

Budding buddies? The rocky road to boosting UK-EU development cooperation after Labour's landslide victory

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Summary

The UK election on 4 July marks a potential new era for post-Brexit UK-EU relations. In this brief, we offer background insight and explore the challenges and opportunities of achieving UK-EU collaboration on development. Labour's victory, led by Europhile leaders who value multilateralism, could open doors to rebuilding connections with the EU. But the new government, keen on mending burnt bridges, faces an EU with its own political challenges, changing leadership and shifting priorities – an EU for which relations with the UK are not necessarily a prime concern.

Labour's ascent signals a stark departure from the previous Conservative administration, defined for its Brexit stance, and within the development sector, for its drastic aid cuts and downgrading of the country's development capabilities and ambitions. However, key figures like Nigel Farage still influence UK public opinion, and Brexit has had enormous consequences for how the EU continues to view the UK. Labour and senior UK officials would do well to approach potential collaboration with realism, humility and a longer-term horizon.

The new government's commitment to international cooperation has some alignment with the EU's strategic agenda. However, the UK and the EU are also economic competitors, and the development agendas of the EU and other major partners have moved on. The journey ahead for the UK requires navigating complex political landscapes domestically, in Europe and globally. The EU's cautious stance and rightward shift, and the UK's internal political and economic fragility suggest that progress will be slow and contested. Building development cooperation into other agreements, such as a potential UK-EU security partnership, could be one way forward.

Introduction

The UK election on 4 July potentially ushered in a new, friendlier era for UK-EU relations, and development policy could play an important role in rebuilding this connection thoughtfully. However, the situation could quickly sour due to shifting UK public opinion and challenges in repairing the strained UK-EU relationship. Moreover, amidst the EU's growing list of priorities or its evolving development policy, improving relations with the UK does not feature highly.

What happened in the UK?

Labour won the election with a large majority, as polls had predicted after a dire campaign framed by senior ruling party Conservative insiders who put bets on the election date before it was announced. For some, this incident summed up the feeling of self-interest and incompetence.

Now in power are - for the vast majority, including the new prime minister, chancellor (finance) and secretary of state for foreign, commonwealth and development affairs - a set of Europhiles, who understand why multilateralism matters and genuinely care about it. They are also politicians who in the aftermath of the 2016 UK referendum that led to the decision to leave the EU (won 52% to 48% by leavers) tried to push for a second referendum... or at least make for a less 'hard' Brexit.

It is really a double-take moment. Gone are the Conservatives and those who supported Brexit, cut the UK aid budget dramatically and closed/merged the Department for International Development (DFID), and then [spent half of all UK bilateral aid in the UK](#). This includes former prime ministers Liz Truss, who lost her seat – as did almost half of the cabinet – and Theresa May, who retired.

Or maybe the Brexit promoters and official development assistance (ODA) cutters are not gone? While the main reason behind the Labour win was a growing sense that “Britain is broken” or “nothing works”, Nigel Farage, the politician and former member of the European Parliament (MEP) who provoked and promoted Brexit for years up to and beyond the 2016 UK referendum, also played a role. Farage, who leads the right-wing Reform UK Party, formerly called the Brexit party, was very prominent in the election campaign and is a serial and shrewd campaigner. Illustrating the shift in approach, Farage now wants a referendum on whether climate change matters [by scrapping the UK’s legally binding net zero commitment for 2050](#).

In this election, Farage split the UK’s right-leaning vote between Reform and the Conservatives and took over four million votes for his party (a party styled on the Canadian party that took on, supplanted and finally merged with the Canadian Progressive Conservative Party in the 1990s and early 2000s).

In short, one in seven of those who voted, voted for Reform, continuing the trend of the far-right parties growing in large European countries, as witnessed in the European Parliament elections. As the UK is a first-past-the-post electoral system, the Reform Party only got five members of parliament (MPs). However, that smaller number of Reform MPs may give a false impression, as Reform came second in over 100 seats. Further, the landslide of Labour obliterated the Conservatives in Parliament (to just 121 of the 650 MPs). This means that the UK’s right may well realign and do so possibly around Farage or someone similar.

One potential pro-EU counterbalance – and ally for Starmer – could be the Liberal Democrats, who did well and now have 72 seats. They campaigned on rebuilding the relationship with the EU; initially around foreign policy cooperation and partnerships with the EU associations, agencies and initiatives, and ultimately

seeking to rejoin the single market and the EU as 'a longer-term' objective. Yet, the even more openly pro-EU Scottish National Party (SNP) lost massively to Labour in Scotland, although this had nothing to do with the SNP's EU stance.

Further, the electoral coalition that produced Labour's huge win is actually quite fragile and prone to shifts in public opinion. In other words, voter coalitions that look strong can be easily swept away like an impressive sandcastle as the tide comes in. [This sandcastle theory](#) is especially relevant to populist politics and its impact on seemingly strong and stable traditional parties. Such parties may lose their base voters suddenly and without warning. It implies a need for vigilance from party strategists and constant engagement with voters to look for early warning signs. As Farage is now a member of the UK parliament (he was elected in Clacton, on England's east coast), he could rejoin the Tories or seek to merge Reform and the Conservatives. This would significantly change the UK political landscape.

In sum, a generally Europhile, anti-Brexit, multilateralist Labour Party just replaced the opposite. And while that may be good news for those in favour of international cooperation, they should not celebrate too early. The electoral coalition may be fragile. If Farage becomes the official leader of the Conservative Party or a merged Reform/Conservative hybrid party or collaboration, in due course, the sheer noise and media attention he can guarantee may frame public debate – even with a Labour government that secured a large majority. To give some sense of the likely noise beyond immigration: Reform's main proposal for global development policy is to cut UK aid by 50%.

If Labour fails to deliver quickly on economic growth, rising incomes and public services, Farage could potentially become a real threat in the next UK general election in 2029. In fact, adding Farage's share of votes to the Conservatives' share in this election results in a total that exceeds Labour's share. Further, 40% of those eligible did not vote at all, suggesting a disaffected environment potentially ripe for populism. In its manifesto, Labour committed to lowering the voting age to 16 from 18 years. This move could benefit them, although younger voters could also be swayed by the resurgent Green Party (now four MPs), or simply not vote. Therefore, several factors could make the 2029 election significantly different.

Why does this matter to global development policy and the EU?

Firstly, the new UK government will want to rebuild burnt bridges and will be keen – in private at least, and maybe in public – to rebuild its relationship with the EU. Brexit is seen as a failure by much of the UK public but, surprisingly, not as Farage's fault, as he contends that the Conservatives botched Brexit.

But times change – also in Europe. The Labour government will have to rebuild a relationship with a more right-leaning Europe and a more right-wing European Commission, particularly when the full roster of Commissioners is approved.

Secondly, the new UK government has a large majority, so things that may have seemed impossible become plausible, especially so reframing debates for a new era such as fixing public services with new funds from wealth taxes (which are under consideration) or the expansion of 'windfall' taxes on energy companies (which already exist in the UK). That said, these are not politically driven ideas. Starmer is a former senior civil servant. His approach to policy tends to be pragmatic and even technocratic, and strategic rather than ideological.

However, the Labour government will have a major bandwidth problem – a bad mix of higher debt, weak growth and a need for at least some austerity measures or tax rises, given the dire state of public services.

In fact, there is already a 'shit list' of issues to deal with, prepared by Sue Gray, the chief of staff of incoming prime minister Starmer (and an ex-senior civil servant). The list includes the potential bankruptcy of a major water supplier and some universities, alongside a fragile National Health Service, prisons unable to physically fit any more prisoners and various other acute problems (all amid fiscal constraints). Inevitably, the new government's main focus will very much be on the domestic side, not the EU or development cooperation.

Thirdly, with relevance to global development policy and to the EU, many new Labour MPs come with development NGO and/or europhile backgrounds. New foreign secretary David Lammy is an overt europhile. Development minister Anneliese Dodds, who will also serve as minister of state for women and equalities

in the education department, is a former MEP. Stephen Doughty, who is also appointed as a minister of state in the Foreign, Commonwealth and Development Office (FCDO), worked at Oxfam International and was the former head of Oxfam Cymru – Wales.

Additionally, some familiar faces have returned – like Douglas Alexander, former DFID secretary of state and now appointed as minister of state in the business and trade department, and Gordon Brown’s key advisor, Kirsty McNeill. Tony Blair, former EU commissioner Peter Mandelson and Gordon Brown are key advisors to Starmer, who listens closely. The left of the party has been squashed by the selection of many centrist MPs – also known colloquially as the ‘Starmtroopers’.

So, from the UK side, there is a clear interest in and potential for rebuilding global development policy, both in terms of the UK’s own role and potential cooperation with the EU. But with the noisy influence of Farage doing what he is so skilled at – shifting public opinion – Labour will need to keep a very close eye on UK public opinion and Farage if it wants to win a second term. Farage’s rise will not go unnoticed in the EU either.

What could improve the EU-UK relationship on global development policy?

The EU was consciously not a major part of the UK election campaign (Brexit was barely mentioned), and international cooperation with Europe even less so. Yet if the new Labour government wants to develop a better relationship with the EU on development cooperation, it will need to navigate four challenges and make the best of four opportunities.

Firstly, the UK-EU relationship on development cooperation will be almost wholly determined by how well the overarching relationship between the UK and EU turns out to be. In its manifesto, Labour already ruled out trying to join the EU’s customs union and the single market or, for that matter, to even try and begin a path to EU membership itself. This was a political rather than an economic calculation.

In reality, and off the record, there may be a desire among Labour politicians to do everything imaginable short of rejoining, yet their actual options will be limited – unless they are willing to move some fairly fundamental red lines or go back on their own manifesto commitments. That is something [Keir Starmer himself seemed to emphatically rule out on the eve of the election](#), both in the short term and the longer term.

On the EU side, there is also no desire to welcome back such a difficult and unpredictable country – particularly in already very volatile times for the EU. With Farage in the wings, this risk only increases. The levels of trust in the UK are still very low on the EU side, despite a change of government and faces. This distrust runs much deeper than most UK-based analysts and most Labour politicians and their political advisors realise. Labour politicians and officials are in for a shock if they think they will really be trusted in the EU, or that the EU's negotiating lines for better collaboration will change just because they were not Brexiteers or have a history of being Europhiles.

Significant UK-EU political and economic irritants are also likely to remain and flare up from time to time around migration or trade, even if Labour will attempt to address some of these. Beyond this, some UK politicians and even some senior officials still have not received the memo that they will first need to invest in building trust and adopting a humble approach.

The situation is very different from the last time Labour was in power in the UK in the 2000s, when the UK was one of the four major players influencing EU development policy from the inside. As a non-member, the UK's role has radically changed. The UK – even under a new (Labour) government – is certainly not seen in the same way by the European development sector as during the DFID glory years of the late 1990s and early 2000s. There are huge limits to the UK's soft power and agenda-setting ability with the EU or the development sector within wider Europe.

Secondly, the EU likes to have international structures and agreements, and ad hoc arrangements are more difficult and risky to manage. Bringing back the UK also revives bitter memories of ['cakeism'](#) and 'cherry-picking', when Brexiteers suggested they could selectively retain the parts of EU membership they liked. The idea that, as a non-member, the UK Labour government could simply plug into the EU's ongoing foreign affairs and development cooperation decision-making

setup is pure fantasy. The UK foreign secretary might be invited to attend specific sessions during the EU's Foreign Affairs Council from time to time, but this would be on an ad hoc basis.

Indeed, without a more structured cooperation agreement that incorporates development policy and related aspects, EU officials lack the authorising environment to engage in substantial dialogue or planning with their UK counterparts. UK ministers can come to Brussels and have good lunches and talks, but follow-up will be minimal without some kind of agreement underpinning it.

Thirdly, the EU and the UK have increasingly shifted away from framing development cooperation solely around poverty alleviation and the Sustainable Development Goals (SDGs), even if the UK was moving back in this direction even before the election. The EU, with its [Global Gateway strategy primarily related to connectivity and infrastructure, increasingly sees development cooperation as a direct complement to its growing geopolitical ambitions](#) and economic interests, and as a way to provide 'better EU offers' to partners in a more competitive world.

Forging a better link between EU internal and external policies has been further reinforced by the [EU's strategic agenda for 2024-2029](#), which was recently agreed by EU heads of government and lays out the political strategic priorities for the EU (note the lack of any mention of the UK).

Indeed, [development policy across Europe is undergoing profound changes](#) with self-interest and national political priorities taking a much stronger role. There will be times when the EU and the UK are direct economic competitors when it comes to things like market share, critical raw materials and investment opportunities in partner countries.

While there may be warm words about 'shared' values and commitment to multilateralism between the UK and the EU, in many areas there may not be shared economic interests. This competitive, self-interested EU approach may well grow as EU economic recovery is the one thing that almost all the fractious EU political groups can agree on, even if they do not agree on how to achieve it. The UK, which is not formally part of the European economic area, will be looking after its own economic interests as well.

Fourthly, there is no demand from or clear incentive for development partners to promote better UK-EU collaboration. While the EU and the UK together are considered part of the West or Global North, some in the Global South may see closer UK-EU collaboration as a disadvantage to more virtuous competition among their international partners... if they think about EU-UK collaboration at all.

Long gone are the days when addressing 'aid fragmentation' was actually a concern of partners, or donors themselves, for that matter. The UK and the EU will have to find their own incentives for this collaboration, with little to no encouragement from outside.

So, is it all bad news for meaningful collaboration? Not really...

Beyond the challenges, there are actually four opportunities that may well make for a better and more structured EU-UK relationship in global and development cooperation.

Firstly, the current geopolitical environment – particularly the Russian war in Ukraine – will push a new UK Labour government and the new EU leadership closer together. While this is primarily a security consideration, both the UK and the EU are spending unprecedented amounts of ODA in Ukraine. Wise heads on both sides realise that they both have assets and that international collaboration is imperative. In the [first post-election conversation](#) between prime minister Starmer and European Commission President Ursula von der Leyen, security and global collaboration was already the focus.

While the EU is far from united and increasingly rightward leaning, with more political turmoil to come from France, key political leaders in the EU institutions and the UK now hail more from the Europhile centre rather than from the extreme right or left.

The UK Labour Party is part of a European political family (Socialists & Democrats) that has lost some ground in the recent European Parliament elections. But the Socialists & Democrats group is still the second-largest player and has claimed the new European Council president – António Costa, the former prime minister of

Portugal. This means that there is not only political momentum in the UK, but also shared interests and some ‘family’ connections in the EU that can be discreetly capitalised on.

Secondly, and related to the first point, the incoming UK Labour government has indicated it would like to have a UK-EU security partnership. [Given the EU's increased concern with insecurity on its borders](#) and the UK's defence and intelligence assets – and the fact that this does not directly affect the much trickier trade and economic collaboration portfolios – this is not an unrealistic wish. With a bit of imagination, this could also include a number of aspects related to development, climate change and wider global cooperation. New UK foreign secretary David Lammy has already mentioned the desire of a [“new geopolitical partnership”](#) with the EU.

Indeed, the discarded [political declaration on the future EU-UK relationship of 2019](#), the one that former Conservative prime minister Boris Johnson gleefully undermined when he took power, actually did include collaboration on global cooperation, including sustainable development and UK participation in EU development cooperation.

EU agreements with other industrialised countries also have a development cooperation dialogue. The upcoming European Political Community Summit in July, hosted by the UK, will be a good place to start informal discussions with multiple European countries and the EU institutions. But including development and multilateral cooperation in a new UK-EU partnership needs to be thought through from the beginning, by both parties. Both FCDO officials tasked with development and multilateral responsibilities and their EU counterparts need to be involved from the start, and not as an afterthought. A political agreement would be quicker and easier to negotiate, but would have less weight and staying power than a more challenging legal agreement.

Thirdly, even before Brexit, the UK was smart enough to know that it could not just support its own institutions and non-state entities to build informal bridges, float policy ideas or have insight. Indeed, it had to engage those who were genuinely European (and had networks of trust and influence within European capitals or Brussels). However, this withered during consecutive Conservative governments. FCDO officials, always the dutiful diplomats, have tried

very hard to build influence in Brussels after Brexit, but they did not have the political backing, resources or credibility to do this well.

In addition, the baggage of the Brexit government, the political uncertainty in the UK and the messy divorce wore heavily on potential partners and interlocutors. On a more positive note, UK non-governmental entities never fully disengaged, and many are still respected in the EU, although they lack the informal power that being linked to a member state or an EU institutional 'player' entails. Building solid long-term partnerships with European knowledge institutions, think tanks and European-focussed international cooperation networks, as long as this is done with some adeptness and with humility and scale, will serve the UK well.

Fourthly, both the UK and the EU are actually short of cash. Increases in ODA in coming years can be wished for, but this seems unlikely. The UK and the EU are feeling the geopolitical squeeze and rising resentment across countries of the Global South. The UK and the EU's Africa strategies need clarity, leadership and political sponsorship (in the UK's case this is part of the outgoing government's White Paper, which covered the Global South as a whole).

Given their limited resources, it would make sense for the UK and the EU to work together better and tangibly in many domains, and there are certainly things to build on from the G7 and the G20. In the G7, there is the link between the EU's Global Gateway and the G7's Partnership for Global Infrastructure and Investment (PGII) that both EU and the UK are part of. Operationalising private sector engagement and a stronger focus on fragile states within PGII could also be areas of collaboration, as could work on the interlinkages between infrastructure, climate and food security. In the G20, climate finance, multilateralism and eliminating poverty and hunger are priorities where there is EU-UK alignment that could go further. Yet in the wake of a potential return of Trump to the White House, there may well be other geopolitical and geoeconomic reasons for the EU and the UK to partner on the multilateral front.

On some thematic policy topics, such as climate finance, global climate action more generally and [extending the SDGs beyond 2030](#), their interests may actually align. There may be scope to cooperate on aspects of migration, particularly on anti-trafficking (modern slavery), on anti-smuggling activities and on supporting countries with their protection systems. However, migration is a vexed issue for the UK and the EU institutions. Furthermore, the EU itself is always happy to see

countries buy directly into its initiatives, and for its Global Gateway 2.0 (which is likely to get further political sponsorship and bureaucratic energy from a new European Commission), this would be interesting.

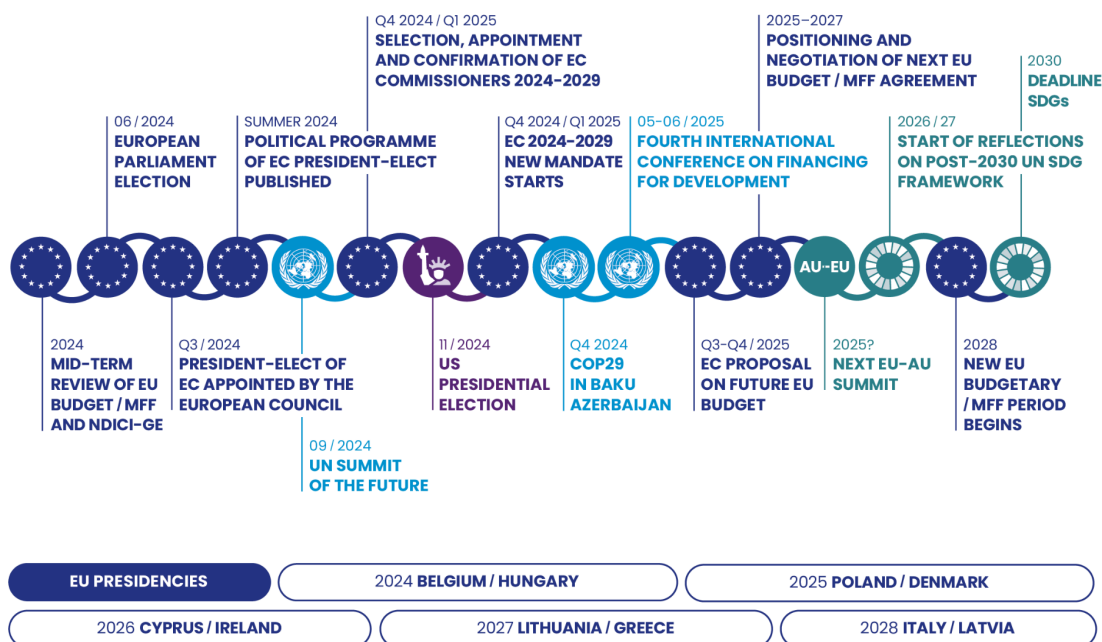
Yet what EU-UK collaboration actually tangibly means for the pressing global development outcomes may be disappointing. Bold and credible new EU-UK initiatives enjoying resources and top-level political sponsorship on debt relief, addressing inequalities, achieving the SDGs, furthering a just green transition, multilateral reform or simply the adherence to international humanitarian law would seem a rather optimistic menu of options. But with better relations, some useful work could be done that, if done well and with humility, could help rebuild UK-EU relations and have a positive development impact.

The road ahead: What is at stake and why does it matter to both the EU and the UK?

The UK business of putting a government together happens remarkably quickly, but the ongoing change of leadership in the EU (including who will hold the key 'development-focussed' portfolio in the European Commission) could extend until beyond Christmas to formally finalise. Indeed, with the EU institutions focussed on getting their leadership approved and appointed in the next few months, things may not move as fast for the UK-EU relationship as some in the UK would want. A number of other key moments looming on the EU and global calendar (see Figure 1 below) will also have to be navigated.

KEY EVENTS AND MOMENTS OF CHANGE

A SELECTION OF KEY EUROPEAN / GLOBAL POLITICAL & POLICY EVENTS AND MOMENTS OF CHANGE



Timing of some EU-related events is subject to slippage and change

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Figure 1: Selection of key events and moments of change in Europe and globally

Not a great deal should be read into the warm congratulatory signals given out in the immediate aftermath of the Labour win by the EU's senior leadership. These are simply diplomatic niceties. Key milestones to see how things are shaping up might be momentum coming out of the European Political Community (EPC), the engagement around the climate finance goal and related discussions at COP29, as well as preparations for the International Conference on Financing for Development in 2025. If a new UK-EU security partnership is actually signed in the next 12 months, the type of agreement (political or legal), the kind of language it includes on development cooperation and the kind of tangible follow-up undertaken will indicate the direction ahead.

While people in the UK have spoken and created a major reset of UK politics, the consequences of the recent elections in France and the upcoming elections in the US (November 2024) and Germany (before October 2025) could be even more of a reset, increasing volatility. It is against this backdrop that future EU-UK relations, and any particular engagement on development cooperation, have to be forged.

Optimistically, small steps to better the EU-UK relationship overall could result in better engagement on multilateral solutions and development cooperation, and this could, in turn, lead to a virtuous circle.

Pessimistically, things could get a lot worse in Ukraine, the Middle East, the Sahel and the Horn of Africa, and with disrespect for international law globally. We could also witness a Trump election in the US, major political disagreements in the EU, and a significant decline in global attention to the impacts of climate change. The current state of the world should steer EU and UK leaders from the political centre to focus on partnerships.

Now would seem like an important time to be building friendlier relations with neighbours... as you never know exactly when you will really need them. Global development cooperation is one policy space to grow the buds.

Explore [ECDPM's past work related to Brexit and EU-UK development cooperation, including \[this tool on potential UK-EU international collaboration options\]\(#\)](#)

Acknowledgements

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