



The Impact of Brexit on UK–European Relations: Economic, Political and Social Perspectives

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Abstract

Brexit represents one of the most significant institutional and geopolitical changes in the United Kingdom's contemporary history. Following the 2016 referendum and the UK's formal departure from the European Union in January 2020, the transition period ended on 31 December 2020, fundamentally changing the legal, economic, political and social relationship between the UK and the EU. The post-Brexit relationship is primarily governed by the Withdrawal Agreement, the Windsor Framework and the Trade and Cooperation Agreement (TCA), while subsequent negotiations have sought to address practical difficulties arising from the new relationship.

This paper examines the impact of Brexit on UK–European relations through three interconnected dimensions: economic, political and social. Economically, Brexit has introduced additional trade barriers despite the absence of tariffs on qualifying goods, while the EU remains the UK's largest trading partner. In 2025, UK exports of goods and services to the EU were approximately £384 billion, representing 41% of total UK exports, while imports from the EU were £472 billion, representing 50% of UK imports. Politically, Brexit has altered the UK's position within Europe, requiring new mechanisms for cooperation in trade, security, migration, justice and foreign policy. Socially, the end of free movement has changed opportunities for UK and EU citizens to live, work and study across borders. British citizens travelling to most EU countries can still visit visa-free for short stays, but longer-term residence, employment and study are subject to national immigration rules.

The paper argues that Brexit should be understood not as the termination of UK–European interdependence but as a transformation of its institutional framework. Recent developments, including the 2025 UK–EU Strategic Partnership, indicate an effort to develop closer cooperation while maintaining the UK's status outside the EU, single market, customs union and free-movement system.



Keywords: Brexit, United Kingdom, European Union, UK–EU Relations, Trade, Migration, European Integration, Political Relations, Social Impact, International Relations.

1. Introduction

2016. The referendum resulted in a majority vote to leave the European Union, initiating prolonged political and institutional process that culminated in the UK's formal withdrawal on 31 January

2020. The subsequent transition period ended on 31 December 2020, after which the UK ceased to participate in the EU single market and customs union.

Brexit therefore represented more than a change in Britain's membership status. It altered the institutional framework governing trade, migration, regulatory cooperation, security, judicial coordination, scientific collaboration and interpersonal mobility.

Before Brexit, the UK's relationship with European states was structured through EU membership. Businesses operated within the single market, citizens benefited from free movement rights, and the UK participated in common European regulatory and political institutions. Following Brexit, these arrangements were replaced by a combination of international agreements and domestic legislation.

The current relationship is principally structured around the Withdrawal Agreement, Windsor Framework and Trade and Cooperation Agreement. The UK and EU also agreed a Strategic Partnership in 2025 covering areas including security, defence, economic cooperation and internal security.

The economic consequences are particularly important because the EU remains highly significant to British trade. In 2025, the EU accounted for 41% of UK exports of goods and services and 50% of UK imports. At the same time, businesses have faced additional regulatory and administrative requirements because the UK is outside the EU's single market and customs union.

Brexit has also transformed human mobility. Since 1 January 2021, British citizens no longer possess EU free-movement rights. Short-term visits remain possible without a visa under current arrangements, but longer-term employment, study and residence generally depend on the rules of the individual EU member state.

The social consequences extend beyond migration. Brexit has influenced education, employment mobility, regional development, public attitudes towards Europe and the political identities associated with British and European citizenship.



This paper therefore examines Brexit through economic, political and social perspectives while considering the continuing evolution of UK–European relations.

2. Background to Brexit

The UK's relationship with European integration has historically been distinctive. Britain joined the European Economic Community in 1973 and subsequently participated in the development of the European Union.

However, debates about sovereignty, democratic accountability, economic integration, migration and the UK's relationship with European institutions remained politically significant.

The 2016 referendum provided the mechanism through which these questions were formally expressed.

The result initiated negotiations over:

- Withdrawal arrangements.
- Citizens' rights.
- Financial commitments.
- The Irish border.
- Future trade relations.
- Security cooperation.
- Regulatory relationships.

The negotiations eventually produced the Withdrawal Agreement and later the Trade and Cooperation Agreement.

3. Institutional Transformation of UK–EU Relations

Brexit replaced the UK's position as an EU member state with a relationship between two separate legal and political entities.

The principal agreements include:

Agreement	Main function
Withdrawal Agreement	Establishes arrangements associated with UK withdrawal
Windsor Framework	Addresses specific arrangements concerning Northern Ireland
Trade and Cooperation Agreement	Governs major elements of post-Brexit economic and cooperation relations



Agreement	Main function
2025 Strategic Partnership	Expands cooperation in strategic areas

The UK Government's 2025 implementation report describes the Withdrawal Agreement, Windsor Framework and TCA as central pillars of the current relationship.

4. Economic Impact

4.1 Changes in Trade

Brexit changed the conditions under which UK–EU trade takes place.

The UK is now outside the EU single market and customs union. Although the TCA provides tariff-free trade in qualifying goods, traders face additional requirements such as customs procedures and regulatory documentation.

The EU remains Britain's largest trading market.

In 2025:

Indicator	UK–EU value
UK exports of goods and services to EU	£384 billion
Share of UK exports	41%
UK imports from EU	£472 billion
Share of UK imports	50%

These figures demonstrate that Brexit did not eliminate economic interdependence between Britain and Europe.

5. Trade Barriers and Business Costs

The principal change has been the introduction of additional non-tariff barriers.

Businesses may encounter:

- Customs declarations.
- Rules-of-origin requirements.
- Product certification.
- Sanitary and phytosanitary requirements.
- Border documentation.



- Regulatory differences.
- Additional administrative costs.

The UK's 2025 Trade Strategy notes that trade with the EU had declined relative to trade with non-EU countries and identifies increased barriers as one factor affecting this relationship.

The impact is not uniform across industries. Businesses with complex supply chains and products subject to regulatory controls may face greater administrative requirements than firms with simpler trading arrangements.

6. Agricultural and Food Trade

Agricultural and food products have been particularly affected by regulatory requirements.

The UK Government stated in 2025 that EU agri-food exports to the UK and UK exports to the EU had declined between 2018 and 2024, while businesses had experienced increased costs, paperwork and border delays.

The 2025 UK–EU negotiations subsequently addressed sanitary and phytosanitary arrangements with the objective of reducing some of these barriers.

7. Services and Financial Sector

Services represent an important component of the British economy.

Brexit changed the regulatory environment for UK service providers operating in EU markets.

Financial firms in particular had to adapt to the loss of automatic access associated with EU membership.

The post-Brexit environment has therefore encouraged businesses to reconsider:

- Corporate structures.
- Licensing.
- Regulatory compliance.
- Location of operations.
- Cross-border service delivery.

The effect differs substantially between sectors and business models.

8. Investment and Productivity

The economic debate surrounding Brexit extends beyond trade volumes.

Researchers have examined its relationship with:

- Business investment.
- Productivity.



- Employment.
- Wages.
- Economic growth.

A 2026 analysis by GLA Economics estimated that, since 2016, the UK economy had settled at approximately 5% below a comparison path based on six major EU economies, although this is an analytical estimate rather than a directly observable counterfactual.

Such estimates should be interpreted carefully because economic outcomes since 2016 have also been influenced by COVID-19, the energy shock, inflation, monetary policy and other global developments.

9. Political Impact

Brexit fundamentally altered Britain's political relationship with European institutions.

The UK no longer participates as a member state in:

- The European Council.
- European Parliament.
- European Commission decision-making.
- EU legislative processes.
- The EU single market governance system.

This increased the UK's formal autonomy over domestic policy but simultaneously required new bilateral and institutional arrangements with the EU.

10. Regulatory Sovereignty

One of the central political dimensions of Brexit concerns regulatory autonomy.

As an EU member, UK domestic policy was affected by EU legislation and institutions.

After Brexit, the UK gained greater formal freedom to establish its own regulatory frameworks.

However, divergence from EU standards can increase trade costs when British firms seek to access the European market.

This creates a continuing policy trade-off between:

Regulatory autonomy

and

Regulatory alignment with a major trading partner.

11. UK–EU Strategic Relations

The relationship has not remained static.



At the first UK–EU Summit in May 2025, both sides agreed a new Strategic Partnership covering areas including security, defence, economic cooperation, environmental issues, internal security and judicial cooperation.

This indicates that Brexit did not result in a complete separation between Britain and European institutions.

Instead, the relationship has evolved toward structured cooperation between non-member partners.

12. Security and Defence

European security has become an increasingly important area of UK–EU cooperation.

The UK's geographical position and military capabilities mean that European security remains an important area of mutual interest.

The 2025 Strategic Partnership explicitly expanded cooperation in security and defence.

This demonstrates that Brexit-related institutional separation can coexist with practical cooperation.

13. Northern Ireland

Northern Ireland represents one of the most complex dimensions of Brexit.

The UK's withdrawal created a challenge because:

- Northern Ireland is part of the UK.
- Ireland remains an EU member.
- The UK and EU have different customs and regulatory systems.
- The peace settlement places importance on avoiding a hard border on the island of Ireland.

The Windsor Framework was developed to address specific challenges associated with Northern Ireland's position.

Consequently, Northern Ireland has remained a central component of UK–EU relations.

14. Migration and Free Movement

One of the clearest social and political consequences of Brexit has been the end of EU free movement.

Since 1 January 2021, British citizens have no longer possessed EU citizenship-based free-movement rights.

British citizens generally remain able to visit most EU countries without obtaining a visa in advance for short stays, but the Schengen framework normally limits such stays to 90 days in



any 180-day period. Longer-term employment, residence and study are generally governed by the immigration rules of individual member states.

15. Citizens' Rights

The Withdrawal Agreement protects certain rights for eligible citizens who were already exercising free-movement rights before the end of the transition period.

However, these protections do not recreate general EU-wide free movement.

This distinction is important:

Existing protected residence rights $\neq$ Continuing EU free movement

The resulting system is therefore more nationally differentiated than the pre-Brexit framework.

16. Social Impact

Brexit has affected social relations between Britain and Europe through changes in:

- Migration.
- Family mobility.
- Employment.
- Education.
- Tourism.
- Professional mobility.
- Cultural exchange.

The effects are particularly visible among younger people, students, professionals and families with connections across European countries.

17. Education and Student Mobility

Before Brexit, UK and EU students benefited from broader European mobility arrangements.

After Brexit, the UK's participation in European education programmes changed.

The UK's subsequent relationship with European educational institutions has therefore required new arrangements for student and academic mobility.

These changes can influence:

- International student recruitment.
- Academic collaboration.
- Research mobility.
- University partnerships.



18. Labour Markets

Ending free movement changed the recruitment environment for British employers.

Before Brexit, EU citizens could generally move to the UK under free-movement rules.

After Brexit, immigration is primarily governed through Britain's domestic immigration system.

This has changed the recruitment relationship between British employers and European workers.

The effect varies considerably by sector because industries have different labour requirements.

19. Tourism and Travel

Brexit has introduced additional requirements for some forms of travel.

British tourists generally remain able to visit most EU/Schengen countries without obtaining a visa in advance for short stays.

However, employment, study and longer-term residence are subject to different requirements.

This represents a significant change from the pre-Brexit situation, when British citizens held EU free-movement rights.

20. Public and Political Attitudes

Brexit also changed Britain's domestic political debate.

European integration became closely connected with questions of:

- National sovereignty.
- Immigration.
- Democratic accountability.
- Economic policy.
- National identity.

These issues continue to influence political discussion in the UK.

However, public opinion should be analysed using contemporary survey evidence rather than assuming that referendum voting patterns remain unchanged.

21. Economic, Political and Social Interdependence

The three dimensions of Brexit are interconnected.

For example:

Migration Policy



Labour Supply



Business Costs



Economic Performance

Similarly:

Regulatory Divergence



Trade Barriers



Business Adaptation



Political Negotiation

Brexit should therefore be understood as a multidimensional process rather than a single economic or political event.

22. Comparative Assessment

Dimension	Pre-Brexit relationship	Post-Brexit relationship
Trade	Single-market participation	TCA-based relationship
Customs	EU customs union	Separate customs systems
Regulation	Common EU framework	Greater UK autonomy
Free movement	Broad EU rights	National immigration systems
Political representation	UK participated in EU institutions	No UK representation in EU institutions
Security cooperation	EU member-state mechanisms	Partnership-based cooperation
Travel	EU free-movement framework	Third-country travel framework
Northern Ireland	EU and UK shared regulatory	Special arrangements under Windsor



Dimension	Pre-Brexit relationship	Post-Brexit relationship
	framework	Framework

23. Recent UK–EU Reset

Developments during 2025 demonstrated efforts to stabilise and strengthen UK–EU relations. The May 2025 summit produced a Strategic Partnership and Common Understanding covering economic, security and other areas.

The UK Government stated that the package was intended to improve economic cooperation while maintaining the UK's position outside the single market, customs union and free movement system.

This represents an important development because it demonstrates that post-Brexit relations are still evolving.

24. Key Challenges

The major challenges for UK–European relations include:

1. Managing trade barriers.
2. Maintaining regulatory cooperation.
3. Protecting citizens' rights.
4. Managing migration.
5. Supporting Northern Ireland's political stability.
6. Strengthening security cooperation.
7. Facilitating scientific and educational collaboration.
8. Balancing regulatory autonomy with market access.
9. Reducing unnecessary administrative costs.
10. Maintaining constructive diplomatic relations.

25. Future Prospects

Future UK–EU relations are likely to involve selective cooperation rather than a return to the pre-Brexit institutional structure.

Potential areas include:

- Defence.
- Security.
- Energy.



- Climate policy.
- Research.
- Food standards.
- Trade facilitation.
- Professional mobility.
- Migration management.

The 2025 Strategic Partnership provides evidence of this direction.

26. Research Questions

1. How has Brexit changed UK–EU trade relations?
2. What have been the principal economic effects of post-Brexit trade barriers?
3. How has Brexit altered Britain's political relationship with EU institutions?
4. What has been the impact of the end of free movement?
5. How has Brexit affected British citizens living, working and studying in Europe?
6. How has Brexit affected EU citizens in the UK?
7. What role does the Windsor Framework play in UK–EU relations?
8. How have businesses adapted to the post-Brexit regulatory environment?
9. What factors explain changes in UK–EU economic relations?
10. How might future UK–EU cooperation develop?

27. Discussion

Brexit has transformed rather than eliminated Britain's relationship with Europe.

Economically, the EU continues to be Britain's largest trading partner. The scale of trade demonstrates that geographical and economic interdependence remains significant despite institutional separation.

Politically, Britain has gained greater formal autonomy over domestic regulation and immigration policy while losing direct participation in EU decision-making.

Socially, the most visible transformation has been the end of general free movement rights. British citizens and EU citizens now interact through national immigration systems rather than a common EU mobility framework.

At the same time, developments since 2025 demonstrate continued efforts to deepen cooperation in areas where shared interests remain strong.

The emerging model is therefore neither complete separation nor restoration of the pre-Brexit relationship. Instead, it is a framework of negotiated cooperation between the UK and EU.



28. Conclusion

Brexit has produced a substantial transformation in UK–European relations across economic, political and social dimensions. Economically, the UK remains deeply connected to the European market, but businesses now operate within a more complex trading environment characterised by customs procedures and regulatory barriers. In 2025, the EU accounted for 41% of UK exports and 50% of UK imports, demonstrating the continuing importance of European trade.

Politically, Brexit has increased Britain's formal autonomy while removing its participation in EU decision-making institutions. The UK must now negotiate cooperation with the EU through international agreements and strategic partnerships rather than through membership institutions.

Socially, the end of free movement has fundamentally changed mobility between Britain and Europe. British citizens can still undertake short-term visa-free visits to most EU countries, but residence, employment and study increasingly depend on national immigration rules.

The relationship continues to evolve. The 2025 UK–EU Strategic Partnership demonstrates that Britain and the EU remain closely connected in areas including security, defence, economic cooperation and internal security.

Therefore, Brexit is best examined as a continuing process of institutional restructuring rather than a completed event. Its long-term significance will depend on how effectively the UK and EU manage the balance between national autonomy and practical cooperation. Future developments in trade, security, migration, research, environmental policy and Northern Ireland will remain central to the evolution of UK–European relations.

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