WWJMRD 2025; 11(08): 85-86
www.wwjmrd.com
International Journal
Peer Reviewed Journal
Refereed Journal
Indexed Journal
Impact Factor SJIF 2017: 5.182 2018: 5.51, (ISI) 2020-2021: 1.361
E-ISSN: 2454-6615

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What Went Wrong with Brexit?

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Abstract
Brexit referred to the withdrawal of the United Kingdom (UK) from the European Union (EU). Immigration emerged as a key focus of the debate as Britain's relative economic strength attracted tens of thousands of Europeans looking for work and putting additional strains on the labour market and local services. Those campaigning for Brexit said the EU was undemocratic, wasteful, tied up U.K. businesses with red tape and that Britain needed leave to regain control over a range of policy areas from trade to immigration.
Britain left the EU legally and politically on January 31, 2020, but followed EU rules until the end of 2020, during a transition period for trade talks.
Eight years after the referendum, Britain had a serious case of "Bregret." About 65% of Brits said that, in hindsight, leaving the EU was wrong. Just 15% said the benefits have so far outweighed costs.
By putting up barriers to trade and migration with the EU, Brexit slowed trade and hurt business investment.
For the first time since records began in 1955, British households, when adjusted for inflation, were on average poorer. Brexit proved a disappointment to its supporters.

Keywords: Brexit, European Union, tariffs, United Kingdom

Introduction
Brexit referred to the withdrawal of the United Kingdom (UK) from the European Union (EU) after Britain's 51.9%-to-48.1% decision to leave the EU (Edgington, 2020).
Immigration emerged as a key focus of the debate as Britain's relative economic strength attracted tens of thousands of Europeans looking for work and putting additional strains on the labor market and local services. U.K.'s membership in the EU meant it was unable to limit the free movement of people within the bloc. Those campaigning for Brexit said the EU was undemocratic, wasteful, tied up U.K. businesses with red tape and that Britain needed leave to regain control over a range of policy areas from trade to immigration (Evans, 2016).
Britain left the EU legally and politically on January 31, 2020, but followed EU rules until the end of 2020, during a transition period for trade talks. To ease pressures, the U.K. delayed new border procedures on imports. from the EU until July 1 (Norman and Colchester, 2020).
UK goods exported to the EU fell 40.7 per cent in January 2021, while imports dropped 28.8 per cent. Seafood saw an 83 per cent fall in sales to Europe. UK goods exported to Ireland fell 47 per cent in January 2021, compared with the previous month, the sharpest fall across all UK destinations (Giles, Foster, and Romei, 2021).
The largest decline in exports to the EU occurred in food products, which plunged 63.6 per cent in January 2021. Manufacturers faced new layers of bureaucracy since the UK was no longer in the EU. The volume of goods and services produced in the UK was 9 per cent smaller than in February 2020. Services, which were 80 per cent of UK economy, were the worst sector, fell 3.5 per cent in January 2021, compared with the previous month (Giles, Foster, and Romei, 2021).
Brexit left UK's services bewildered by an array of visa and work permit restrictions. This was troublesome because of the size and importance of professional services. Service exports

were 46 per cent of total UK exports. Before Brexit, professional qualifications, such as accounting, were recognized by the EU. The UK wanted continued mutual recognition post-Brexit, but the EU refused, those with qualifications accepted in EU continued recognition (Skapinker, 2021).

Business groups warned that the new import controls added considerable pressure on small businesses in 2022. Imports from the EU, accounted for 50 per cent of all UK imports, are worth £300bn in 2020. Goods needed to be 50 per cent made in UK to qualify for export to EU tariff-free and vice versa for EU goods exported to the UK (Shotter, Dunai, Foster, and Peter, 2022).

The U.K. and the EU agreed on a trading arrangement for Northern Ireland. Goods going from Britain to be sold in Northern Ireland did not need checks. Goods going onward to the EU needed to be checked. Northern Ireland remained in the EU's customs union subject to the bloc's laws and rules over which Northern Ireland had no say (Colchester and Norman, 2023).

In 2022 net migration to the UK rose to an all-time high of 606,000. This contrasted with the Conservatives' 2019 pledge that "overall numbers came down" (Fisher and Strauss, 2023).

Eight years after the referendum, Britain had a serious case of "Bregret." About 65% of Brits said that, in hindsight, leaving the EU was wrong. Just 15% said the benefits have so far outweighed costs (Colchester, Luhnow, and Mitchell, 2024).

Since 2016, Britain's economy slowed to a crawl, growing an average 1.3% versus 1.6% for the G-7 countries. By putting up barriers to trade and migration with the EU, Brexit slowed trade and hurt business investment. It caused political turmoil while Britain debated how to leave the EU. It polarized the UK, half of which saw it as a unique chance to regain British sovereignty. Once outside the trade bloc, Britain had to in-source extensive administration previously managed by the EU, from trade in food and medicine regulations. Since Brexit, the U.K. civil service expanded by about 100,000 people (Colchester, Luhnow, and Mitchell, 2024).

For the first time since records began in 1955, British households, when adjusted for inflation, were on average poorer. Brexit proved a disappointment to its supporters. While Europeans were no longer free to move to the U.K. for work, immigration rose to record highs in 2022 and 2023 and was only slowly falling (Colchester and Luhnow, 2024).

Trump's tariffs onslaught on Tariff Liberation Day on April 2,2025, continued 25 per cent tariffs on steel, aluminum, cars, and an additional 20 per cent baseline global levy. On the other hand, the UK was not spared from 25 per cent tariffs on steel, aluminum, cars, but was limited to a 10 per cent baseline global levy despite its balanced trade relationship with the US. A positive impact of Brexit was that the UK received a 10 per cent reciprocal tariff on imports to the US as opposed to the 20 per cent reciprocal tariff levied on EU Imports to the US (Inagaki, Fisher, and Parker, 2025).

Even with the difference in reciprocal tariffs, it may take years before the majority of Britons believe that leaving the UK was a promising idea.

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