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TRADE POLICY

# How do we make trade policy in Britain? How should we?

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## Centre for Inclusive Trade Policy

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# Abstract

Since Brexit the UK has been responsible for its own trade policymaking rather than inputting into the collective policy of the European Union. This paper starts by sketching how that policy has been developed and implemented and how it is turning out. Overall, it is not very complimentary about the UK Government's efforts and so it then moves on to consider how we might do better. One dimension of this is how trade policy could be made more inclusive in formulation. I propose three (sets of) institutional reforms: increasing Parliamentary (and other) scrutiny of the government's trade policy plans; after examining how the UK public thinks about trade policy, it asks whether (how) one should take into account public attitudes to trade policy issues; finally it argues for creating an independent source of advice and analysis on trade policy. It concludes by noting that while recent history has been disappointing, trade policy by any government would be improved by the reforms recommended.

# Non-Technical Summary

Since Brexit, the UK has been responsible for its own trade policymaking rather than inputting into the collective policy of the European Union. This paper starts by sketching how that policy has been developed and implemented and how it is turning out. Trade policy is complex – it covers many products, activities, countries and policy instruments, and it is necessarily spread over several parts of government. One perversity in the UK is that relations with the UK's largest trading partner (the European Union) are handled in a different department from other trade policy.

Brexit has totally dominated UK trade policymaking since 2016. First, in the name of 'Brexit opportunities', the government sought trade agreements with many new partners; there have not been many and the hurry over those that were clinched led to rather unsatisfactory results. Second, trade (and other relations) with the EU proved difficult and resulted in a 'hard Brexit' which imposed many new barriers on UK-EU trade as the government sought to demonstrate the UK's new sovereignty.

One characteristic of the period was an intolerance of opposition and of meaningful debate. The paper argues that some of the mistakes were the result of the absence of constraints on the executive (the UK Government), and it makes three sets of proposals for redressing the balance. In one sense, they reflect my frustration with poor governance in recent years, but the reforms would improve policy outcomes and public confidence in them even with the most competent and enlightened government in place.

The first area is to increase parliamentary (and other) scrutiny of the government's trade policy plans. The current situation means that, for a mature economy and society, the UK has surprisingly little scrutiny over trade agreements. I propose, *inter alia*, putting parliamentary scrutiny on a statutory basis. This could oblige the government to keep the relevant committees informed of the progress of negotiations and give them time to examine and report on agreements before parliament has to ratify them; it could also give parliament the right to an affirmative vote on agreements. [At present parliament's main right is to get 21 days to ratify a trade agreement after it has been presented to them, which occurs only after it has been signed by the government. If it fails to do so, the government can renew the request for ratification immediately.]

The second area starts a conversation about whether and how public views should be included in setting trade policy. It is based on some of the discussion in a series of Citizen Juries run by the CITP around Britain, reporting on two strong results. First, there was notable sympathy for supporting agriculture even at the expense of forgoing other economic gains and, relatedly, a suspicion that sophisticated service sectors and the southeast of England already get enough benefit from trade and that policy should aim more firmly at other regions.

Second, there was a widespread mistrust of government both as a conveyor of information and as a decision-maker. However, in the latter case, several jurists expressed a reluctant recognition that there was no one else to trust with decisions. There was very little support for the idea of formally involving the public in decision-making but a wish to be properly informed and to be heard. On information, great store was set on hearing from independent experts. I conclude, *inter alia*, that public consultation should be no more than advisory, but that the government should put much more emphasis on informing and hearing from the public, both to hear their concerns substantively and to start to win some trust that trade policy decisions reflect fair trade-offs between different interests.

My third recommendation is that the government should re-configure the Board of Trade to become a genuinely expert and representative advisor on trade, with the resources necessary to contribute meaningfully to national debate. It could conduct evaluations of trade policies and agreements, report on trade and trade policies once a year, and inform and liaise with stakeholders. It should report to government, but to keep its independence it must also have a formal role *vis-à-vis* parliament and a public profile.



WORKING PAPER

# How do we make trade policy in Britain? How should we?<sup>1</sup>

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## Abstract

Since Brexit the UK has been responsible for its own trade policymaking rather than inputting into the collective policy of the European Union. This paper starts by sketching how that policy has been developed and implemented and how it is turning out. Overall, it is not very complimentary about the UK Government's efforts and so it then moves on to consider how we might do better. One dimension of this is how trade policy could be made more inclusive in formulation. I propose three (sets of) institutional reforms: increasing Parliamentary (and other) scrutiny of the government's trade policy plans; after examining how the UK public thinks about trade policy, it asks whether (how) one should take into account public attitudes to trade policy issues; finally it argues for creating an independent source of advice and analysis on trade policy. It concludes by noting that while recent history has been disappointing, trade policy by any government would be improved by the reforms recommended.

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<sup>1</sup> This paper is based on the World Economy Lecture delivered in the University of Nottingham on the 9<sup>th</sup> November 2023. The research was supported by the Centre for Inclusive Trade Policy, Economic and Social Research Council [grant number ES/W002434/1]. I am grateful to audience members at the lecture for their comments and also to Ingo Borchert, Michael Gasiorek and David Henig for comments on the draft paper.

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No new data were created during the study.

## Introduction

International trade accounts for around 30% of UK output and a bit more of the goods and services consumed and invested in the country. Thus, trade policy is important, and although the UK has a long trading tradition, the art of trade policymaking has largely been forgotten within the UK government. From 1973, when it joined the European Economic Community, to 2020, when it left the European Union (so-called Brexit), much of UK trade policy was determined in Brussels, and one of the main claims for Brexit was that it would allow the UK to make its own policy to suit its own purposes. However, for several reasons, doing this has not been overtly successful or satisfying: trade policy is inherently complex; little thought had been given to how it would be pursued after Brexit – there was no coherent plan either for trade or for many of the domestic issues that it touched upon; nonetheless, there was a political imperative to move quickly once Brexit has been decided upon; trade policy involves trade-offs but government was reluctant to explain them or to make them; that, and the haste, led governments to avoid discussion and scrutiny which led to unnecessary weaknesses and also aroused considerable suspicion among stakeholders and the public.

Policy mistakes are inevitable in anything as complex as developing a trade policy, but I believe that three inter-related institutional reforms would make them less likely, not only for the current government but for future ones too. These are: enhanced scrutiny of trade policy, mainly by Parliament but also by other key players such as the Devolved Administrations; understanding public views about trade policies and seeking ways to explain policy and hear those views better, and creating an independent source of information and advice on trade that would serve not only parts of government but also other stakeholders, including the public.

Trade policy is complex because large number of things that are traded or affected by trade. Thus while the UK government has a dedicated trade ministry – currently the Department for Business and Trade (DBT) – many other Departments are also involved – for example, the Department for the Environment, Food and Rural Affairs, for agriculture and food; the Department for Science, Innovation and Technology, e.g. for digital trade; the Department for Energy Security and Net Zero, for energy trade and climate change; and the Department for the Foreign, Commonwealth and Development Office (FCDO), for diplomatic dimensions and trade with developing countries. To add to the intra-governmental co-ordination challenges, UK trading relations with the EU fall not to the specialist trade Department but were started off by a dedicated Brexit Department and now fall under the FCDO. In addition to having many cooks, trade policymaking has many ingredients – processes and instruments: not only things like tariffs and quotas, but also such as border regimes, technical regulations, infrastructure, and diplomacy. Any or all of these may be rolled into Free Trade Agreements with other countries.

The remainder of this paper comprises a section on UK trade policymaking since 2016, a section on each of the reforms I am suggesting and a concluding section on why it matters so much.

## The context

### *The starting point*

This is not a paper about Brexit - the UK's exit from the European Union (EU), voted for in a referendum in June 2016 and effected in January 2020 with a transition period for international trade that finished on 31<sup>st</sup> December 2020. However, it starts with Brexit. Brexit was not only about trade, but it fundamentally changed the UK's commercial relations with the EU (by far the UK's largest trading partner) and took back control of all trade policymaking into UK hands.

Previously, UK trade with EU members was conducted within the European customs union and Single Market, which together implied the almost complete absence of bureaucracy for trade in goods between the UK and the EU and much freer trade in services than between any other countries in the world. In other words, Brexit created a border where, for several decades, there had effectively been none and consequently created myriad trade policy issues that the UK now had to manage and negotiate.

UK trade with the rest of the world was also largely managed and negotiated by the EU. The EU and its predecessors had had a common commercial policy from its very outset and had gradually enlarged its scope and coverage in the subsequent sixty years. The EU was very active in pursuing trade agreements, not least because it was one area in which the European Commission – the EU's executive arm - had substantial powers. This had the advantage of negotiating from a position of strength because the EU market was so large, but also, of course, it meant that the negotiations had to meet the needs of twenty-seven other countries rather than just the UK. The latter requirement conditioned all other aspects of trade policy, indeed of all common policy, and was one of the more coherent justifications for breaking away.

By 2016, the UK government had few trade-policy specialists and a good part of their effort was devoted to issues of trade and developing countries, in which the UK was a major thinker and player. The rest was devoted to monitoring the EU's policy proposals and occasionally contributing to or influencing them when UK interests were held to be at stake. At a political level, the principal activity was to complain about EU policy and constraints on policy, even when in the (closed) intra-EU discussions the UK had supported the policy.

### *The opening skirmishes*

One might have expected the UK to be fairly well-prepared for its new-found responsibilities under Brexit. It had been debated for at least two years and very actively for six months. However, the very opposite was true. Partly, this was because the idea that an independent trade policy was a key feature of Brexit had only emerged relatively late in the debate, but mainly it was because no-one had wanted to prepare. On the official (anti-Brexit, 'Remain') side, the Prime Minister, David Cameron, forbade ministries to do any preparatory thinking lest it concede that 'Leave' might win the referendum – Stewart (2023). On the 'Leave' side, there was similarly no appetite for discussing specifics (so that the

electorate could project their own wishes onto Brexit) and because doing so was almost bound to increase tension within the camp. In terms of trade policy, the Leave campaign was an awkward coalition of free traders (who wanted freer trade with the world than the EU had achieved), 'Little Englanders' (who thought that the UK already had too much trade and too little trade policy-space) and arch anti-EU campaigners (who saw the dangers of dwelling on the fact that half of UK trade was with the EU).

Immediately after the referendum, Cameron resigned and was replaced by Theresa May, a 'quiet remainer', intent on unifying the governing Conservative Party and soothing the nation. The divisions within the leave contingent continued, however, and were supplemented by those between leave and remain. There was very little planning or strategic thinking within the first year, which culminated with May losing her overall majority in Parliament in a snap election which she had called with the aim of consolidating her power! She had to rely on small factions within the Conservative party and also on the Democratic Unionists from Northern Ireland. The latter had favoured Brexit but offered no solution to the complexities of implementing it within Northern Ireland. The 'hard Brexit' favoured by some factions of the ruling Conservative Party implied trade barriers between the UK and the EU, but these would be impossible to apply on the open border between Northern Ireland and the Republic of Ireland. The latter was non-negotiable because it was required by the Good Friday Agreement which brought peace to Northern Ireland after thirty years of internal conflict.

In terms of trade with the rest of the world, there were attempts to establish a more independent voice in the World Trade Organization and talk of 'Global Britain', albeit with no concrete underpinning. The government created a Department for International Trade, which started to think about the need for institutions to run a modern trade policy. It rapidly realised that the many free trade agreements that the UK was party to as a member of the EU would have to be renewed after exit. In truth, however, none of this was rigorous or vigorous, the oxygen of trade debate being entirely absorbed by arguments over the form of Brexit.

Eventually May, 'mugged by reality', concluded that a hard Brexit would be economically costly for the UK and would impose impossible strains in Ireland. Having tried to square that circle by proposing various compromises and trade-offs to an unwilling Parliament, she eventually plumped for close alignment between the UK and the EU in trade and regulation. She was accordingly mugged by the right of the Conservative Party and the UK replaced a Prime Minister who was not permitted to make trade-offs by one who believed that trade-offs did not exist – Boris Johnson.

After further stalemate in Parliament, including an attempt to unlawfully prorogue (suspend) Parliament so that his desired legislation could be implemented unopposed, Johnson was eventually permitted to hold a general election in December 2019.<sup>2</sup> He won it massively on the slogan of 'Get Brexit Done' and from this moment, trade policymaking was 'on steroids'.

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<sup>2</sup> This was during the brief application of the Fixed-term Parliaments Act, 2011, which required Parliament to agree to the date of a General Election inside the normal five year term, rather than, as the situation was before and has been since, the date being entirely at the discretion of the Prime Minister.



### *A brief history of UK trade policy, 2020-2023*

An ideal trade policy regime is designed to bolster domestic policy objectives and, because it involves so many moving parts, is guided by a defined strategy. Johnson's government never articulated credible domestic objectives, other than to be free of EU influence, presumably because the fractures within the Conservative Party and the country were so deep and visceral. For the same reason, the Government had, and still has in December 2023, no articulated trade strategy or intention of producing one. Rather, trade policy was made 'pragmatically', signing deals wherever it could and focussing mainly on political optics. A few regularities are beginning to emerge implicitly, but even here with no articulation from which one might infer longer-term trends. These include: weak support for UK agriculture, a digital policy close to USA's and an allergy to the EU, such that policy sometimes seems to be aimed at making any future alignment with the EU as difficult as possible.

Even the Johnson Government's position on trade with the EU was difficult to discern clearly. It was, of course, hurried, with a revised Withdrawal Agreement signed within one month of the election and an unprecedented eleven months for the negotiation of a detailed trade agreement. What emerged (The Trade and Cooperation Agreement, signed on 30<sup>th</sup> December 2020 and applied provisionally from 1<sup>st</sup> January 2021) was in many respects weaker than the EU's agreements with its other neighbours. There was little discussion with UK stakeholders and little coherence about the negotiating strategy - Barnier (2021). The UK did start off seeking some elements of deeper integration than in a normal FTA, but was never prepared to accept the constraints that these might imply or offer a quid pro quos. As the economic costs of Brexit (and the accompanying chaos) became more evident, team-Johnson had to ramp up the 'sovereignty narrative' in order to find any justification. Interestingly, the negotiation of this free trade agreement was not managed by the Department of International Trade but by the Foreign Office, which still continues to lead on UK-EU trading arrangements.

On the rest of the world, Boris Johnson started off with a grand (or grandiose) vision of free-trading Britain. He delivered a paean to free trade and Britain's central role in world trade at the Old Royal Naval College in Greenwich three days after the UK's formal exit from the EU. He started "I invite you first to raise your eyes to the heavens [the ceiling] ... does it not speak of supreme national self-confidence?" Later he cautioned not to "minimise the eagerness of our friends around the world to hear once again our independent voice in free trade negotiations and our objective is to get things started again not just because it is right for the world, but because of course it is right for Britain because this people's government believes that the whole country will benefit."

But all this lion's roar for trade could bring forth was a rather sickly mouse. Johnson was in a hurry to deliver the political promise of Brexit, so everything had to be different from the EU. He slightly liberalised the UK's general tariff (cutting the average applied tariff by 0.6 percentage points) – Winters, Gasiorek and Magntorn Garrett (2020) - and relaxed a few conditions in UK preferences for developing countries (at the cost of introducing more uncertainty). Johnson's government recognised the imperative to complete trade agreements to replace those the UK had belonged to by virtue of EU-membership. He

completed 32 so-called Continuity Trade Agreements, covering 68 countries, quite an achievement. But their explicit aim was to replicate as far as possible the trading conditions that applied before Brexit – i.e. damage-limitation, nothing more.

In addition, the Government sought new agreements (i.e. where there were no corresponding EU barriers) to demonstrate the benefits of Brexit. But an agreement with the USA failed (and still fails) to materialise, as, so far, has one with India. Australia and New Zealand agreed deals, and the government did negotiate accession to the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). But, as the government's own numbers show, these deliver only very minor gains: all these economies are very distant, the first two are only small economies and for the last the UK already has trade agreements with 9 of the 11 members. The UK-Australia Free Trade Agreement was heavily criticised, partly because Johnson, bored by details and desperate for a deal, agreed to more or less everything the Australians asked at the final summit meeting. For example,

Remarkably, it is not clear what UK negotiators managed to extract in reciprocal concessions (Grozubinski, 2022)

Mr Eustice [Johnson's Secretary of State overseeing agriculture, who negotiated the agriculture elements of the agreement] stated that the "Australia trade deal is not actually a very good deal for the UK" and "that the UK gave away far too much for far too little in return". (Hansard, 14<sup>th</sup> Nov, 2022, column 424)

### *What are the lessons?*

This sad history is that of Government action almost wholly free of external oversight or influence. The Executive branch is important in all countries' trade policymaking, but in the UK it has more discretion than in most other developed countries. For example, as Dunt (2023) observes, the 'first past the post' electoral system tends to produce significant majorities in Parliament for the winning party (which then forms the Executive). Individual Members of Parliament get little discretion about how they vote and very little time or incentive to scrutinise legislation and Parliament can exercise few powers independent of the Executive. It all adds up to a system that prioritises decisiveness and consequently has very few formal constraints. UK governance depends heavily on what Peter Hennessy called the 'Good Chap theory of government' – self-restraint by rulers (Blick and Hennessy, 2019). Recent history shows by how far the UK has missed that target since Brexit.

Traditionally, UK politics has been fairly pragmatic and non-ideological, but Brexit changed this, making the structural dysfunctions more costly. In particular, the traditions of thinking hard and consulting (even if informally) about policy were displaced by loyalty tests and haste. Especially in trade policy, for which there were almost no UK repositories of experience and tacit knowledge, and which is so complex, the scope for mistakes was broad. Even the best of governments would have made some, but it is difficult to avoid concluding that a state which had played such a central role in the creation of the post-war trade regime or in the European Single Market should have been able to do better.

The remainder of this paper argues for three inter-related reforms that should enable that objective. In one sense they are a personal reaction to the huge disappointments of recent years, but in fact even with a better government, they would improve trade policymaking by

broadening its base and help to raise the legitimacy of policy decisions by addressing the lack of trust that has arisen from poor governance. As development scholars observed more than thirty years ago, if economic actors do not believe that policy can (or will) be implemented on the ground, its effectiveness can be fatally undermined. The three issues I discuss are:

- Parliamentary (and other) scrutiny
- Informing the public and hearing their views
- The creation of an independent source of information and analysis in trade.

### **Parliamentary and other forms of scrutiny<sup>3</sup>**

As international treaties, UK free trade agreements (FTAs) are made under the Royal Prerogative, which the Government exercises on behalf of the Monarch. At the extreme, Ministers can negotiate and sign treaties without the approval or even the knowledge of Parliament. The current situation for trade agreements is rather better than this, but not by a large margin: the government announces negotiations and their objectives in them publicly, but is not obliged to debate them in Parliament; it issues updates, but only in the most general terms because, it fears, transparency will undermine its negotiating position; signature ceremonies are well advertised, but Parliament and citizens do not see the text unless the other side makes them available.

Parliament has a role only in treaties that require ratification. The government lays a treaty before Parliament, along with explanatory documents, from which point Parliament has 21 working days to reject it, otherwise it passes by default.<sup>4</sup> Parliament cannot demand a debate on a treaty and cannot approve, amend or reject it; all it can do is to fail to ratify it, but it can then be laid before them again immediately. Parliament may not ratify or review decisions by treaty bodies or Memoranda of Understanding, which are commitments without legal force. Neither, almost certainly, can it ratify amendments to existing treaties.

Parliament has another opportunity to engage with trade agreements if they entail domestic primary legislation, because that only be created by Parliament. However, in practice much of the legislation required by an FTA is secondary legislation (over which, like treaties, Parliament has limited powers to stop and almost no time to consider) and many clauses bind future rather than present behaviour and so require no immediate legislation. By convention FTAs are not ratified until the immediate domestic legislation is in place and so Parliament may be able to overturn an FTA by refusing to agree to it. But the problem is in the verb 'overturn'. The power to block ratification and any necessary legislation both arise after the FTA has been negotiated and signed and so their use implies the UK reneging on agreements and seeking a renegotiation. Few Parliaments would be prepared

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<sup>3</sup> This section draws significantly on Jones and Sands (2020) and Trade and Public Policy (TaPP) Network (2022). A more complete and up-to-date account is Hestermeyer and Horne (2024) and, more generally, in Public Administration and Constitutional Affairs Committee (2024).

<sup>4</sup> Procedures and ability to block vary between the House of Commons and the House of Lords, with the former having slightly more power.

to do this and if ever it became a serious possibility the ability of the government to negotiate any agreement would be severely compromised.<sup>5</sup>

Parliamentary Committees offer a different and more detailed level of scrutiny – The House of Commons International Trade Committee (absorbed into the Business and Trade Committee in February 2023 when the Departments for Business and for Trade were combined) and the House of Lords International Agreements Committee. They are independent of government and can take evidence and make recommendations based on that evidence. However, they cannot compel the government to appear before them or to give them information, they have few resources and, because they depend on groups providing expertise and opinions free of charge, their evidence is biased towards those who can afford to do this.

In May 2022, in an exchange of letters (House of Lords, 2022), the Government agreed a clear framework with the Committees for the Parliamentary scrutiny of FTAs. It includes, *inter alia*, agreement to a public consultation before negotiations commence, to keep the Committees and or Parliament updated on negotiations, to publish the signed FTA promptly, and to provide “a reasonable period of time” and ‘facilitate’ a Parliamentary debate before a new FTA is laid before Parliament. This is a step forward, but it was not religiously adhered to over recent FTAs and in particular, the Secretary of State for International Trade could not find time in her diary to address either committee before the Australia FTA had to be ratified. Similarly casual have been the rather imprecise arrangements for consulting the UK’s devolved administrations and for ensuring that FTAs do not encroach on their constitutional responsibilities without their consent.

The Government also created a Trade and Agriculture Commission, having come under pressure from farmers and civil society that trade agreements were undermining UK food standards. It is constituted by statute and examines the effects of FTA provisions on agricultural trade and on UK statutory protections for human, animal or plant life or health, animal welfare and the environment. It is reasonably resourced, and sends its reports to Parliament, but is not encouraged to stray outside its remit, and, of course, deals only with agriculture.

The government has created various advisory bodies, either specific to particular trade agreements or with more general briefs, with a view to engaging with stakeholders in trade policy. These have included, at various times, a Strategic Trade Advisory Group, Trade Advisory Groups, Thematic Working Groups, Domestic Advisory Groups and a Civil Society Roundtable. Some may have been useful, but the membership is selected carefully (critics were often not invited and have even been disinvented); the meetings are chaired by the Government, which calls meetings (often very infrequently) and sets the agenda, and all members are subject to Non-Disclosure Agreements. The latter facilitates discussing sensitive issues, but it equally prevents members from discussing issues with their colleagues and constituencies. At least in my experience, these groups can be useful for conveying information to interested parties but are not part of the policy-design, still less the negotiating process, because the groups typically hear only about issues that have already been agreed with the partner. They really do not constitute scrutiny.

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<sup>5</sup> *The Economist* (2023) offers a good brief introduction to Parliamentary scrutiny in general.

The current menu of groups, created in late 2023, includes a Director General's Trade Update Forum, ten Policy and Sector Trade Insight Fora, the Civil Society Roundtable, various sector councils and ad hoc Chief negotiator meetings. The basic issues noted above remain, but the Government appears gradually to be becoming more open to stakeholder views, notably those from business.

Finally, there are also consultations. Broad and largely unstructured consultations are undertaken frequently, but it is not at all clear that they influence matters. There are also large numbers of private discussions/consultations between government and major stakeholders, which will often be very substantive, but they are frequently not much different from simple lobbying. Talking to interested parties is part of good policymaking, but when a government wishes not to consider particular viewpoints, it is under no obligation to meet their advocates.

How to improve all this? In reverse order: there is nothing that can or ought to be done about private consultations. The advisory groups are also at the government's invitation, but government could recognise their potential to make technical contributions and hence make them more representative of interests and expertise (consistent with still maintaining a constructive conversation), give them more regular, pre-determined, schedules and allow participants some say over their agendas (say by having a non-governmental co-chair). The Trade and Agriculture Commission is useful, just as long as one recognises that it refers to a very small part of the economy.

For Parliament, I would advocate a more radical agenda, which would require legislation. Key improvements would include

- Develop the statutory basis for the Parliamentary scrutiny of trade agreements, which would include providing committees with information and time to report on a trade agreement during the negotiation and before it is laid for ratification (similar to the rights of the Trade and Agriculture Commission).
- Give Parliament the right to an affirmative vote on trade agreements (i.e. to positively accept them), and explicitly extend this to cover Memoranda of Understanding and significant decisions of treaty bodies.
- Require notification of significant decisions taken within FTAs (for example, on Rules of Origin), with ability to debate them where necessary.
- Clarify when/how Committees other than the trade committees get involved in their specialist areas – e.g. agriculture and digital aspects of trade.

All of this calls on (part of) Parliament to interest itself more consistently in trade policy than at present and this requires the investment of time and effort and recognising more explicitly how important international trade is<sup>6</sup>. At least three elements could help with this:

- Legislate for high quality, independent, impact assessments are available for each trade agreement **before they are signed** to inform parliamentary and public debate covering all aspects of the policy.

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<sup>6</sup> Following the combining of Business and Trade into one Department and hence into one House of Commons Committee in early 2023, one may well wonder whether there is sufficient time for trade policy scrutiny.

- Identify means and funds to support enhanced stakeholder engagement on trade policy and with the trade committees, with particular focus on resource-constrained stakeholder groups.
- Legislate for, and then commission, periodic *ex post* implementation impact assessments of major agreements.

## How does the UK public think about trade policymaking?

I have already mentioned stakeholders and Parliament as ways of reflecting public views, but, in what some would see as a shortcoming of politics, many see them as self-interested players rather than transmitters and collators of information and custodians of the public interest. In these days in which public opinions are sought on everything from celebrities in the jungle to the best Christmas carol to voting intentions one might think that trade policy should also be directly subject to public views.

This section concludes with a few tentative ideas on how/whether we should do this, but in the Centre for Inclusive Trade Policy (CITP) we have started to compile information on a simpler question: what **are** public views? By this we mean, not what individuals think after seeing the latest X (formerly Twitter) feed, but after they have had some reasonably sound information and time for reflection. We not only sought their views on particular policy issues, but also investigated how they think about trade policy issues and habits or principles they bring to such questions.

'Trade-offs in Trade Policy', part of the CITP's research programme, is a series of Citizen Juries conducted by the National Centre for Social Research (NatCen) over January and February 2023 and is now being analysed. In this section I report some preliminary results and my own tentative conclusions from them. More details of the process and results, including more quotations from the jurists are given in the Appendix.

As the term implies, the juries hear evidence and reflect on it to reach a conclusion. There were five juries of about 20 members each, located in Belfast, Bridgend, Doncaster, Paisley and Reading, each being broadly representative of their local areas. The evidence they considered was presented by CITP faculty members (with considerable effort to ensure the offering was accessible, opinion-free and balanced). Each jury had four online sessions (of 2½ hours each) and one face-to-face session (6 hours). Each session featured specific questions and votes (with brief explanations)

The juries' deliberations were facilitated by NatCen staff without any CITP presence. There were some plenary sessions (of the whole of one jury), but most deliberations took place in groups of about six with a facilitator. The topics covered a wide range of trade policy with online sessions on

- The impact of UK trade policy on the rest of the world
- Balancing trade between territories and sectors of the economy
- Privacy and data transfer
- Food and the environment

The face-to-face session dealt with four issues, one from each of the four topic areas and with a specific question, plus an introduction and a wrap-up session. The format was for NatCen to present on an issue, for deliberations to occur and then a vote held on which participants briefly recorded the main reason for their vote and then discussed how they



voted. We then modified the scenario a little and the process was repeated. Throughout we asked participants to imagine that they were Members of Parliament charged with pursuing both the national and their constituency interests.

CITP has/is undertaking three levels of analysis: NatCen's analysis of voting and impressions of the discussions (from facilitators' notes) – see Grimes et al (2023) and Winters et al (2023) – plus two based on the transcripts from the face-to-face discussions analysing the discussion groups' arguments, attitudes, tacit 'knowledge' and trade-offs. One was based on Nvivo and involved the extraction of common themes in the data based on a close reading of transcripts. The other one, based on a Corpus Linguistic approach, analysed the co-occurrence of words and syntax in the data and was conducted for us by the Concept Analytics Laboratory in the University of Sussex. The following discussion is based on preliminary conclusions from the last two. It describes one of the trade-offs and then some general features of the juries' discussions. Given the breadth of the trade policy issues covered and the geographical spread of the juries, the results are informative of UK attitudes, but the samples are small and they are not statistically representative.

### *Balancing sectors and regions: agriculture vs business services*

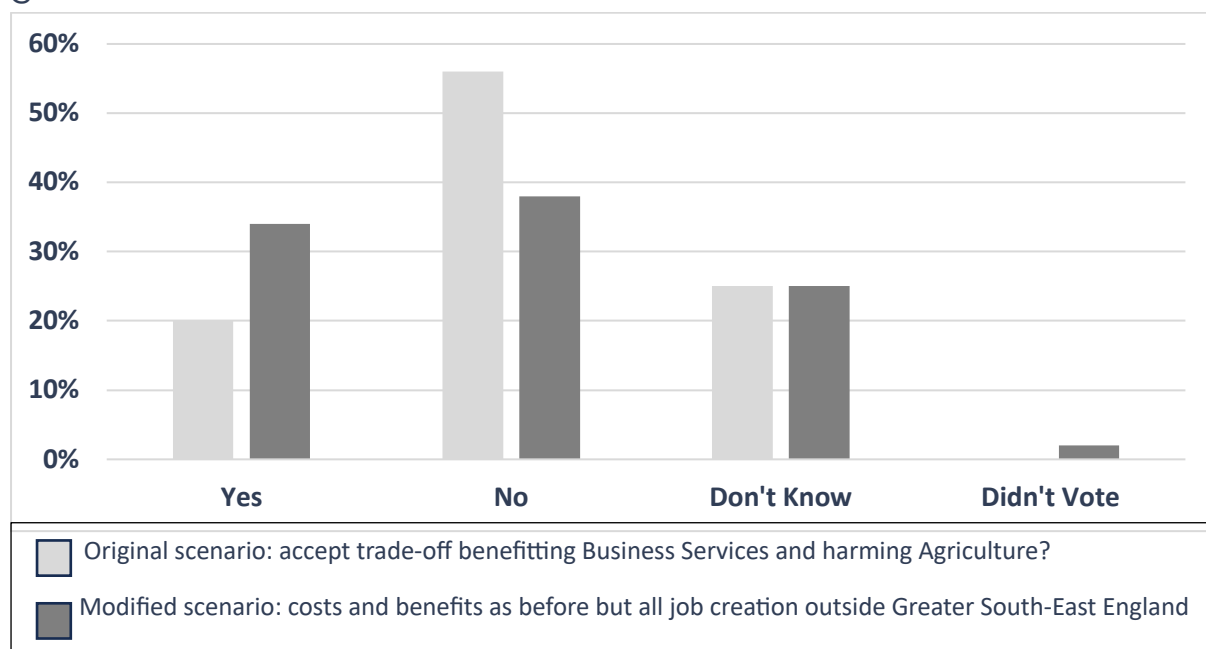
This example isolated one trade-off in simplified form using the government impact analysis of the UK-Australia FTA (Department of International Trade, 2021).<sup>7</sup> The report estimated that the FTA would increase gross value added in Business Services by £212 million p.a. but reduce that in agriculture by £94 million p.a. and create 3,700 jobs in the former and eliminate 2,500 jobs in the latter. On the basis of current employment numbers (see Gasiorek et al, 2022), we told participants that about three-quarters of the job creation but only about one quarter of the job losses would occur in the 'Greater South East' – the UK standard regions of London, South East England and East of England – and that there would be a net gain of around 800 in female employment. We also added that food prices might be 0.3% lower as a result of the agreement, but that there was a slight risk of lower food-safety standards.

The voting question was whether the UK should accept such a trade-off (assuming that it could be isolated) and the modified scenario assumed that all the job creation occurred outside the Greater South East. As Figure 1 shows, the juries rejected both scenarios, very strongly in the original case; the difference between them demonstrates some hostility towards the South East. There was little difference between locations in the voting and the discussions.

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<sup>7</sup> We were very clear with participants that trade-offs did not actually come in such a simple form and that the numbers we gave were only very rough estimates, introduced to make the question concrete.

Figure 1: Voting on agricultural losses vs. (greater) business services gains



The two most frequently occurring explanations/motivators for the preference for agriculture over business services are distribution/redistribution and what I would term farm exceptionalism. Table 1 provides a summary based on Nvivo coding, where 'Files' refers to the number of transcripts (files) where an idea occurs (out of 15 – three transcripts from each of five juries), and 'Refs' to the number references to such issues across all the transcripts.<sup>8</sup>

Table 1: Motivations for favouring agriculture over business services

	files	Ref.s	Issues
Distribution/ Redistribution	13	67	Compensation; shifts between sectors; comparing across regions and gender
Farm exceptionalism - culture	11	33	Foundation of UK society; generations,
Farm exceptionalism - security	14	90	Food security (predominantly); food standards; price shocks; climate goals;

<sup>8</sup> I am grateful to Alice Livingston Ortolani for doing the Nvivo coding.



To illustrate, on redistribution

*I think every Scotsman's concerned about the London effect ..... or all these other nice little towns. None of it's getting spent in Paisley or ... or Motherwell ...*  
(Male, Paisley)<sup>9</sup>

*the reality is, it would go to the business services, the bankers, the financial services and stuff. They're already rich enough ...*  
(Female, Doncaster)

Raising the question of whether compensation actually gets delivered,

*[No, but] if we knew how much would be going into compensating the farmers, diversifying that, whatever their infrastructure is, then potentially a yes.*  
(Female, Reading)

and with a different emphasis

*if there was a farmer earning £10 a week, but if this goes ahead, he would only earn £4 a week, so he would get subsidised that extra £6 to keep doing what he's doing, the farm running,*  
(Female, Paisley)

The gains from international trade come substantially from changing economic activities, so compensation that allowed people to remain in their original occupations would undermine most trade reforms.

On farm exceptionalism

*Farming goes down generations. How are you going to tell somebody who's basically worked as a kid probably on a farm, to then go, 'Oh yeah mate, you need to go and get into IT or something'? It just doesn't work.*  
(Female, Belfast)

*if us [sic] food and agriculture was suffering a bit, we can get by without financial architects and lawyers.*  
(Male, Doncaster)

Finally, to re-emphasise the differences in attitudes towards business services and agriculture the linguistic analysis illustrates the way in which participants refer to them. In terms of adjectives, agriculture is 'important', 'technology-based' or 'small', whereas business services are 'money-driven', 'competitive' and 'terrible'. Figure 2 compares the relative frequency with which possessive pronouns are associated with each term – on the left words used more for business and on the right for agriculture. The size of the bubbles reflects the number of occurrences of the word. The story is stark – business is 'their's' whereas agriculture is 'our's'!

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<sup>9</sup> To preserve anonymity, we know only the gender and the location of the speaker.



*Other countries haven't got the same welfare standards.*

(Female, Bridgend)

*Other countries may seem to gain competitive advantage if we are too prissy, cautious.*

(Male, Paisley)

This seems an awkward place to be starting a trade conversation.

The most striking general feature was the lack of trust in government and how participants coped with this. We asked whom they would trust to provide information on trade policy and whom they would trust to take decisions on it. By far, the most frequent collocation of 'trust' was 'not', and the most frequent object of 'not + trust' was 'government'.<sup>11</sup> The top ten objects included 'them', 'politician' and 'MP'. However, the lack of trust was often qualified by a resignation that one had to trust someone with decisions and, sometimes, that those decisions are highly complex:

*I cringed and I was like, 'Oh!' I'm putting faith in them?' It was, yes, because it's part of their job, isn't it to make the decisions.*

(Female, Reading)

*I think I've come out of this trusting the government a lot more [laughs] than when I came into this because yes, there is a lot of complex decisions!*

(Female, Doncaster)

These statements are mirrored in the results of a search for 'trust' and 'but' within five words of each other, for example

*The thing is ... so it's not because I trust government more, but because there is no... ...There's no one else to....*

(Male, Reading)

The one group that participants seemed willing to trust quite strongly (for information, sometimes for decisions) was 'experts'. It is apparently fairly common for people in deliberative research to seek the advice of experts when confronted with technically complex issues, but the contrast here in terms of trust is striking.

*General public maybe will trust the experts, that they know what they're talking about, rather than the government ...*

(Female, Belfast)

*Trust the experts of the trades, so example agriculture would be farmers and so on. ... So, is that the businesses or is that the experts? ... > Yes, well, it'd be a bit of both, wouldn't it?*

(Interchange, Bridgend)

A key characteristic of experts was seen as their independence (unbiasedness, neutrality, lack of financial interest), arguably further indication of the extent to which government and business have lost the battle for credibility. There was also support (notably in Belfast) for trades unions as sources of expertise and also for International Organisations as sources of

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<sup>11</sup> The count of objects of the verb *to trust* included a small number of (near) synonyms of the verb 'to trust' and related terms such as 'to believe' and 'to have faith in'.

unbiased expertise, although there was little understanding of how these fitted into the policymaking ecosystem. At least one person, on the other hand, was hostile, fearing the influence of other countries' preferences/agenda and preferring UK institutions.

The role of, and need for, information was repeatedly stressed in these conversations. It was seen as essential for decision-making: for example, a search for the combination 'make...decision' (which yielded 233 hits) revealed the importance of being informed, with the salient collocations being 'informed' (12 occurrences), 'base' (9), 'inform' (10), 'right' (7) and 'proper' (4). But the quality (and unbiasedness) of information was also stressed.

The public also seems to value information, first, *per se*

*We need to know more, I think, about that. Educating ourselves as well. Yes, and I'm more aware now, since I arrived.*

(Female, Paisley)

and, second, as a key contribution towards earning public trust in trade-policy decisions. The latter arises partly because it helps the public understand policy trade-offs and constraints and partly because, if the public were persuaded that the government received and listened to informed advice, it would more readily accept and have faith in government decisions:

*What do you think it takes for people to trust the people who make those decisions? They have to show it, don't they. Evidence*

(Interaction, Bridgend)

### *Should we include the public in trade policymaking? And how?*

A natural extension of questions about whom to trust with trade policy decisions is 'why not give the public a more prominent role in decisions?' The responses suggested a strong desire for the public to be informed and to be heard but less for a role in decision-making, the public's lack of information/experience pushing one way and its closeness to the issues the other. For example,

*At least as a public we can offer that angle to the expert people. We never know enough, do we? You never get enough information....*

(Interaction, Reading).

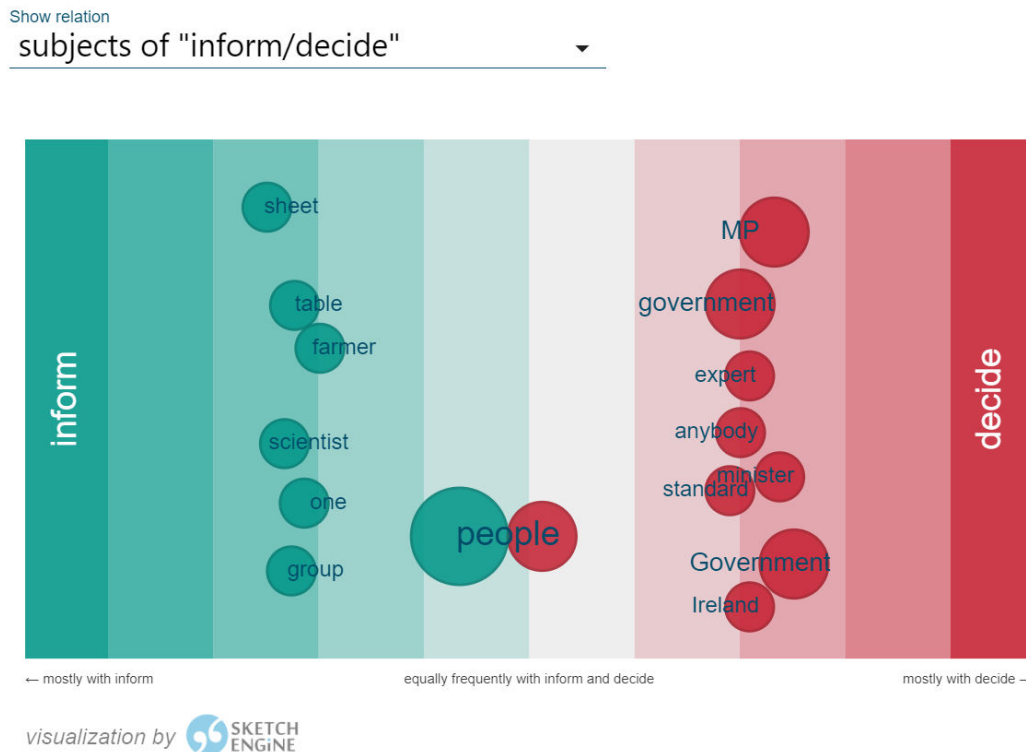
*You don't want to trust the general public to make the decision because we're not informed enough, or we don't know enough about it to be able to make an informed decision.*

(Female, Belfast)

In a search for a negated verb followed by the noun *public*, e.g. "don't ask the public", seven out of twenty hits relate to a lack of trust in the public making decisions. Figure 3 offers a graphic description of the juries' distinctions between who should inform and who

should decide trade policy: it plots the relative frequency of references to different groups collocating with 'inform' or 'decide'.<sup>12</sup>

Figure 3: Relative association of groups with inform and decide



'Scientists' and 'farmers' figured prominently in informing, and 'people' was also collocated somewhat more strongly there. Elements of government, on the other hand, were much more strongly associated with 'decide'. The appearance of 'expert' in the latter context is strongly influenced by a discussion of experts deciding that certain pesticides are bad for one's health rather than more broadly. Thus, while participants support the involvement of the public and experts in the process of policymaking, they seem largely to agree that decisions should be left to the machinery of government.

The general sense is that it should be the government ultimately making decisions:

*Yes, I think that was the point you were making earlier on; that that's their job and that's what they should be getting on with. Yes. ... I would hope it's - nobody else should be making decisions. Governments, they are elected and they can be dealing with it. .... I would just hope - my hope would be that their decisions are informed by consulting experts....*

(Interaction, Belfast)

The classic solution to bringing the public into official decision-making is democracy. Edmund Burke's description of Representative Democracy seems to catch the discussion above rather well in his address to his Bristol constituents (Burke, 1774): the electorate

<sup>12</sup> The 'decide' side of the figure refers to both 'government' and 'Government': the former is generic while the latter refers to a specific government.

chooses a Member of Parliament whom they trust, he/she remains in ‘the most unreserved communication’ with them, giving ‘their opinion, high respect; their business, unremitted attention’ and then exercises ‘his [sic] unbiassed opinion, his mature judgment, his enlightened conscience’. Burke goes on to tell his voters that ‘If government were a matter of will upon any side, yours, without question, ought to be superior. But government and legislation are matters of reason and judgment, and not of inclination, ....’ The problem is that the UK system does not really work like this, as Dunt (2023) explains, MP’s independent scrutiny of national legislation is undervalued, indeed barely done at all.

Possible mitigations for these weaknesses include, as above, extending Parliament’s and the Devolved Administrations’ role and ensuring that government information is reasonably reliable. However, at least for Parliament and the public, one should not over-estimate their patience, energy, focus and, even, ability to wrestle with the detail. Ensuring that the simplifications on which they base their views are fair is a major task in itself and a critical one.

A third mitigation is to have a more thorough process of public consultation, although, in my view, only of an advisory nature. A fuller and more serious set of regional and sectoral meetings should ensure both better information *ex ante* and better accountability *ex post*. In the former case, it is not just statistics that need to be promulgated but conceptual information about ‘how trade works’ and the trade-offs involved. While it was not our objective in the Citizen Juries to educate, it is detectable that over the course of the programme a number of people commented on how much they learned, how complicated trade was and how they came to appreciate the complexities of the balances that needed to be struck. This demonstrates that meaningful consultation is not a cheap and low-level activity, but involves serious effort and two-way engagement.

In the consultations, one neither can nor should try to prevent interested parties from airing their own views (lobbying), not least because, as the Citizens’ Juries noted, interested parties are often the best informed. However, one needs to be aware of the near inevitability of bias and counter it both in assessing the opinions and information offered and in ensuring that the set of consultees is broad and representative. Whether, as one or two in the Citizen Juries suggested, one should convene a Citizens’ Assembly to hear the unmediated views of the public would, I think, depend on the issue. For example, where a major issue of principle is involved or where a government feels a referendum is necessary, one could make a very good case for an Assembly which then fed back into public information and debate.

## **Independent and reliable advice**

The need for information and advice is a frequent cry in the preceding text; both need to be reliable and trusted. This section briefly explores one possible source of such advice on trade policy – a firmly established, balanced and capable arm’s-length body able to conduct the necessary information-gathering, analysis and communication. The UK has a number of similar bodies ranging from those to which Parliament has granted executive (or judicial) power such as the Competition and Markets Authority and the Bank of England’s Monetary Policy Committee, through those required to give the public information on a policy issue

at specific times – e.g. the Office of Budget Responsibility and the Committee on Climate Change – and those charged with technical investigation and advice on specific questions as they arise – e.g. the Trade Remedies Authority and the Trade and Agriculture Commission – to those that merely comment when asked – e.g. the Strategic Trade Advisory Group.

The injunction that such a body be ‘firmly established’ cannot be over-emphasised. This requires that they have a statutory basis in primary legislation, roles that serve both the Government and Parliament (so that there is potentially wider support for them in decision-making) and a public profile based on trust and perceived authority. The latter is indispensable because all such bodies are subject to legislation and so to government opinion (given that the Government more or less controls Parliament); without public awareness, a government determined on its own course of action can ignore, undermine or dismantle them at will.

### *The Trade Remedies Authority*<sup>13</sup>

A salutary lesson to this effect is the UK Trade Remedies Authority (TRA). This is the body that recommends action to government on petitions for anti-dumping, anti-subsidy and safeguards actions – requests for temporary protection from imports if competition is claimed to be unfair or causing too rapid an adjustment of a domestic industry. These functions were exercised at the EU level prior to 2020, but Brexit required that the UK establish its own procedures. Consultations on the TRA began in 2017 and it became operative on a statutory basis from 1<sup>st</sup> June 2021. On the whole its procedures managed a reasonable compromise between the petitioning industry, which wants protection, and the rest of the economy, which generally speaking benefits from competitive imports, basing its recommendations on objective analysis, a balance of interests and respecting World Trade Organization rules.

The TRA’s first major case concerned<sup>13</sup> the extension of steel safeguards inherited from EU, which were due to expire on 30<sup>th</sup> June 2021. Given that the UK was now an independent trader, it had to assess these on UK data alone rather than EU-wide data and its recommendation was that protection be continued in some cases but that for several classes of steel this was not warranted or permissible under WTO rules. The government response came via the introduction of a Statutory Instrument at 5:40pm on 29<sup>th</sup> June, coming into force at 6:00! This extended protection for some of the classes the TRA had rejected, and in so doing violated both its own laws establishing the TRA (which said it could either accept or reject the whole of a recommendation but not cherry-pick parts of it) and WTO rules. The government also, almost as a throw-away line, said it would review whether the TRA was ‘fit for purpose’.

One year later the additional extensions the government had made were due to expire, but the government changed the rules in advance and, *inter alia*, gave itself the power to decide on extension of ‘inherited’ measures independent of any TRA advice. It understood that this violated WTO rules and proudly announced

*The Government wishes to make it clear [that] ... from time to time, issues may arise in which the national interest requires action to be taken that may be in tension with*

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<sup>13</sup> This subsection draws on Winters (2021, 2023a and 2023b)



*normal rules or procedures.*

Anne-Marie Trevelyan, Hansard, 29 June 2022

The Prime Minister's Ethics Advisor, asked in advance to bless the breaking of international treaty obligations, refused and resigned.

On 9<sup>th</sup> March 2023, the Secretary of State for Business and Trade announced the findings of the review into the TRA and introduced changes in the Finance (no 2) Act of July 2023. The three key reforms were that Ministers could now request the TRA to reassess a recommendation; they could apply an alternative remedy to that recommended by the TRA, and they took over responsibility for the so-called economic interest test which assesses the potential effect of trade restrictions against the overall national interest.

This saga demonstrates the subjugation of Parliament to the Government when it comes to technical issues, even if they involve big principles like the rule of law. The last round amounted to a change in the law rather than ignoring it – legislation dominates – and does not in itself amount to a violation of WTO obligations (that depends how the government exercises its powers). But it shows how a reasonable technically focussed institution can be gutted silently by an indifferent government. If the TRA had had a larger public profile, such violence would have been more difficult if not impossible. As a colleague observed to me 'they wouldn't have dared to do this to the Competition and Markets Authority'.

### *A reformed Board of Trade*

The institution I propose as a source of independent and reliable advice on trade policy is a reformed Board of Trade. The Board of Trade has existed since the early 17<sup>th</sup> century and is a Committee of the Privy Council. It has been very powerful at times and at others, including the last third of the twentieth century, more or less in hibernation. The government has revived it recently with heavy political representation and, in August 2023, focussed it almost entirely on boosting UK exports. It publishes occasional reports but is not recognised as a repository of either expertise or independence.

The proposal is for a completely different sort of body, but it seems pragmatic to name it the Board of Trade because it is easier to reform an institution than create an entirely new one – it requires a much lighter legislative burden - and the first steps could be achieved almost immediately by an incoming government by altering the Board's operating instructions. In addition, the name resonates with Sweden's similarly named and widely respected body and is widely recognised in the UK, which may be significant as we saw above. Much of what I propose was developed by the Trade and Business Commission (TBC), of which I am a member, in TBC (2023).

The Board would be advisory and a supplier of information, with no executive powers *per se*. Many of the instruments of trade policy are so obviously redistributive that one cannot keep them out of the political domain. However, trusted independent analysis and advice publicly delivered can be very influential and, in particular, could offer a more credible long-term perspective than election-conscious governments can generally do. One of the major factors behind the opposition to Prime Minister Liz Truss's ill-considered budget in October 2022 was that she had used a linguistic sleight of hand (not calling it a budget) to prevent the Office for Budget Responsibility from publishing its analysis – Bartrum (2022). Her premiership and her budget were fatally wounded by that opposition, and although that



came too late to avoid a costly financial crisis, the risks of by-passing respected independent analysis were noted by much of the UK political establishment. My hope is that it would become harder to pursue eccentric trade policy or to lie about its likely consequences in the absence of the Board of Trade's blessing.

The key features of the new Board would be that it be accountable to the Secretary of State for Business and Trade, albeit operationally independent of the Government; have its own staff with high quality analytical and policy ability, and have broad representation among trade stakeholders including representatives from major UK business organisations, trade unions, devolved governments, SMEs, and senior experts in trade and regulation. It would also be permitted to co-opt further expertise depending on the task in hand.

The tasks of the reformed Board of Trade, some of which are currently carried out within government, would include to:

- Advise the UK Government on the impact of regulatory policies on trade
  - especially on trade barriers arising from regulation and ensuring that such costs are a formal part of assessments of regulations;
  - facilitate stakeholders' engagement with Government and provide an entry point into government for UK companies.
- Analyse and assess different trade policy options
  - collaborate with Parliamentary Committees to analyse and assess different trade policy options;
  - provide evidence-based recommendations to the UK Government;
  - these assessments would include the coherence of trade policies with wider domestic policies.
- Produce an annual report on the UK's trading performance
  - This should be accompanied by a public event and a debate in Parliament.
- Conduct impact assessments of trade agreements
  - conduct *ex ante* analysis of the potential social, economic and environmental impacts of free trade agreements, both on its own initiative and at government request
  - commission or conduct *ex post* reviews of major policy or FTAs (after, say, 5 and 10 years) in order to enhance the evidence base.

Almost all the Board's output would lie in the public domain and major reports should be noted and debated by Parliament.

Some of these tasks are already carried out within government Departments. The purpose of re-allocating them to the Board is not to criticise current work but to demonstrate its independence, to enhance its credibility and to open it up to inputs and scrutiny by a wider set of stakeholders and experts. It will not entirely replace consultations and meetings that the Government has with stakeholders but it will provide a common understanding and fact-base for broader discussions of trade policy.

Obviously, the Board's work requires resourcing, which is currently scarce in the UK, but I note that much of the agenda takes over functions currently conducted by the Department

for Business and Trade and other Ministries.<sup>14</sup> Also, the resources currently devoted to negotiating trade agreements is almost bound to decline as agreements are put in place.

### Three reasons why reform is necessary

Commentators have recently advocated independent bodies for several areas of policy, but international trade has, I think, a particularly strong claim. It is highly complex, generally strongly redistributive (so that trust in information sources is particularly important) and Parliamentary scrutiny is very difficult to organise effectively. The first reason is that trade policy is for high stakes – international trade accounts for about 30% of UK output and rather more of its absorption of goods and services. Exports supported perhaps 6.5 million jobs across the UK in 2016, of which 74% were outside London; exporting companies are 21% more productive and pay 7% higher wages than the national median wage (Black et al, 2021). The policymaking status quo (i.e delegating it to the EU) is no longer available, so finding UK solutions is unavoidable.

Second, on Brexit day, the UK had no workable political experience of trade policymaking. For over forty years, political engagement with trade had largely amounted either to promoting UK firms' interests in Brussels or to complaining about and hiding behind EU policy – even when UK policymakers had been instrumental in its formulation. Thus, there were no traditions or established practices to fall back on, not only in terms of designing policy, but also in terms of debating it and engaging with the public on it. In addition, the civil service had little expertise on trade, and, other than serious work on trade and development, in which the UK was a leader, that mostly amounted to 'working' the Brussels bureaucracy. Similarly for firms and to some extent civil society organisations, the main focus was Brussels and the main activities lobbying and protest.

This widespread inexperience would have made trade policymaking a minefield and made mistakes more or less inevitable even with the best of governments. As it was, for whatever reason, the period since 2016 has been torrid in terms of governance in the UK. Thus, the third reason for reform is to bolster decision making in this complex area by drawing on a wider community and being more honest about the consequences of decisions and what is possible. Doing so in the terms I have set out will also, I hope, start to repair the lack of trust that was so evident from the CITP's citizens' juries as well as in commentary from other stakeholders.

Finally, a legitimate question about these recommendations is that they are 'just a response to the failings of recent governments' and 'wouldn't it just be easier just to get a better government?' The answer is partly that we need to take active and overt steps to rebuild confidence and trust and partly that good institutions could help any government with trade policymaking. Most of the countries we compare ourselves with have greater scrutiny and relatively independent bodies dealing with trade, and several have greater and better public engagement.

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<sup>14</sup> In private correspondence, the Secretary of State has informed me and the Commission that she believes that nearly all of these intended functions are currently covered by Government.

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