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A Strategy for Europe from National Perspectives: Great Britain

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The shock of Brexit revealed to Britons how important the EU was and still is. Britain now recognises that it needs an EU that is a geopolitical actor, but – given rejoining is unlikely anytime soon – it faces difficult choices about what it can do to help. To move Europe, Britain is going to need to work harder than when it was a member state. In this, the British face two problems: coming to domestic agreement that closer relations with the EU are worth the political risk and convincing the EU to deepen relations with Britain.

THE CURRENT SITUATION

Ten years ago, Prime Minister David Cameron sat down with then president of the European Council Donald Tusk to begin a renegotiation of Britain's EU membership. Cameron saw it as a necessary step to sell EU membership to the British people in the referendum he was to hold the following year. That the entire endeavour lacked any substance was hardly a surprise given that a <u>com-</u> prehensive review of UK-EU relations undertaken by the UK Government from 2012 to 2014 concluded the UK-EU relationship was working in Britain's favour. Politically inconvenient, the review quietly vanished into the archives.

But one of the twists of the Leave vote that followed in 2016 is that it revealed the UK to be <u>more European</u> <u>than it thought it was</u>. Loss emboldened Remainers so that being pro-European in British politics is no longer something people are ashamed of. Britain's economy is European, and the post-Brexit experiences of British businesses and regulators stand as a vivid example of the power of the 'Brussels effect'. Similarly, Europe's economic challenges, Donald Trump's threat of tariffs on European imports (Britain included), and uncertainty about the direction of Germany and its economy have also reminded Britain of its Europeanness. Despite Europe's economic challenges, Britons want a European way of life not an American one. And Ukraine keenly brought back to mind that Europe's security is Britain's security. The invasion was a painful but necessary reminder of shared values and concerns.

A <u>recent survey</u> showed only 17 per cent of Britons want Britain to prioritise relations with the United States while 50 per cent opted for Europe. As Britain's 47 years of membership fade into history, the British are also slowly realising that not only did they have the best EU membership deal, but they were also not the awkward partner they liked to think they were. British politicians and media had a reputation for intransigence and hostility, but behind the scenes the reality was of British officials, business networks, and civil society organisations playing a positive and effective part in European integration. The people who appreciated this the least were the British themselves.

No wonder then that nobody – in Britain or elsewhere in Europe – knows what to do about a Europeanised country, that was once one of the leading players in European integration, but that is now outside the EU and unlikely to rejoin. Yet, if Britain rejoining is not on the cards, a closer relationship in which Britain does play a leading role is. It will require both Britain and the EU – and especially a Germany that from Britain's perspective appears adrift in Europe – to embrace change in three areas.

AREAS FOR CLOSER COOPERATION

First, the obvious area of cooperation remains defence and security. Provided Britain and the EU can avoid prolonged negotiations, it is inevitable that they will soon sign an agreement on security. That will create regular cooperation along with working groups that will set goals both sides can work towards. That it was left out of the Brexit treaties was a spiteful act born from internal Tory party feuding that ignored the strategic interests of Britain and its allies. The new security compact cannot rely on a traditional focus on war that overlooks the importance of building and maintaining peace. If NATO provides security when it comes to the former, it's the EU that underpins the latter. The EU's role will only grow given the limits NATO faces in both US politics and in how far European states will go with increasing defence spending. Britain needs to move beyond a focus on playing its part in European defence to recognise the need for it to support wider efforts to strengthen the EU both internally as an effective union and externally as a geopolitical actor. As one of the countries in Europe that thinks and, to a limited extent, acts as a geopolitical actor, this remains the one area where Britain can lead.

Second, strengthening Europe comes through supporting Germany, with both Berlin and London learning from the other as they face the challenges in defence, business, and society. Both must lead and fund the defence of Europe. For both countries, defence is an obvious topic for cooperation, as seen in the recent Trinity House agreement with Germany. Both sides are going to benefit from the recent decision to allow defence firms from third-party countries such as the UK to be part of bids for the €1.5 billion European Defence Investment Program fund that is being set up. Both are reluctantly adapting to a world of protectionism: the UK alone outside the EU, while

Germany struggles to move away from industrial growth reliant on cheap Russian gas and exports to China. Britain, with its services driven economy, has prospered despite having some of the most expensive energy costs in Europe and limited Chinese manufacturing export markets. Both are worried about Europe's overall competitiveness. In combating this, Britain's return to the EU's Horizon research programme is a welcome step, but there is scope for building more deeply connected innovation ecosystems including among cities, universities, and clusters.

The UK's elites have to accept that the country will always be in the EU's economic orbit

Third, none of this will come to pass unless domestically the British fully come to terms with their Europeanness. This will be more difficult than it might appear because British understanding of Europeanness won't automatically lead to the EU accommodating British ideas. Because in any negotiations in international economics, trade size matters - and the EU is always going to be the larger and more forthright partner that gets what it wants. More than anything, it will expect to see that a Britain seeking closer relations won't change its mind when it changes government. It will not pin its hopes on a more constructive Labour party: the Tory party, and the right more broadly, has to turn too. The UK's elites have to accept that the country will always be in the EU's economic orbit, as for example, Turkey is, even though it has its other interests to pursue. The EU is going to accommodate Britain if the British can show

that they no longer think it necessary to challenge the EU and move more towards recognising Britain as a European power with its own extra transatlantic and Anglosphere connections in much the same way as the French.

RECOMMENDATIONS

What does this mean for actual EU-UK relations? There are four areas of improvement.

Defence: Donald Trump's return to power has retuned attention to Europe's military dependence on the United States. Whether in response to his threats or his unreliability, EU member state defence budgets are increasing, the EU itself has appointed a Defence and Space Commissioner, and Brussels is expected to allocate more money in its next multiannual budget period, which starts in 2027. Yet, it will be some years before the EU is comfortably able to manage its own security. As it does so, the UK has a lot to offer: a strong defence industrial and technological base, a significant defence budget of its own, a nuclear deterrent, and an innovative and forward-thinking strategic culture. Though military operations are likely to continue to be organised through NATO, it should make it a priority to involve itself in upcoming European defence initiatives, including by offering to integrate formats it has founded, such as the Joint Expeditionary Force. In addition, it should play a constructive role in multinational procurement through the Organisation for Joint Armament Cooperation (OCCAR).

Competitiveness: Increasing angst, in continental West Europe at least, about Europe's future has been amplified by the grim warnings of Mario Draghi's <u>Report</u> on the subject. Though as a non-EU member Britain cannot contribute to closing the public investment gap the report identifies as one of the main causes of lower European growth, it can contribute through its

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flexible economic model; its expertise in services, particularly financial services; and its world leading scientific research. Elements of its university model, its ability to fund and incentivise technologically advanced startups, and pragmatic cast of mind should serve as an example to European economies looking to give their growth a boost. While it will be for the EU itself to determine its policy in these areas, involvement of the UK in discussions will help exchange ideas while also reminding British policy makers that Europe's success is Britain's success.

Service trade: Trade in services depends on the movement of people, whether for short stays or longer periods. Britain could negotiate improved and reciprocal deals for the movement of professionals ('Mode 4' services trade), including those on short-term secondment, and propose low-bureaucracy forms of enabling these exchanges. It could also make it physically easier to travel to the EU, by improving its air and rail links with the continent and embracing the opportunities of a youth mobility scheme. There is some evidence that the new British government sees this as a priority, but it will need a more courageous attitude towards local opposition if it is to significantly expand infrastructure and mobility opportunities.

The ghost in the room: UK government and politics must adapt to the ghost in the decision-making room that is the EU. Since leaving the EU, the British government and parliament have fallen into the habit of behaving as if Britain is not embedded into the European economy. Instead, it has begun to act as if it is a separated third country on a par with the United States, Australia, or Canada. One that denies that, for as long as figures have been collected, around two fifths of British trade has been with Europe. Brexit has not changed Europe's importance to Britain's economy, but the British government acts as though that's not the

case. As an EU member state, Britain had a tried and tested system for shaping, scrutinising, adapting, and implementing EU policies such that Brexit deprived the EU of one of the member states with the best records of implementing EU law. Today, that system has been replaced by an arrangement where the UK adapts to and reviews EU laws on an ad hoc basis. Worries Britain would actively diverge from EU laws and policies have been replaced by worries Britain is struggling to remain aligned. This is making Britain reactive rather than proactive and strategic.

Rather than giving it more freedom, leaving the EU has in fact deprived Britain of the ability to shape rules that apply to it because the EU is so much larger. Britain needs to work twice as hard as it did before to lobby and shape EU policies. It should dramatically increase its personnel at the British Mission to the EU and major European capitals. It needs to review the system across government and parliament by which EU laws and policies are reviewed and UK laws and policies adapted. The idea of 'global Britain' was based on the UK being at least the second-ranked country in an alliance of English-speaking nations. If this always overstated the uniqueness of the US-UK 'special relationship', Trump's return to the White House has emptied it of meaning. Nevertheless, the domestic political debate in the UK has not caught up with this change. The current British government appears frozen - as overwhelmed by the pace of change as the outgoing German one proved to be.

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The DGAP memo series A Strategy for Europe from National Perspectives responds to Josef Janning's <u>"Your</u> <u>Turn, Berlin: A German Strategy for Europe."</u> Janning's text argues that the Zeitenwende has rendered Europe's status quo unsustainable and calls on Germany to define and drive the European agenda. Each subsequent piece explores how a key state – Italy, the UK, Poland, and France – envisions its role and priorities in shaping a cohesive European strategy. These contributions provide a broader exchange of perspectives to inform the debate on the EU's future ahead of Germany's snap federal elections on February 23, 2025, and during the negotiations to form its new ruling coalition.