

Free trade and the retreat from globalisation

I accept the theory of free trade, that all nations would be richer if they traded freely with each other. Successive rounds of GATT followed by the work of the WTO have boosted world economic activity a bit.

I also agree that for any individual country in theory it could be better off if it went for unilateral free trade, on the grounds that it would benefit from cheaper imports, though would not gain extra opportunity for its exports. I do not however recommend such a policy because it does assume that other countries would not exploit the perceived weakness of a country welcoming more imports without demanding something in return. Were other countries to accept the freedom to sell to that country and at the same time exploit it by making imports from it more difficult it might harm the country making the unilateral offer. It can also lead to strategic weakness by being import dependent on countries that may later become hostile or unhelpful. Trade theory assumes rational economic actions by others, when they may act in a harmful economic way for other reasons.

I am a free trader who believes in offering to remove tariffs and barriers in return for similar offers from trading partners. Today we must recognise that there are strong winds of economic nationalism. President Trump called out China for her trade and IP practises. He moved to ban certain Chinese trade in goods in technologically sensitive areas, and imposed tariffs in an attempt to stem the tide of imports. President Biden is continuing with the same policy albeit with a different choice of diplomatic language. He is reinforcing the idea of making more things in America to replace imports. China retains higher tariffs than the west, controls inward investors through joint ventures and restricts access to some markets.

There have always been cultural and administrative restrictions on free trade and investment in countries claiming to believe in open markets and the free movement of capital. Some UK companies have found it very difficult to invest and work in France and Germany despite being members of the single market for many years. UK retailers for example, reckoned to be world leaders in our early days in the EEC/EU, were unable to build profitable chains of shops on the continent. There have also always been aggressive strategies pursued by some countries to grab market share for their companies and put others at a disadvantage. We have just seen some of this over vaccine production and supply within the EU.

Given the avowed America First, EU first and China first policies being pursued currently, the UK needs to do more work on import substitution and domestic capacity. There is a fixation with marginal changes to export volumes and opportunities, and too little study of how we can become more independent in timber, energy, fish, temperate food, and much else besides. The recent expansion of vaccine production here at home has been a great strength and shows what can be done when there is a concerted effort to use

our new freedoms to good effect.

[Christianity, the EU and Brexit](#)

This is the article I published on Conservative Home:

It was a revelation to read a tweet from the Archbishop of Canterbury that was critical of recent words and attempted deeds of the EU. The Church he leads has often been identified with the various Lib Dem and Labour Remain campaigns which he and other Bishops have supported in the Lords. These campaigns have always worked from the basis that the EU can do no wrong and the UK can do little right.

His tweet is worth examining, because it explains why he and others like him have been so pro EU before. It turns out to be grounded on some basic misunderstandings of both the nature of the EU and the evolving constitution and nature of the English/UK state.

“The EU was originally inspired by Christian social teaching at the heart of which is solidarity. Seeking to control the export of vaccines undercuts the EU’s basic ethics. They need to work together with others” he wrote.

Not exactly, Archbishop.

The EU began life as the EEC, a development of the German Zollverein or customs union. It was neither free trade oriented nor open to the rest of the world, based on protectionist thinking. The early EEC/EU was strictly secular. The first reference to religions in the Treaties was introduced at Lisbon and remains today as Article 17 of the Treaty of the functioning of the EU. That states that the Union respects different religions and different philosophical and non confessional organisations recognised in individual member states. It does not accord any priority to Christianity or any other religion, and merely says the EU will have a dialogue with all these bodies. There is no official Church of the EU. The preamble to the Treaty of Union shows how eclectic the sources of EU thought are by saying “drawing inspiration from the cultural, religious and humanist inheritance of Europe”. France, a fiercely secular state fought successfully to avoid any reference to the Christian religion in the EU Treaty or constitution. The EU has sought to define inalienable human rights that come from no particular faith or philosophy.

In contrast there are several states in Europe that do afford a special place or mention to a Christian Church and Christian values in their constitutions. Denmark, England, Greece, Hungary, Malta and Norway for example all have state Churches that are identified and given various special privileges or mentions. England is one of the most generous to its established Church, the Church of England which the Archbishop leads.

I do not hear him talking much about the special status the Church enjoys in English and wider UK life. The Church owns substantial legacy property and investment wealth courtesy of the UK state and Parliament. MPs do not question this. Parliament moreover allows the Church to collect all rents and dividends free of income tax, take all capital gains free of Gains Tax, and buy assets free of Stamp Duty, to give it maximum scope to build its wealth and grow its income. It would be good to hear more debate on how that is being used. It has its own Parliament, rule making and disciplinary bodies, though they are answerable to the UK Parliament and ultimately governed by UK law. The Archbishops and senior Bishops have seats, votes and voices in the UK legislature. Though they are there as part of the wider governing establishment they are under no duty to support the government, and often during a Conservative government vote and speak in opposition. They also vote on Northern Irish and Scottish matters outside the area of their clerical authority. The Archbishop himself has been a critic of various Brexit measures including the recent Trade Bill and Internal market Bill.

The Church of England benefits from its status as the established Church, gaining a near monopoly over all the main UK national and English civic events from royal weddings and funerals through Remembrance Day services, national anniversaries, civic services for Councils and Mayors, daily prayers in Parliament, to a network of Church schools receiving taxpayer finance. These swell otherwise dwindling congregations. I will explore the nature of solidarity and where that stands in modern politics in a later post. I look forward to the evolution of the Archbishop's thinking on EU matters as he studies more how the EU seeks advantage and augments its power in ways that do not offer friendly co-operation with the rest of the world.

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[Solidarity in modern political parties](#)

Those who use the word solidarity loosely to imply a politics based on the acceptance of mutual obligations where the rich contribute more to the common budget and the poor benefit from it can take comfort from modern democratic parties in the West.

In the UK as elsewhere all mainstream parties believe in three central tenets. They believe that the rich should pay more tax, and favour progressive tax systems. They believe that the poor should receive benefits from the state so no one need go without a roof over their head, food on their table and clothes on their back. They believe that all who can should work to provide for themselves and their families.

Although some on the left try to present the centre right and right as against any such system of social insurance, they are wrong. The debates are

not about this central framework which all elected politicians of the main parties accept. The arguments are about the balance between the three tenets and how you best implement them.

What rates of taxation maximise an appropriate take from the rich ? Or do you wish to tax the rich so hard you drive them out of your country or they cease to be rich?

What level of benefits should you pass to the poor? All agree there has to be a ceiling but there are disagreements about how high it can be, both on grounds of affordability and on grounds of incentive to work.

The third issue raises the same questions. Should low income earners be exempt all tax? At what rate should in work benefit be removed? What are effective as incentives, and what is fair?

Small differences on these matters are often presented as fundamental disagreements, with centre right politicians presented as uncaring as if they wished to remove all support, and centre left politicians presented as wanting to bankrupt the country through inability to see there are limits to what the working population can afford by way of support to others. There is a general drift in democracies to more state spending and more state involvement, with more elected politicians campaigning for government to do things than campaigning for more freedom.

[See Conservative Home for my article on how the EU is not a Christian institution with an Established Church.](#)

www.conservativehome.com John Redwood on the EU, the Church of England and the Archbishop.

[Solidarity](#)

The Archbishop of Canterbury tells us solidarity is at the heart of Christianity. That's not the Word the Bible uses. The origins of solidarity in modern politics is somewhat different to that. I attended a Methodist school with a Christian education in RE classes. I was never introduced to

the word solidarity in those sessions, and never saw it appear on the pages of the Bible translations we used. At the heart of Christian teaching was the idea of Christian charity, and the modern political versions of it in Christian Aid. The relevant Bible passages were about the rich and powerful helping the poor and needy as an act of charity. They gave them money, jobs, support without expecting anything in return. They did so because it was morally good to share some of their wealth and power, They should not pass by on the other side without helping those in need. The unreformed Catholic Church of the medieval period sold pardons and the promise of eternal life to the rich to sustain clerical incomes and to pass money to the needy. These practices had their supporters and produced an early limited welfare state with hospitals and some support for the poor, but also bred their critics over clerical use of the money. It led to the huge Protestant revolt and the dissolution of the monasteries in Protestant countries. In England it led to a flowering of charitable giving by the newly prosperous landowners and traders that benefitted from the dissolution, leading to many almshouses, and the Elizabethan poor relief system organised by parishes.

Solidarity is a concept from the Union movement. Most famously it became a well known political movement in Poland in the 1980s, seeking the overthrow of authoritarian communism. The idea of solidarity amongst workers is not the same as Christian charity. It is a mutual insurance and assurance scheme. Each Union member pays Union dues. These are used to promote their shared causes, and some of the money is used to help individual members in need of legal assistance or temporary income support because they have hit hard times. The Union member pledges to obey Union rules, and to withdraw his or her labour should the Union by ballot decide on industrial action. The mutual part is based on clear obligations or responsibilities on the Union member, in return for various benefits and the possibility of joint action in need.

The EU took up the idea of solidarity as an important concept in the Treaty of Lisbon and thereafter. The idea of EU solidarity is to tell member states they have to meet their responsibilities to the economic and political union, in return for possible help in their times of need. There is an implied promise of assistance should their state fall on hard times or suffer some natural disaster. That part is a mutual insurance scheme. There is also a mutual assurance scheme that one state threatened in some way would qualify for the support of all in a just cause under the Treaties. The member state has to promise to keep to the rules of the Union, to pay money into the Union coffers, to accept joint action and be willing to come to the assistance of other members in specified circumstances.

The wealthier EU countries led by Germany do not think solidarity requires them to send large sums on a charitable basis to the poorer parts of the Union. Nor does the concept extend to meeting the internationally agreed target of 0.7% for overseas aid. The offer of mutual support can also be selective, as Greece and Cyprus discovered in the Euro crisis. Solidarity leads to a modest scale of regional and social grants at EU level. It is a frequent demand on recalcitrant member states when the EU is seeking to get to a collective agreement, a reason given to make compromises.

Solidarity in the sense of helping the poor is also hedged and often queried

by member states. The EU has struggled over the issue of migration and borders in trying to decide how much of an obligation it owes to the poor of the non EU world. It has ended accepting miles of border fence and efforts to deter illegal settlers. Currently the EU wishes to buy up supplies of vaccine for its own citizens, not to help distribute vaccine to the low income countries of the world as the WHO would like. I am not sure this squares with the Archbishop's view of Christian values.