

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.

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- Investment protection provisions in trade deals allow companies to sue governments for policy measures including those taken to support climate goals, for example Lone Pine are suing Canada for a ban on fracking in a sensitive environmental area.

Yet there are no clear processes for democratic engagement

Given the broad scope of trade and investment policy and its implications for a range of other key policy areas, it is important that a range of stakeholders are able to engage in its development so that trade is made to work for everyone. This should not be a ‘concession’ - trade policy would be improved by robust debate and contributions incorporating a range of expertise. It also means that it is crucial for parliamentarians to have the opportunity to scrutinise and influence the direction of trade policy.

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Yet trade negotiations currently take place behind closed doors and UK arrangements provide little opportunity for public or parliamentary scrutiny. Parliament has no formal right to lay down binding guidelines for the government to follow in these negotiations (a ‘mandate’), to scrutinise the negotiations, to amend or permanently stop trade deals, not even an automatic right to debate such deals. The most parliament is formally entitled to do is, at the very last moment, indefinitely delay ratification. Devolved administrations have no formal right to participate in the development of trade policy, despite the implications for a number of devolved issues.

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The texts that are released (currently by the EU) rarely give a clear picture of the implications for important policy areas. Meanwhile a select group of mostly multinational businesses and their lobbying representatives are given privileged access to the preparation of negotiations.

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?

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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.

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To ensure effective public and parliamentary participation and scrutiny, the UK should establish a process which:

- Establishes broad principles for all trade policy that aligns it with human rights, workers' rights, development objectives and environmental commitments;
- Requires parliamentary approval of negotiating positions before starting the process of formal negotiations with a trade partner;
- Requires participatory impact assessments, which are publicly available, to provide information on which to base decisions, including human rights, environment and international development;
- Includes full and meaningful public consultation, including public hearings, on proposed negotiations;
- Makes negotiating texts publicly available in a manner that allows for meaningful adjustments to be made, including halting negotiations;
- Requires full parliamentary debate and a vote on agreements before they come into force.

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

Get in touch with one of the organisations listed overleaf.

Contacts



**TRADE JUSTICE
MOVEMENT**

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



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