

# The IEA's Plan A+ for 'free trade' is the product of fanaticism

*The Institute of Economic Affairs has produced a document setting out a post-Brexit 'free trade' plan which would abandon 'regulatory barriers' that, it says, hold back British exports and stymie imports. **Sean Swan (Gonzaga University)** argues that it would have dangerous consequences for the NHS, manufacturing and food hygiene, and is not what British patients and consumers want.*

The hard Brexiteers' desperate search for a Brexit policy was again on display in a [Telegraph column](#) (paywall) by Boris Johnson. He has found a new man and a new policy. Forget Chequers: there 'is a far better solution', he advised his readers, 'a SuperCanada free trade deal broadly on the lines set out by Shankar Singham in an IEA [Institute of Economic Affairs] paper'. The paper to which Johnson is referring is a 150 page document entitled [Plan A+: creating a prosperous post-Brexit UK](#).



Rice growing in research plots in Missouri. Photo: [Kyle Spradley, MU College of Agriculture, Food & Natural Resources](#) via a [CC-BY-NC 2.0 licence](#)

John Crace, writing in the Guardian, [dismissed](#) the plan as deserving an 'A+ for idiocy'. However, as it is being seriously pushed by some members of what is, after all, the governing party, it deserves a closer inspection. This is especially so as aspects of it are not simply stupid but are the dangerous product of libertarian ideological fanaticism. To understand this 'Plan A+' document properly, it needs to be read in conjunction with another IEA hors d'oeuvre on which it partly relies: [The ideal UK-US free trade arrangement](#). While much could be said about this document, it is worth focussing on one element of it in particular: it connives to remove not just regulations against GMO and other synthetic foodstuffs entering the food chain, but seeks to prohibit 'technical barriers' to trade.

A particular example of this includes labeling regulations for synthetic biology (genetic modification and other gene technologies) products. These provisions will ensure that any labeling requirement is not deployed in ways that are disguised barriers to trade (p 22).

In other words, the intent is to prevent the accurate labelling of foodstuffs containing GMOs or other 'synthetic biology'. Consumers are to be kept in the dark about what their food actually contains or consists of. This attempt to keep consumers blind arises again in the Plan A document. It attacks Theresa May's White Paper for accepting EU sanitary and phytosanitary (SPS) standards on food safety and labelling. This is because the White Paper approach does "not recognise that most of the trade complaints about EU agricultural policy lie precisely in the SPS area". (p 46) Yes, but such complaints come from foreign purveyors of chlorine washed chicken and 'synthetic biology' food, not from UK consumers.

This abandoning of standards in food hygiene and labelling constitutes a radical departure from current EU/UK regulations. It makes inspections of UK goods at EU borders unavoidable and thus makes a 'hard' border in Ireland inevitable. This, however is not a problem for the IEA:

the UK could elect not to impose checks on goods trade at the Irish border, and apply zero tariffs on agri-food, on an MFN basis for all imports, and selectively reduce and eliminate tariffs on other goods.

This is a jolly wheeze. The EU would still be forced to create a hard border under these circumstances, but hey, that's neither our problem nor our fault. The EU is unlikely to find this funny and it will not enhance the prospects of the UK getting a free trade deal. The UK currently has a flock of birds in its hand in the form of the existing EU market: the IEA want to give them all up for the hope of the bird in the bush that is a US-UK free trade agreement. But then, they appear to imagine they can have both, and

if the EU refuses to recognise UK regulations on day one of Brexit, the UK should be prepared to take action in the WTO for violations of the General Agreement on Tariffs and Trade (the GATT) and the Agreements on Technical Barriers to Trade (TBT Agreement) and Sanitary and Phytosanitary Measures (SPS Agreement).

Except it is not a question of 'recognising' standards, it is one of not being happy with them. Were it just a question of 'recognition', chlorine washed chicken would already be on the shelves in the UK as the EU 'recognises' US regulations, they just don't accept them as conforming to EU sanitary standards. This WTO argument is getting to be an old fox. It has been shot several times already. For example, on suing the EU for not accepting future UK sanitary standards, Bloomberg's Therese Raphael [summed it up](#) in August: "good luck with that; the EU would fight any attack on its single market rights vigorously and it would all take a very long time to resolve".

Nor is scepticism about all this just the position of 'Remoaners'. On the subject of the WTO option pro-Brexit Leave HQ [concluded](#) that

One can say, unequivocally, that the UK could not survive as a trading nation by relying on the WTO Option. It would be an unmitigated disaster, and no responsible government should allow it.

The economic policies suggested by the IEA and their ERG fellow travellers also have damaging consequences for the NHS. Page 228 of the US-UK trade plan states that

health services are an area where both sides would benefit from openness to foreign competition, although we recognize any changes to existing regulations will be extremely controversial. Perhaps, then, for other areas the initial focus should be on other fields such as education or legal services, where negotiators can test the waters and see what is possible. That said, we would envisage a swift, time-tabled implementation of recognition across all areas within 5 years.

The implications of this for the health service are that continued state funding of the NHS could be prohibited as a 'state subsidy' constituting 'unfair competition'. In plain language, this would potentially mean the end of the NHS as we know it. The Leave voter was told that leaving the EU would mean an extra £350 million a week for the NHS. What they now risk getting is no NHS at all. It is time that people woke up fully to the fact that the ERG and Farage are profoundly ideologically opposed to the NHS. The taxation system post-Brexit takes up little space in the 'Plan A' document, just enough to argue for reduction in taxation on banks and corporations (p. 70).

If the economic and diplomatic implications of this plan are disastrous, the full political implications of it are worse. The destruction of British manufacturing industry is an inevitable consequence of policies like these. This has been [admitted](#) by Patrick Minford of the Economists for Free Trade group, who added sanguinely that "this shouldn't scare us". It should scare the West Midlands. Jaguar Land Rover's [three-day week](#) is just the taste of things to come. All of this combined will serve to deepen economic inequalities between people and between the regions and component nations of the UK. It might, or might not, suit the south-east of England; it will devastate the rest. Separatist pressures will become unstoppable. The irony of it all is that those proposing this all loudly tout their unionism and commitment to the UK state.

*This post represents the views of the author and not those of the Brexit blog, nor the LSE.*

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