



# Advancing human rights in Asia through trade after Brexit

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**How can the UK best protect human rights in Asia, an area historically weak in protecting and promoting human rights, when it comes to securing new trade deals after exiting the European Union (EU)?** This policy brief assesses potential pathways for the UK to protect human rights in Asia through trade after exiting the EU, accounting for the specific challenges of advancing human rights in the region. It draws on existing practice, with a focus on the EU, to make suggestions for future UK trade policy through both unilateral and bilateral arrangements.

## Recommendations

After exiting the European Union, the UK should:

- make human rights central to the negotiation and implementation of trade agreements with Asia
- combine development cooperation policies with trade policies to increase implementation and monitoring capacity and incentives for Asia to engage with the UK after it loses its position as the 'gateway to Europe'
- adopt Sustainable Development Clauses in future trade agreements, but with stronger enforcement
- rely on a multilateral framework to ensure legitimacy of trade mechanisms against Asian resistance to 'Western' values and reinforce the UK's position as a key player in the rules-based international order
- ensure effective civil society engagement at all stages of the process to enhance legitimacy in Asia and ensure context-specific responses are developed

## Context

After exiting the European Union, the UK will need to expand and develop its trading relationships with third parties across the world, as well as with the EU. As a region, Asia's significance in trade with Europe and globally continues to increase. Asian countries are therefore also likely to be significant trading partners for the UK after Brexit.

- In 2018, Asia's share of the EU's import market in goods totalled 50%
- In 2018, half of the EU's top ten trading partners were Asian states
- In 2017, UK exports to Asia were worth \$96.7b (USD)
- In 2017, UK imports from Asia were worth \$149b (USD)
- 90% of global economic growth in the next 10-15 years will be generated outside Europe





## Overcoming key challenges

### Reduced bargaining power

The ability of the UK to influence human rights through trade is proportional to the size of its trade market. This means that the UK acting alone is likely to have less influence over third countries than the EU acting collectively, and will vary depending on the nature of the third country's interest in the UK market. In Asia, the UK's influence in trade is concentrated in niche, specialist areas of the marketplace rather than spread across Asian markets in high volumes. **To offset reduced bargaining power, the UK should therefore concentrate on strengthening its position in strategic areas – focusing on quality rather than quantity.**

### Loss of position as a regional facilitator

One of the strengths of the UK in trade with Asia was its perceived role as a 'gateway to Europe' for Asian business. The loss of this position after the UK exits the EU will harm its position as a diplomatic and economic 'hub' for Asia in Europe. **This can be offset by reinforcing the UK's position as a key arbiter of the rules-based international order, and a strategic actor in other multi-national organisations.**

### Asian resistance to external human rights

As a region, Asia has been historically weak in its protection of human rights, and widespread abuses have been identified in the supply chains of goods exported from Asian states. The UK's commitment to human rights could be undermined if it built extensive trade relationships with these

countries without taking adequate measures to ensure the advancement of human rights within their borders. However, Asian countries have also historically opposed the imposition of human rights frameworks by third countries, particularly Western states. **Integrating multilateral organisations into monitoring and enforcement mechanisms, developing context-responsive bilateral agreements in particularly complex contexts, and working closely with local actors throughout the process could reduce this challenge.**

## Methodology

The research explored the existing frameworks for advancing human rights through international trade mechanisms, with a focus on existing practice in the European Union, supplemented by examination of other states' policies. Drawing on their own previous research and the wider literature, the authors combined qualitative analysis of existing state policy with quantitative analysis of the international human rights commitments of Asian countries, compared against the rest of the world and global averages.



### Strategies for advancing human rights through UK trade policy after Brexit

Human rights have increasingly been incorporated into international trade negotiations and agreements in recent years, including in the practice of the EU. This provides a solid evidence base for the development of the UK's approach to advancing human rights through trade after Brexit. The UK can learn from existing practice, without being limited by it. This gives the UK the opportunity to forge a new approach to the issue, and to be a world leader in trade-related promotion of human rights.

In the context of the development of both a Generalised Scheme of Preferences for the UK (UKGSP) and UK-Asia bilateral trade agreements (UK-ABTA), the following frameworks should be considered central to UK independent trade policy that meaningfully advances human rights in Asia.



#### Suggested new frameworks for the protection of human rights in UK trade policy

Priority areas	UK-ABTA
<b>Sustainable development chapters (SDCs)</b>	Create new sections in free trade agreements to include specific human rights and sustainable development goals. Standards should be drawn from international instruments and commitments to avoid perceptions that these are just 'western' values.
	UKGSP and UK-ABTA
<b>Positive conditionality</b>	Make ratification of core international human and labour rights conventions a prerequisite for entry into trade agreements and schemes. International instruments that enable international monitoring and oversight of rights should be prioritised in Asia to fill existing gaps in this context.

#### Suggested implementation, monitoring and enforcement for human rights in UK trade policy

Priority areas	UK-ABTA
<b>Soft enforcement</b>	Create monitoring bodies that produce recommendations for states where violations don't meet the conditions for withdrawal (negative conditionality). This should be coupled with engagement mechanisms and constructive dialogue to avoid harsh sanctions or antagonism.
	UKGSP and UK-ABTA
<b>Enhanced engagement</b>	Develop forums for constructive dialogue between UK and Asian stakeholders on labour and human rights. This will help engage civil society and local organisations, ensuring measures are relevant and responsive to the specific context, rather than top-down external systems. Such mechanisms also support local capacity building for human rights actors.





Priority areas	UKGSP and UK-ABTA
Negative conditionality	Make clear provision for the withdrawal of ‘preferences’ from a country if they have committed rights violations crossing a high threshold of severity. Where violations relate to a particular sector or specific economic actors, withdrawal should be tailored to affect only those implicated in the abuses. This reduces the potential for negative impacts of withdrawal to be felt by vulnerable people, and allows for continued engagement with Asian states.
Delivery through multi-national organisations	Work with multinational organisations with a track record in the countries in question to ensure transparency, independence and trust. By reinforcing its position in these institutions, the UK can also offset the loss of its position as a regional facilitator in Europe.
Pair trade with development	The UK should couple its trade and development policies to support human rights priorities in trade and make enforcement and engagement mechanisms more effective. This can increase the capacity of Asian countries to deliver the human rights gains sought in trade policy and increase incentives for engagement.

### Conclusion

Advancing human rights in Asia through international trade after Brexit will present a series of challenges that must be overcome if the UK hopes to maintain its international profile and integrity as a global human rights actor. The ability to include human rights conditions in trade arrangements is proportional to the size of the market and the extent of other forms of international influence. This means that the UK acting alone is likely to have less sway over third countries than the EU acting collectively, and the potential for impact will vary depending on the third country’s interest in the UK market. To advance human rights in an area historically resistant to human rights principles and weak in ensuring their realisation, the UK will need to develop an independent trade policy that is fleet, flexible, and context-responsive.

Although there are substantial barriers to influencing human rights in Asia through trade mechanisms, there is also potential for the UK to leverage trading power for this objective post-Brexit. By engaging with current approaches, and learning from evidence on their strengths and shortcomings, the UK has the opportunity to develop a new model for advancing human rights in Asia through international trade. Using both soft and hard power, the UK can develop new mechanisms for ensuring that vulnerable people in the countries they forge deeper economic relationships with are respected, protected, and fulfilled.



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