Emerging divisions on trade after Brexit

A discussion paper by
Sofia Vasilopoulou
Dan Keith
Liisa Talving

Research by Sofia Vasilopoulou, Dan Keith and Liisa Talving in partnership with Demos.

Sofia Vasilopoulou, University of York *sofia.vasilopoulou@york.ac.uk*

Dan Keith, University of York *dan.keith@york.ac.uk*

Liisa Talving, University of Tartu *liisa.talving@ut.ee*

In partnership with Demos.

DEMOS

Contents

Introduction	1
Public support for international trade	4
Emerging divisions on trade	7
Public priorities for UK trade policy and FTAs	15
Public interest and knowledge on trade	21
Discussion	22

Executive summary

Brexit has exposed international trade – a policy delegated to experts – to party politics, media scrutiny and public opinion. In this report, we identify major divisions and areas of uncertainty in public attitudes to trade. We present four main findings. First, there is a high level of support for international trade in general terms and signs that the public think that it brings economic benefits to the country. Second, that despite support for trade in general, citizens are highly divided on new trade agreements following Brexit. Public opinion on trade deals and their benefits is to a large extent informed by attitudes towards Brexit. While Remainers overwhelmingly oppose new trade agreements after Brexit, Leavers express strong support. That said, Brexit divisions are also becoming reflected by partisanship with Green, Liberal Democrat and Labour Party supporters being more pessimistic about trade deals post-Brexit compared to Conservative and Brexit Party voters. Third, in terms of public priorities for UK trade policy and FTAs, the public still see the EU as the priority partner in future trade deals overall, despite arguments that the EU represents a declining proportion of the UK's trade. In addition, the public tends to think that the UK will not have the upper hand in trade negotiations vis-à-vis trade partners such as the EU, the US, China, Japan and Australia. Fourth, we find a lack of understanding on trade related issues and moderate interest in them. Overall, our report highlights reasons to expect that any future government could face major challenges in relating to public attitudes to trade.

Introduction

The UK, through its participation in the European Union (EU), has given supranational institutions the authority to negotiate and strike trade deals on its behalf. With Brexit, however, the UK leaves this delegated trade model. This would allow the country to independently negotiate and set up its own Free Trade Agreements (FTAs), but also exposes this policy to party politics, media scrutiny and public opinion. Whereas traditional systems of delegation may have been effective in overcoming political and social divisions in the past, Brexit raises the prospect UK trade policy is (re-)politicised – involving public attention to trade issues and the positioning of political parties towards these issues – despite the fact that citizens and elites may not have the necessary technical expertise to produce appropriate public policy. The politicisation of FTAs can be problematic because reduced delegation and de-professionalisation of policy-making may increase the risk of inefficiency and protectionism.[1] However, public awareness, acceptance and democratic legitimacy of such deals is particularly important given that one of the key reasons behind Brexit was the wish for the country to regain its full sovereignty and consequently become more democratic. At the same time, public opinion can be a significant factor in shaping the ability of governments to successfully renegotiate international agreements.[2] Support at home has the potential to strengthen their hand in negotiations. It is therefore important for any government to co-opt different groups of the electorate so that its deals receive broad public acceptance and are legitimate in the eyes of the voters.

Against this background, this report brings together findings from a public opinion survey of 2,119 respondents conducted by YouGov on 29-30 July 2019. The survey is representative of the general UK

[1] Thatcher, M. and Stone Sweet, A. (2002). Theory and Practice of Delegation to Non-Majoritarian Institutions, *West European Politics*, 25:1, 1–22.

[2] Buisseret, P and Bernhardt, D. (2018). Reelection and renegotiation: International agreements in the shadow of the polls, *American Political Science Review* 112:4: 1016-1035.

population, aged 18+, in terms of age, gender, social grade, education, region, political attention, 2017 General Election and 2016 EU referendum vote. Respondents were asked a series of questions about their attitudes towards international trade and FTAs. More specifically we asked questions in several areas:

- First, is international trade perceived in negative or positive terms? Do the public perceive that international trade brings economic benefits for the country or themselves? Do attitudes towards trade mirror more general attitudes towards Brexit? Or are they separate phenomena?

- Second, what are the perceived benefits of international trade and FTAs? Do people agree with those who argue that FTAs will bring benefits including higher rates of employment, lower prices or greater control over immigration? Here our project aims to both gauge the level of public support for FTAs and to map attitudes towards trade policy.

- Third, we focused on the public's main priorities for UK trade policies in the coming years. We investigated questions related to macro-issues and micro-issues. Specifically related to macro-issues, we asked which trading partners the public think should be prioritised for a trade deal, e.g. the EU, US, emerging markets, Commonwealth countries etc. Related to micro-issues, we asked which sectors the government should prioritise according to the public, E.g. food, high-tech goods, cars, textiles etc.

It is important to study public attitudes on these issues in the event that Brexit happens as well as if there is a second referendum on the UK's membership of the EU or in the event that parliament or a government were to revoke Article 50. It seems highly unlikely that a future decision to remain in the EU would leave the UK's trade relationships unchanged

or that UK governments will not continue to seek to negotiate free trade agreements.

In this report, we present four main findings concerning public attitudes to trade. First, there is a high level of support for international trade in general terms and signs that the public think that it brings economic benefits to the country. Second, we show that despite support for trade in general, citizens are highly divided on new trade agreements following Brexit. Public opinion on trade deals is to a large extent informed by attitudes towards Brexit. While Remainers overwhelmingly oppose new trade agreements after Brexit, Leavers express strong support. These Brexit divisions are also mirrored in public perceptions relating to the benefits of trade deals. This finding in line with research that highlights the importance of Brexit in shaping political divides in the UK.[3] That said, Brexit divisions are also becoming reflected by partisanship with Green, Liberal Democrat and Labour party supporters being more pessimistic about trade deals post-Brexit compared to Conservative and Brexit party voters. Third, in terms of public priorities for UK trade policy and FTAs, our findings suggest that, overall, the public still see the EU as the priority partner in future trade deals; despite arguments that the EU represents a declining proportion of the UK's trade.[4] Overall, respondents thought that each of the suggested trading partners would have the upper hand over the UK in trade negotiations. Fourth, we find a lack of understanding on trade related issues and moderate interest in them. Overall, our report highlights reasons to expect that any future government could face major challenges in relating to public attitudes to trade.

[3] Demos (2016). Language of art not science will reunify a divided Britain, 30 June 2016. Retrieved from: https://demos.co.uk/blog/language-of-art-not-science-will-reunify-a-divided-britain/. Hobolt, S. B., Leeper, T. and J. Tilley. (2018). "Divided by the vote: Affective polarization in the wake of Brexit." Paper presented at the American Political Science Association, Boston.

[4] For example: Spence, P. (2015). The EU's dwindling importance to UK trade in three charts, The Telegraph, 26 June 2015. Retrieved from: https://www.telegraph.co.uk/finance/economics/11700443/The-EUs-dwindling-importance-to-UK-trade-in-three-charts.html

Public support for international trade

Research has shown that economic and cultural grievances related to globalisation were partly behind the Brexit vote.[5] To the extent that international trade is one of the many facets of globalisation, we might expect to also find a lack of enthusiasm toward further integration of international trade. On the contrary Figure 1a suggests that the public has a generally positive impression of international trade (66 per cent of our respondents being very or fairly positive). Opposition to trade is relatively low at 18 per cent and 17 per cent claimed that they did not know. We find that international trade is also seen more positively than globalisation (37 per cent being very or fairly positive), immigration (46 per cent being very or fairly positive) and much more so than Brexit (31 per cent being very or fairly positive). The public is therefore broadly supportive of a vision of the UK as an outward-facing country in which free trade is core to the Global Britain narrative.[6] Interestingly, Leavers are more likely to hold a favourable view of international trade (at 73 per cent favourable among Leavers, compared to 63 per cent for Remainers), despite being more negative about globalisation overall (32 per cent compared to 42 per cent) (figure 1b).

Note that support for international trade seems to cut across party lines. Majorities of supporters from all the main parties[7] have positive impressions of international trade (fig 2). Those identifying with the Conservative Party were found to be the most positive toward

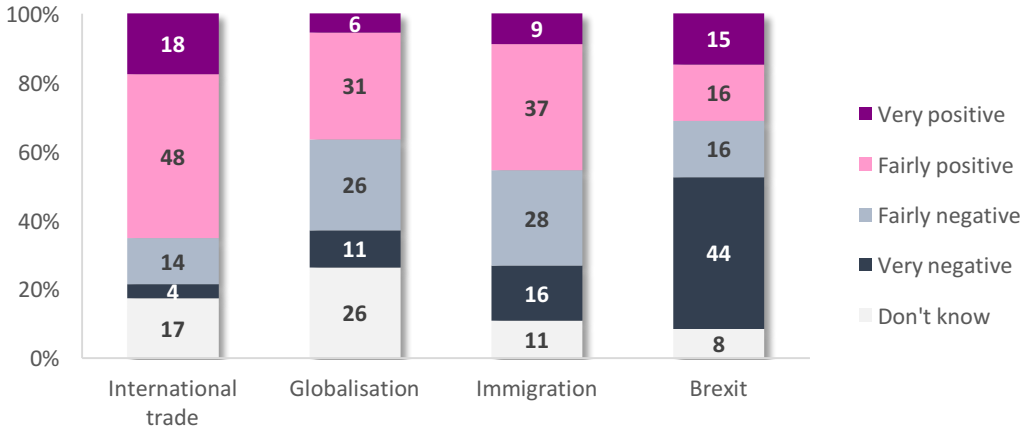
[5] Hobolt, S. B. (2017). The Brexit vote: a divided nation, a divided continent, *Journal of European Public Policy*. 23:9: 1259-1277.

[6] House of Commons Foreign Affairs Committee (2018). Global Britain: Sixth Report of Session 2017-19, p. 12. Retrieved from: https://publications.parliament.uk/pa/cm201719/cmselect/cmfaff/780/780.pdf. See also Department for International Trade (2019) Press Release: Majority support free trade agreements. Retrieved from: https://www.gov.uk/government/news/majority-support-free-trade-agreements

[7] Respondents were asked the following question: 'Generally speaking, do you think of yourself as Labour, Conservative, Liberal Democrat or what?'. Response categories "none" and "don't know" not shown.

international trade (78 per cent), followed by supporters of the Brexit Party (78 per cent), Liberal Democrats (73 per cent), Greens (62 per cent) and Labour (59 per cent). Overall, this finding suggests that politicians should not find a great deal of opposition when pushing for an internationalist agenda in the UK's foreign policy.

Figure 1a. Generally speaking, do you have a positive or negative impression of the following…?



Our findings provide some welcome news to the government as it attempts to highlight the economic benefits of new trade agreements. The public see international trade as being beneficial to the country's economic situation (fig. 3). We find that 63 per cent of respondents and sizeable majorities of supporters from each of the main parties think that international trade has a positive impact on the UK's economic situation. At the same time, it appears that the government has a lot of work to do in convincing citizens that international trade has a positive impact on their personal economic situation (only 36 per cent of respondents). Here almost 20 per cent of people did not know while 35 per cent thought it had no impact on them. In comparison with other parties, Brexit Party and Conservative supporters are the most convinced that international trade has no impact on their personal pocketbook (47 and 44 per cent respectively). It is possible that the complicated nature of

international trade means that some citizens find it hard to identify the precise effects of trade at the individual level.

Figure 1b. Generally speaking, do you have a positive or negative impression of the following…? (by EU Referendum vote)

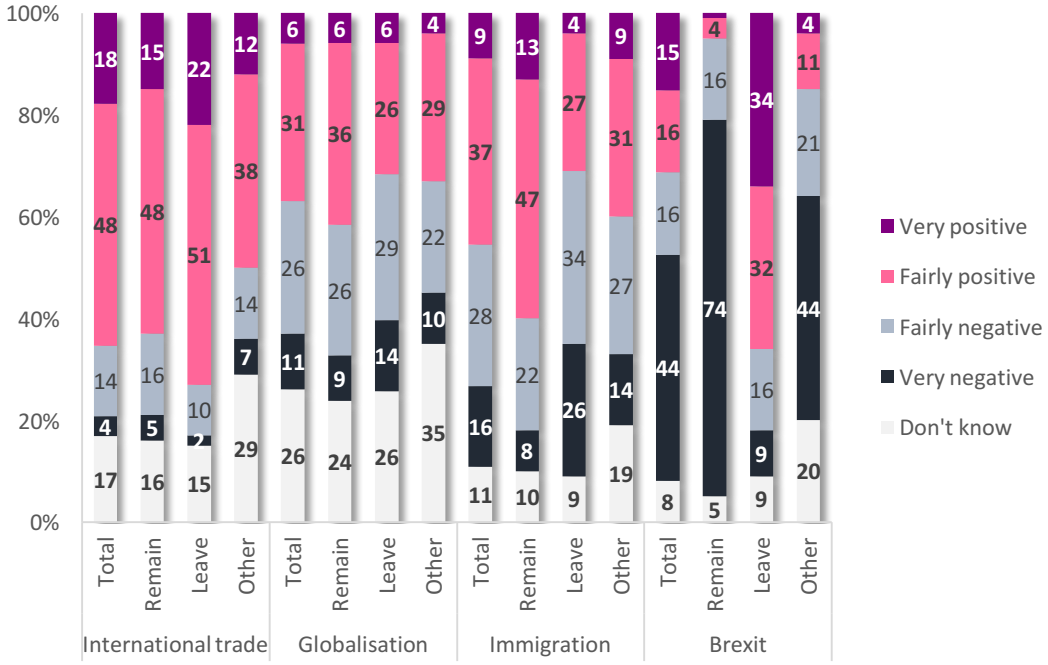


Fig.2. Generally speaking, do you have a positive or negative impression of international trade?

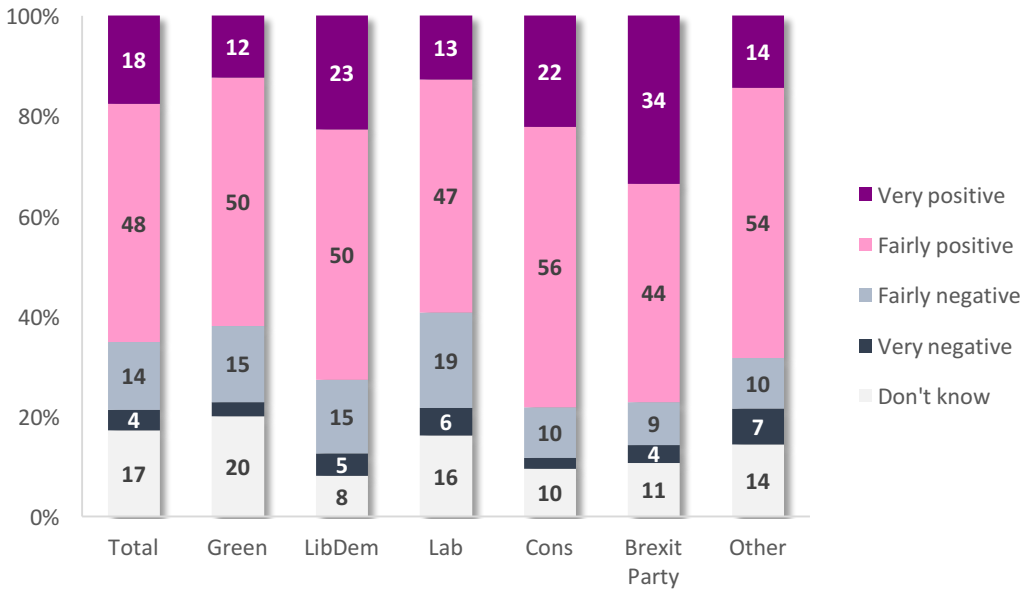
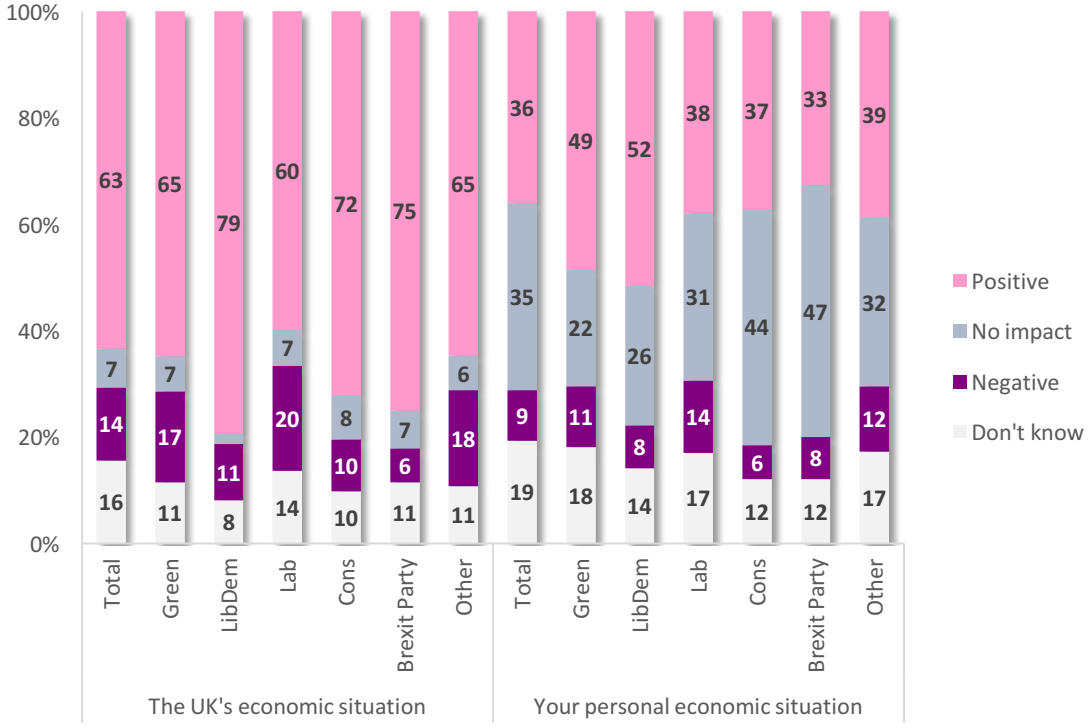


Fig. 3. Generally speaking, do you think international trade has a positive or negative impact on the following…?



Emerging divisions on post-Brexit trade agreements

Our survey has shown that UK citizens tend to be broadly in favour of international trade; although they discern more positive effects at the country rather than at the individual level. The question however remains: how do people view potential FTAs post-Brexit? This question is important, as there is a difference between on the one hand supporting free trade in abstract terms and supporting specific trade agreements on the other. Attitudes towards the principle of free trade and a specific agreement might not necessarily be the same, least because the information environment within which citizens are asked to evaluate an agreement may affect their opinion.[8] The way in which an agreement is framed and presented to the public, i.e. the general political debate, partisan divisions, media coverage etc., all have potential to affect how citizens form their preferences.

For this reason, we asked respondents how they view potential trade agreements specifically within the context of Brexit. Behind support for international trade in general times, we find that the public remain divided and somewhat uncertain about new trade agreements following Brexit (fig. 4). While respondents had positive impressions of international trade, they were less positive when asked about potential new trade agreements after Brexit. In fact, the public is split with 42 per cent holding positive and 41 per cent holding negative impressions of new trade deals post-Brexit. Such findings raise questions as to whether this reflects the critical reception that trade deals have received in the media, as illustrated by the debates on whether Brexit would result in Britain importing sub-standard food from

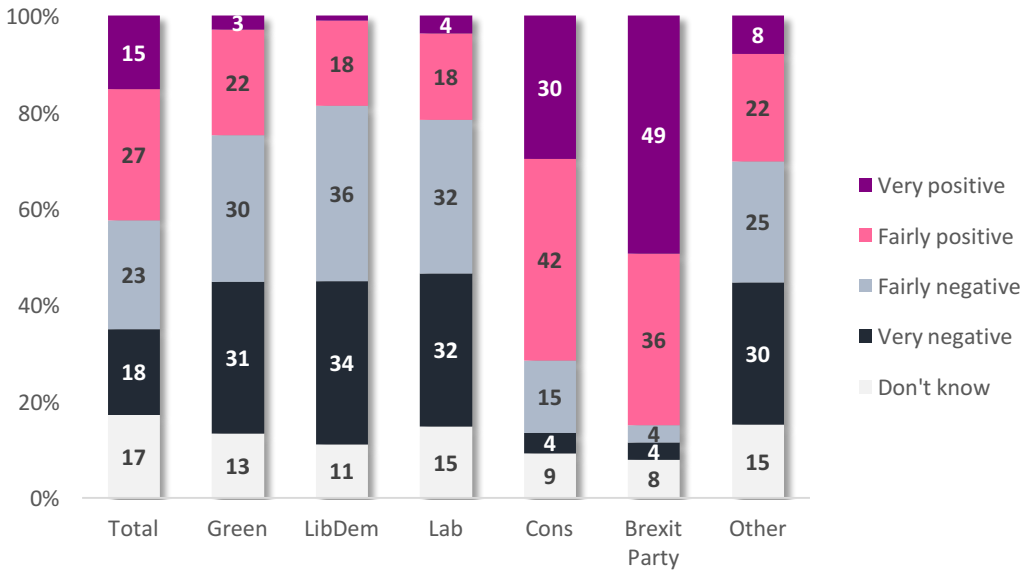
[8] Jungherr, A., Mader, M., Schoen, H. and A. Wuttke (2018). Context-driven attitude formation: the difference between supporting free trade in the abstract and supporting specific trade agreements, *Review of International Political Economy* 25:2: 215-242.

the US (e.g. chlorinated chicken) or the extent to which the NHS will be included in such deals and will ultimately be privatised.

Our survey results suggest that a large section of the public is still forming opinions on trade related issues. A high proportion of the respondents replied that they did not know if they held positive or negative impressions of new trade agreements after Brexit (17 per cent). As mentioned above, a similar proportion also said that they did not know if they have positive or negative impressions of international trade in general terms. Politicians should take note of this finding. If, as expected, trade related issues gain become more politicised in the context of Brexit then there is much to play for. Almost one in five members of the public is yet to make up their minds.

Given that British political parties have lacked unity on Brexit and do not present a coherent vision regarding the country's future post-Brexit, it might be expected that party cues are unlikely to fully help us understand variation in public support for future FTAs. However, in some respects, the findings from our survey, point in the opposite direction. Partisan divisions over new trade agreements post-Brexit appear to be particularly pronounced with Conservative (72 per cent) and Brexit Party (85 per cent) voters having positive impressions of potential new trade agreements compared to much lower proportions of Labour (22 per cent), Liberal Democrats (19 per cent) and Green Party supporters (25 per cent). Majorities of Labour, Liberal Democrat and Green Party supporters have negative views of such agreements. Thus, we also find that respondents' attitudes towards FTAs differ from their attitudes towards trade in general terms. For example, it is particularly notable that Liberal Democrat and Labour supporters are positive to international trade but not to potential trade deals after Brexit.

Fig. 4. Generally speaking, do you have a positive or negative impression of potential new trade agreements after Brexit?



Support for new trade deals post-Brexit is overwhelmingly observed among right-wing party supporters whereas we found opposition among left-wing party supporters. Does this suggest that the issue of trade post-Brexit is a question of partisanship? The literature is inconclusive on the role of ideology in shaping support for free trade.[9] Given that, as argued above, context also plays an important role in enabling voters to evaluate their opinions, we also present answers to the same question grouped by how an individual voted in the 2016 Brexit referendum. Figure 5 demonstrates that attitudes towards trade deals after Brexit are to a large extent informed by attitudes towards Brexit. Only 21 per cent of Remainers view potential new trade agreements after Brexit in a positive light. In contrast, an overwhelming 73 per cent of Leavers support such deals. This finding is in line with research by Hobolt et al. that suggests 'Brexit identities' or attitudes towards Brexit are

[9] Kuo, J. and Naoi, M. (2015). 'Individual Attitudes' in *The Oxford Handbook of the Political Economy of International Trade*, by L. Martin (ed.), Oxford, Oxford University Press, pp. 99–181.

increasingly becoming a major form of political polarisation, influencing how people think and form their political preferences.[10]

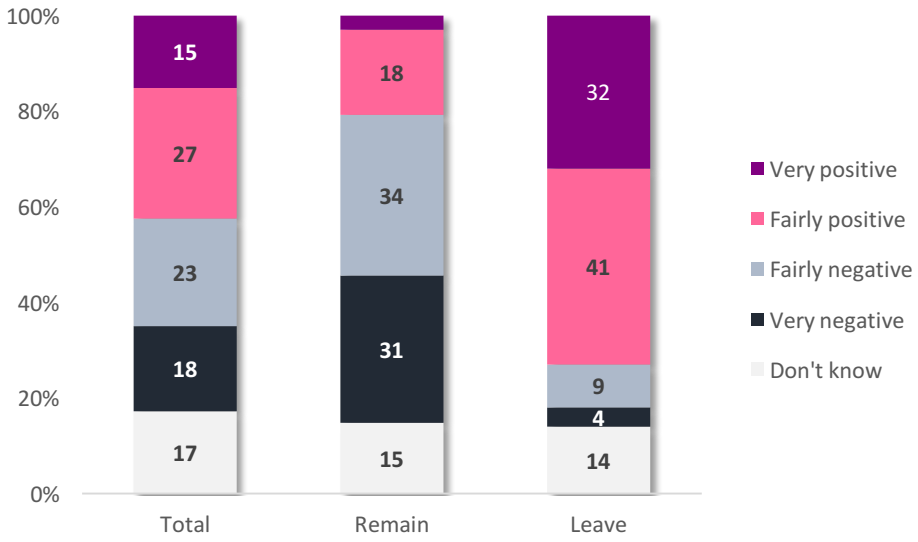
Note that 13 per cent of Leavers have negative views of potential new trade agreements after Brexit and 14 per cent do not know. It is conceivable that less-educated or less well-off individuals –the so-called losers of globalisation– might be likely to oppose free trade agreements for similar reasons that they opposed Brexit.[11] For example, Montagu finds that 50 per cent of those who voted to Leave during the Brexit referendum agree with the statement that 'Britain should limit the import of foreign products in order to protect its national economy'.[12] Overall, this suggests that it is wrong to assume that all Brexit supporters will unequivocally support any government's attempt to secure new free trade agreements in the future. Although perhaps a minority at the moment, this group is likely to become more electorally significant as the trade-offs related to international trade become more apparent in the media.

Thus far, the Conservative government has presented FTAs to the British public in a positive light. Trade agreements are not only associated with high levels of employment, growth and wealth, but they are also the cornerstone of its Global Britain narrative.[13] However, by their nature, free trade agreements are characterised by trade-offs (Morris 2018).[14] The key dilemma for any UK government would be how to strike new trade deals that would deliver good economic outcomes and create new

[10] Hobolt, S. B., Leeper, T. and J. Tilley. (2018). "Divided by the vote: Affective polarization in the wake of Brexit." Paper presented at the American Political Science Association, Boston.
[11] Hobolt, S. B. (2017). The Brexit vote: a divided nation, a divided continent, *Journal of European Public Policy*. 23:9: 1259-1277.
[12] Montagu, I. (2018). Embracing the World? Changing Attitudes to Trade, NatCen Social Research: London, p. 11.
[13] House of Commons Foreign Affairs Committee (2018). Global Britain: Sixth Report of Session 2017-19, p. 12. Retrieved from: https://publications.parliament.uk/pa/cm201719/cmselect/cmfaff/780/780.pdf.
[14] Morris, M. (2018). Have your Cake or Eat it? New Findings on Public Attitudes to Brexit (Part Two), Institute for Public Policy: London.

jobs, while at the same time safeguarding social and labour market protections. Our findings suggest that any future government will be likely to face challenges in terms of public attitudes on the benefits of such agreements.

Figure 5. Generally speaking, do you have a positive or negative impression of potential new trade agreements after Brexit?



To tap into these public preferences, we asked the extent to which respondents agreed that new UK trade deals would be beneficial to the UK in a number of contested areas, including prices, employment, workers' rights, regulation and migration. Figure 6 shows that less than half of respondents agreed (either strongly or tended to agree) that the signing of new UK trade deals would bring positive influence on employment, lowering prices of goods and services, allow the UK to better protect the rights of workers, regulate the safety and quality of goods and services or allow the UK to better control migration. That said, we did find that in most of these areas (employment protecting worker rights, regulating goods and services, and controlling migration but not in lowering prices) more respondents agreed that FTAs would bring benefits than those that disagreed. Overall, however, we find a picture of divisions and uncertainty with around a fifth of respondents

stating that they did not know if they agreed that FTAs would bring such benefits.

The public seem to have mixed attitudes towards the economic benefits of new trade deals with 46 per cent of respondents agreeing that such deals would have a positive impact on employment in the UK, whereas 33 per cent disagreed and 21 per cent did not know (fig. 6). Respondents were less optimistic about the potential benefits of such trade deals to consumers or for trade deals to lower prices of goods and services with only 28 per cent agreeing versus 48 per cent disagreeing. This finding warrants further analysis but highlights that the public are somehow unconvinced by one of the key arguments (lower prices) for pursuing new FTAs.

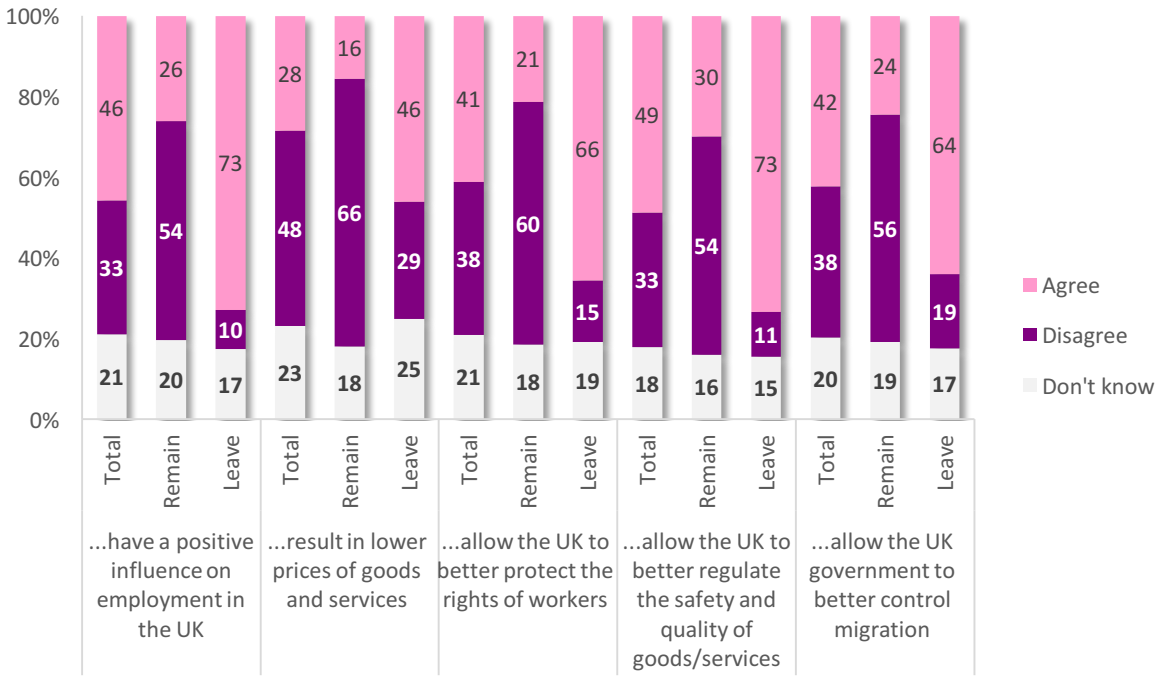
In terms of protecting the rights of workers we also found major divisions with 41 per cent agreeing that new trade deals would help the UK to better protect the rights of workers versus 38 per cent disagreeing. Such divisions might be expected when Labour leader Jeremy Corbyn has been active in campaigning against a form of Brexit that might erode workers' rights.[15] Given public debates about the erosion of health and safety regulation (for example on chlorinated chicken or on environmental regulations on palm oil)[16]; and the need to cut red tape at EU level, it is surprising that the area in which respondents were most optimistic about the benefits of new trade deals was in allowing the UK to better regulate health and safety and quality of goods and services. Here, 49 per cent of people agreed versus 33 per cent disagreeing that new trade deals would allow the UK to enact better regulation. This finding clearly warrants further analysis in future research.

[15] Corbyn, J. (2019). Jeremy Corbyn response to Theresa May's Brexit Statement, 22 May 2018. Retrieved from: https://labour.org.uk/press/jeremy-corbyn-response-theresa-mays-brexit-statement-2/.

[16] See: FT (2019). Malaysia levels palm oil demands on post-Brexit trade, FT, 19 August 2019. Retrieved from: ft.com/cnntent/fd1b1a96-c29c-11e9-a8e9-296ca66511c9.

FTAs outside of the EU have been presented as a way to gain access to trade while also maintaining border control. Yet, the public do not appear to be strongly convinced. We find that only a slightly higher proportion of respondents also agreed that Post-Brexit trade deals would provide the UK government with better controls over migration 42 per cent than those that disagreed 38 per cent. This division could be partly explained by media reports that potential partners in future FTAs are pushing for the UK to relax restrictions on migration (e.g. India).[17]

Fig. 6. The signing of new UK trade deals will…



In all categories, Leavers are much more optimistic that new trade deals will have positive consequences. A majority of Remainers disagree that the signing of new trade deals will bring any of the benefits identified in Fig 6. In this respect, the persistence of divisions over Brexit represents

[17] Strauss, D. (2019). Immigration curbs hitting trade ties with India, say MPs, FT, 24 June 2019. Retrieved from: **https://www.ft.com/content/56074dda-95bd-11e9-8cfb-30c211dcd229.**

a major obstacle for those seeking to promote new trade deals. We also find significant partisan divisions over the benefits of new trade agreements. For example, majorities of Conservative and Brexit Party supporters agree that such agreements will have positive affects (in terms of employment, better rights for workers, ability to regulate goods and services, controls over immigration). However, on most of these issues, a majority of Labour, Liberal Democrat and Green Party supporters disagree. This suggests that Brexit divisions are also becoming reflected by partisanship.

Public priorities for UK trade policy and FTAs

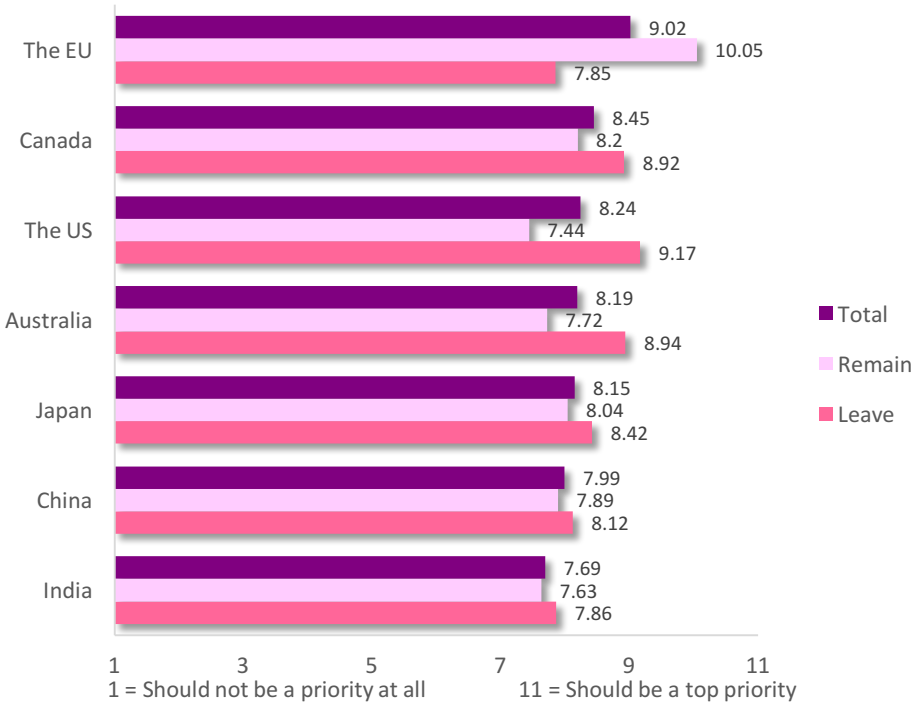
Our project aims to shed light on the sort of trade deals that the public is willing to accept and their priorities for such deals. The relative importance of trade with the UK's existing key trading partners (including the EU and US) has been widely debated in the media by those favouring Brexit and Remain. Supporters of Brexit have also argued that in line with a 'global Britain' strategy, different trading relations should be prioritised with emerging economies.

In order to gauge public preferences for post-Brexit trade agreements we asked respondents which trading partners they prioritised in post-Brexit trade deals and to score different trading partners between 1 to 11 (where 1 means it should not be a priority and 11 means it should be a top priority). Figure 7 shows that respondents scored each of the potential trading partners that we suggested quite highly (e.g. close to 11). At the same time, they clearly saw some trading partners are higher priorities than others. Despite arguments that the EU represents a declining proportion of the UK's trade[18] our findings suggest that overall, the public still see the EU as the priority partner in future trade deals (with an average score of 9.02/11), followed by Canada (average score of 8.45) and more so than the US (average score of 8.24/11). Divisions over Brexit appear to play a significant role in shaping the respective priorities of those that voted Leave and Remain. For example, Remainers prioritise a deal with the EU whereas, Leavers prioritise a deal with the US (fig 7.) followed by Australia (8.94/11). Leavers scored a trade deal with the EU as their lowest priority (7.85/11) and behind a deal with Canada, Japan, China or India.

[18] For example: Spence, P. (2015). The EU's dwindling importance to UK trade in three charts, The Telegraph, 26 June 2015. Retrieved from: https://www.telegraph.co.uk/finance/economics/11700443/The-EUs-dwindling-importance-to-UK-trade-in-three-charts.html.

Our survey data suggests a degree of continuity in these preferences when compared to results presented by Smith in an analysis of Yougov survey data from September 2016.[19] Leave voters appear to have been quite consistent in prioritising a trade deal with the US, Australia and Canada – even if the order has changed with the US now appearing to have become the number one priority. Smith found that Remain voters prioritised a deal with the EU, followed by one with the US. However, our results suggest that a deal with the US may have become less of a priority to Remain voters by 2019 and Remainers scored it lowest out of the deals presented in fig 7. We also find that Remainers see a trade deal with Australia as less of a priority than Leavers do.

Fig. 7. With which of the following should the UK Government prioritise post-Brexit trade deals?



[19] See Smith, M. (2016). Which countries should we focus on for trade deals? Yougov, 17 September 2016. Retrieved from: https://yougov.co.uk/topics/politics/articles-reports/2016/09/17/which-countries-should-uk-prioritise-post-brexit-t

The public's prioritisation of a trade deal with the EU is interesting given that that there has been so much public debate on the nature of a future UK-US free trade deal and relatively little on the specifics of a future UK-EU free trade agreement. Thus far, Conservative governments have stated their ambition to deliver a trade deal with the EU during a transition period following Brexit. Yet, the specifics of this stage of negotiations have been put into the long grass as debates have focused on the Withdrawal Agreement and the risks of a No Deal Brexit. The public's demand for such a deal with the EU might have potential to place significant pressures on the government if negotiations falter. It might also present a different direction to that being pursued by UK ministers who have identified a US-UK trade deal as their 'number one priority' and are seeking to fast track such an agreement.[20]

Respondent's next priorities as partners in FTAs were with Canada, Australia and Japan, followed by China and India. These findings raise significant questions about the factors that shape the public's trade priorities and the role of cultural, historic ties and, language. The lower score for India also raises questions as to the degree to which the public are convinced about a key aspect of the "Global Britain' strategy in terms of developing trade relations with emerging trade powers.

Overall, respondents thought that each of the suggested trading partners would have the upper hand over the UK in trade negotiations (on a 1-11 scale of 1=the UK and 11= the trade partner having the upper hand) (fig. 8). Here the US was seen to be the most powerful trading partner (averaging a score of 7.3) followed by the EU (averaging a score of 6.87). It seems plausible that the public might conflate the geo-political power of the US with its economic size and understate the size of the EU and Chinese economies; which at least according to some

[20] See Clarke, N. (2019). America First: Britain will make fast-tracking US deal number one Brexit Priority vows new Trade Secretary Liz Truss, The Sun, 30 July 2019. Retrieved from: https://www.thesun.co.uk/news/9616125/britain-brexit-trade-deal-liz-truss/

measures have been seen outweigh that of the US.[21] Again, we find that divisions over Brexit structure attitudes towards new trade negotiations. For example, Remain voters tend to view other countries as having a much stronger hand in future trade negotiations. In comparison Leave voters appear to be more optimistic about the UK's power in negotiations.

Reports that the UK 'may be first in line for a trade deal' with the Trump Administration following Brexit might represent a change in US policy.[22] However, commentators have also argued that the US will have the upper hand over Britain during negotiations and that the UK will lack leverage[23]. Some have pointed out that the US administration is taking an 'America First' strategy and manoeuvring to seek free trade deals in those sectors where the removal of tariffs would do more to UK barriers to trade while defend its own.[24] As former US Treasury Secretary Larry Summers has argued the UK '…needs an agreement [on trade with the US] very soon. When you have a desperate partner that's when you strike the hardest bargain'.[25] Our findings highlight that the public also hold such views. It is also interesting that respondents in our survey prioritised trade deals with those countries that they thought had the upper hand over the UK in negotiations rather than those where they

[21] Budiman, A. and Manevich, D. (2017). Few see EU as world's top economic power despite its relative might. Pew Research Centre, 9 August 2017. Retrieved from: https://www.pewresearch.org/fact-tank/2017/08/09/few-see-eu-as-worlds-top-economic-power-despite-its-relative-might/

[22] Walker, A. (2019). UK 'first in line' for US trade deal says John Bolton, BBC, 13 August 2019. Retrieved from: https://www.bbc.com/news/uk-49325620

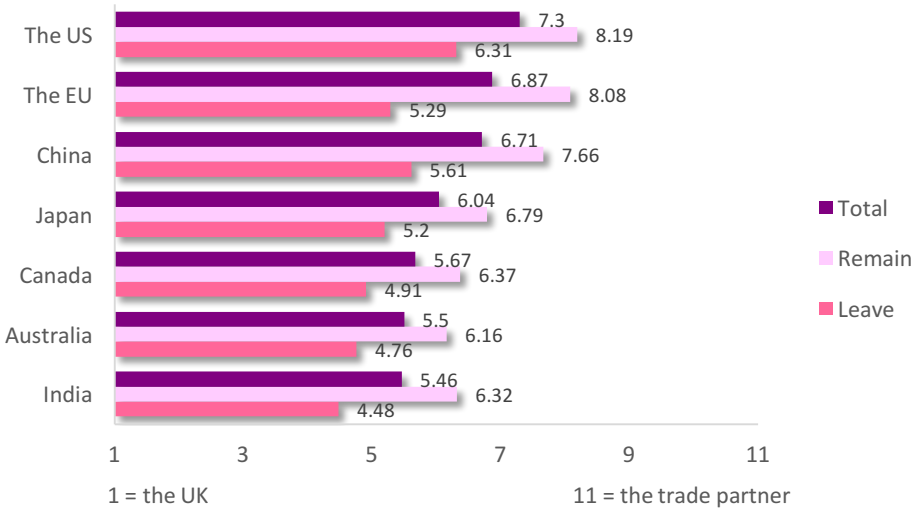
[23] For example: Spence, E. (2019). Desperate Britain has no leverage for U.S. deal, Summers says, Bloomberg, 6 August 2019. Retrieved from: https://www.bloomberg.com/news/articles/2019-08-06/desperate-britain-has-no-leverage-for-u-s-deal-summers-says.

[24] Grozobinski, D. (2019). John Bolton's US-UK trade deal is easy to talk up but hard to negotiate, Huffpost, 13 August 2019. Retrieved from: https://www.huffingtonpost.co.uk/entry/john-bolton-uk-us-trade-deal_uk_5d52918ae4b05fa9df047068.

[25] Summers quoted in Borshoff, I. (2019). Post-Brexit UK 'desperate' for Trump trade deal, former US Treasury Secretary says, Politico, 8 June 2019. Retrieved from: https://www.politico.eu/article/post-brexit-uk-desperate-for-trump-trade-deal-former-us-treasury-secretary-says/.

thought the UK might have a chance of securing a relatively more advantageous deal. Here our findings highlight the need for further research to explore the degree to which the public may have become reconciled to unfavourable outcomes in FTAs.

Fig. 8. Who do you think would have the upper hand in trade negotiations between the following?



Our survey also suggests that the UK public might understate the economic power of some potential partners in FTAs. For example, the UK was seen to have less of an upper hand in trade negotiations than the other countries that were suggested. Moreover, India is ranked by the World Bank as the 7th largest economy (measured by GDP) and ranks higher than Canada (ranking 10th largest), Australia (ranking 13th largest)[26] but respondents viewed it as having a weaker hand in negotiations than the other countries presented in Fig 8. It remains to be seen how the UK government will manage such realities as it seeks FTAs. It also raises the prospect that citizens might feel that too many

[26] World Bank (2018). Gross Domestic Product 2018. Retrieved from: https://databank.worldbank.org/data/download/GDP.pdf.

concessions are being made to countries that are seen to be in a weaker position than economic realities suggest.

To gain insights into the economic sectors that the public sees as the priority for trade deals after Brexit, respondents were asked to score five different sectors between 1 and 11, with 1 indicating that the sector was not a priority and 11 indicating it to be a top priority (fig. 9). Here Food scored highest (with an average score of 9.53). It is plausible that this might reflect concern with media reports of food shortages or empty shelves following Brexit. It also raises questions as to whether the government can meet public expectations of FTAs in this area when commentators have highlighted the potential difficulties in encouraging trading partners to open up their food industries to free trade or to overcome differences in policy in areas of food safety (e.g. chlorinated chicken, GM crops).

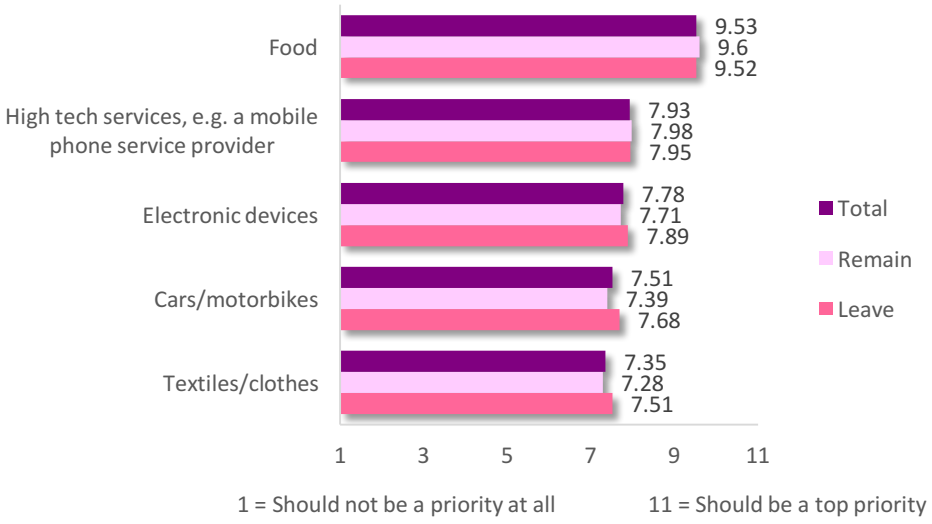
Similarly, public opinion on FTAs might pose particular challenges for the government when alongside food, citizens also prioritise high tech services (mean score of 7.93) for FTAs. These sectors have been identified as ones where it will be particularly difficult to forge free trade deals with key partners such as the US. Furthermore, while the public do not see Cars/motorbikes as a priority area for FTAs, this is an area that the US has identified as one of its priority areas for an agreement.[27] In these areas, we find limited differences between Remain and Leave voters.

The respondents on average expressed a moderate degree of interest in issues surrounding international trade. When asked to express this on a 1-11 scale (1 being not at all interested and 11 being very interested) respondents gave a score averaging 5.97. Levels of interest are similar among Remain and Leave voters at 6.16 and 6.06 respectively. These

[27] Grozobinski, D. (2019). John Bolton's US-UK trade deal is easy to talk up but hard to negotiate, Huffpost, 13 August 2019. Retrieved from: https://www.huffingtonpost.co.uk/entry/john-bolton-uk-us-trade-deal_uk_5d52918ae4b05fa9df047068.

findings highlight that the public have healthy levels of interest in trade despite the fact that such issues have thus been insulated from public opinion. As trade-offs related to this policy become apparent in the public debate interest is likely to increase. It is notable that Liberal Democrat supporters (averaging a score of 6.8) were the most interested, followed by Conservative supporters (6.43). When Liberal Democrat supporters have positive views of international trade and express such interest in trade related issues there might be an opportunity for the new Liberal Democrat leader Jo Swinson to articulate a positive alternative vision of trade agreements should Brexit take place.

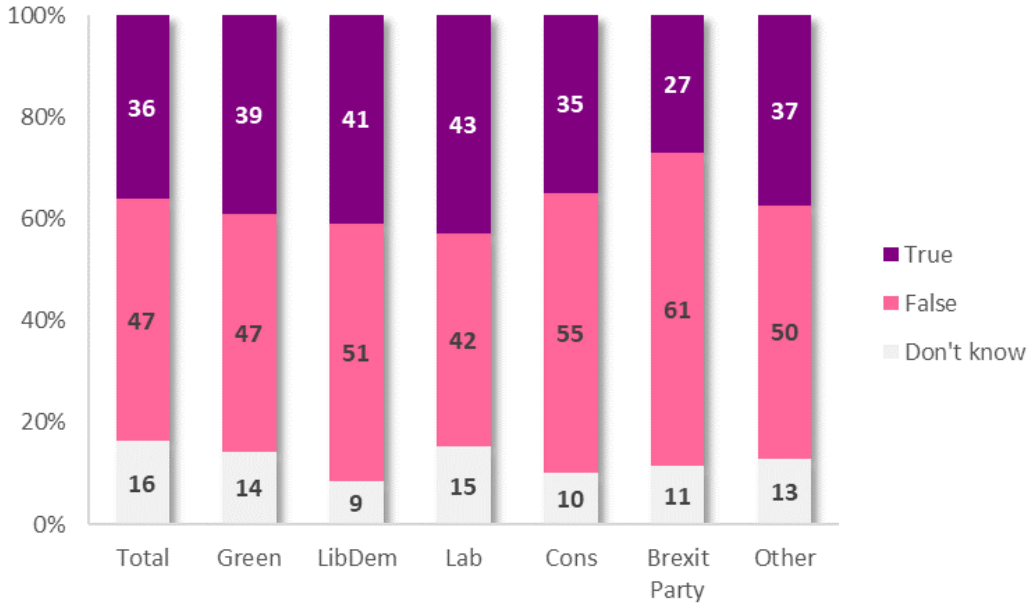
Fig. 9. Which sectors should the UK Government prioritise in its trade deals after Brexit?



Public interest and knowledge on trade

The survey also helps to highlight the challenges that the government could face in communicating the details of trade negotiations and agreements to the public. Our findings support the expectation that the public lack knowledge of trade related issues (fig. 10). For example, we find that 36 per cent or respondents incorrectly stated that it was true that countries cannot trade with one another without an agreed trade deal, with 16 per cent answering that they did not know. Only 47 per cent of respondents stated correctly that this was false; Brexit Party supporters selected this option more often than other respondents (61 per cent).

Fig. 10. Do you think the statement "Without an agreed trade deal, countries cannot trade with one another" is true or false?



Implications

The (re-) politicisation of trade reveals the tension between on the one hand any government's ability to pursue stable, long-term and predictable policy that avoids electoral cycles, and the increasing need for legitimacy and democratic accountability in an era of general political discontent on the other. In our survey, we have found high levels of support for international trade in the UK public. However, attitudes change when international trade is framed with reference to Brexit. We show that divisions on potential new trade agreements after Brexit largely mirror attitudes towards Brexit. Whereas Leavers view trade deals post-Brexit in a positive light, Remainers are much more negative towards them. More specifically, while a high proportion of Leavers agree that there are major benefits of new trade deals (e.g. employment or better regulation) majorities of Remainers disagree. In this report, we have identified major divisions and areas of uncertainty in public attitudes to trade.

It is conceivable that the effect of Brexit divisions on support for free trade agreements will decrease in the coming years. If the Brexit question is resolved, then perhaps citizens will become more supportive of them, as they are supportive of international trade. However, our data indicate that these divisions are also becoming articulated in terms of partisanship with Conservative and Brexit Party supporters being favourable of free trade agreements after Brexit and left-leaning partisans being opposed to them. It has been argued elsewhere that the UK government faces practical challenges to its 'Global Britain' strategy because it is seeking post-Brexit trade deals at a time when global trade integration has stalled since the financial crisis and is unlikely to pick up steak any time soon.[28] Our findings suggest that public opinion is likely

[28] See Springfield, J. and Lowe, S. (2019). Now is the worst time for 'Global Britain', Centre for European Reform. 27 June 2019. Retrieved from: https://www.cer.eu/insights/now-worst-time-global-britain.

to pose an additional constraint to any government's attempt to strike new trade deals in the current context. Ongoing research is needed to examine whether such divisions have a long-term effect on attitudes to trade and new trade agreements.

More broadly, if Brexit does not resolve deep problems in British society with regard to alienation, job insecurity and the disillusionment related to globalisation that was expressed against the EU during the referendum, it is likely to be directed against Westminster post-Brexit. FTAs are potentially key targets of this disillusionment as anti-globalisation feelings are likely to be channelled against FTAs. In other words, some individuals might oppose FTAs for precisely the same reasons they opposed Brexit. Brexit in itself is an act of 'closeness', while FTAs rather signal openness. At the moment Brexit Party supporters appear to have the most positive views of post-Brexit FTAs. However, our research raises interesting questions as to whether support for FTAs can be sustained as such agreements are negotiated.

Our report has shown that it will be difficult for governments to overcome the challenges posed by public opinion on trade. A Conservative government might alienate 'protectionist' Leavers, a group that is currently small but might grow, especially as the debates over FTAs will expose the trade-offs. On the other hand, a Labour single-party government or a Labour-Liberal Democrat coalition government might find that opposition to post-Brexit FTAs to be in line with the attitudes of their electorates. If these parties gain power after Brexit, they might encounter a position in which they face pressures to negotiate new FTAs against the wishes of their voters.

Moreover, Brexit raises important questions about what people think about free trade and where the dividing lines lie. There is an increasing need to find a mechanism to satisfy voters that the system is responsive to their preferences and that politicians are protecting their constituents' interests. However, the very technical and complex field of international

trade is difficult to understand for voters. Our research suggests there are considerable areas where sections of public opinion misunderstand trade related issues or have priorities that could prove to be problematic or out of line with economic realities. We expect that people will rely on cues to help them form an opinion, which suggests that attitudes towards the EU or Brexit might have potential to shape citizens' views on trade. Our research also highlights the need for efforts to be made at improving the information given to citizens to help them to better understand trade related issues and trade negotiations.

Licence to Publish

The work (as defined below) is provided under the terms of this licence ('licence').
The work is protected by copyright and/or other applicable law. Any use of the work other than as authorized under this licence is prohibited. By exercising any rights to the work provided here, you and agree to be bound by the terms of this licence. The authors grant you the rights contained her consideration of your acceptance of such terms and conditions.

1 Definitions

a 'Collective Work' means a work, such as a periodical issue, anthology or encyclopedia, in which the Work in its entirety in unmodified form, along with a number of other contributions, constituting separate and independent works in themselves, are assembled into a collective whole. A work that constitutes a Collective Work will not be considered a Derivative Work (as defined below) for the purposes of this Licence.
b 'Derivative Work' means a work based upon the Work or upon the Work and other pre-existing works, such as a musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which the Work may be recast, transformed, or adapted, except that a work that constitutes a Collective Work or a translation from English into another language will not be considered a Derivative Work for the purpose of this Licence.
c 'Licensor' means the individual or entity that offers the Work under the terms of this Licence.
d 'Original Author' means the individual or entity who created the Work.
e 'Work' means the copyrightable work of authorship offered under the terms of this Licence.
f 'You' means an individual or entity exercising rights under this Licence who has not previously violated the terms of this Licence with respect to the Work,or who has received express permission from the authors to exercise rights under this Licence despite a previous violation.

2 Fair Use Rights

Nothing in this licence is intended to reduce, limit, or restrict any rights arising from fair use, first sale or other limitations on the exclusive rights of the copyright owner under copyright law or other applicable laws.

3 Licence Grant

Subject to the terms and conditions of this Licence, Licensor hereby grants You a worldwide, royalty-free, non-exclusive, perpetual (for the duration of the applicable copyright) licence to exercise the rights in the Work as stated below:
a to reproduce the Work, to incorporate the Work into one or more Collective Works, and to reproduce the Work as incorporated in the Collective Works;
b to distribute copies or phonorecords of, display publicly, perform publicly, and perform

publicly by means of a digital audio transmission the Work including as incorporated in Collective Works; The above rights may be exercised in all media and formats whether now known or hereafter devised. The above rights include the right to make such modifications as are technically necessary to exercise the rights in other media and formats. All rights not expressly granted by Licensor are hereby reserved.

4 Restrictions

The licence granted in Section 3 above is expressly made subject to and limited by the following restrictions:

a You may distribute, publicly display, publicly perform, or publicly digitally perform the Work only under the terms of this Licence, and You must include a copy of, or the Uniform Resource Identifier for, this Licence with every copy or phonorecord of the Work You distribute, publicly display, publicly perform, or publicly digitally perform. You may not offer or impose any terms on the Work that alter or restrict the terms of this Licence or the recipients' exercise of the rights granted hereunder. You may not sublicence the Work. You must keep intact all notices that refer to this Licence and to the disclaimer of warranties. You may not distribute, publicly display, publicly perform, or publicly digitally perform the Work with any technological measures that control access or use of the Work in a manner inconsistent with the terms of this Licence Agreement. The above applies to the Work as incorporated in a Collective Work, but this does not require the Collective Work apart from the Work itself to be made subject to the terms of this Licence. If You create a Collective Work, upon notice from any Licencor You must, to the extent practicable, remove from the Collective Work any reference to such Licensor or the Original Author, as requested.

b You may not exercise any of the rights granted to You in Section 3 above in any manner that is primarily intended for or directed toward commercial advantage or private monetary compensation. The exchange of the Work for other copyrighted works by means of digital filesharing or otherwise shall not be considered to be intended for or directed toward commercial advantage or private monetary compensation, provided there is no payment of any monetary compensation in connection with the exchange of copyrighted works.

C If you distribute, publicly display, publicly perform, or publicly digitally perform the Work or any Collective Works, You must keep intact all copyright notices for the Work and give the Original Author credit reasonable to the medium or means You are utilizing by conveying the name (or pseudonym if applicable) of the Original Author if supplied; the title of the Work if supplied. Such credit may be implemented in any reasonable manner; provided, however, that in the case of a Collective Work, at a minimum such credit will appear where any other comparable authorship credit appears and in a manner at least as prominent as such other comparable authorship credit.

5 Representations, Warranties and Disclaimer

A By offering the Work for public release under this Licence, Licensor represents and warrants that, to the best of Licensor's knowledge after reasonable inquiry:

i Licensor has secured all rights in the Work necessary to grant the licence rights hereunder and to permit the lawful exercise of the rights granted hereunder without You having any obligation to pay any royalties, compulsory licence fees, residuals or any other payments;

ii The Work does not infringe the copyright, trademark, publicity rights, common law rights or any other right of any third party or constitute defamation, invasion of privacy or other tortious injury to any third party.

B except as expressly stated in this licence or otherwise agreed in writing or required by applicable law, the work is licenced on an 'as is' basis, without warranties of any kind, either express or implied including, without limitation, any warranties regarding the contents or accuracy of the work.

6 Limitation on Liability

Except to the extent required by applicable law, and except for damages arising from liability to a third party resulting from breach of the warranties in section 5, in no event will licensor be liable to you on any legal theory for any special, incidental, consequential, punitive or exemplary damages arising out of this licence or the use of the work, even if licensor has been advised of the possibility of such damages.

7 Termination

A This Licence and the rights granted hereunder will terminate automatically upon any breach by You of the terms of this Licence. Individuals or entities who have received Collective Works from You under this Licence, however, will not have their licences terminated provided such individuals or entities remain in full compliance with those licences. Sections 1, 2, 5, 6, 7, and 8 will survive any termination of this Licence.

B Subject to the above terms and conditions, the licence granted here is perpetual (for the duration of the applicable copyright in the Work). Notwithstanding the above, Licensor reserves the right to release the Work under different licence terms or to stop distributing the Work at any

time; provided, however that any such election will not serve to withdraw this Licence (or any other licence that has been, or is required to be, granted under the terms of this Licence), and this Licence will continue in full force and effect unless terminated as stated above.

8 Miscellaneous

A Each time You distribute or publicly digitally perform the Work or a Collective Work, the authors offer to the recipient a licence to the Work on the same terms and conditions as the licence granted to You under this Licence.

B If any provision of this Licence is invalid or unenforceable under applicable law, it shall not affect the validity or enforceability of the remainder of the terms of this Licence, and without further action by the parties to this agreement, such provision shall be reformed to the minimum extent necessary to make such provision valid and enforceable.

C No term or provision of this Licence shall be deemed waived and no breach consented to unless such waiver or consent shall be in writing and signed by the party to be charged with such waiver or consent.

D This Licence constitutes the entire agreement between the parties with respect to the Work licensed here. There are no understandings, agreements or representations with respect to the Work not specified here. Licensor shall not be bound by any additional provisions that may appear in any communication from You. This Licence may not be modified without the mutual written agreement of the authors and You.