there are doubts as to whether or not a new treaty or significant changes would command the necessary public support across the Union. This does not mean the EU is doomed to fail. As we have seen, for the UK as a European power, the EU’s success is a central concern. Second, the UK’s terms of membership would not be the same as they were before it withdrew. Opt-outs from the euro, Schengen, and some areas of justice and home affairs matters would be unlikely to be offered, and the same holds for the British rebate. And if they were not, that would add to the feelings of regret that might boost pro-European sentiments. But accepting such conditions

---

60 Pickard and Brunsden, ‘Fears Rise Over Post-Brexit Workers’ Rights and Regulations’. For a left-wing view see R. Leslie, ‘Brexit Is No Right-Wing Coup, but the Means of Escaping the EU's Neo-Liberal Economics That are Harming Our Planet’, BrexitCentral, 26 October 2019.
would make for a very difficult sell. Added to this would be the experience of other countries when negotiating new relations with the EU. Norway and Switzerland have both shown that contact with the EU through sustained negotiations does not necessarily lead to more pro-Europeanism to the point that membership is embraced. The opposite can happen, with the EU’s approach to negotiations appearing abrasive, bullying or overbearing. It is important not to overlook how corrosive this could be for public support for links with the EU. Third, the factors that motivated the Leave voters—ranging from concerns about immigration, economic and political inequality, and identity (especially English) politics—have not disappeared. If anything, many of them remain unaddressed, and were that to ever change, changes in attitude would take at least a generation to filter through. Rejoining would almost certainly require a referendum, which could easily be turned into a vote on these matters as was the case in 2016.

This should not be taken to mean that the UK and EU cannot negotiate a new non-EU relationship in which Britain can continue to come to terms with its European identity and place in the world that it has so often denied. Negotiations have so far focused on the UK’s withdrawal. The future relationship remains an undiscovered country. Brexit has shown that Britain is and will remain closely aligned with the rest of Europe. Cooperation with the EU to strengthen its European identity, its economy and its place in the world remains possible.

Nor does this mean that the UK had to withdraw to become more European or to recognise how European it already is. This report might be taken by some as a sign that Brexit has helped create a Europeanised UK that will be one of the EU’s closest neighbours and allies, and that its withdrawal should therefore not be regretted. However, in an emerging multipolar world, Brexit carries significant economic, political, constitutional, security, defence, social and diplomatic risks for the UK. It also causes a significant ongoing problem for the EU to have to manage relations with a Europeanised but estranged UK struggling to come to terms with the fallout of Brexit. It would have been far easier to face this with the UK inside the EU.

---

Policy recommendations
Both the UK and the rest of Europe should find ways to exploit the opportunities of Britain’s existing and future alignment with Europe.

Security and defence

Engage the UK’s need—at both the national and regional levels—to be involved in European security by facilitating a close working relationship between EU and UK decision-makers and officials. The key to the UK–US special relationship lies not only in close relations between prime ministers and presidents. It also rests on the close daily working relationship between UK and US officials in the areas of nuclear weapons, special forces and intelligence. This allows the relationship to survive the vagaries of prime ministerial and presidential relations. UK officials working on security, defence and intelligence matters should continue to be seconded to the EU’s institutions, with UK decision-makers involved in forums such as the Political and Security Committee. The UK should offer the same in return, with EU officials seconded to UK institutions and EU representatives involved in UK decision-making forums.

Economics

The UK will remain one of Europe’s largest economies and one closely tied to the wider European market. It will likely engage with the EU as its economic policies evolve. While agreement and cooperation in this area will not be easy, close alignment will be in the interests of UK and EU businesses and consumers. Alignment will also help to boost the EU’s weight in a world where its and the UK’s share of global economic output will inevitably decline. The EU has already made clear that it will protect itself against any efforts in the UK to undercut the EU through deregulation. Cooperation between regulators should be encouraged at all levels in order to facilitate close alignment.
Politics

While the House of Commons and Westminster remain crucial forums in UK politics and will be the centre of decision-making over the future of UK–EU relations, an over-reliance on relations with Westminster risks ignoring the wider more fragmented and Europeanised politics of the UK. Close cooperation should be continued and encouraged between the EU’s institutions and Britain’s devolved and local governments. Representatives from Scotland, Wales, London, Northern Ireland, some local governments and the House of Lords will be the most likely to reciprocate. So too will representatives of UK businesses and civil society.

Social

It is in the interests of the EU and its member states that the UK, whether through links to the EU or the European Court of Human Rights, maintains close links in a wide range of areas such as workers’ and human rights, health and safety, the environment and education. The UK and EU member states should develop visas that allow 18–25-year-old UK and EU citizens the right to reside and work anywhere in the EU or UK for two years. Finally, the UK should equalise the voting rights of EU and Commonwealth citizens.


Springford, J. and Lowe, S., ‘Now is the Worst Time for “Global Britain”’, *CER Insight* (27 June 2019).


This paper sets out how Brexit is pushing the UK towards aligning more closely with the rest of Europe in its politics, society, economics and international position. This is the result of long-running trends coupled with the political tumult created by the 2016 referendum and the effects of the negotiations that followed. The emergence of pro-Europeanism as a political force is one of the most important and obvious changes. Brexit has also confronted the British with several realities about the UK’s economy, society and place in the world that show it to be more European than many will have recognised. In addition, the process of withdrawal has exposed the decentralisation and fragmentation of the formerly exceptionally unitary UK state that began in the 1990s. However, none of this should be taken to mean that divergence from Europe will not happen or be sought, or that the British people will eventually vote to rejoin.

This report might be taken by some as a sign that Brexit has helped create a Europeanised UK that will be one of the EU’s closest neighbours and allies, and that its withdrawal should therefore not be regretted. However, in an emerging multipolar world, Brexit carries significant economic, political, constitutional, security, defence, social and diplomatic risks for the UK. It also causes a significant ongoing problem for the EU to have to manage relations with a Europeanised but estranged UK struggling to come to terms with the fallout of Brexit. It would have been far easier to face this with the UK inside the EU.