



Does Brexit overcome the globalisation trilemma? How British business assess the trade relationship with the EU

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Abstract

According to Rodrick, there is a globalization paradox between democracy, national sovereignty, and economic integration where only two out of these three can ever be achieved. Brexit was presented by its defenders as a way of resolving the trilemma. This contribution uses a novel survey ($n=95$) to examine how UK businesses assess the new Trade and Cooperation Agreement between the UK and the EU and which model of trade they prefer moving forward. The findings by and large confirm expectations. First, the large majority considered that Brexit has had a negative impact on their businesses, including Leave voters. Second, and as regards sovereignty, the majority of Leavers thought labour shortages are a price worth paying for being able to limit freedom of movement as well as preferred to decrease EU regulations in their business sector. Third, economic integration seems to weigh heavier than concerns about sovereignty. Those who consider that Brexit had a negative financial impact on their business, including Leavers, now prefer a closer future relationship between the EU and the UK.

Keywords Brexit · Globalisation · United Kingdom · Business interests · Survey

Introduction

In 2016, the UK voted on whether to remain in or leave the European Union (EU). Brexit supporters argued that by leaving the EU the UK would reclaim control of its borders and domestic policies, regaining its national sovereignty. The UK would

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no longer need to follow EU regulations, the European Court of Justice would stop having jurisdiction within the UK, and the UK population would only be subject to UK laws (Bulmer and Quaglia 2018; Bromley-Davenport et al. 2019; Vote Leave 2022). So far as economic integration is concerned, the UK would increase its regulatory flexibility and could minimize red tape in trade. Brexit would also minimize the dependence on foreign labour and increase employment rates for UK residents. Finally, the UK would be able to strike its own global trade deals which would serve domestic interests better than those it had made as a member of the EU. Having voted to leave the EU, the UK and EU negotiated a new Trade and Cooperation Agreement (TCA) to govern their future relations, which was signed on the 30th of December 2020. This paper examines how UK businesses assess the newly won levels of market integration and sovereignty that the EU-UK TCA offers.

As Dani Rodrik has shown, globalisation poses a trilemma between global economic integration, national sovereignty, and democracy whereby only two of these three can ever be achieved (Rodrik 2011). The EU illustrates the trilemma. It enables full economic integration and establishes institutions through which member states can co-determine EU laws and regulations. However, as a result member states transfer certain sovereign competences from domestic to European institutions, thereby losing certain elements of national sovereignty. Consequently, in these areas the locus of democratic legitimacy moves from the member states to the EU—prompting the well-known concern with the EU’s democratic deficit (Follesdal and Hix 2006; Kröger and Friedrich 2013).

Some of the related tensions become even stronger for non-member states within the European Economic Area (EEA), such as Norway. In order to take part in the economic benefits of the Single Market and Customs Union, these states have to integrate the *acquis communautaire* and have regulatory alignment whilst having no say over past or ongoing policies, potentially losing both democracy *and* sovereignty. It is not surprising, therefore, that a recurrent theme of the literature on the external integration of such non-member states has been that of domination (Eriksen 2018). Since leaving the EU in 2020 and its Single Market in 2021, the UK has become a non-member. Unlike Norway, however, it has opted out of Single Market access and instead settled for a much more limited, mutually agreed, trade agreement with the EU. It becomes pertinent to ask, therefore, whether the UK’s new arrangement can escape Rodrik’s trilemma by allowing the UK to retain national sovereignty and domestic democracy while continuing to trade with the EU, albeit on different terms to the past.

The paper unfolds as follows. First, we will introduce the trilemma sketched by Rodrik and link the disadvantages that the Leave campaign claimed are associated with EU membership to it. In a next step, we will review different types of affiliation between the EU and non-EU states to assess the extent to which they are subject to Rodrik’s trilemma and explore how the EU-UK TCA fits into the picture. After that, we detail our method and survey design. The survey consists of 96 responses coming from British businesses and ran between March and May 2022. The next section presents the main findings. First, the large majority considered that Brexit has had a negative impact on their businesses, including Leave voters. Second, and as regards sovereignty, the divisions between Remainers and Leavers are not as clear-cut



as anticipated. Still, the majority of Leavers thought labour shortages are a price worth paying for being able to limit freedom of movement as well as preferred to decrease EU regulations in their business sector. Third, economic integration seems to weigh heavier than concerns about sovereignty. Those who consider that Brexit had a negative financial impact on their business, including Leavers, now prefer a closer future relationship between the EU and the UK. The conclusion discusses the findings and makes suggestions for future research.

The globalization paradox

Dani Rodrik (2011) has argued that hyper globalisation, national sovereignty, and democracy pose a trilemma whereby only two of these three can ever be attained, so that achieving any two of these goals comes at the expense of the third. Therefore, three options are feasible.

A first option combines national sovereignty and global economic integration and sacrifices democracy. Here, sovereign states uphold policies that facilitate the free movement of goods, services and capital but limit domestic democratic politics. This happens because opting for a deeper market integration that removes transactional burdens requires states to adhere to fixed global economic rules which create a 'golden straitjacket'.¹ The extent to which states can develop and implement social or welfare policies is curtailed by these global rules, which prescribe uniform solutions. States are forced to adhere to the same or similar policies despite the potentially different preferences of their citizens, creating a democratic deficit.

A second option is for sovereign states to protect domestic democracy by restricting global economic integration. The Bretton Woods system is a case in point. It allowed states to open up their markets while safeguarding their national sovereignty and democracy by retaining a tight control over the movement of capital. As a result, states could pursue the different social policies preferred by their citizens.

The third option involves states committing to both global (or regional) economic integration and supranational democracy at the cost of reduced or lost national sovereignty. In this scenario, the democratic authority previously held by sovereign states is shifted to global or regional institutions, which offer mechanisms of accountability and legitimacy comparable to those previously existing within the boundaries of states.

The EU attempts to achieve the third option. It enables its member states to pursue full market integration by removing all barriers to the movement of capital, goods, labour and services. The high level of economic integration likewise

¹ Rodrik explains this can be seen through the example of Argentina. Having opened and deregulated its market and tied its currency to the dollar, the country was not able to mediate the impact of the economic crises it faced in 1990. This led to the Argentinian government undercutting domestic social policies so as to fulfil its obligations towards foreign investors which in turn led to an intense backlash and protesting from its citizens.



includes regulatory alignment across its territory. The Single Market is developed, monitored, and enforced by EU institutions and as such curtails national sovereignty. Competencies which previously squarely fell within sovereign states have been partly moved to EU institutions. In addition to market integration, EU membership entails participation in European institutions with legislative decision-making powers. However, as Rodrik observes, the EU has not yet succeeded in creating and sustaining democratic processes robust enough to parallel the level of economic integration it promotes. According to Rodrik, for the EU to resolve these tensions, it would have to accompany the project of economic integration with one involving an equivalent degree of political integration.

The decision of the UK to leave the EU was seen by many as an objection to the EU moving towards closer political integration. From this perspective, the EU has curtailed national sovereignty and subsumed responsibilities previously belonging to the UK without offering institutions that citizens elect and hold accountable in a meaningful way. Brexit was presented as a way for the UK to reclaim these responsibilities and for law-making to fully return to Westminster rather than being shared with EU member states. Indeed, the central slogan of the Leave campaign was that exiting the EU would allow the UK to ‘take back control’. In particular, they claimed the UK would be able to fully control its borders, thereby reducing immigration levels, whilst being able to strike global trade deals second to none. In other words, the claim of those campaigning for Leave was that the trilemma was false. Instead, cakeism was adopted: namely, the view that one could have the best of all worlds. The UK could take back control *and* be a competitive part of global markets.

This study did not directly address the ‘democracy’ pole of the trilemma. Rather, we took as a given that our respondents assumed the Leave campaign’s claim to ‘take back control’ entailed that regaining national sovereignty meant that future policy could be democratically legislated for by a government elected by the British people so as to promote their interests better. Having said that, we do appreciate that national sovereignty is only contingently linked to democratic politics, with greater national sovereignty not being a guarantee of greater democracy,² something we return to in the concluding discussion.³ Consequently, we focussed on whether business actors consider that exiting the EU has allowed the UK to maintain market integration and regain sovereignty, and hence implicitly democratic control, and so resolve the trilemma by leaving the EU. To achieve this aim, the UK needed to look at some type of external integration (Eriksen and Fossum 2015; Eisl and Rubio 2020), to which we now turn.

² We would like to thank an anonymous reviewer for suggesting we address this point.

³ We also do not look at how states are limited, in the range of their policies, by market power, which acts as a constraint of sovereignty.



Models of external integration

After Brexit, any relationship that the UK would negotiate with the EU would be a case of external integration. External integration offers EU non-members different degrees of access to the Single Market provided that they comply with the agreed responsibilities and obligations as regards EU laws and standards. In negotiating distinct types of external integration with non-members, the EU seeks to secure regulatory alignment with its *acquis communautaire* so as to protect its Single Market's integrity and legal unity. By contrast, non-members hope to benefit from market access whilst not losing out on their sovereignty and democratic control (Eriksen 2015, p. 233). So far as sovereignty is concerned, there is a key difference between members and non-members of the EU. Although member states can be regarded as shifting sovereignty over certain competences to the EU level, they and their citizens continue to play a part in the co-determination of the relevant policies within certain supranational institutions. By contrast, the sovereignty of non-member states and their citizens is simply diminished in so far as they are obliged to be rule takers rather than being represented among the rule makers through having to adopt EU rules and standards in exchange for Single Market access whilst not participating in their development. Furthermore, they lose out with regard to democracy as their citizens are not represented in EU decision-making bodies, either indirectly by their governments in the European Council or directly within the European Parliament. Non-members might have the opportunity to participate in discussions but lack representation and voting rights in EU institutions (Lord 2015). For instance, Norway, which is affiliated to the EU through the EEA, adopts roughly 75% of EU regulations, including regulations on agricultural production and fisheries explicitly excluded from the EEA agreement, yet has no right to vote on them (Fossum and Graver 2018, p. 88).

The literature on external integration identifies four models based on the different balance between integration and sovereignty that they offer: Single Market access, Customs Union, a Canada-based trading agreement, and World Trade Organization (WTO) based regulations. Let us quickly look at each of them.

Beginning with the model of Single Market access, the European Economic Area (EEA) comprises EU member states as well as Norway, Iceland and Lichtenstein and allows for the closest trade relationship between non-members and the EU. It is the only model of external integration that extends beyond the free movement of goods to the free movement of services, capital, and labour. EEA states benefit from full access to the Single Market and as such are fully economically integrated to the EU. This entails that EEA states follow the majority of EU laws and regulations as well as external custom policies and do not negotiate their own trading deals. They are subject to the European Court of Justice's authority, and have to financially contribute to EU programmes. A main difference between EEA and full EU membership is that EEA states do not have voting rights on EU policies. Representatives of the EEA states can participate in meetings of EU bodies and committees, but they do not have the right to vote. This model restricts these states' national sovereignty and domestic democratic control in favour of economic integration.



The primary purpose of a Customs Union is to facilitate trade in goods. It removes tariffs between the EU and the related state, as is the case between the EU and Turkey. Unlike the EEA, it has no provisions for the free movement of labour, services or capital. The Customs Union entails the abolition of custom duties on imports and exports as well as any quantitative restrictions in all goods covered. This requires Turkey to adopt EU industrial standards and regulations for goods covered by the Customs Union (Kuneralp 2020). In terms of political representation, Turkey has the opportunity to advise the European Commission in matters relating to the Customs Union or to inform the Commission about adopting any relevant legislation, as well as having consultations with the Customs Union Joint Committee. However, these pathways do not provide Turkey with formal or binding ways to influence policies that it will be required to adopt (Gstöhl 2015; Nas 2018). Thus, this model allows for a certain degree of economic integration whilst Turkey's sovereignty is constrained and democratic control limited.

As regards the Canada model, this refers to the Comprehensive Economic and Trade Agreement (CETA) the EU negotiated with Canada, which entered into force in 2017. CETA aims at removing tariffs progressively for about 98% of goods, the remaining 2% being certain sensitive agricultural and dairy products. Still, CETA does not amount to free trade as a range of restrictions, quotas and rules of origin remain in place. Moreover, there are no provisions under CETA regarding free movement of labour. To support the process, CETA establishes a Regulatory Cooperation Forum to promote voluntary cooperation activities with trade experts from both parties. In sum, CETA maintains the participating countries' sovereignty in trade policy as well as their democratic control whilst economic integration is compromised.

Finally, the World Trade Organization's (WTO) regulations are the default trading framework for countries which do not have any bilateral trade agreements. WTO regulations operate under the most favoured nation principle which stipulates that a state needs to treat its trading partners equally and not discriminate against any other WTO member. This means that a state must impose the same tariffs based on the most favoured nation principle to all of its WTO trading partners. Moreover, trading under WTO also involves non-tariff barriers regarding standards and equivalent regulations. As an organization, the WTO does not set its own regulations and standards. Rather, states are free to adopt their own regulations provided that they are in accordance with internationally recognized standards, or other standards that can be scientifically justified and shown not to be arbitrary or discriminatory. The WTO invites states to liberalize their markets but does not entail any obligations for economic integration. As such, states retain sovereignty and democratic control.

This is not the place to review the lengthy negotiation process that led to the TCA that the UK and the EU eventually signed. Instead, let us review its main features as regards the degree to which it allows the UK to achieve its goals of economic integration and sovereignty (see Fontanelli 2023 for a detailed review).

In terms of sovereignty, the TCA recognizes each party's sovereignty and removes the CJEU's authority over much of the UK's territory, with the notable exception of Single Market relevant legislation in Northern Ireland. There now is a Joint Council which comprises committees, each regulating a specific policy area as well as a



Partnership Committee implementing the TCA. However, it does not grant the UK the regulatory autonomy that the Leave campaign wanted. Rather, the UK's capacity for regulatory autonomy is restricted by the impact that any regulatory divergence from the EU would have on trade between the two parties. The TCA also requires the UK to comply with the Level Playing Field (LPFs) preventing any rolling back in environmental protection, labour rights or state aid relating standards.

In terms of economic integration, the TCA is the first deal between the EU and a third party that removes all tariffs and quotas on goods (Birkinshaw 2021). However, the TCA through rules of origin, taxes, physical checks and increased demand for documentation creates friction on trade between the EU and the UK. This has created a significant amount of additional paperwork for businesses and increased their administrative duties and costs,⁴ impacting supply chains for both UK businesses and EU-based businesses trading with the UK (House of Lords 2021). There is already evidence that the additional costs the TCA imposes on trade have disincentivized EU based businesses from continuing their trade with the UK (ibid.) as they have led UK-based businesses to either relocate to the EU or to close altogether. A further trade barrier is that the UK has left the EU VAT area, with the implication that when a non-UK seller sells an item directly to UK consumers, she needs to register an account for UK VAT beforehand. Moreover, as the UK has also left the Customs Union, there is an increase in the financial and administrative costs for businesses now having to submit additional documentation. Finally, as part of the TCA, the EU and the UK agreed on the Northern Ireland protocol to provide a framework for trading between the UK and the Republic of Ireland. With the Republic of Ireland being a part of the EU and Northern Ireland part of the UK, there was a need for additional checks and border control between these territories when trading goods. Given the political history of the area, a land border between Northern Ireland and the Republic of Ireland would undermine stability and the Good Friday agreement. As a result, the Northern Ireland protocol sets up a border in the sea so that any necessary checks in trading goods between the UK and the Republic of Ireland takes place between Great Britain and Northern Ireland.

UK businesses and Brexit

In what follows, we will develop our hypotheses. Doing so, we will look at two of the elements of Rodrik's trilemma—economic integration and sovereignty respectively—before we move on to businesses' preferred model of external integration moving forward.

⁴ An additional issue is that the TCA has no provision for diagonal cumulation. Diagonal cumulation means that goods or components of goods originating from countries with which both the EU and the UK have FTAs or non-tariff trade are treated as originating from the UK/EU. However, diagonal cumulation was rejected by the EU during negotiations.



Economic integration

As elaborated above, according to Rodrik, the degree of economic integration interacts with the extent of sovereignty and democratic control that states preserve. The deeper the degree of global or regional economic integration, the more one of the other two elements will be reduced. Accordingly, the different available models of external integration discussed above offer an insight into the drawbacks (such as red tape, custom fees, or quotas) the UK might face when trading with the EU as a third country outside the Single Market. Indeed, data from 2021 confirm that most businesses have experienced difficulties in trading, and that 75% have faced disruptions (London First 2021; IoD 2023a). As a result, we have the following first hypothesis:

H1 Businesses will report a negative impact of Brexit on their business.

However, despite the established potential barriers to economic integration, Brexit was presented by its defenders as the way for the UK to navigate the globalisation paradox. The UK would benefit economically, not least through bespoke trade deals (Bulmer and Quaglia 2018; Gamble 2018; Howorth and Schmidt 2016), and as a result would do better economically outside the EU than within it. By contrast, those advocating for Remain pointed to the economic benefits of EU membership and the potential economic damage inflicted on the UK in case of an exit, a strategy dubbed ‘project fear’ by those seeking to leave. Given the long life of the respective convictions, the intervention of Covid19 as an economic factor, and the human difficulty to admit error, we expected related convictions to survive not only the day of the referendum, but also first encounters with a post-Brexit economic reality. Our second hypothesis therefore is:

H2 Leavers will report a positive financial impact of Brexit whilst Remainers will report a negative impact.

Following Rodrik’s assumptions, there are now new barriers to trade between the EU and the UK. Amongst others, the TCA contains changes to VAT and an increase in administrative duties (see Fontanelli 2023). These include processes to confirm rule of origin, technical barriers such as verifying conformity to EU standards or documenting divergence in goods, additional documentation for sanitary and phytosanitary products, all of which cause transport disruption (House of Lords 2021). Based on these new rules and early reports by businesses (Lumina Intelligence 2020; De Lyon and Dhingra 2021; Arcangeli and Liu 2019; London First 2021), we expect that respondents will find that trade with the EU has become more difficult. Our third hypothesis thus is:

H3 Respondents will find that the TCA has increased their transportation costs and administrative duties when trading with the EU.



As elaborated above, Brexit was presented by its defenders as a way for the UK to benefit economically, not least through increased domestic business (Bulmer and Quaglia 2018; Gamble 2018; Howorth and Schmidt 2016). Consequently, they maintained that the UK would do better economically outside the EU than within in. Our next hypothesis therefore is that:

H4 Businesses will agree that Brexit has increased trade domestically.

In addition, the Leave campaign emphasised the importance of UK's capacity to pursue its own trade outside Europe by enabling independent trade deals which would be better than those the UK enjoyed as a member of the EU. As such we have the hypothesis that:

H5 Businesses will agree that Brexit has increased trade with non-EU states.

Sovereignty

The other main advantage that the Leave campaign promised was to regain full sovereignty (Bulmer and Quaglia 2018). In particular, this would mean three things. First, the UK would regain control over its borders and be able to limit immigration from the EU, a chief concern of the Leave camp. Second, domestic workers would be recruited to fill the places previously occupied by foreign workers. Therefore, we expect the following:

H6 Leavers support that the UK limits the free movement of labour even if it results in labour shortages.

However, many businesses are reporting labour shortages as a result of Brexit.⁵ Indeed, in 2021, 25% of businesses were facing labour shortages (The Institute of Directors 2021) while this number rose to 31% for businesses with over 10 people in 2022 (Office for National Statistics 2022). Businesses being rational actors that have their economic well-being at heart, we expect the following:

H7 Businesses that have experienced labour shortages disagree with limiting the free movement of labour.

⁵ Two factors seem to mostly shape how businesses experience the impact of Brexit. The first is size (Bloom et al. 2018), with 51 per cent of larger companies seemingly confident about adapting to Brexit challenges whilst for smaller companies, this percentage was 38 per cent (London First 2018). Whilst we do find a significant difference (of 10 per cent) between small and medium businesses on the one hand and large businesses on the other, our sample is not big enough to explore this factor. The second key factor is the sector, with some sectors such as hospitality (Lumina Intelligence 2020), retail and manufacturing reporting greater concerns over Brexit than others (Bloom et al. 2018). Our sample does not include a sufficient number of sectors for us to be able to generalize, which is why the empirical section does not focus on this category.



According to the Leave campaign, a third benefit coming from sovereignty would be that the UK would regain regulatory autonomy and be able to differ from EU legislation, which was portrayed as involving too much red tape and being too protectionist (Carl 2017; Curtis et al. 2021). We therefore expect the following:

H8 Leavers will be more in favour of diverging from EU regulations than Remainers.

Future relationship

Moving on to the future of the EU-UK relationship, a major concern reported by many UK businesses relates to an increase in administrative duties as well as an increase in trading costs and customs delays (Arcangeli and Liu 2019; London First 2021; Lumina Intelligence 2020; De Lyon and Dhingra 2021). Over a third of businesses report increased administrative duties in relation to custom clearance (De Lyon and Dhingra 2021; MakeUK 2021), 22% report increased regulatory checks, whilst 37% report delays at the border (De Lyon and Dhingra 2021). Given these experiences with the TCA, we expect those businesses that have economically suffered under the TCA to favour a closer trade relationship with the EU moving forward:

H9 Those businesses who have experienced a negative economic impact from Brexit favour a closer relationship with the EU in the future.

However, we know that the economy is not all that counts for those who are convinced of the benefits of Brexit, and business peoples' preferences can be shaped by considerations outside the economic sphere. Some have pointed to the ongoing importance of national identity, and how citizens may privilege related concerns over the economic benefits linked to EU membership. As Liesbet Hooghe and Gary Marks put it, Brexit shows 'a tension between functional pressures for integration and nationalist resistance' (Hooghe and Marks 2019, p. 1123), resonating well with research on the role of English nationalism in the referendum (Henderson et al. 2016; Wellings and Baxendale 2015). Another reason to prefer Brexit over short-term economic gains that figured prominently in the campaign was national sovereignty (Menon and Wagner 2020). Finally, and coming back to economic considerations, some might think that Brexit has not delivered yet, but has the potential to allow either more regulation (left-leaning Brexiteers) or less regulation (ordo-liberal right Brexiteers) than hitherto. In other words, there are a number of reasons as to why members of business who voted leave may continue to oppose a closer relationship with the EU going forward. We therefore hypothesize:

H10 Out of those who have been negatively impacted by Brexit, Leavers will favour a closer trade relationship with the EU less than Remainers.



Finally, we were interested in whether businesses are aware of some of the trade-offs that either a closer or a more distant trade relationship between the UK and the EU entails. According to Rodrik, states can only ever have two out of the three elements constituting the globalisation paradox. In this article, we have applied the paradox to the EU. Whilst it is generally disputed whether free trade also requires freedom of movement, the latter is required of member states or any other state wishing to access the Single Market (Kröger and Loughran 2022, pp. 5–6). Closer integration therefore means less sovereignty, as states would not be able to decide whether they want freedom of movement or not. Understanding this trade-off would imply that businesses wanting a closer trade relationship with the EU are willing to accept losing the ability to limit freedom of movement. We therefore hypothesise:

H11 Those who are in favour of a closer trade relationship between the UK and the EU disagree with limiting the free movement of labour.

By contrast, there is broad agreement that removing the UK from the trading bloc it immediately neighbours so as to increase sovereignty will make trading with the EU more difficult as well as lead to economic damage. Whereas some might say that economic damage might be overcome with time through domestic investment and/or global trade deals, the fact that trade with the EU becomes more difficult, time-consuming and thus expensive is not contested. We would expect that those who are in favour of a more distant trade relationship with the EU understand these increased trading costs and disadvantages. We thus hypothesise:

H12 Those who are in favour of a more distant relationship agree that Brexit has made trading conditions with the EU more difficult.

Method and data

Why look at businesses in particular, rather than any other group? One might argue that businesses are closest to reality. If there are issues to be spotted with the TCA, they would be the first to notice. They also have the most to lose should the TCA fail to work (for them). Not surprisingly therefore, given the theoretical expectations laid out above, businesses have always been more sceptical of Brexit than the general electorate. Whereas 48% of British voters voted to leave the EU, only 25% of businesspeople did (Bloom et al. 2018), with three out of four seeing Brexit negatively (London First 2018). In 2019, 72% considered that Brexit is the main source of uncertainty for their businesses (Arcangeli and Liu 2019). Furthermore, two out of three larger businesses expected Brexit to have a negative impact on their business in the short run (Albone and Klahr 2020). Furthermore, although there is a considerable amount of data regarding the Brexit vote, the great majority focuses on the UK population as a whole with comparatively less attention focused on UK businesspeople. Even less is known about how businesses assess the workings of



the TCA and how they evaluate Brexit in light of it. At the time of designing our study, no other similar studies were available. Whilst some of the larger umbrella organisations have meantime organised their own research on these or similar questions, the studies are often not available to the public. Where they are and ask the same or similar questions, we refer to them in the findings.

The analysis in this paper is based on a survey of UK business, with respondents holding a higher managerial position. The sample of this survey consists of small, medium, and large businesses in the UK. The majority of our respondents work within manufacturing, retail, and agriculture. We approached trade associations which then disseminated the survey to their members. Our survey ran from March to May 2022 with multiple reminders sent to the associations. We received support from a total of 45 associations, equalling a response rate of 21.8%. Whilst 125 respondents started the survey, 96 participants completed it, and only their responses were taken into account for the analysis.⁶

All the survey items were based on either a 11-point scale or a standard 5 point agree/disagree Likert scale. The survey also contained three open-ended questions which allowed respondents to expand on their answers. The survey overall contained 17 questions and was organised into four sections: business information, trade, labour and regulations, and EU-UK relations.

In the first section, respondents were asked to identify the sector they worked in, the location of their business, the frequency with which they traded with the EU and the size of their business in terms of number of employees and annual turnover, as well as how they voted in the 2016 referendum. These questions were asked as existing data has indicated that these factors significantly shape the impact Brexit has had on businesses (British Chamber of Commerce 2022; MakeUK 2021). In the second and third sections, respondents were asked to rank the impact Brexit has had on different aspects of their business. This included the overall impact, as well as more specifically the changes to the amount of paperwork and transportation costs. It entailed questions regarding the impact Brexit might have on the UK's businesses' domestic, and non-EU trade, and the UK's capacity to strike its own trading deals. It also explored labour shortages, and the desirability of free labour movement and deregulation. Finally, in the last section, respondents were given a brief description of the four main models of external integration and were asked to share their degree of support for each one.⁷ As 73.7% of respondents voted to Remain and 22.1% voted to Leave the EU, we expect the overall responses to be biased towards those given by Remainers.

⁶ We realise this is a fairly small sample. We want to be clear that we reached out very widely, and many umbrella associations helped us circulate our survey to their membership. However, we also heard from some of them that there was a 'Brexit survey fatigue', or, alternatively, that they were about to do their own Brexit-related research and therefore rather not circulate our survey so as to not over-use the spare time of their membership. Having that said, our findings are in line with other most recent findings (see the conclusion), as well as consistent within the data, and we therefore consider them to be relevant as well as representative, if looked at in a broader context.

⁷ A full list of the survey questions can be found in the "Annex".



How British business assess Brexit

To understand if Brexit has delivered on the claims made during the campaign and how British businesses assess the trade relationship with the EU, findings are organized so as to discuss three key issues. Firstly, we present our findings on the perceived impact Brexit has had on economic integration, and particularly, trade with the EU. Secondly, we show how businesses now look at the issue of sovereignty as indicated by their views on freedom of movement, labour shortages, and regulatory autonomy. Finally, we present how these two factors shape the level of support for different kinds of relationship the EU and the UK could form in the future.

Economic integration

In regard to H1, Brexit was reported to have had a negative impact on their business by 78.1% of the respondents, whilst only 12.5% noted a positive impact. Our findings thus confirm our related hypothesis as regards the economic impact of Brexit on UK businesses (see British Chamber of Commerce [2022](#) for similar results).

H2 was not fully confirmed. 88.6% of Remainers reported Brexit having a negative impact on their businesses, whereas 8.6% reported it having a positive impact. As regards Leavers, 47.6% reported a negative economic impact of Brexit whereas only 23.8% saw a positive economic impact.⁸ Indeed, British trade has suffered considerably as a result of Brexit (Office for Budget [2022](#)). This finding is a first indication that the positive outlook that many Leave voters associated with Brexit might have begun to crumble. We will see later whether this also leads Leave voters to prefer a closer trade relationship with the EU in the future, thereby adapting to economic experience, or whether they continue to prefer a more distant trade relationship with the EU, suggesting that they consider that the negative economic impact is a price worth paying for the regulatory independence gained from the EU, and so weigh sovereignty more strongly than economic integration.

The different degrees to which Leavers and Remainers reported a negative impact from Brexit is reflected in the degrees to which both support the TCA. Overall, only 11.6% of all respondents agreed that the EU-UK TCA serves their business interest better than had the UK stayed in the EU. 94.3 percent of Remainers are of the latter view, as are 45% of Leavers, with only 25% favouring the TCA over EU membership. This is roughly in line with the above finding, suggesting that those Leave voters who report a positive economic impact of Brexit favoured the TCA whereas those who report a negative impact considered that EU membership served them better economically (Table 1).

In regard to H3, participants confirmed that Brexit has increased transportation costs and administrative duties (see BCC [2021](#), [2022](#); IoD [2023b](#) for similar

⁸ See Portes [2023](#) for more recent findings according to which only 1 out of five Leave voters consider that Brexit has had a positive impact.



Table 1 How respondents evaluate the TCA serving their business interests compared to having stayed in the EU, in relation to how they voted in the 2016 referendum

| | How did you vote at the 2016 referendum | | |
|---|---|------------------|----------------------|
| | Overall respondents (%) | Leave the EU (%) | Remain in the EU (%) |
| The TCA serves your business interest better than having remained in the EU | 11.6 | 25.0 | 4.3 |
| | 7.4 | 30.0 | 1.4 |
| | 81.1 | 45.0 | 94.3 |



results). Just over 80% reported that Brexit has increased both. Nobody reported Brexit having decreased either their transportation costs or their administrative duties. Indeed, 91.67% of respondents reported that Brexit has made trading conditions with the EU harder. While this percentage is even higher for Remainers at just over 98%, a large majority of Leavers at 76.2% also reports an increased difficulty in trading conditions. The increased barriers to trade with the EU are reflected in considerably reduced imports from and exports to the EU (Du and Shepotylo 2023; Office for Budget Responsibility 2023; Springford 2022). This development has particularly affected small and medium sized businesses, many of which no longer find it viable to trade with the EU (Table 2).

The next two hypotheses relate to how domestic and global trade develops. H4 is not confirmed. Only 12.77% of businesses agreed that Brexit has increased trade domestically while 60.64% disagreed with this statement. Only 26.3% of Leavers and 10% of Remainers reported an increase in domestic trade.

Likewise, the hypothesis that leaving the EU would increase trade outside the EU through global trade deals (H5) is not confirmed. Only 9.48% of participants agree that Brexit has increased their trade to non-EU states whilst 68.42% disagree (for similar results see IoD 2023b). More concretely, 25% of Leavers agree that this was the case, and so do 4.3% of Remainers. Whilst it is early days to see the effect of such new trade deals, the overall trend is confirmed by available data and analysis. For one, hardly any new deals had been achieved at the time of the survey, instead 'new deals' had simply rolled over existing deals with the EU. Where new deals had or have since been concluded, such as the deals with Japan and Australia, the material impact will either be gradual or is too small to be noticed (Hunsaker and Howe 2023; Office for Budget Responsibility 2023).

In sum, then, the trade-related hypotheses which predicted that trade would become more difficult were confirmed. Correspondingly, the hypotheses that expected that cakeism could work were disconfirmed. From what businesses have told us, Rodrik's trilemma therefore appears confirmed so far as economic integration is concerned.

Sovereignty

A key claim of the Leave campaign was that leaving the EU would restore national sovereignty, allowing the UK to control its borders and thus immigration, and restore regulatory autonomy (Menon and Wager 2020). Let us begin by looking at border control and controlling immigration.

Our hypothesis 6 expects that Leavers support that the UK limits the free movement of labour even if it results in labour shortages. A majority of Leavers at 55% agreed with this statement compared to only 1.4 percent of Remainers (Table 3), suggesting that a considerable share of Leave voters disagrees and instead has begun to review its appreciation of the type of Brexit that the British government negotiated.

Our H7 expected that businesses that have actually experienced labour shortages disagree with limiting the free movement of labour. This is confirmed by our



Table 2 The degree in which respondents agree that a benefit of Brexit is that it allows the UK to control immigration, in relation to how they voted in the 2016 referendum

| | | How did you vote at the 2016 referendum | | |
|---|----------------------------|---|--------------|------------------|
| | | Overall respondents | Leave the EU | Remain in the EU |
| A benefit of Brexit is that it allows the UK to control immigration | Agree | 21.3 | 70.0 | 5.7 |
| | Neither agree nor disagree | 17.0 | 10.0 | 18.6 |
| | Disagree | 61.7 | 20.0 | 75.7 |

findings where 76.9% of those who have experienced labour shortages are against limiting the free movement of labour. Still, 11.5% of those who have experienced labour shortages consider that the UK should limit the free movement of labour even if it results in labour shortages. This suggests that these respondents are what one could call the hardcore of Leave voters, for whom keeping immigration under control at all costs is most important, even if it results in difficulties for one's business. This hard core is well below the 24.75% of our respondents that are Leave voters, thereby confirming the above findings that an important share of those who run businesses and voted Leave now privilege economic interest over Brexit ideology (Table 3).

The second way in which Brexit was meant to restore national sovereignty is by allowing the UK to regain regulatory autonomy. Our related hypothesis H8 was that Leavers will be more in favour of diverging from EU regulation than Remainers. This hypothesis was confirmed. Participants were asked whether they would like to increase, decrease or maintain existing regulation in their respective business sector, as well as in the areas of EU employment regulations, roaming charges regulations, and air passenger rights. Starting with regulations in their own business sector, 70% of Leavers favoured decreasing regulations, whereas 30% favoured maintaining regulations. Among Remainers, 22.4% preferred to decrease regulations, while 70.1% favoured maintaining them. Although these numbers confirm our hypothesis, approximately 30% of both groups do not live up to what we expected (Table 4).

The results differ in the areas of mobile roaming, air passenger rights and labour protection laws. For these options that are more clearly referring to protections that directly benefit consumers, both groups voted to maintain protections, with Remainers as expected doing so in higher percentages. Unlike the case of regulations in their respective business sectors, only approximately a third of Leavers opted for decreasing regulations they see as directly beneficial to consumers. Indicatively, 70% of Leavers wanted to maintain EU labour protections, 60% defended not having roaming charges, and 65% wanted to maintain EU protections for air passengers (Table 4).

In sum, as regards the sovereignty-related expectations, we see a mixed picture. Whilst the majority of Leavers relates to sovereignty-related issues such border



Table 3 The degree to which respondents think that the UK should limit the free movement of labour even if it results in labour shortages in relation to the following factors: how they voted in the 2016 referendum, if they experienced labour shortages, if they support immigration control

| | | Respondents who: | | | | | | |
|--|----------------------------|-------------------------|---------------------------|-------------------------------|---------------------------------------|---|---|--|
| | | Overall respondents (%) | Voted to leave the EU (%) | Voted to remain in the EU (%) | Have experienced labour shortages (%) | Have not experienced labour shortages (%) | Agree immigration control was a benefit of Brexit (%) | Disagree that immigration control is a benefit of Brexit (%) |
| The UK should limit free movement of labour even if it results in labour shortages | Agree | 14.9 | 55.0 | 1.4 | 11.5 | 17.5 | 55.0 | 3.4 |
| | Neither agree nor disagree | 7.4 | 10.0 | 5.7 | 11.5 | 6.3 | 10.0 | 3.4 |
| | Disagree | 77.7 | 35.0 | 92.9 | 76.9 | 76.2 | 35 | 93.1 |





Table 4 The degree to which respondents think that following Brexit the UK should deviate from EU regulations in their business sector in relation to how they voted in the 2016 referendum

| | Leave the EU | | | Remain in the EU | | |
|--|------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Decrease regulations ... (%) | Maintain regulations (%) | Increase regulations (%) | Decrease regulations (%) | Maintain regulations (%) | Increase regulations (%) |
| ... in their business sector | 70.0 | 30.0 | 0.0 | 22.4 | 70.1 | 7.5 |
| ...from EU employment regulations | 30.0 | 70.0 | 0.0 | 4.3 | 81.2 | 14.5 |
| ...from EU regulation on Roaming charges | 35.0 | 60.0 | 5.0 | 14.7 | 76.5 | 8.8 |
| ...from EU regulations on air passenger rights | 25.0 | 65.0 | 10.0 | 2.9 | 91.2 | 5.9 |

control and autonomous regulation as we would expect them to, almost half of them did not agree with limiting free movement of labour even if it results in labour shortages, and only 11.5% of those businesses that have experienced such shortages are still in favour of limiting said freedom, which is considerably below our share of Leavers. Similarly, and against our expectation, almost a third of Leavers favoured maintaining existing regulations in their sector as opposed to deregulating it.

Preferred models of external integration moving forward

Finally, respondents were given four models of what a future EU-UK relationship could look like, based on established models of external integration. This included a short description of the main features of the Single Market, a Customs Union, CETA and WTO based relations. Respondents were asked to grade each model on a scale of 0–10 indicating their level of support for each of the scenarios, where 0 = do not support at all, and 10 = completely support. Grades from 0 to 3 were coded as low support, 4–6 as medium support, and 7–10 as high support. Our related hypothesis H9 was that those who have experienced a negative economic impact from Brexit would favour a closer relationship in the future.

Our findings confirm this hypothesis. Businesses that reported a negative impact of Brexit were more likely to vote highly for models that allowed a closer relationship with the EU, in particular the Single Market model (84.1%, Table 5). By contrast, of those who reported a positive impact from Brexit, only 30% favoured the Single Market while the CETA model gained considerably more support (60%). These findings are mirrored by recent positions of large business associations on the future trade relationship with the EU and which likewise prefer a closer relationship moving forward, given the trade barriers that the current agreement establishes (BBC 2021; IoD 2023b).

H10 refined the previous hypothesis in that it expected that of those who have seen a negative economic impact from Brexit, Leavers will favour a closer trade relationship with the EU less than Remainers. This hypothesis is confirmed (see also Hix et al. 2023). Leavers who had experienced a negative economic impact supported CETA at 57.1% (against 80% of those who had seen a positive impact), while 50% strongly supported the Single Market. Remainers who had suffered a negative impact from Brexit highly supported the Single Market at 88.1% (against 60% of those who had seen a positive impact) compared to 8.6% who highly supported CETA (Tables 6, 7). The findings show that for both groups, economic impact significantly changes the degree of support for closer economic integration. We also see that having been negatively impacted by Brexit economically does not necessarily mean that all Leave voters now prefer a closer trade relationship in the future. Again, this signals the persistence of a hard core of Leave voters who prefer economic damage to a closer relationship with the EU.

Our last two hypotheses looked at whether businesses understood the trade-offs that might arise from having either a closer or a more distant trade relationship between the UK and the EU in moving forward. H11 explored whether those in favour of a closer trade relationship between the UK and the EU were also happy



Table 5 The degree to which respondents support different models of external integration in relation to the kind of financial impact they experienced from Brexit

| | Financial impact | | | | | | | | |
|---------------|------------------|--------------------|-----------------|------------------|--------------------|-----------------|------------------|--------------------|-----------------|
| | Positive impact | | | No impact | | | Negative impact | | |
| | High support (%) | Medium support (%) | Low support (%) | High support (%) | Medium support (%) | Low support (%) | High support (%) | Medium support (%) | Low support (%) |
| Single Market | 30.0 | 0.0 | 70.0 | 33.3 | 0.0 | 66.7 | 84.1 | 8.7 | 7.2 |
| Customs union | 22.2 | 0.0 | 77.8 | 0.0 | 0.0 | 100.0 | 45.0 | 31.7 | 23.3 |
| CETA | 60 | 20.0 | 20.0 | 57.1 | 14.3 | 28.6 | 18.2 | 27.3 | 54.4 |
| WTO | 30 | 30.0 | 40.0 | 33.3 | 16.7 | 50.0 | 10.5 | 13.2 | 76.3 |



Table 6 The percentage of Leavers and Remainers who had a positive or negative financial impact from Brexit who show low, medium and high support for the Single Market

| | | Leave the EU (%) | Remain in the EU (%) |
|---------------------------|----------------|------------------|----------------------|
| Positive financial impact | Low support | 100.0 | 40.0 |
| | Medium support | 0.0 | 0.0 |
| | High support | 0.0 | 60.0 |
| Negative financial impact | Low support | 25.0 | 5.1 |
| | Medium support | 25.0 | 6.8 |
| | High support | 50.0 | 88.1 |

Table 7 The percentage of Leavers and Remainers who had a positive or negative financial impact from Brexit who show low, medium and high support for CETA

| | | Leave the EU (%) | Remain in the EU (%) |
|---------------------------|----------------|------------------|----------------------|
| Positive financial impact | Low support | 0.0 | 50.0 |
| | Medium support | 20.0 | 25.0 |
| | High support | 80.0 | 25.0 |
| Negative financial impact | Low support | 28.6 | 62.9 |
| | Medium support | 14.3 | 28.6 |
| | High support | 57.1 | 8.6 |

to allow free movement of labour. This seems to be the case. Of those who highly support being part of the Single Market, 93.7% disagree with limiting freedom of movement (Table 8).

Conversely, H12 explored whether those favouring a more distant trade relationship with the EU agree that Brexit has made trading conditions with the EU more difficult? Here, the trade-off seems to be less acknowledged, particularly by those who favour the most distant trade model which is to trade on WTO terms. Still, 66.7% of those who favour such a relationship agree that trading conditions between the UK and the EU have become more difficult, whilst only 22.2% disagree (Table 9).

Table 8 The degree to which respondents support different models of external integration in relation to their agreement that the UK should limit freedom of movement even if it causes labour shortages

| Out of those who preferred: | Agree with limiting freedom of movement | Disagree with limiting freedom of movement |
|-----------------------------|---|--|
| Single Market | 3.2 | 93.7 |
| Customs union | 3.4 | 89.7 |
| CETA | 50 | 33.3 |
| WTO | 66.7 | 22.2 |



Table 9 The degree to which respondents support different models of external integration in relation to their agreement that Brexit has made trading conditions harder

| Out of those who preferred: | Agree that Brexit has made trading conditions harder | Disagree that Brexit has made trading conditions harder |
|-----------------------------|--|---|
| Single Market | 100.0 | 0.0 |
| Customs union | 100.0 | 0.0 |
| CETA | 66.7 | 16.7 |
| WTO | 66.7 | 22.2 |

Inflicting self-harm by voting for a scheme that means running your business will become more difficult or even financially unsustainable, requires an explanation. We can think of three possible explanations, all of which are linked to gains in sovereignty (see Hix et al. 2023): deregulation, immigration control and bespoke global trade deals. 36.8% of those favouring the most distant trade relationship with the EU are in favour of more deregulation in their own sector (Table 10). 66.7% considers the ability to control immigration a benefit (Table 11), while 77.8% of those that supported a WTO model agreed that more difficult trading conditions with the EU are a price worth paying for the UK to pursue its own trading deals. The hard core of pro-Brexit business voters, therefore, seems more interested in controlling immigration than in deregulation.

In sum, our hypotheses were confirmed and show that those who have been negatively affected by Brexit are more willing to have a closer trade relationship with the EU moving forward. Furthermore, the main trade-offs of a soft vs. hard Brexit seem to be well understood by almost all participants, with hard core Leavers preferring to control immigration at the expense of a more difficult trade relationship with the EU (Hix et al. 2023).



Table 10 The degree to which respondents support different models of external integration, in relation to how they value the UK's regulatory autonomy in their business sector

| | Following Brexit, respondents would like the UK to: | | | | | | | | |
|---------------|---|--------------------|-----------------|---|--------------------|-----------------|--------------------------------------|--------------------|-----------------|
| | Decrease regulations in their sector | | | Maintain existing regulations in their sector | | | Increase regulations in their sector | | |
| | High support (%) | Medium support (%) | Low support (%) | High support (%) | Medium support (%) | Low support (%) | High support (%) | Medium support (%) | Low support (%) |
| Single Market | 53.8 | 15.4 | 30.8 | 82.7 | 3.8 | 13.5 | 80.0 | 0.0 | 20.0 |
| Customs union | 30.4 | 17.4 | 52.2 | 43.5 | 30.4 | 26.1 | 0.0 | 33.3 | 66.7 |
| CETA | 60.0 | 15.0 | 25.0 | 17.1 | 28.6 | 54.3 | 0.0 | 25.0 | 75.0 |
| WTO | 36.8 | 26.3 | 36.8 | 6.5 | 12.9 | 80.6 | 0.0 | 0.0 | 100.0 |



Table 11 The degree to which respondents support different models of external integration in relation to how they value the UK's capacity to control immigration
 A benefit of Brexit is that it allows the UK to control immigration:

| | Agree | | | Neither agree nor disagree | | | Disagree | | |
|---------------|------------------|--------------------|-----------------|----------------------------|--------------------|-----------------|------------------|--------------------|-----------------|
| | High support (%) | Medium support (%) | Low support (%) | High support (%) | Medium support (%) | Low support (%) | High support (%) | Medium support (%) | Low support (%) |
| Single Market | 33.3 | 13.3 | 53.3 | 78.6 | 7.1 | 14.3 | 83.9 | 5.4 | 10.7 |
| Customs union | 21.4 | 0.0 | 78.6 | 35.7 | 28.6 | 35.7 | 45.7 | 32.6 | 21.7 |
| CETA | 75.0 | 0.0 | 25.0 | 18.2 | 45.5 | 36.4 | 18.2 | 45.5 | 58.8 |
| WTO | 37.5 | 18.8 | 43.8 | 0.0 | 33.3 | 66.7 | 10.3 | 10.3 | 79.3 |



Conclusion

According to Rodrik, there is a globalization paradox between democracy, national sovereignty, and (global) market integration where only two out of these three can ever be achieved. The EU can be portrayed as an attempt at balancing all three elements (Bellamy 2019), though it has been criticized for failing to do so. This paper examined whether the trilemma's assumptions hold for the UK or whether Leave campaign's claims hold that it is possible to reconcile national sovereignty, domestic democracy, and regional market integration, as perceived by business people. Amongst other effects, we expected Brexit to have a negative economic impact. We also expected that Leavers would be keener on limiting freedom of movement and increasing regulatory autonomy than Remainers, which would lead Leavers to prefer a looser trade relationship with the EU in the future than Remainers.

The majority of respondents reported that Brexit has had a negative impact on their business, including Leave voters. Likewise, higher percentages of both Leavers and Remainers disagree that the TCA better serves their interests than having remained in the EU would have done. Sovereignty in terms of border control and regulatory autonomy is more important for Leave than for Remain voters. The majority of Leavers support that the UK limits freedom of movement even if it results in labour shortages. Furthermore, a large majority of Leavers preferred to decrease EU regulations in their business sector. By contrast, the majority of Remainers wanted to retain freedom of movement and maintain regulations in their respective business sector, although around 30% would prefer for the UK to diverge from EU rules, which was unexpected. In terms of preferred models of external integration, Leavers favour CETA whereas Remainers favour the Single Market. Only a small minority of our sample, and the minority amongst Leave voters in our sample, now considers the economic impact of Brexit a price worth paying and as a result favours a distant trade relationship with the EU moving forward. Finally, the main trade-offs between a softer and a harder trade deal with the EU seem to be understood by the large majority of businesses. These findings are confirmed by publicly available data and statements, though direct comparisons are difficult given the different phrasing of questions as well as the unavailability of the full data sets of this research.

Overall, the findings seem to confirm Rodrik's trilemma. The hypotheses that come out of his theory are confirmed, whereas the hypotheses that can be linked to cakeism are disconfirmed, including by the large majority of Leavers. The claim that the UK could regain its sovereignty whilst at the same time obtaining greater economic benefits from increased global trade and domestic production proves to be regarded as false even by most of those who voted to Leave the EU. Indeed, new trade deals, in particular, have either not benefitted the British economy or enhanced national sovereignty, as with Australia (Dearden 2023) or are not in sight, as with the USA. Increased sovereignty, in other words, has not led to better democratic representation nor to more growth or competitiveness.⁹

What are the broader conclusions in terms of the UK's trade (and political) relationship with the EU? In summer 2023, the realisation that the current trade terms

⁹ We do appreciate that other market forces outside the trade relationship of interest here were also relevant, such as covid19 and the war in the Ukraine.



with the EU are not beneficial seemed to have reached a large percentage of the population (WhatUKThinks 2023) who, as a result, want a closer relationship with the EU (Best for Britain 2023; Curtis 2023). While there is, unsurprisingly, a hard core that continues to privilege a very hard Brexit and thus fuller sovereignty over better trade conditions with the EU, as well as the absence of freedom of movement, amongst business people this group is now a very small minority in absolute terms. This finding suggests that it is the economy after all, rather than ‘nationalist resistance’ (Hooghe and Marks 2019, p. 1123) that matters in the end—for business-people anyway. It is helpful to remind ourselves, however, that the large majority of businesses has always been critical of leaving the EU.

The preference for a closer relationship with the EU might become even more accentuated in the future in the event that greater national sovereignty fails to translate into more domestic democratic control over trade and borders. At things stand, these days Britons trust EU institutions more than their own Parliament (Duffy et al. 2023)—a development that should provide food for thought, not least for defenders of strong national sovereignty. To avoid being caught on the democratic part of the trilemma, politicians may need to acknowledge that public opinion has moved on, at least to some extent, from the polarised Brexit world of Remain vs. Leave. Whilst we see the persistence of a hard core of Leave voters who prefer economic damage to a closer relationship with the EU, our findings suggest that an important proportion of Leave voters have begun to review their appreciation of the type of Brexit that the British government negotiated (see also Hix et al. 2023).

We do appreciate, however, the limitations of our sample, which is fairly small and in which Remainers are over-represented. Moving forward, it would be worth exploring whether the overall trend is confirmed in a larger sample and as the effects of Brexit keep unfolding. If so, this would increase the pressure on politicians to change course as regards the relationship the UK entertains with the EU. Likewise, it would be interesting to explore whether those Leave voters who consider Brexit to have negatively affected their business interests would still vote to leave if asked again, or whether they have changed their mind meantime.

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Data availability The research data supporting this publication are openly available from the University of Exeter’s institutional repository at: <https://doi.org/10.24378/exe.4726>.

Ethics approval

The research that led to this article received ethics approval from the University of Exeter.

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Annex

Survey questions

Personal Information

1. How did you vote in the 2016 referendum?
2. What sector do you work in?
3. Where is your business based?
4. How many people does your company employ?
5. What is the annual turnover of your business?

Trade

6. How often do you import, export or transport goods to and from the EU?
7. What kind of financial impact has Brexit had on your business?
8. What kind of impact has Brexit had on the paperwork you have to do for your business?
9. What kind of impact has Brexit had on transportation costs for your business?
10. To what extent do you agree with the following statements.

- Brexit has made trading conditions with the EU more difficult
- Harder trading conditions with the EU would be a price worth paying for the UK to pursue its own trade agreements with non-EU states
- The new relationship that the UK has negotiated with the EU after Brexit serves the interests of your company better than if the UK had stayed a member state of the EU
- Brexit has increased trade for your business domestically
- Brexit has increased trade for your business with non-EU states

11. Please answer the following:

On a scale of 0–10, where 0 is not at all and 10 is completely, how much do the current trading conditions match the expectations you had before the referendum of what leaving the EU would mean for your business?



12. To the extent that the current trading conditions do not correspond to the expectations you had before the referendum as to what leaving the EU would mean for your business, please explain why.

Labour and regulations.

13. Have you experienced any labour shortages?
14. If yes, please specify.
15. Please indicate the extent to which you agree or disagree with the following statements.

- A benefit of Brexit is that it allows the UK to control immigration
- The UK benefits from EU immigrants who work and live here
- The UK should limit free movement of labour even if it results in labour shortages

16. Having left the EU, the UK does not have to follow EU regulations. The UK could use this as an opportunity for decreasing regulations, it could maintain existing regulations, or it could increase higher regulatory standards. Please indicate how you would like the UK to act in the following cases.

- In your business sector
- Compared to EU employment regulations protecting holiday pay, compensation or maximum working hours per week
- Compared to EU regulations eliminating Roaming charges from phone companies
- Compared to EU air passengers' rights entitling consumers to compensation for delayed or cancelled flights

EU-UK relations

17. The following scenarios describe what a future UK-EU relationship might look like, going from a very close to a very distant relationship. On a scale of 0–10, please indicate your level of support with each of the scenarios, with 0 = do not support at all and 10 = completely support.

- Free movement, Single Market access, No custom borders, Contributing to and complying with EU laws, No independent trade deals
- Free movement, Single Market access, Some customs checks, Complying with EU laws without having voted on them, No independent trade deals



- No free movement, No tariffs or quotas in trading goods, Some customs checks, No complying with EU law, Independent trade deals
- No free movement, No preferential trade deal with the EU, No compliance with EU law, Independent trading deals

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