Democratising UK trade policy – why it matters to us all

The post-Brexit case for reform

- Post-Brexit, a major area of policy that will return to the UK is trade and investment.

- Modern trade and investment deals cover almost every aspect of everyday life: from healthcare to environmental and labour standards and international development. This makes them everybody’s business.

- Current processes for developing trade deals in the EU and the UK are highly secretive – not even politicians have full access to negotiating texts. This leads to badly designed deals that are not in the interest of people and planet.

- The UK’s arrangements for public and parliamentary engagement with and scrutiny of trade are woefully inadequate and need to be reformed before full Brexit occurs.

UK trade policy will impact on a wide range of issues

Trade and investment rules have a huge impact on almost all aspects of daily life, from the cost of goods to the ability of governments to regulate on issues like healthcare, the environment and labour standards. Trade and investment will be a major priority for the government post-Brexit as it attempts to shore up the UK economy and its global political position. It will also be a priority issue for DFID – Priti Patel has previously suggested that DFID should become a ‘department for trade and development’.

Examples of how trade impacts in these areas include:

- UK trade relations with Southern countries could have a significant impact on their ability to meet their Sustainable Development Goals (SDGs) targets, for example if the UK insists on high levels of trade liberalisation that damage local industries or the ability to provide public services.
Recent examples of the democratic deficit in trade negotiations include:

- A lack of access to negotiating texts by parliamentarians: MEPs and MPs alike had to fight for the establishment of ‘reading rooms’ which give limited access to some negotiating texts. These were only established several years after negotiations had begun.

- The UK signed CETA without any parliamentary debate. When challenged by a Select Committee in October, Liam Fox promised a parliamentary debate but this only happened several months after the deal was already signed. The debate was relegated to an obscure committee rather than being on the floor of the house.

- When the UK-Colombia Bilateral Investment Treaty was put forward for ratification, parliamentary whips only allowed for a debate in the Lords after the window for parliamentary action had already passed. There was no debate in the Commons and no vote in either House.

- The UK government plans to transfer existing EU trade deals into UK law in the first instance. This could see the UK adopt EU trade deals designed with no public or parliamentary scrutiny. If ministers are then able to amend deals via statutory instruments, the new UK approach to trade could be locked in with no recourse to democratic processes.

**Lack of democracy leads to poor trade policy and damaging outcomes for communities**

Where only a limited number of perspectives are represented, trade policy will be skewed in their favour, often at the expense of other groups. Services chapters are a good example of this: agreements tend to define progression towards increased privatisation as the aim and lock this in. This benefits companies seeking to run services for a profit but can lead to more limited services and higher costs for end users.
Why we need to fix this now

- Once Article 50 is triggered, the UK will enter into immediate negotiations with the EU on its future relationship. Theresa May has signalled that a trade deal will be the main plank of this; it will inevitably set the tone for all future trade deals.

- When the UK officially leaves the EU it can begin formal negotiations with other countries. At least 15 working groups with key country partners have been established to start thrashing out the parameters of future deals.

- Despite the major changes afoot, there has been no white paper from the government since 2011 and therefore nothing that sets out the Conservative (as opposed to the coalition) government’s approach. A trade bill is expected but may not be released until 2018.

- MPs are currently being actively shut out of government thinking on the issue, for example with very little information released in response to parliamentary questions. Theresa May has also suggested that MPs will only be given access to ‘non-sensitive’ issues on the negotiations.

What can we do about this?

It is crucial that civil society and parliamentarians are able influence and scrutinise negotiations in order to ensure that future trade policy is aligned with the UK’s commitment to the SDGs, human rights, environmental protection, workers’ rights and action to tackle climate change. Given the importance of trade to a range of other social and environmental goods, it will be crucial for a broad spectrum of stakeholders to participate in the development of the new policy.

Can you support our call for greater democratic scrutiny of trade processes?

Get in touch with one of the organisations listed overleaf.
Contacts

Contact Paul Keenlyside at Trade Justice Movement
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or any of the organisations listed below for more info.