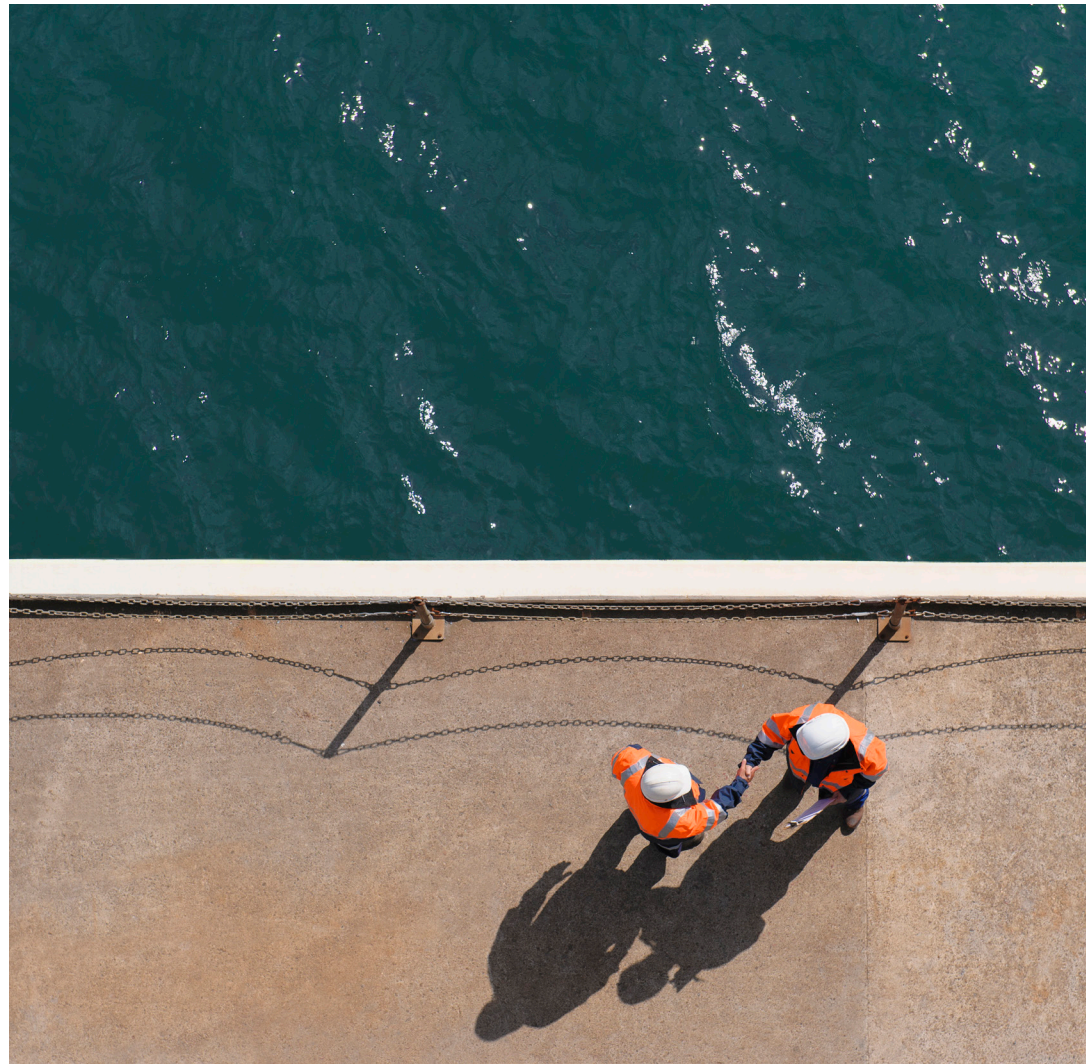


JUNE 2023  
ANTON SPISAK  
CHRISTOS TSOUKALIS



# Moving Forward: The Path to a *Better Post-Brexit Relationship* Between the UK and the EU

# Contents

- 3 Executive Summary
- 7 Introduction
- 9 What Has Changed? The Case for a New Debate on Europe
- 20 The Options Ahead
- 25 A New Special Partnership: What to Aim For
- 39 A New Special Partnership: How to Get There

Our Future of Britain initiative sets out a policy agenda for a new era of invention and innovation, based on radical-but-practical ideas and genuine reforms that embrace the tech revolution. The solutions developed by our experts will transform public services and deliver a greener, healthier, more prosperous UK.

01

## Executive Summary

Seven years after the vote to leave the European Union (EU) and more than three years since the formal withdrawal, the United Kingdom (UK) needs a new debate on its future relationship with the EU. This is necessary because, as our analysis demonstrates, the British public have altered their views on Brexit, the UK's economic realities demand a closer trading relationship with the union and rapid changes around the world demand a more collaborative and strategic partnership between these two close neighbours.

New polling commissioned by the Tony Blair Institute for Global Change (TBI) demonstrates how significantly the British public have changed their views: 53 per cent of Britons today think the country was wrong to leave the EU while one-in-three – 34 per cent – believe the decision was the right one. This shift is attributable partly to the fact that almost one-in-five Britons – 18 per cent – who voted Leave in 2016 think their decision was wrong and partly to the more pro-European views of young people who are now entering the electorate.

If a new referendum was held today on whether to stay out or rejoin the EU, 51 per cent of Britons would support rejoining while only 36 per cent would choose to keep the UK outside the union.

Britons overwhelmingly support the idea of the UK moving closer to the EU over the next ten to 15 years: 78 per cent of voters are in favour of a closer future relationship, even though their views on how to achieve this differ. More specifically, 43 per cent said they would like to see the UK rejoin the

EU, 13 per cent choose the option of going back into the single market but staying outside the EU, and 22 per cent support a closer trade and security relationship although they do not want the country to rejoin the EU or go back into the single market.

What is striking is that only 7 per cent of Britons think the current post-Brexit relationship is a satisfactory one when considering the medium-term future. This is not surprising because the impact on the UK economy has been significant. Since the decision to leave the EU, the UK economy has underperformed in comparison to virtually all G7 economies, experiencing an unprecedented fall in economic output, trade openness and investment.

Our polling demonstrates that there is the political space to improve the post-Brexit relationship with the EU and to find a more durable arrangement to support the needs of two close economic and security partners. There will be a window to do so following the next general election in the UK and European Parliament elections in 2024. Inevitably, therefore, it will be the task of the next UK government to develop a better relationship with the EU.

The present debate on the future relationship is stuck between two binary choices – rejoin the EU or stay silent. The first involves revisiting a decision that is associated with years of collective trauma, while the second means fatalistically accepting that Brexit is what it is, without confronting the economic and political realities that face the country today. The task of the next UK government will be to move beyond this binary choice and offer an alternative path forward.

The alternative that we put forward in this paper is a bold agenda focused on developing a new special partnership between the UK and the EU. This should include steps that the UK government takes unilaterally without opening a new negotiation, but also a more ambitious set of negotiated steps. Recommendations for this agenda include:

- Commit to voluntary alignment with EU regulations on goods, including product rules and food-safety standards, with a view to facilitating negotiations with the EU on mutual recognition of conformity assessment, and regulatory equivalence of sanitary and phytosanitary (SPS) measures.

- Maintain regulatory autonomy and flexibility only in those areas where there are opportunities for enhancing the UK's global competitiveness and for pursuing regulatory innovation. Additionally, establish a new EU-UK Trade and Regulatory Cooperation Council to facilitate cooperation when the UK and EU's regulatory approaches may diverge, for example on emerging technologies.
- Agree preferential arrangements on improved mobility for business professionals and a new reciprocal exchange scheme for young people.
- Link the emissions-trading systems of the UK and the EU to reduce costs of energy trading and avoid any future carbon border taxes.
- Provide an upfront commitment to the EU that the UK will maintain at least the same level of domestic-standards protections on food safety, the environment and workers' rights as are found within the EU.
- Deepen the existing security partnership to advance cooperation on law enforcement, criminal justice and broader related issues, such as illegal migration.
- Establish a new "strategic pillar" within the EU-UK Trade and Cooperation Agreement (TCA), to include a joint framework on foreign policy, defence and security as well as a new leaders-level EU-UK summit to discuss strategic-policy issues.
- Commit to a comprehensive consultation with domestic businesses on the effectiveness of the TCA in preparation for the review process, which is due to start in 2026.
- Develop new landmark legislation – a "Future of Regulation Bill" – to set a clear future direction for the UK's regulatory model following on from Brexit. This should offer guidance to regulators on how best to support growth and innovation, allow UK ministers to align voluntarily to other jurisdictions, including the EU where appropriate, and commit to maintaining at least the same level of protections within UK law as are found within the EU.

- Engage with the EU on the need to improve the relationship gradually – first by rebuilding trust and confidence in the political relationship and then by using the TCA review process as an opportunity to put forward the case for amending aspects of the current agreement through separate new negotiations.

On their own, these steps are unlikely to fix the UK's short-term economic malaise. However, if they are pursued in parallel with a well-crafted set of domestic policies, they would become an essential component of restoring confidence in the UK economy – after years of uncertainty and political instability.

The key to achieving meaningful changes will be to have a strategic plan and make a clear offer to the EU. There is little appetite in the EU to renegotiate a deal in which existing asymmetries largely benefit EU exporters. The future UK government must get the process right and build a broad domestic consensus on its negotiating position so it can approach talks with the EU in gradual phases: the first would be to build mutual confidence and trust, providing assurances to Brussels and the EU27 capitals that it has a different outlook and set of objectives, and that it considers the EU its closest economic partner and strategic ally. The second phase would involve using the TCA's review process wisely to put forward a case for amending aspects of the current agreement through new negotiations.

## Polling Methodology

The polling presented in this report is the result of our partnership with Deltapoll. TBI commissioned Deltapoll to undertake a survey on public attitudes towards Europe after Brexit. Deltapoll interviewed 1,525 British adults online between 2 and 5 June 2023. The data have been weighted to be representative of the British adult population as a whole.

Full data tables can be found [here](#).

## 02

## Introduction

When UK Prime Minister Rishi Sunak met European Commission President Ursula von der Leyen in February 2023 to seal their new post-Brexit agreement for Northern Ireland, there was hope in the air. Not only did the Windsor Framework mark the end of fiery disputes between the UK government and the EU over the future trading status of Northern Ireland, it also went some way to resolve the atmosphere of mistrust and misunderstanding that had defined their relations since the UK left the 27-state bloc in 2020.

On some fronts, the relationship with the EU appears to have settled. Most of the practical difficulties for Northern Ireland arising from Brexit have been resolved. The UK and the EU are cooperating once more on defence, sanctions and the fight against climate change. Moreover, the top-level political relationship between Downing Street and Le Berlaymont in Brussels is in better shape than it has been since the UK voted to leave the EU in June 2016.

While the post-Windsor Framework relationship between the UK and the EU is stabilising, other consequences of Brexit remain problematic. They are evident today across the UK, from the increased cost of imports bumping up household bills to the red tape facing businesses that were once able to trade frictionlessly with their closest neighbours. The political landscape, marked by years of tension over Brexit, is normalising but only gradually. And while there has been progress in resetting cooperation between British and European politicians and officials on everyday issues, the two sides are still talking over each other on matters that will define the future, including on the regulation of emerging technologies such as artificial intelligence (AI). On some rising geopolitical tensions, they are not talking at all.

Seven years after the Brexit vote, it is time to ask what a positive, better functioning relationship between the UK and the EU looks like. One that recognises the UK has left the EU, but which is improved for the future by enabling economic relations to support two closely integrated markets; more regular political cooperation to resolve disagreements without the



need for heated crises; and an agreed geostrategic relationship able to respond to the challenges of a rapidly changing – and increasingly fragmenting – world. The objective of this paper is to offer a new agenda to any future British government so it can improve the status quo in a politically viable way.

The starting premise of this paper is that there should be a new debate on Europe – today. It should not fixate on the merits or lack of merits of Brexit, which is a matter of principle, but rather look to the future. In the next chapter, we highlight three reasons why this is an appropriate time for a renewed debate: the British public's changing views on the future relationship with the EU, economic necessity and the need for new cooperation between strategic allies to respond to global challenges. After this, we discuss how these considerations should inform the choices ahead and set out a two-pronged strategy for a future UK government to pursue, based on working to improve the Brexit settlement in the short term while playing a more active role in the future of Europe as a whole. Finally, we turn to two practical questions: what is the shared policy agenda that could be pursued in the years to come and what is a viable political approach?

This paper does not offer an exact blueprint, but rather points out that settling for a suboptimal relationship is a choice in itself – one that is harming the UK's economy, the country's place in the world and, ultimately, its common interests with the EU.



## 03

# What Has Changed? The Case for a New Debate on Europe

## Britons Have Become More Pragmatic

The first reason for thinking afresh is that the views and expectations of the British public have moved on since the EU referendum in 2016. Recent polls suggest that Brexit has become less popular with the public, with more Britons today in support of rejoining the EU than staying out.<sup>1</sup> A TBI-commissioned poll back in autumn 2022 suggested that two-thirds of voters would support a closer relationship with the EU. In the run-up to the seventh anniversary of the referendum, we have sought public opinion once more.

The results of the poll find that 53 per cent of Britons think the UK was “wrong” to leave the EU, compared with 34 per cent who think the decision to leave was “right” (Figure 1). Almost one-in-five Leavers – 18 per cent – have changed their minds and now believe the UK was wrong to leave the EU. This compares to a small number – 7 per cent – of Remainers who have also changed their minds and now think the UK was right to leave.

Despite a partial shift among those who voted Leave, the views of those who voted in the 2016 referendum do not appear to have changed dramatically. Instead, a key factor in this change is the attitudes of those respondents aged between 18 and 24 who did not vote in 2016 but largely consider the decision to leave as wrong. Most of the shift appears attributable to younger people entering the electorate rather than a significant portion of those who voted Leave changing their minds.

The views about the merits of Brexit appear to correspond to attitudes among respondents when they were asked how they would vote in a hypothetical new referendum on the UK rejoining the EU (Figure 2). A majority of Britons – 51 per cent – would vote to rejoin the EU. This is a slightly smaller percentage than those voters who think the UK was wrong to leave. Just over a third of respondents – 36 per cent – would want to stay out.

FIGURE 1

## The British public have changed their minds, with 53 per cent considering the vote to leave EU wrong

In hindsight, do you think the United Kingdom was right or wrong to vote to leave the European Union?



Source: Deltapoll for TBI

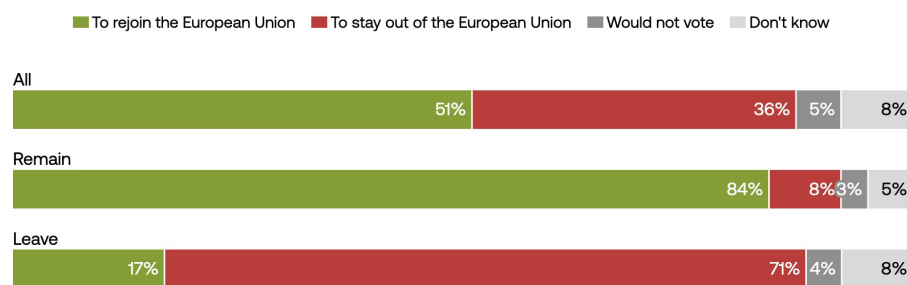
Nearly one-in-five Leavers – 17 per cent – would vote to rejoin the EU compared with close to three-quarters – 72 per cent – who would prefer to stay out. There is a clear differential between people of different ages; young people are much more likely to choose rejoining, with 67 per cent in the 18-to-24 age group and 65 per cent in the 25-to-34 age group in favour.

When asked about their preferred relationship with the EU over the medium term (ten to 15 years) and presented with more options than the binary “rejoin” or “stay out”, the views of the public are more nuanced (Figure 3). Two-in-five voters – 43 per cent – would like to see the UK rejoin the EU while 13 per cent would prefer to be back in the single market but not rejoin the EU. This means that more than half of all respondents would support a closer association either by rejoining the EU or the single market, with an additional 22 per cent of Britons supporting a closer relationship than the UK has with the EU today – although they prefer for this to be achieved from outside either the union or the single market.

FIGURE 2

## A significant 51 per cent would vote to rejoin the EU in the event of a new referendum

If a new referendum was held today on the United Kingdom rejoining the European Union, how would you vote?



Source: Deltapoll for TBI

This means that four-in-five Britons – 78 per cent – think that the UK should have a closer relationship with the EU in the future. Support for maintaining the same relationship is minimal at only 7 per cent.

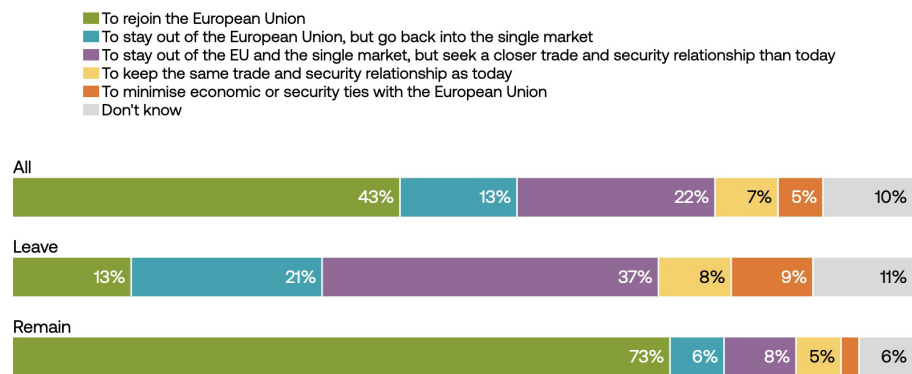
Significantly, nearly three-quarters – 71 per cent – of Leave voters would now support a closer relationship with the EU. This is apparent across political parties: among those who voted Conservative in 2019, more than one-in-three – 37 per cent – would like to see a closer relationship, even though they stop short of wanting to rejoin the EU or go back into the single market. Of those same Conservative voters, 20 per cent would like to see the UK rejoin the EU, while 16 per cent would prefer going back into the single market but not the EU.

Looking at these shifts, it is clear there is a move away from a simple “wrong/right” divide to more nuanced positions on what needs to happen in the future. This suggests that a significant proportion of the British public either recognise the practical problems of Brexit or realise that the previously

FIGURE 3

## Four-in-five Britons support a closer relationship with the EU over the medium term

Which option would you support when considering the United Kingdom's relationship with the European Union over the next 10 to 15 years?



Source: Deltapoll for TBI

promised benefits of the deal have not materialised (or quite possibly both). The emergence of a belief among the public that things must improve in the future is evident, as well as the pragmatic view that this should involve moving closer to the EU.

### The Economic Necessity

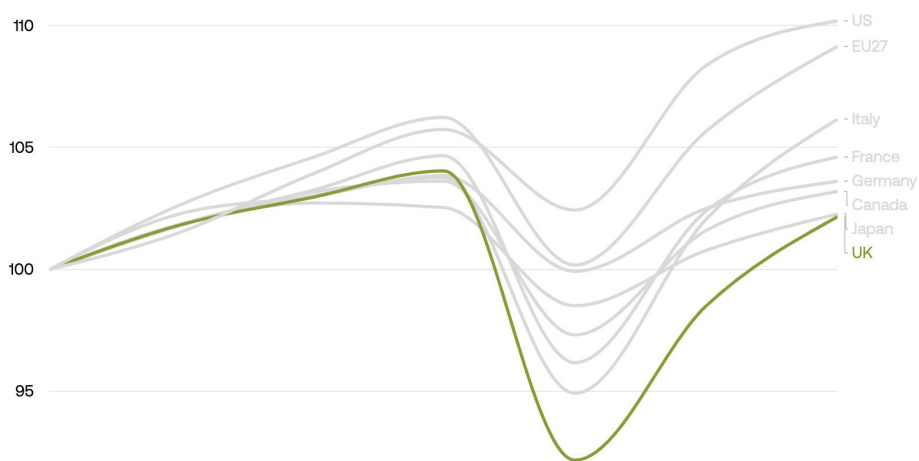
The second reason for a new debate on Europe is the undeniable reality of the economic damage that has been sustained by the UK since Brexit. While the most important factors contributing to the country's economic woes, such as inflationary pressures, are global, the comparative weakness of trade and investment is partially down to Brexit.

When assessing the performance of the UK economy since the 2016 referendum, it is evident that it has done worse than any other G7 economy, including the EU27 (Figure 4). Gross domestic product (GDP) per capita in the UK has grown the slowest among G7 economies since 2016. While this grim performance cannot be fully attributed to the decision to leave the EU, Brexit is the only major factor that distinguishes the UK from other countries in this comparative set. This is consistent with other estimates suggesting the UK is 5.5 per cent poorer in GDP terms today than it would have been had it stayed in the EU.<sup>2</sup>

FIGURE 4

## The UK has grown at a much slower rate compared with other G7 economies

Annual GDP per capita (normalised as of 2016)



Source: Deltapoll for TBI

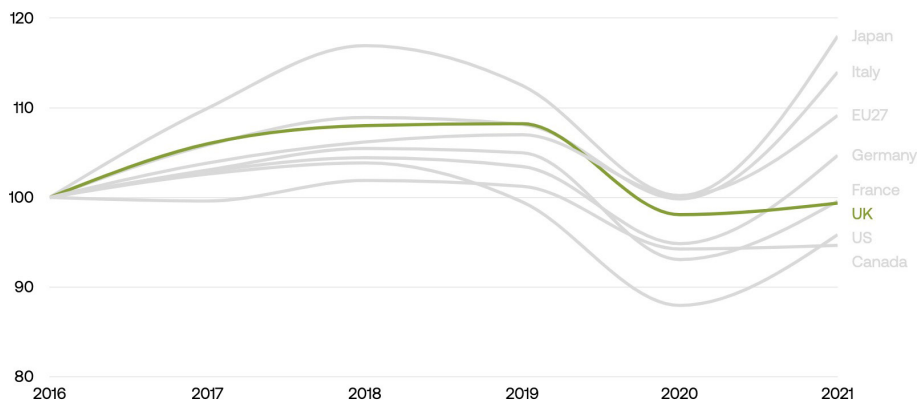
The UK's underperformance is evident when considering trade openness (Figure 5) of the economy – the ratio of trade relative to GDP. Before Brexit, the UK had one of the most open economies among G7 countries but is

now at the bottom of this group, having experienced a more significant drop in trade openness and recovered more slowly than other economies. As was the case in other countries, the Covid-19 pandemic has adversely affected trade and supply chains, but the magnitude of the UK's drop suggests that higher trade barriers caused by the departure from the single market have been one of the main drivers of this underperformance.

FIGURE 5

## The UK's trade openness has fallen more significantly than in most other G7 countries

Trade openness (imports and exports as a percentage of annual GDP, normalised as of 2016)



Source: Deltapoll for TBI

Looking at the granular data, particularly inflation-adjusted trade figures for the UK, they suggest that trade has been the most obvious victim of Brexit. While exports to non-EU trading partners recovered soon after the Covid-19 pandemic, equivalent exports (Figure 6) to the EU were hit sharply in the

FIGURE 6

## The UK's trade in goods has been hit sharply since Brexit

UK trade in goods (quarterly, inflation-adjusted, normalised as of Q1/2016)



Source: Deltapoll for TBI



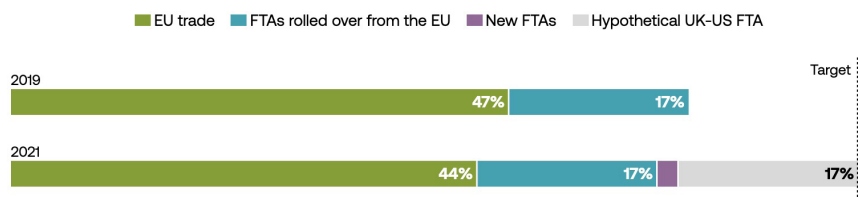
immediate aftermath of Brexit and have only now recovered to 2016 levels. Imports from the EU collapsed significantly in the aftermath of Brexit, falling by about 20 per cent, and have gradually recovered to pre-Brexit levels.

While trade with the EU has fallen sharply since the UK’s departure from the single market, these costs have not been offset by the UK’s new free-trade agreements (FTAs) with other countries. The share of trade covered by FTAs in 2021 – 63 per cent – was in fact smaller by one percentage point than it was in 2019 when the UK was a member of the EU, even assuming the gains from new trade deals with Australia, New Zealand and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). This means that the UK government failed to achieve its own target of having 80 per cent of all UK trade covered by FTAs by the end of 2022. As shown below, the UK would have to sign an FTA with the United States to reach its target of 80 per cent—a prospect that seems unlikely in the short to medium term.

FIGURE 7

## The UK is falling short of its goal to have 80 per cent of all trade covered by free-trade agreements

Percentage of all UK trade covered by FTAs in a given year



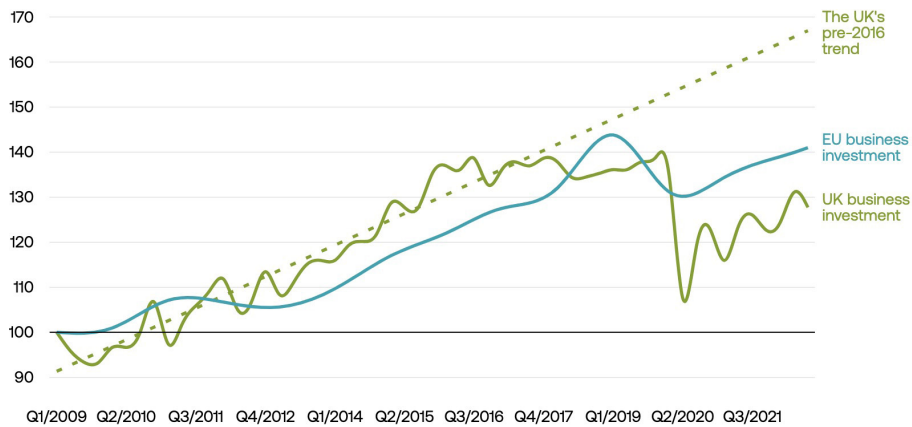
Source: TBI analysis of ONS and Department of International Trade data

Brexit has also been associated with significant uncertainty, which has in turn undermined business investment in the UK economy. Although business investment had been growing steadily since the 2008 financial crisis, this was abruptly knocked off course at the time of the 2016 referendum. Today, business investment in the UK (Figure 8) is estimated to be 31 per cent below the pre-referendum trend. In the EU, by contrast, business investment is currently 2 per cent above its pre-2016 trend. However, the different ways in which investment has been hit in the UK and the EU cannot be solely attributed to Brexit, not least because the impact of the Covid-19 pandemic varied in severity.

FIGURE 8

## Investment has been hit sharply since the EU referendum in 2016

Business investment in the UK and the EU (normalised as of Q1/2016)

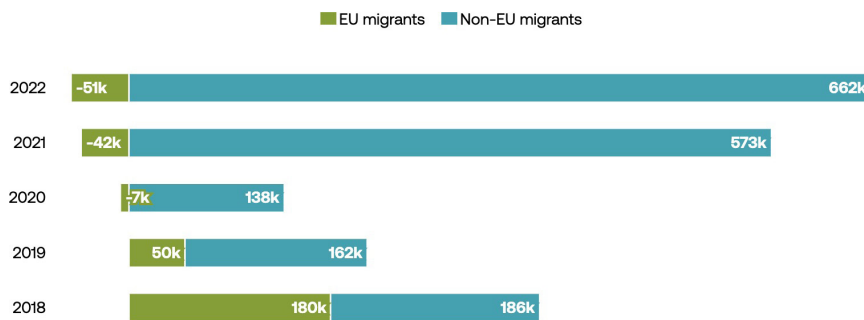


Source: TBI analysis of ONS and Eurostat data

Another big shift since Brexit has been to migration (Figure 9). The number of EU migrants has fallen significantly and rapidly since the free movement of persons came to an end with the UK's departure from the union. Despite this, net migration was the highest on record in 2022, driven mostly by an increase in skilled-worker visas for non-EU migrants which, in turn, is the result of the UK government's loosening of post-Brexit migration policy. The new migration system has achieved some of its objectives: by ending free movement, it has reduced the flow of relatively lower-skilled workers to some sectors and, in liberalising migration flows from the rest of the world, has substantially increased the numbers of those who come to work in the NHS, the care sector and higher-skilled roles throughout the economy.<sup>3</sup>

FIGURE 9

## Net migration is the highest on record in the United Kingdom, fuelled by a rise in non-European Union migrants



Source: TBI analysis of ONS data

Source: TBI analysis of ONS data

## A Changing World

The third reason why the existing relationship with the EU needs to be subject to a new debate is that it does not adequately reflect the level of mutual cooperation that is essential between two strategic allies in a rapidly changing world.

Since the UK voted to leave the EU seven years ago, there have been profound changes across the globe. First, Russia's invasion of Ukraine has necessitated a reappraisal of our security, energy and economic architecture, reminding the UK and the EU that, despite their disagreements in recent years, both have a substantial and shared stake in common European security and prosperity. The two sides have demonstrated they can work together to develop a coherent and determined collective response against Russia, including coordinating sanctions policies and directing military and humanitarian aid to Ukraine. However, these events have also shown that cooperation has flourished despite, not because of, the Trade and Cooperation Agreement's (TCA) current framework. Cooperation has been based on informal political engagement rather than a structured framework on foreign policy and defence as anchored in the TCA. Beyond Ukraine, there is precious little within the TCA's current framework to advance shared agendas on which the two sides have common interests and objectives in the world.

The absence of common mechanisms for such cooperation contrasts sharply with what the world expects of these two strategic allies. It is not only Ukraine but also the growing rivalry between the United States and China, the rise of middle powers and the changing shape of globalisation that are redefining geopolitics and security alliances. New types of cross-border challenge – how to regulate new technologies such as AI across different jurisdictions, how to enable the transition to a net-zero economy and how to address vulnerabilities around supply chains – call for cooperation to be intensified between existing allies and imagination to be directed at developing common-policy frameworks. Even though the UK and the EU have similar interests that demand common policy and regulatory solutions, the shallow nature of current frameworks for cooperation is hindering rather than enabling progress on these shared agendas. At present, both sides are being weakened by this, so the future relationship needs to better reflect these changing realities in the world.

## 03

## The Options Ahead

Since there needs to be a new debate on Britain's future relationship with the EU – for the three reasons outlined above – this also means the UK must reappraise its policy choices.

### The Choice Today: To Rejoin or Stay Silent

When debating the post-Brexit relationship with the EU, the choice is often presented as a binary one. On the one hand, there is a tendency to accept the fatalistic view that Brexit is what it is. This suggests the country needs to move on without confronting the realities it faces today either because the benefits of the deal will materialise sometime in the future, or the problems caused by it are too complex to address. On the other, some adopt the view that the only way to change the UK's current predicament is to rejoin the EU as quickly as possible.

Simply staying silent is no longer an option since the majority of the British public are already ahead of the politics: as TBI's commissioned polling shows, the public understand the need for a closer relationship and are increasingly pragmatic about what needs to happen in the future in relation to Europe.

Equally, those who wish to rejoin the EU tomorrow must recognise the difficulty of achieving this proposition in the short term: the question of how to build a consensus for a new UK referendum after years of division would first need to be addressed; then the terms of membership agreed upon, which would require the unanimous approval of all EU member states; a negotiation would need to take place about the actual terms of the UK's accession; and finally, a corresponding domestic legislative programme to reinstate the laws the UK government had removed after leaving the EU would need to be implemented. To rejoin would also mean re-entering a bloc that has changed since Brexit because the EU has integrated more fully and more quickly than ever was the case when the UK was a member. This is evident in the economic sphere – for example through the mutualisation of debt that started during the pandemic – as well as on the political front,

with the push for greater security and defence integration. Rejoining would therefore require a public debate, which risks stoking the same divisions that arose before, during and after the 2016 referendum. It is important that when the UK chooses to rejoin, it does so from a position of strength, not weakness – this includes having a strong majority of the public wishing to rejoin.

A softer alternative to rejoining is returning to membership of the single market. This would not be automatic because it would require approval from other states and a renegotiation of the European Economic Area (EEA) Agreement to accommodate the UK within the existing institutional structures that are intended for smaller economies. If the UK was to join the EEA, this would indisputably shift the political dynamic within it; the UK's economy is approximately seven times greater than that of Norway's, the next largest country within the single market but outside the EU, and structurally, they have very different economies. This type of full membership of the EU single market could happen only in return for the UK accepting all four freedoms that are inherent to the EU – including free movement of persons – and ceding regulatory autonomy over parts of its economy, without having much decision-making power over those EU rules. If it was faced with this decision, the UK would have to consider the merits of going back into the single market versus rejoining the EU, the latter offering a similar balance of rights and obligations but with the UK given a direct seat at the table, where the rules are made and decided.

## The Alternative: A New Special Partnership With the EU

If rejoining the EU is not politically practical in the short term and staying silent means accepting the status quo at a heavy cost, then the UK must work towards a viable alternative instead: it must seek to get the relationship back to improved functional working order while staying as close to the EU as practically and politically possible. This is essential to future generations being able to make their own decision about whether and under what conditions the UK reintegrates back into the EU.

The task then for the UK government is twofold. In the short term, it must work to improve the status quo, not only by seeking to improve the post-Brexit TCA but also by adopting domestic policies and decisions to use the newfound post-Brexit regulatory and legislative autonomy wisely and keep the UK as close to the EU as practically possible. At the same time – and this comprises the second task – it is important for the UK to play a wider role in the debate about the future of Europe as that develops over time.

The first task of improving the status quo has two distinct components. One is to make autonomous improvements to domestic policy and legislation in a way that reduces new trade barriers. The second is to improve the existing arrangement by agreeing to reopen and amend the TCA with the EU. The objective here should be to establish a new special partnership that would deepen economic and political cooperation in areas where the two sides have common interests, but also to recognise there will be others in which their interests may not be compatible and so they may choose to pursue different approaches. These two tasks are complementary because providing assurances to the EU through domestic policy is critical to unlocking constructive negotiations on amending the TCA, while any agreed outcome would likely require a domestic programme for subsequent implementation.

How much room is there to improve the TCA? One view is that few improvements can be made within the framework of a third-country agreement such as the TCA. This analysis is at best incomplete and at worst disingenuous, not least because the TCA falls short of the best-in-class agreements the EU has signed with third countries in the past. For example, the EU currently has deeper arrangements to address technical barriers to trade with countries as diverse as Israel and Georgia; it has more facilitative food-safety rules with Canada and New Zealand; and it has deeper mechanisms for political cooperation through its strategic-partnership agreements with nations including Australia and Japan. There are no inherent reasons why, with enough political will and trust, deeper arrangements could not be agreed upon with the UK in the future.



Rather, the reason for not being able to improve the TCA is largely political. The EU views the TCA as a good deal that benefits EU exporters to the UK, while EU institutions remain sceptical of any changes that would go beyond the agreement already and recently painstakingly negotiated.<sup>4</sup> There are also instances in which the UK's departure from the single market has presented an economic opportunity for the EU, particularly in the financial and professional-services sectors where the EU and some of its regulators have encouraged firms that once sold cross-border services from the UK to EU member states to instead establish subsidiaries within the union. The UK must therefore recognise in seeking to improve the current deal that the EU will only consider altering the present arrangements when it is in its interests to do so.

This points to two core questions. First, what could a mutually beneficial agenda of policy changes enabling both sides to meet their respective interests look like? Second, and perhaps more critically, what is a viable political approach that would allow both sides to carry out this agenda? We seek to answer those questions in the next two chapters of this paper.

The second task for the UK is to demonstrate that Europe continues to be the UK's key foreign-policy priority – even outside the EU. Russia's invasion of Ukraine has already prompted a rethink of the significance of Europe as a key region within the country's formal foreign, defence and security policy.<sup>5</sup> The UK has also joined the European Political Community (EPC), an initiative led by French President Emmanuel Macron to enable discussion of common interests among heads of European countries. While the EPC is likely to remain an informal intergovernmental body rather than a more formal institution, there are opportunities for the UK to play a greater leadership role as the country hosts the next meeting of the group in 2024.

Additionally, it will be important for the UK to monitor how the EU develops in the future. Discussions about EU enlargement have been reignited with the question of Ukraine's membership of the union. As the European Commission increasingly adopts a geopolitical role and uses its position to expand its existing spheres of economic influence, it is plausible the EU may reconsider its engagement with immediate neighbours over time, with a view to bringing them as close as possible and, in so doing, rethink

existing third-country models. This applies to the EU's relations with several Western European countries – not only the UK but also Switzerland and microstates – as well as nations in the Western Balkans and Eastern Europe, including Georgia, Moldova and Ukraine. As enlargement may prove practically difficult or undesirable in some cases, this could stimulate the EU to reconsider what it can offer to countries short of full membership. Could there be a push to use the single market more directly as a tool of geopolitical and geoeconomic influence? Could the EU deepen the political means by which it cooperates with its near neighbours on strategic issues, including a shared policy on China? While the answers to those questions inevitably rest with the EU and its member states, British diplomacy should be ready to participate in those conversations, should it be given that opportunity in the future.

# 04

## A New Special Partnership: What to Aim For

In this chapter, we will outline concrete and practical steps to forging a new special partnership between the UK and the EU.

### A New Balance of Rights and Obligations

Before setting out our agenda, it is worth pre-empting the discussion that will inevitably arise from our proposals. The questions will include whether the UK is cherry-picking aspects of single-market membership without actually joining and what is “in it” for the EU. These are justifiable because the EU is under no obligation to grant any special or privileged access to what is its crown jewel – the single market.

Therefore, it is important to state from the outset that our proposals do not suggest new rights without corresponding obligations. We make clear what we consider to be the necessary conditions for this new partnership to be acceptable to the other side – including UK obligations to align with EU law, and appropriate governance and enforcement as well as broader level-playing-field obligations. Therefore, what we propose is rebalancing the relationship, so it moves to a new footing based on a new balance of rights and obligations.

### Trade and Economic Relationship

The TCA is a comprehensive but relatively shallow trade agreement that falls short of the levels of market access provided by other similar agreements. It provides for zero-tariff, zero-quota access, but has thin provisions on regulatory barriers. For example, it does not facilitate the recognition of technical standards and agrifood regulations (typically referred to as sanitary and phytosanitary (SPS) measures) through “mutual recognition of conformity assessment” or equivalence of SPS regulations, both of which the EU has agreed with other third countries. Furthermore, the TCA offers few provisions on the mutual recognition of professional qualifications or

regulatory provisions for trade in financial services, and limited arrangements to facilitate the mobility of professionals in the services sector. At least in theory, there is further scope for deepening these arrangements even within the framework of a preferential trade agreement.

There is also a degree of asymmetry built into the TCA's structure. The nature of the agreement favours the EU's larger surplus in goods with the UK, rather than the UK's smaller surplus in services. It is true that FTAs typically offer little coverage on services, but the TCA is especially shallow in its services provisions compared with other similar EU agreements. On a more practical level, there has been asymmetry in the way that UK and EU governments have applied the provisions of the TCA, with businesses claiming that different interpretations of the new arrangements among member states have caused them practical problems. Meanwhile, the UK authorities have so far repeatedly delayed the implementation of the full scale of border requirements, deepening the asymmetry in checks faced by EU and British exporters.<sup>6</sup>

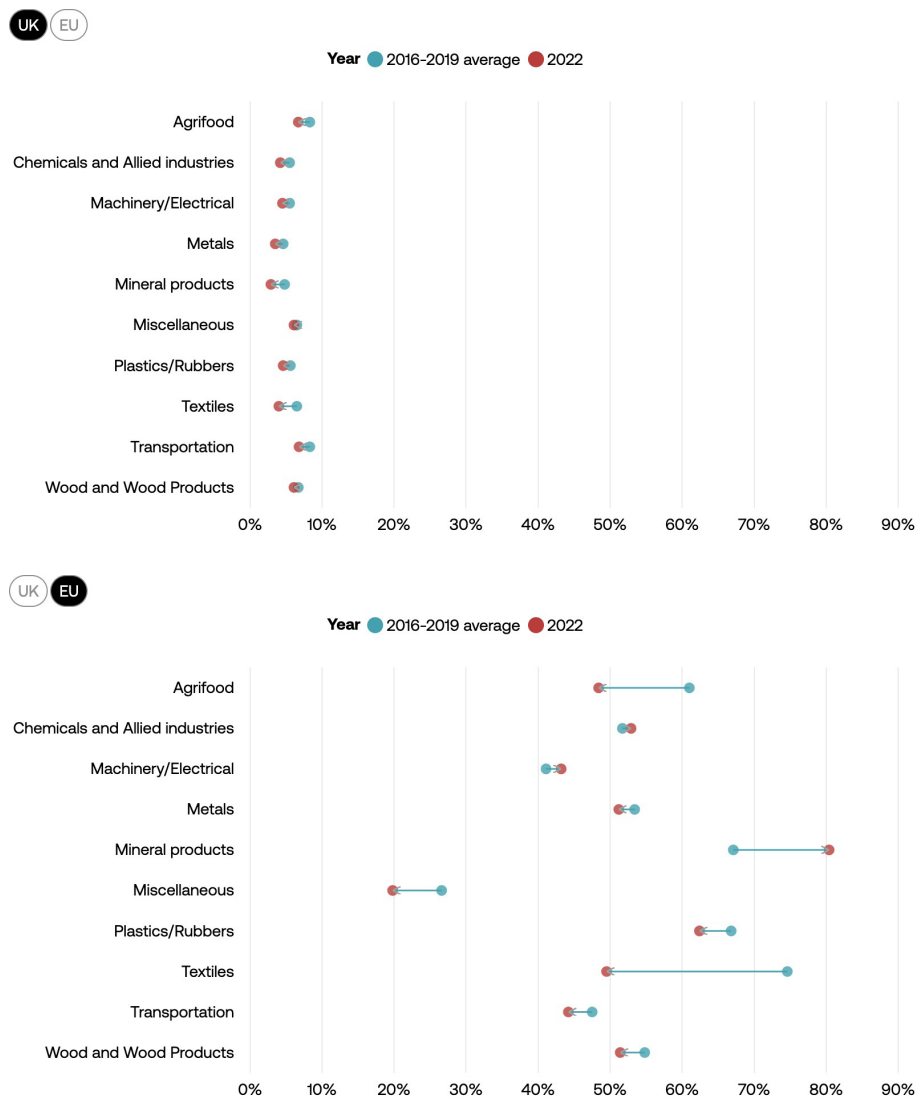
Most of the new barriers are the inevitable consequences of the UK's decision to leave the single market – rather than the TCA. Any new option that falls short of single-market membership will involve a degree of friction – with costs and bureaucracy at the border. Achieving frictionless trade without participation in the same regulatory zone – in other words, the single market – is an impossible task. But in some areas, there are opportunities to deepen existing arrangements. The UK and the EU, as two advanced and closely integrated economies, should not settle for a shallow trade deal but should instead aim to develop the most advanced and sophisticated agreement fit for the needs of modern economies. One that is focused on eliminating non-tariff regulatory barriers for goods, opening up market access to services and building a template of cooperation that could be applied to other like-minded economies.

One of the most significant steps the UK government could take to reduce trade barriers with the EU is to pursue a policy of voluntary alignment on EU rules and regulations for manufacturing and agrifood goods – covering product and food-safety standards. From the UK's perspective, the case for this type of domestic-policy choice is overwhelming since most

FIGURE 10

# Goods exports have declined in both directions, but the fall is far greater for the United Kingdom

Exports to the UK/EU (as a share of total exports in a given sector for a given year)



Source: TBI analysis of UN Comtrade data

manufacturing and food sectors remain heavily integrated into European supply chains and most goods exports remain reliant on access to EU markets over non-EU markets (Figure 10). This is despite the UK's goods exports to the EU having declined as a share of overall goods exports since Brexit.

The interest in improving market access for goods could be considered a mutual one. The EU's large surplus in trade with the UK is driven predominantly by goods exports, which have also experienced a fall following the UK's departure from the single market (Figure 10). However, an important difference is that the EU is considerably less reliant on access to the UK market than in return because of its bigger market power. For example, the EU's agrifood exports to the UK were 8 per cent of its total exports in 2022, while the same exports from the UK to the EU accounted for 48 per cent of overall UK exports in this sector.

Unilateral alignment would not automatically lead to frictionless market access for goods exports from the UK to the EU, unless the union was to recognise domestic UK standards as equivalent to its own. In practice, however, this policy would provide legal and regulatory certainty and stability for UK businesses and reduce the costs of duplication and compliance for firms, especially those operating in highly regulated fields, such as chemicals and automotives.

Furthermore, from a negotiating perspective, a commitment to voluntary alignment could help unlock an agreement with the EU on mutual recognition of conformity assessments and regulatory equivalence for SPS measures. This would vastly simplify requirements for businesses in the sectors covered by this arrangement and reduce future costs of regulatory divergence. Sectoral-specific mutual recognition agreements (MRAs) are not unusual for the EU, but the more ambitious ones typically require a degree of alignment with appropriate EU regulations. If the UK government demonstrated a clear commitment to maintaining the same regulations as the EU within its domestic statute, this could signal its level of seriousness about the granting of MRAs, which the EU has previously stated would be difficult to achieve with the UK. Such an arrangement would also require developing an appropriate governance structure, including a role for the

Court of Justice of the European Union (CJEU) when EU laws are directly involved, and restoring cooperation with relevant EU regulatory agencies in the goods sectors, for example through an observer status, with the European Chemicals Agency, the European Medicines Agency and the European Union Aviation Safety Agency.

Which goods sectors could be covered by voluntary alignment? In our view, this could include chemicals, vehicles and aerospace, veterinary medicines and product standards for electronics and consumer products. For instance, there are no obvious economic reasons why the UK government should not recognise CE-marked products (goods deemed to have met EU standards) from the union and align with relevant EU regulations to revert to the CE regime across the whole of the UK. Conversely, there could be other areas, such as medicines and medical devices, in which it may be important for the UK to preserve regulatory autonomy, for example to protect public interest. An important consideration here is basing decisions about voluntary alignment on an informed cost-benefit assessment, rather than a theoretical case for divergence.

Importantly, such a policy of unilateral alignment enjoys clear public support. When asked if they would support or oppose the UK voluntarily agreeing to follow some EU rules if this meant a reduction in trade barriers with the EU, a majority – 54 per cent – are in favour, with only 13 per cent expressly opposed. A significant 22 per cent did not support or oppose.

**Recommendation: Commit to voluntary alignment with EU regulations on goods, including product rules and food-safety standards, with a view to facilitating negotiations with the EU on mutual recognition of conformity assessment and regulatory equivalence of sanitary and phytosanitary (SPS) measures.**

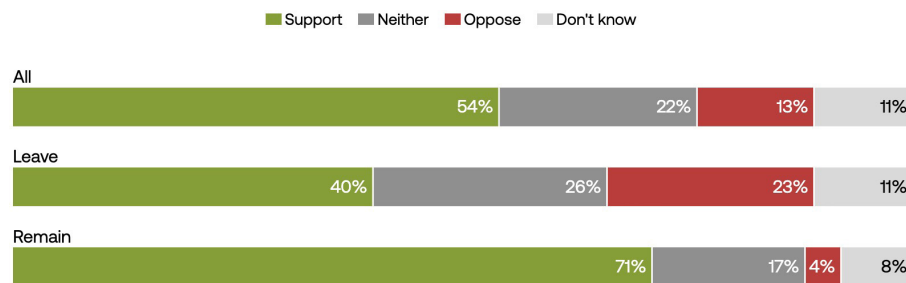
The case for divergence from the EU would be most appropriate when the UK wants to enhance its global competitiveness, or when there are reasons to pursue regulatory innovations that would otherwise be difficult to achieve within EU frameworks. In practice, this case is already evident in two scenarios. The first is new technologies and products, an area in which the EU's regulatory approach is not yet fully developed and could be seen



FIGURE 11

## A significant majority support the UK voluntarily aligning with EU regulations if it reduces trade barriers

Looking forward, would you support or oppose the United Kingdom voluntarily agreeing to follow some European Union rules and regulations if it meant reduced trade barriers with the European Union?



Source: Deltapoll for TBI

as stifling innovation. As we stated in TBI's recent *New National Purpose: AI Promises a World-Leading Future of Britain* report,<sup>7</sup> the regulation of AI safety is one example of a way in which the UK can grow a competitive advantage globally while also innovating in terms of its approach.

The second area is the services sector. The balance of opportunities and constraints is different in this sector compared with most other goods, partly because the single market is regulated differently in goods than it is in services and partly because the incentives between the UK and the EU to agree mutually beneficial arrangements are less aligned. This means there are opportunities to tailor aspects of services regulations for the UK's specific needs and to improve upon the existing body of regulation for financial services. Additionally, since the UK has a surplus in services and the EU has seen the departure from the single market as an opportunity to lure firms that once offered services from the UK into the EU, there are

fewer opportunities for mutually beneficial gains. Furthermore, for most cross-border sectors that have been dependent on market access to the EU, including financial services, the costs of divergence have already largely materialised with the loss of automatic “passporting” rights – a mechanism facilitating authorisation of cross-border business activities across EU member states.

**Recommendation: Maintain regulatory autonomy and flexibility only in those areas where there are opportunities for enhancing the UK’s global competitiveness and for pursuing regulatory innovation. In practice, this is likely to entail flexibility for emerging technologies and the services sector.**

In areas where the UK actively chooses to pursue a different regulatory approach – either because it wants to enhance its global competitiveness or keep a policy space for regulatory innovation – it will be important to maintain close dialogue with the EU. In practice, even in those areas where UK and EU regulatory approaches diverge, it is likely the two sides will pursue the same regulatory objectives and outcomes yet seek to achieve them through different regulatory means. It is therefore in the interests of both sides to maintain regular dialogue and look for new ways of improving regulatory coherence – especially in a world where more fundamental global threats and competitors might challenge their regulatory spheres. To do so, we recommend that the two sides establish a new EU-UK Trade and Regulatory Cooperation Council as a joint standing body under the TCA.

The interconnected nature of services markets means there are benefits to active cooperation as the EU single market evolves rapidly particularly in digital services and while the UK government pursues its own legislative and regulatory approach. Inevitably, there will be regulatory differences between the UK and EU systems as they evolve, but as many businesses are providing digital services on a cross-border basis, the EU’s standard-setting power is likely to have an extraterritorial effect in much the same way as the General Data Protection Regulation (GDPR) did. Therefore, voluntary cooperation to establish regulatory coherence is likely to have significant benefits.

It is equally important to establish a new mechanism for cross-border regulatory cooperation on emerging technologies, particularly if UK regulators choose different methods from the EU to enable the growth of new products in areas such as AI. This could play an important role not only as a forum for information exchange, but also for coordination on questions relating to cross-border regulation of future technologies – an area of increasing geostrategic significance.

**Recommendation: Establish a new EU-UK Trade and Regulatory Cooperation Council to facilitate cooperation when the UK and EU's regulatory approaches may diverge, for example on emerging technologies.**

## Mobility and Movement of People

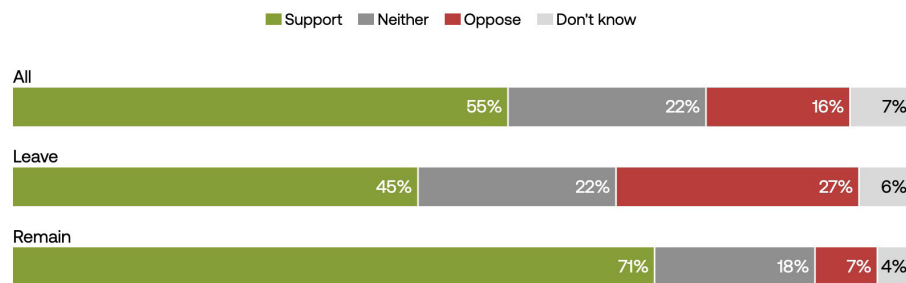
The end of the free movement of persons has inevitably resulted in new barriers to business and professional mobility. Evidence suggests that the complexity of post-Brexit migration rules constitutes a significant barrier to mobility – in either direction. Some professionals, including touring artists, have been disproportionately affected while the practical consequences of the new mobility arrangements are particularly hard on organised student trips, which were down by 83 per cent in 2022 over 2019,<sup>8</sup> as well as cultural and sports-related travel. There are opportunities to rethink the present arrangements, both within the TCA and as part of domestic migration-policy choices.

On the domestic front, the UK government should consider giving improved preferential treatment to EU workers in response to labour shortages in specific sectors. According to the polling undertaken for this paper, a majority – 55 per cent – would support the UK allowing EU workers to enter more easily than non-EU workers if that resulted in fewer labour shortages, with only 16 per cent opposing this policy. Similarly, the government should have looser entry requirements for youth-group travel, so that pupils travelling on school visits can carry national identity cards rather than individual passports.

FIGURE 12

## A majority of Britons are supportive of easier entry for EU workers to address labour shortages

Looking forward, would you support or oppose the United Kingdom allowing European Union workers to enter the United Kingdom more easily than non-EU workers in order to address labour shortages?



Source: Deltapoll for TBI

A change in domestic policy should be accompanied by more liberal, reciprocal mobility arrangements with the EU and its member states. This should involve allowing preferential temporary entry for services professionals, such as scientists, researchers, self-employed professionals and investors. The arrangements should also include a reciprocal EU-UK youth-mobility arrangement to ensure that young people continue to enjoy the social, cultural and educational benefits of living in each other's countries.

**Recommendation: Agree preferential arrangements on improved mobility for business professionals and a new reciprocal exchange scheme for young people.**

## Climate and Energy

There has been some cooperation between the UK and the EU on energy. The two sides have continued their close technical cooperation in response to the energy-security challenges that have arisen since Russia's invasion of Ukraine. The UK has also signed a Memorandum of Understanding with the North Seas Energy Cooperation members, facilitating cooperation on the development of renewable-energy infrastructure, such as multipurpose interconnectors. The TCA contains provisions on energy cooperation, particularly on electricity trading, but to date those arrangements have not been implemented.

Current levels of cooperation do not go far enough, however. The UK and the EU should agree to link their respective emissions-trading schemes. This move would also provide the most realistic way of securing an exemption from the EU's Carbon Border Adjustment Mechanism (CBAM), which will introduce a charge levied on imported goods at the border proportionate to the amount of carbon that is emitted during their production. Implementing the CBAM in the UK would introduce significant new non-tariff barriers and add a degree of complexity to the operation of the Windsor Framework in Northern Ireland. Under the EU's proposals, countries with an emissions-trading scheme linked to the EU's would be excluded from duties applicable under the CBAM.

**Recommendation: Link the emissions-trading systems of the UK and the EU to reduce costs of energy trading and avoid any future carbon border taxes.**

## Regulatory Protections

If the UK wants to secure closer economic relations with the EU, it must make a clear commitment to maintaining high regulatory standards on food safety, labour, social rights and the environment in the domestic sphere. The refusal of recent UK administrations to commit to such regulatory standards has consistently undermined the UK's negotiating posture with the EU on areas such as SPS measures. Making such a commitment through the introduction of UK legislation would be an important signal to the EU about

the future direction of the UK’s regulatory model. This is a necessary step to unlock the type of constructive negotiations that could lead to more beneficial trade arrangements.

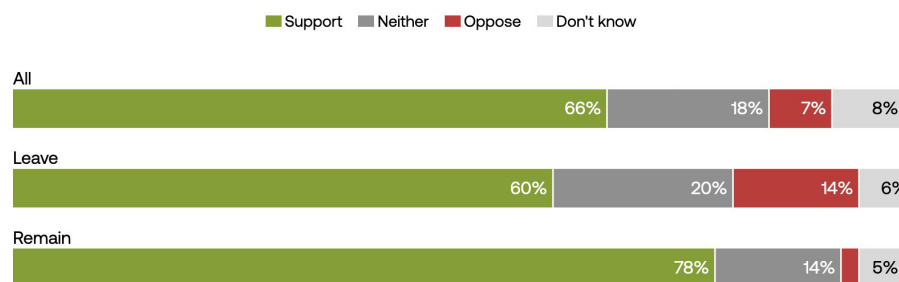
Through our commissioned polling, we asked voters about their views on regulatory protections. An overwhelming majority of two-thirds – 66 per cent – would support maintaining at least the same protections as the EU, compared with only 7 per cent in opposition.

**Recommendation: Provide an upfront commitment to the EU that the UK will maintain at least the same level of domestic-standards protections on food safety, the environment and workers’ rights as are found within the EU.**

FIGURE 13

## A significant majority support maintaining high domestic regulatory protections

Looking forward, would you support or oppose the United Kingdom maintaining at least the same level of regulatory protections as the European Union (for example, on food safety, the environment and workers’ rights)?



Source: Deltapoll for TBI

## Security Relationship

Beyond trade, it is important for the UK to restore a closer security partnership with the EU. Existing arrangements in the TCA maintain some level of cooperation – across data-sharing as well as policing and judicial matters – and include a new extradition agreement that takes the place of the European arrest warrant. The two sides also continue to share passenger-name record data (collected by airlines, for example) while the UK has access to EU databases covering fingerprints, DNA and criminal records. All these play an important part in the relationship between UK law-enforcement agencies and their European counterparts.

Despite this continuing cooperation, the UK has reduced access to EU security databases, particularly the second-generation Schengen Information System (SIS II), which provides access to real-time data on persons and objects of interest, such as wanted and missing persons. Another problem is the degree of instability in current arrangements because aspects of cooperation could be suspended by either side. Finally, there is a wider problem arising from the lack of provisions covering civil judicial cooperation because the UK no longer participates in the Lugano Convention.

Any future government must improve these arrangements to protect the operational capabilities that keep people safe and find a more stable basis for ongoing cooperation. The priority should be to advance practical collaboration to facilitate the swift conviction of criminals and share real-time information on criminals, missing persons and suspected terrorists. These arrangements would likely require the UK to rejoin some of the EU's security databases, such as SIS II, and affiliate more formally with European agencies such as Europol and Eurojust. However, the UK government could offer these arrangements on the basis they are underpinned by robust safeguards, data protection and governance.

Above all, it is important this new security partnership is dynamic and evolves in response to emerging threats such as illegal immigration and technological change. This should include mechanisms for the UK and the

EU to engage in common assessments of the shared security context, and a willingness on the UK side to cooperate on future versions of EU security tools while engaging in strategic dialogue on new policy.

**Recommendation: Deepen the existing security partnership to advance cooperation on law enforcement, criminal justice and broader related issues, such as illegal migration.**

## Political and Strategic Relationship

The political relationship between the UK and the EU was characterised by tension and mistrust for the first two years after the TCA came into effect and until the Windsor Framework caused a change in the political mood in February 2023. The TCA's current institutional architecture enables cooperation on matters of implementation covered by the agreement but is subject to the political mood between the two sides.

The UK and the EU should agree a new pillar as part of the TCA that would allow them to build shared agendas in areas of mutual interests, modelled on the EU's strategic-partnership agreements with countries such as Canada, Japan and the United States. One necessary part of this should be a regular UK-EU political summit to ensure regular prime ministerial and ministerial-level dialogue with EU counterparts – which is currently missing within the TCA. The EU holds a regular programme of summits with other major third countries, but not with the UK. Another part should be dialogue on issues on which the two have common interests in the world, including foreign policy, defence, climate change and decarbonisation, industrial policy and supply chains, and digital trade.

This does not mean making the political and diplomatic relationship overly institutional or adding layers of new meetings. Looser structures such as dialogue can prove useful in facilitating irregular cooperation and providing a focal point on shared priorities and direct technical cooperation.

The UK and the EU have shared values and interests in the world. To respond to these challenges, they should develop a new “Joint Framework on Foreign Policy, Defence and Security”. The objective of this would be to



enable closer, more intense and more productive cooperation with the UK than the EU enjoys with any other partners around the world. This should include a consultation mechanism and regular dialogue on geographical and thematic issues that the two sides share. It should also include arrangements on crisis-management operations; a commitment to support a collaborative approach to capability development; a commitment to work together to address development challenges and facilitate collaboration on aid financing; and a set of commitments on defence cooperation.

Since leaving the EU, the UK has engaged with its neighbour on foreign policy and defence mostly on an ad-hoc basis. However, in recent months, there has been more openness within the UK government to more structured cooperation. In November 2022, the UK joined an EU-led defence-capability project that seeks to facilitate military mobility, as part of the EU's wider Permanent Structured Cooperation (PESCO). Beyond specific projects, there are opportunities for the UK to contribute to an emerging defence-industrial ecosystem that the EU has begun to develop following Russia's invasion of Ukraine. The UK and the EU should develop an association agreement through the European Defence Agency similar to ones with other third countries, such as the United States and Switzerland.

**Recommendation: Establish a new “strategic pillar” within the TCA, to include a joint framework on foreign policy, defence and security as well as a new leaders-level EU-UK summit to discuss strategic-policy issues.**

## 05

## A New Special Partnership: How to Get There

The challenge for any future UK government seeking a better relationship with the EU is not only to define a set of desirable policy outcomes but also to find a viable political path – domestically and with Brussels and the EU27 – to achieve them. The UK will be a *demandeur* in any future negotiations, which means it will have to persuade the EU and its member states that the existing arrangements need to be revisited. If the UK is to succeed in putting forward a credible case, it can only do so by structuring the process in a way that gives EU political leaders confidence that the UK is a trustworthy partner and convinces them that reopening aspects of the TCA is in their mutual interest. This would pave the way for constructive future negotiations.

Any future UK government should set up two distinct but parallel processes – one domestically and another with the EU and its member states.

### The Domestic Track

The objective here is twofold. On the one hand, the UK government should pursue policy interventions that are both in the UK's interests and can be achieved independently of any negotiated solution with the EU. On the other, it should offer assurances to the EU that the UK is ready to make commitments in the EU's best interests, with this position backed by a broad and resilient domestic coalition in the UK.

One aspect of this process should focus on a domestic consensus on what the UK could ask for as part of negotiations. This should start with the business community. Ever since the 2016 referendum, no UK government has formally consulted with businesses on what they would like to see from the post-Brexit relationship with the EU. As the TCA review milestone approaches in 2026, this gives any future government the ideal opportunity

to launch a formal consultation process to gather views on the operation of the TCA and the future changes that should be made to the current arrangements.

**Recommendation: Commit to a comprehensive consultation with domestic businesses on the effectiveness of the TCA in preparation for the review process, which is due to start in 2026.**

The second aspect is to make domestic-policy commitments that would create confidence in any future UK government by showing that it will take a different approach to EU-facing questions.

On the one hand, this requires an upfront commitment to align with parts of the EU acquis (EU law), with the UK demonstrating flexibility and making the right signals on the direction of its domestic regulatory model. As the UK government has repealed the powers in the European Communities Act 1972 that gave effect to directly applicable EU law, achieving this would require a new vehicle in domestic law. One option would be to confer new powers on UK ministers to make regulations, with the effect of continuing to keep UK and EU laws aligned in selected areas of policy.

On the other, there is a broader need post-Brexit within UK regulatory policy to ensure that domestic frameworks can support a more forward-looking and agile policy that the UK will need if it is to support innovation, growth and competitiveness. Therefore, the future UK government should undertake a reappraisal of UK regulatory policy and develop a new legislative framework to enable this. We suggest this could be done by way of primary legislation – a “Future of Regulation Bill” – to set a clear direction for UK regulatory policy following the repatriation of significant regulatory powers from the EU. This would offer guidance to regulatory authorities on how to balance their objectives with the need to support growth and innovation as well as set the UK’s approach to engaging on regulatory issues with other jurisdictions, including the EU. In some areas, this legislation should empower UK government ministers to make decisions on voluntary alignment to EU rules and regulations when there is demonstrable evidence of benefit to the UK economy and the public.

**Recommendation: Develop new landmark legislation – a “Future of Regulation Bill” – to set a clear future direction for the UK’s regulatory model following on from Brexit. This should offer guidance to regulators on how best to support growth and innovation, allow UK ministers to align voluntarily to other jurisdictions, including the EU where appropriate, and commit to maintaining at least the same level of protections within UK law as are found within the EU.**

## The EU Track

In its engagement with the EU, the UK should consider approaching this task of improving the relationship in two phases.

The first phase, parallel to the domestic one outlined above, should focus on rebuilding trust and confidence in the political relationship. The priority should be on advancing shared agendas when the two sides have similar interests, not on seeking fundamental changes to existing treaties. It is only after the UK government has rebuilt trust with the EU – both by strengthening a top-level political relationship and reassuring the EU on selected domestic policy – that the political space to put a more ambitious agenda on the table can be created.

The second phase will revolve around the TCA review process, which will automatically commence in 2026. The review clause offers a regular review between the parties every five years but because it is high level, there is flexibility built into how to use this process. In practice, the process would be used by the parties as an opportunity to take stock of how the agreement functions across different chapters and to discuss ongoing implementation challenges. For example, there might be the possibility to agree technical easements in areas where there are already provisions for these contained within the agreement. When the EU has previously used the review process in its FTAs, it has been mostly to pursue tariff liberalisation. However, it is unlikely the EU would agree to using this process to reopen the TCA in a more fundamental way.

If the UK government wants to achieve more fundamental changes, the TCA review process will be of limited utility. Instead, the UK will have to request a reopening of the TCA and wait for a response from the EU and its member states. The EU would then have to follow its usual process for adopting and amending international treaties, including preparing a new mandate for the European Commission as the lead negotiator on behalf of member states. Following adoption of this mandate, the two sides would then enter negotiations that could take years to conclude.

Nonetheless, the TCA review process itself could prove useful in two respects: first, it could serve as an important vehicle for gathering the views of businesses and stakeholders on the operation of post-Brexit arrangements and build the case that revisiting the TCA is desirable. Second, if the future UK government decides to push for more ambitious amendments, it can make that position clear at the start of the review process, using it to demonstrate the evidence in support of the changes it is seeking from the other side. We recommend the future UK government takes a very considered and strategic approach by using the TCA review process for what it is intended – as a review mechanism – but in doing so, put forward the case that amending the current agreement is necessary and desirable. It should also make clear that this can be achieved through separate new negotiations, not technical amendments to existing provisions.

**Recommendation: Engage with the EU on the need to improve the relationship gradually – first by rebuilding trust and confidence in the political relationship and then by using the TCA review process as an opportunity to put forward the case for amending aspects of the current agreement through separate new negotiations.**

# Endnotes

- 1 <https://ukandeu.ac.uk/why-has-brexit-become-less-popular/>
- 2 <https://www.cer.eu/insights/cost-brexit-june-2022>
- 3 <https://www.tandfonline.com/doi/full/10.1080/21582041.2023.2192516>
- 4 <https://www.ft.com/content/f2434a77-8fa7-4b7c-a86b-d7bf277137d4>
- 5 <https://www.gov.uk/government/publications/integrated-review-refresh-2023-responding-to-a-more-contested-and-volatile-world/integrated-review-refresh-2023-responding-to-a-more-contested-and-volatile-world>
- 6 <https://www.gov.uk/government/news/uk-government-publishes-draft-proposals-for-new-border-controls>
- 7 <https://www.institute.global/insights/politics-and-governance/new-national-purpose-ai-promises-world-leading-future-of-britain>
- 8 [https://www.tourismalliance.com/downloads/TA\\_429\\_462.pdf](https://www.tourismalliance.com/downloads/TA_429_462.pdf)

## Follow us

[facebook.com/instituteglobal](https://facebook.com/instituteglobal)

[twitter.com/instituteGC](https://twitter.com/instituteGC)

[instagram.com/institutegc](https://instagram.com/institutegc)

## General enquiries

[info@institute.global](mailto:info@institute.global)

Copyright © June 2023 by the Tony Blair Institute for Global Change

All rights reserved. Citation, reproduction and or translation of this publication, in whole or in part, for educational or other non-commercial purposes, is authorised provided the source is fully acknowledged. Tony Blair Institute, trading as Tony Blair Institute for Global Change, is a company limited by guarantee registered in England and Wales (registered company number: 10505963) whose registered office is One Bartholomew Close, London, EC1A 7BL.

## Follow us

[facebook.com/instituteglobal](https://facebook.com/instituteglobal)

[twitter.com/instituteGC](https://twitter.com/instituteGC)

[instagram.com/institutegc](https://instagram.com/institutegc)

## General enquiries

[info@institute.global](mailto:info@institute.global)

Copyright © June 2023 by the Tony Blair Institute for Global Change

All rights reserved. Citation, reproduction and or translation of this publication, in whole or in part, for educational or other non-commercial purposes, is authorised provided the source is fully acknowledged. Tony Blair Institute, trading as Tony Blair Institute for Global Change, is a company limited by guarantee registered in England and Wales (registered company number: 10505963) whose registered office is One Bartholomew Close, London, EC1A 7BL.