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Northern Ireland protocol row could damage good faith needed for post-Brexit trade deals

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The European Union is taking legal action against the UK once again, after the government announced a bill altering the post-Brexit agreement that deals with trade between Northern Ireland, the rest of Britain, and the EU. The Northern Ireland protocol has been a driver of economic and political tension since it was decided as part of the Brexit withdrawal agreement.

The government's proposal to do away with large portions of the protocol is not just a possible breach of international law – it suggests bad faith. And that could permanently tarnish the UK's international reputation.

Ahead of the release of the bill, Labour party leader Keir Starmer noted the importance of “good faith” and “trust around the negotiating table” in solving the remaining issues, saying on a trip to Dublin: “My concern is that we have a prime minister who doesn't have those attributes. Trust is very important in all of this.”

Belief in Johnson's trustworthiness has steadily declined in the past two years, with 74% of the public finding him untrustworthy in a recent YouGov poll.

Johnson has also lost two ethics advisers in two years to resignation, including Christopher Geidt, who referred in his resignation letter to multiple issues that could constitute "deliberate breaches by the United Kingdom of its obligations under international law".

Civil servant Sue Gray's report on parties at Number 10 while the country was deep in pandemic lockdown provides additional and unambiguous evidence that the Johnson government exhibits contempt for the rule of law. After all, one of the parties detailed resulted in the prime minister being fined by the police. Gray found "failures of leadership" at both Number 10 and the Cabinet Office.

This is not the first time Johnson has found himself in hot water over legal issues – see the unlawful proroguing of parliament in 2019. Short of that, he has been shown to behave undiplomatically with international counterparts, recently by gazumping France on a defence deal.

The UK has been trying to skirt around the Northern Ireland protocol for years, even admitting in September 2020 that its proposed changes would "break international law in a very specific and limited way". Put together, the message is clear: the Johnson government should not be trusted to abide by the law. This could be a significant problem for a nation hoping to strike post-Brexit trade deals around the world.

We all know from our experiences shopping online that shoppers pay close attention to reviews, putting greater weight on negative reviews than on positive ones. We put even greater weight on reviews from sources that look credible.

For the UK's negotiating partners, the Gray report and the handling of the Northern Ireland protocol are very credible, negative reviews of the UK government. They suggest that Johnson and members of his government will brazenly break rules – and international treaties – that they themselves have set.

Trust in negotiations

History shows that when there are questions around the credibility of the deals a government makes, the people are penalised.

Untrustworthy governments are charged higher interest rates on their loans than more credible governments. These higher interest rates must be paid back by the people through taxes. To take a specific example that uses a late 19th-century banking crisis as a sort of experiment, Argentinian debt that was issued with a web of binding conditions was valued far higher than an otherwise identical debt that was guaranteed only by a government promissory note.

The promise of free trade is that both parties win. For the UK, that means selling goods to places where those goods are scarce and valuable – Astrazeneca vaccines to Ghana, for instance. In exchange, the UK gets goods which are costly to produce at home, but that trading partners can produce more cheaply.



Removing Boris Johnson from Downing Street might not be enough to solidify trust in the UK as a trading partner. Neil Hall / EPA-EFE

When trust between countries is high, the opportunities for trade are virtually unlimited. We can enjoy levels of consumption far beyond what it is within our own means to produce. Trading partners who trust one another can rely on each other for food and energy security, allowing them to invest more in research and development that delivers long-term progress, and leads to world-changing innovation like the international space station and the COVID vaccines.

When trust is low, goods and services increasingly look like risky trades – it was precisely a lack of trust that caused the UK to cease dealing with the Chinese firm Huawei. Fears that the Chinese government might access UK citizens' data led the UK government to abandon the use of 5G equipment from the company.

Rebuilding trust

Spying is an extreme example, but lying also erodes trust quickly. History shows that a typical response to a government lacking credibility is to withhold investment from them.

A likely result of the Johnson government's recent actions then is that the UK and its trading partners will miss out on win-wins and end up falling behind where they could have been – and where other countries will have ended up. This is a problem for the UK. It is less a problem for its trading partners, who can pick from plenty of other more trustworthy governments to trade with.

Research shows that trust can be rebuilt through a series of good-faith actions by the wrongdoer. Unfortunately for Johnson, the process of rebuilding trust is far slower when the breach of trust has been coupled with deceit or denial.