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The United Kingdom: Stronger or Weaker Since Brexit?

By Rebecca Thorne

Introduction

For five years, the United Kingdom has been adrift on the open sea. Since the withdrawal agreement entered into force on 31 January 2020 and the transition period ended 11 months later, the island state has once more been on its own, no longer part of a political and economic union with its nearest neighbors. After the immediate shock of the referendum result had reverberated across the archipelago, the upheaval continued to be felt in all dimensions of society. Prime

ministers came and went with higher frequency; businesses were inundated with paperwork; and individuals paid the price – both in countable and immaterial value. To what extent has the nation bounced back from the rocky bottom of Brexit? Analyzing the question of whether the UK is stronger or weaker since Brexit requires both an understanding of the situation at home as well as the country's relationships overseas.

Where it hurts most

The departure of the island nation from its decades-old membership left a scar that will remain for years, if not decades to come. This was a wound that even the UK's beloved National Health Service (NHS) was unable to fully mend. Moreover, as ever, it is the state-funded healthcare system itself that still needs to be fixed, as it shows no signs of suffering any less than before the political rupture: while the Leave campaign promised to spend millions of pounds saved from the EU on the health service, the reality was rather more modest. Brexit itself cost an awful lot of money that was not spent on the care needed to heal the nation from its many other complaints.



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One particularly visible ailment has been the inability of a prime minister to retain office for the full term since Brexit. The nation has had seven prime ministers in ten years, the shortest tenure lasting less than two months. If the first leaders to fall were more or less direct victims to the pressure of pulling off the UK's departure from the EU, more recent casualties were subject to scandals or prey to the economy. The aftermath of Brexit was particularly bitter for young people, many of whom were unable to vote in the referendum; but even those who voted to leave are likely to have felt the repercussions in the

effect on living standards. From buying a house to the weekly food shop, British citizens have had to dig deeper into their pockets. Even before Brexit, inflation was higher in the UK than in the EU, and it continues to hold this doubtful status. However, while growth was previously higher in the UK, this trend has now reversed.

The numbers give an insight into the state of the economy: current estimates put the gross domestic product at 6–8% lower than without Brexit, with a long-term hit of roughly 4%. A big part of this is the reduced business investment, which is estimated to be between 12% and 18% lower than it would have been otherwise. Hundreds of financial firms have relocated parts of their operations to the EU, taking with them the equivalent of about a tenth of the UK banking system.



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As for trade, new barriers have arisen that have particularly affected the exchange of goods (rather than services). While largely tariff-free, the increase in bureaucracy and strings attached has hampered growth. Taking into account other factors like the pandemic, a comparison with similar economies nonetheless shows that the UK's worldwide imports and exports of goods are lower than they would have been in a scenario where the UK stayed in the EU. Another concerning development has been the weakening of national climate and environmental policy. Changes since Brexit mean that laws on issues such as air pollution, chemicals, water

treatment, battery recycling and deforestation are now less strict in the UK than in the EU. In some cases, the British government has even rolled back existing protections. The UK has also failed to introduce legally binding targets for key methods of decarbonization such as renewable energy and energy efficiency.



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As well as isolating the island from the European mainland, Brexit has furthermore widened the cracks within the United Kingdom. Support for Scottish independence remains significant, while in Northern Ireland, the agreements to avoid a hard border with the Republic of Ireland have created new frictions within the UK's internal market. Wales, too, has seen a rise in nationalist sentiment. Home turf is not as solid as it once was.

Still friends?

Even after signing the divorce papers, the UK and the EU are still talking. The two neighbors have even formalized their friendship with a multitude of deals, agreements and memoranda: from fishing to security and defense. This continued cooperation was emphasised during former Prime Minister Keir Starmer's meeting with President of the European Commission Ursula von der Leyen at the Munich Security Conference in February this year.



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A couple of months before his resignation, Starmer announced his intention of going one step further in re-aligning itself with the EU using the so-called Henry VIII clauses, whereby Parliament can either approve or reject legislation but cannot amend it. The Conservatives and Reform UK strongly oppose this move, arguing that adopting new European laws 'by default' threatens the newly won sovereignty. In reality, it would ensure stable access to the EU market, which – given that trade has suffered, as described above – is no bad thing. With Prime Minister Andy Burnham now at the helm, there has been more emphasis on domestic politics. Nonetheless, Burnham's first foreign guests in his new role were the Ukrainian and French presidents; his first overseas visit was to Ukraine. During these respective occasions, Burnham reiterated Britain's full support for Ukraine, while Emmanuel Macron emphasised France's 'entente amicale' with the UK – the Gallic version of the American 'special relationship'.



UK was the first country to sign a 10-year security cooperation agreement with Ukraine.



Moreover, in a clear sign of friendship, the informal diplomatic group known as the E3, which is

made up of the British prime minister alongside counterparts from France and Germany, has existed since the early 2000s following tensions in the Middle East, and has continued in full strength despite Brexit. The topics on the agenda have not changed a great deal since the early days. In April, Starmer and Macron hosted a video conference with 49 countries regarding the Strait of Hormuz. Since then, Burnham has co-chaired a meeting of pro-Ukrainian countries. Beyond mere friendship, these acts of leadership show that the UK does still retain geopolitical soft power.

Indeed, the UK has played an active role in supporting Ukraine in its war with Russia. Total pledged support amounts to £25 billion, which is among the highest donations. In January 2024, the UK was the first country to sign a 10-year security cooperation agreement with Ukraine, following up at the beginning of 2025 with a symbolic 100-year partnership. Furthermore, the UK and France are leading efforts to establish a 'coalition of the willing' to guarantee any future peace agreement, which would place the UK at the center of post-war European security architecture. The UK's own military has come under scrutiny for not making the same impression of strength. After Cyprus was targeted by Iranian drones, the Mediterranean nation's president questioned the feasibility of maintaining a British military base on the island.

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Moreover, the supposedly slow deployment of the Royal Navy in response to the attack led

critics to suggest that the UK lacks the hard military power needed to deal with crises. Indeed, Germany has now surpassed the UK in defense spending to take the number one position in Europe. Yet despite the much-bemoaned state of funding, the British Armed Forces continue to earn international respect. In a humanitarian operation in May this year, six paratroopers and two medics parachuted onto the remote island of Tristhan de Cunha with supplies of oxygen and medicine after a suspected case of Hantavirus. In direct contrast to the episode in the Mediterranean, the army received praise for acting quickly in what was widely described as a 'daring' airdrop. Whether or not it was intended as such, the operation served as a remarkable PR stunt that restored faith – at least for the time being – in the nation's military prowess, both at home and abroad.

Playing the field

Outside Europe, Britain's post-Brexit strategy has been to balance relations among the major powers of the USA and China. In practice, this has proven challenging. The reality of market pressures is increasingly at loggerheads with the necessity of national security. The UK has not been spared the recent turbulence under US President Donald Trump. Indeed, the 'special relationship' with the United States is less predictable than it used to be. From praising Starmer for doing 'a very good job' to expressing his disappointment in the British leader's lack of cooperation, Trump has shown that he is as fickle with the UK as with every other country.

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Among the first wave of tariffs Trump slapped on other nations, the UK managed to negotiate a 10% fee, which was among the lowest. Since then, however, the island nation has not been immune to threats of higher tariffs as divergences over foreign policy on the issues of Greenland and Iran have particularly bruised the bond between the two nations. The relationship is only special when it suits the American president. Yet even as Starmer fell in the American president's esteem, the UK retains one resource that continues to demand respect: the royal family. The alliance between the two nations was at the heart of King Charles' speech to the US Congress at the end of April, marking the 250th anniversary of American independence. The king called on history and shared values to encourage the trans-Atlantic partner to stand with the UK across a range of modern challenges such as supporting Ukraine and protecting the environment. As for the new prime minister, Burnham has so far had agreeable phone calls with the American president.

Liaisons with China also require a certain dexterous diplomacy. The approval of a Chinese mega-embassy in London, which caused political heads to turn, was followed soon afterwards by a state visit to China – the first time for a British prime minister in eight years. These political maneuvers show a keen desire to improve a relationship that has been difficult for years. On the one hand, there is a clear economic incentive to engage. Outcomes of Starmer's trip to Beijing included the halving of tariffs on Scotch whisky as well as visa-free travel for British citizens. The

UK relies heavily on Chinese inputs for solar panels, batteries and other components critical to the energy transition. However, dependence on the economic superpower carries risks, from potential supply disruptions to concerns about data security and remote technological compromise.

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Increasingly, it is becoming important for the UK not to rely on one or even two superpowers, especially when those countries have an agenda that at times radically differs from the UK's interests. Public opinion surveys show that views towards the US and China have been worsening. For the UK to be able to maintain integrity as it moves through the challenges of today and tomorrow, it needs allies around the world, both big and small.

Global Britain?

Trade deals with the rest of the world have been progressing gradually, most of which are 'rollover' agreements that the UK already enjoyed when it was part of the EU. Only a few can be called new, such as those with Australia, New Zealand and India. However, the EU has simultaneously signed notable new agreements with these countries, which somewhat detracts from the UK's success. The UK intends to work closely

together with Australia as part of the AUKUS security pact, a trilateral submarine partnership that also includes the US. The idea behind the agreement is to ensure security in the Indo-Pacific region by equipping Australia with its own nuclear-powered submarines as well as allowing British and American vessels to be based there. As part of this plan, the UK should receive several billion dollars to fund the design and building of new submarines over the next 20+ years.



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Yet the venture is already fraught with difficulties. Australia has spent 30 years looking for long-term storage for the nuclear waste, some of which is high-level radioactive, but has so far been unsuccessful in its quest. Meanwhile, the UK's capacity to commit to the deal has come under question, as the nation currently only has one attack submarine at sea, which had to be recalled from its visit to Australia after the escalation of conflict in the Middle East. And even as technical progress continues, the US is conducting an 'America First' review of the pact. The Commonwealth of Nations unites the UK with 55 other countries from six continents around the world. While the British monarch continues to serve as Head of the Commonwealth, the relevance of this association – making up a third of the world's population – came into doubt after the death of Queen Elizabeth. The UK has to tread particularly lightly given that most of the members come from former British colonies. The

main attractions are the educational scholarships as well as the Commonwealth Games, but as an international organization the association is weak in that it is unable to make policy or enforce human rights. Moreover, the UK has made significant cuts to foreign aid and plans to reduce spending further in favor of defense. This decision fails to recognize the importance of development in preventing wars.



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Furthermore, the reductions in the aid budget open up opportunities for countries such as Russia and China to present themselves as alternative partners, thereby weakening the UK's influence in parts of the world where the UK already has a tricky relationship due to a troubling past. Nonetheless, the UK's cultural reach, its globally renowned media and the long-standing prestige of its educational institutions continue to give it influence beyond its size. Research shows for example that the BBC is not only the UK's most well-known cultural export, but also the most trusted provider of international news with a positive impact on investment. Moreover, the country's good standing is evident in surveys of global opinion, which still rank the UK highly as a place to do business and to study, often second only to the United States among major economies.

Conclusion

In many respects, the UK is not as strong as it was prior to Brexit. While there have been other factors at play over the last few years such as the pandemic and the full-scale war in Ukraine, the UK has arguably recovered less quickly than comparable nations. The economy has suffered long-term damage, living standards have deteriorated and policies protecting the very earth, air and water the nation calls its own have been weakened. The departure from the external union has also shaken the internal union between Scotland, Wales, England and Northern Ireland.

However, the UK's enduring soft power abroad to a certain extent mitigates the geopolitical impact. Alongside maintaining good relations with the EU, the prime minister's frequent appearances alongside his French and German counterparts signal that the island nation continues to enjoy a strong political position on the European stage. Beyond Europe, the UK is walking a tightrope, balancing relations between the USA and China, between trade and security, between political pressures and public opinion. It is those relations that are increasingly strained: not necessarily because of Brexit, but Brexit means that it matters more.

Rebecca Thorne, MA, is a Research Associate at the Institute for the Danube Region and Central Europe, based in Vienna, Austria.

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Institut za razvoj i međunarodne odnose
Institute for Development and International Relations

Lj. F. Vukotinovića 2, Zagreb, Croatia
www.irmo.hr