

International Trade Select Committee Consultation - UK trade negotiations: Agreement with the Gulf Cooperation Council (GCC)

About us

The Trade Justice Movement (TJM) is a UK-wide network of sixty civil society organisations, with millions of individual members, calling for trade rules that work for people and the planet. Our members include trade unions, NGOs, consumer groups and faith organisations. Together we are calling for trade justice, where the global system of trade ensures sustainable outcomes for ordinary people and the environment.

Thoughts on the Government's consultation exercise, the summary of responses produced, and stakeholder engagement.

1. The Government's consultation exercise should have been an opportunity for the Department for International Trade (DIT) to seek opinions on whether a deal with the GCC should be pursued. However, much of the consultation assumed that respondents support the UK securing an agreement with the GCC, making it very difficult to raise objections to the negotiations.
2. We do not believe that an FTA between the UK and the Gulf Cooperation Council (GCC) is desirable or will help the UK achieve its economic and sustainability objectives. Our concerns are outlined in more detail in response to other questions in this inquiry.
3. As has been raised by a number of organisations including businesses, trade unions, environmental organisations, other NGOs, and TJM during other inquiries, the UK's democratic and scrutiny processes during its trade negotiations are extremely weak compared to other countries, and expose a democratic deficit in an important area of government policy. Any proposed negotiations with GCC must provide suitable opportunities for stakeholders to express deeply held concerns about environment and climate change, human rights, labour rights, women's rights, equalities, and much else besides.

The extent to which a free trade agreement with the GCC could further the Government's climate and environment goals.

4. GCC countries do not offer a viable model for climate adaptation or mitigation. The UK claims to be a world-leader in the fight against climate change, and was the first major economy to set a carbon-zero target of 2050. Last year, the UK hosted the COP26 Climate Conference, which aimed to set new, ambitious targets for global emissions reduction and the UK retains the presidency until the end of 2022. Despite this, the Government's pursuit of a deal with the GCC highlights a concerning disconnect between the UK's climate ambition and its new trade policy.
5. The GCC have historically had limited engagement with international efforts to combat climate change. A number of GCC countries are oil-producing and rely heavily on fossil fuels for their domestic energy needs as well as export and investment. Saudi Arabia was accused of obstructing and stalling progress on reaching a climate agreement at COP26¹. Greenpeace

reported that Saudi negotiators moved to block the negotiations taking place over the creation of the so-called ‘cover decision’ for the final text, and delayed progress on adaptation².

6. Oil makes up a key part of overall GCC exports and of UK imports from these countries. The UAE ranks as ‘highly insufficient’ according to Climate Action Tracker³, as does Saudi Arabia. The other GCC countries are not rated by the tracker, but perform poorly on other measures.
7. National Vision papers published by GCC governments demonstrate that methods for achieving reductions in emissions are predicated on ‘cleaner’ forms of gas, and advancements in sustainable technology, carbon capture and tree planting rather than a commitment to cut gross emissions.
8. A particular area of concern is Investor-State Dispute Settlement (ISDS), which can have disastrous implications for environmental and climate policy:
 - a. ISDS allows firms to sue governments for policies which harm their profits. While the aim is to mitigate against unreasonable and unpredictable government behaviour, in practice ISDS has been used to challenge all sorts of important environmental regulations, including: the phase-out of coal-fired power stations, water pollution controls in Germany, a ban on fracking in Canada, and various regulations on mining in East Asia and South America. There is a risk that ISDS is used to challenge new regulations which are essential for fighting climate change.
 - b. The UK already has Bilateral Investment Treaties (BITs) with all six GCC members except Saudi Arabia, and two of these are not in force (Kuwait and Qatar). Instead of pursuing new deals with the GCC, the UK should engage them in a review of the ISDS provisions in the existing BITs, which are not fit for purpose, especially given the high level of investments in oil which could be the subject of challenge given new climate-related regulation. This applies to UK investments in oil and gas as well as other fossil fuel investments covered by ISDS, such as those in the Energy Charter Treaty.
 - c. ISDS is inconsistent with efforts to tackle climate change, and the UK should look to replace ISDS in any new agreement with GCC countries. Any new ISDS provisions in a GCC agreement could lead to challenges from Saudi Arabian investors, including fossil fuel investors, who currently do not have this legal privilege.
9. Another environmental concern is that trade agreements often encourage a race to the bottom on standards, which severely hampers environmental regulation:
 - a. Trade rules at the World Trade Organization make it difficult for countries to ban products on the basis of process and production methods (PPMs), as shown by a number of WTO cases, even if other countries’ PPMs are harmful for the

¹ Sky News (2021), online at: <https://bit.ly/3ACoHcR>.

² Greenpeace (2021), online at: <https://bit.ly/33UjD7Q>

³ <https://climateactiontracker.org/countries/>

environment. Trade deals may make these products even more competitive through the removal of tariffs, potentially putting pressure on UK producers to lower their standards.

- b. Trade deals increasingly contain regulatory cooperation chapters, which encourage regulators in each country to discuss, assess and harmonise regulations. Since this cooperation is geared towards increasing trade rather than tackling issues like climate change, there is a risk that it leads to a reduction in standards rather than a shared raising of standards.
10. In the context of a future UK-GCC trade agreement, it is essential that climate change is put at the heart of the deal to ensure that it does not conflict with the UK's climate ambitions, perhaps replicating the 'essential element' provision in the UK-EU Trade and Cooperation Agreement. Particular attention must be paid to the risk posed by provisions including ISDS, regulatory cooperation, SPS, procurement and emissions resulting from the flow of goods. It is unclear how this can be achieved in the context of the fossil fuel-based economic models followed by all GCC countries, in addition to high rates of energy consumption and low climate ambition. If the UK wishes to be a global leader on climate change, it must find fellow ambitious trading partners, rather than strike deals with some of the worst offenders.

The extent to which a free trade agreement with the GCC could further the UK's foreign policy goals, including regional defence, security, and resilience objectives, and address human rights concerns.

11. In October 2021, the Secretary of State for International Trade said, "The Government are clear that more trade will not come at the expense of human rights."⁴ However, we believe that a trade agreement with the GCC would represent precisely this. The GCC includes some of the most oppressive and politically repressive regimes in the world with appalling records on human rights and labour rights. Indeed, Saudi Arabia and Bahrain are human rights priority countries for the FCDO⁵.
12. Amnesty International's 2020 country profiles⁶ raise a number of concerns about human rights and labour rights in the GCC, including:
 - a. Bahrain
 - i. Unfair trials of protesters
 - ii. Suppression of freedom of expression, with no independent media
 - iii. Dire living conditions for migrant workers
 - iv. Invasive personal privacy laws and practices
 - v. Covid-19-related restrictions of liberties, including media restrictions
 - vi. Reports of torture and forced confessions

⁴ Hansard (2021), 'Trade Deals: Human Rights', online at: <https://hansard.parliament.uk/Commons/2021-10-21/debates/144E8CD3-8AC4-4FAA-AE64-765A602DE28D/TradeDealsHumanRights>

⁵ FCDO (2021), online at: <https://www.gov.uk/government/publications/human-rights-priority-countries-autumn-2021-ministerial-statement/human-rights-priority-countries-ministerial-statement-for-january-to-june-2021>

⁶ Amnesty International (2020), online at: <https://www.amnesty.org/en/countries/>

Written evidence submission from Trade Justice Movement (GCC0006)

- vii. Extremely poor prison conditions, including diseases and abuse
 - viii. Religious persecution of minority groups
 - ix. The death penalty and unfair trials
- b. Kuwait
- i. Discrimination against the stateless Bidun minority, who are unable to access a range of public services
 - ii. Poor treatment of migrant workers
 - iii. Detention of activists and opposition figures
 - iv. The death penalty
- c. Oman
- i. Prosecution of journalists and online activists
 - ii. Covid-19-related restrictions of liberties, including media restrictions
 - iii. Poor treatment of migrant workers, overcrowding and inequitable access to medical care, exacerbated by the pandemic
- d. UAE
- i. Detention of opposition figures and activists
 - ii. Arbitrary detention of previous prisoners
 - iii. Covid-19-related restrictions of liberties, including media restrictions
 - iv. Unfair trials
 - v. Arbitrary deprivation of nationality, including lack of access to public services
 - vi. Poor treatment of migrant workers, overcrowding and limited access to medical care, exacerbated by the pandemic
 - vii. Death penalty
- e. Qatar
- i. Despite some reforms to migrant rights, employers continue to retain disproportionate powers as they oversee the entry and residence of migrant workers
 - ii. Around 100 migrant workers, employed on a construction project for a FIFA World Cup stadium, worked for up to seven months without pay.
 - iii. Migrant workers were particularly affected by the Covid-19 pandemic and exposed to infection as a result of overcrowded and often unsanitary living conditions
 - iv. Concerns about free expression and privacy rights
 - v. Death penalty
- f. Saudi Arabia
- i. Saudi authorities have harassed, arbitrarily detained and prosecuted government critics, human rights defenders, family members of activists and many others.
 - ii. Authorities continue to ban opposition political parties, trade unions and independent human rights groups, and to prosecute and imprison those who set up or participated in unlicensed human rights organizations.

- iii. There are many concerns around unfair trials and the death penalty continues to be used.
 - iv. Corporal judicial punishment (namely, flogging, including for homosexuality) continues to be part of the legal system.
 - v. Poor treatment of migrant workers, of which there are approximately 10 million.
13. The International Trade Union Confederation's 2021 Global Rights Index identified the Middle East and North Africa as the worst region in the world for working people⁷. The five GCC states included in the Global Rights Index were ranked as either 4 (systematic violation of rights) or 5 (no guarantee of rights) on the index.
 14. Specific concerns about labour rights include the prohibition of independent trade unions in Qatar and Saudi Arabia. This concern is particularly pressing ahead of the 2022 World Cup in Qatar, which has highlighted the plight of migrant workers' rights. There are over 2 million migrant workers in Qatar, but the sponsorship system affords migrants very little security. Some have salaries retained by employers to prevent them from going back home, and many endure dangerous working conditions. It is estimated that 6,500 workers have died during preparations for the World Cup due to poor working conditions⁸. Additionally, Bahrain and Oman are rated by ITUC as having 'no guarantee of rights' and amongst the worst countries in the world to be a worker.
 15. The *kafala* sponsorship system, prevalent across the GCC, gives employers disproportionate powers over workers and prevents them from leaving the country or changing jobs without the permission of their employers. Many issues for migrant workers employed under the kafala system in GCC member states have been identified, such as poor living conditions, contract violations and irregularities and limited access to healthcare.
 16. In addition, none of the GCC states have ratified all eight of the International Labour Organisation's (ILO) core conventions that cover fundamental principles and rights at work and none have ratified the ILO's Domestic Workers Convention. Given the seriousness of the labour right abuses taking place across the GCC, signing a trade agreement would undermine the UK's position as a strong advocate for workers' rights.
 17. These human rights and labour rights concerns are not isolated instances, but deeply embedded in the political and economic systems of many GCC countries. We are not optimistic that these issues can be adequately addressed in a human rights clause or labour chapter within the trade agreement, or that GCC countries would be willing to sign up to anything binding and enforceable on their domestic human rights law.
 18. However, these binding and enforceable provisions should nonetheless be pursued if the UK does go ahead with negotiations, and the UK should also seek other means of holding GCC countries to account for human rights and labour rights abuses. Signing a trade deal does not

⁷ ITUC (2021), online at: <https://www.globalrightsindex.org/en/2021/regions/middle-east>

⁸ Guardian (2021), online at: <https://www.theguardian.com/global-development/2021/feb/23/revealed-migrant-worker-deaths-qatar-fifa-world-cup-2022>

challenge these abuses, and indeed may send the message that the UK is uninterested or unconcerned about the rights of the vulnerable in these countries.

Considerations the Government should give to the red lines it should seek to establish, privately or publicly, to frame the bounds of negotiations.

19. This submission has dealt with several of TJM's red line policy areas about which we have grave concerns, including environment and climate change, human rights and labour rights. In addition to this, the UK's negotiations plans should also be understood in the context of GCC member's records on women's rights, on LGBT+ rights, and much else besides.
20. All GCC countries have regressive laws and cultural norms around gender rights, and women are often treated as second class citizens. The prioritisation of a GCC trade agreement raises questions about the UK's commitment to the rights of women and girls around the world, a stated priority of the Government.
21. According to Amnesty International, women remain unequal in law in all six GCC countries. A number of GCC countries, including Kuwait, have refused to criminalize sexual violence and marital rape. Kuwait retains a law that makes murder of a female relative punishable by as little as a fine in "honour killing" cases. Killings of women by their brothers were reported in Kuwait City in September and December 2021⁹. In all the GCC countries, there are restrictions on the ability of women to access abortion services, and in some countries a male guardian's approval is required (such as in Saudi Arabia), and/or abortion is only permitted on health or therapeutic grounds. Bahrain, the UAE, Kuwait and Oman have all failed to make their personal status and nationality laws gender-neutral. In Qatar, women under the age of 25 must obtain the permission of their male guardians to engage in activities such as signing contracts and leaving the country.
22. Saudi Arabia, despite having undergone some improvements under Crown Prince Mohammed bin Salman, remains one of the most gender-segregated countries in the world, and there are still significant restrictions on women's freedom. Women require male permission to marry, start certain types of business, leave prison or leave a domestic abuse shelter. They can only undertake the pilgrimage to Mecca as part of a group, and in recent years several women's rights activists have been imprisoned. There is no family law, which means domestic relations such as marriage and divorce are governed primarily by sharia law. The European-Saudi Organisation for Human Rights has concluded that bin Salman's reforms "don't impact the human rights situation in a meaningful way", and Saudi Arabia remains in the ten lowest-ranked countries on the World Economic Forum's 2021 Global Gender Gap report¹⁰.
23. More specifically, trade agreements can affect the rights and well-being of women in their diversity of roles as workers, producers, traders, consumers (including of public services), taxpayers and carers. Traditionally, however, the gender impacts of FTAs are assessed only in terms of the jobs or business opportunities they might create. This needs to change.

⁹ Gulf News (2021), online at: <https://gulfnews.com/world/gulf/kuwait/kuwait-pregnant-woman-shot-dead-by-brother-inside-hospital-icu-1.73760070>

¹⁰ World Economic Forum (2021), online at: <https://www.weforum.org/reports/global-gender-gap-report-2021>

24. An FTA between the UK and the GCC could have the following impacts, which need to be better understood:
- a. If there is a (locking in of) privatisation of public services - including health services - this will have a disproportionate impact on women who are more likely to find it difficult to pay for services and to take on the burden of any additional care.
 - b. If there are changes to intellectual property provisions which increase the costs of medicines this will disproportionately impact women who will have less ability to cover the costs.
 - c. If further retail liberalisation leads to widespread entry of large UK retailers to the detriment of smaller shops, this will impact women as small business owners and as consumers potentially paying higher prices
 - d. If public procurement is liberalised, women-owned businesses could potentially lose existing support.
25. This list is indicative. A gender responsive impact assessment process would include early consultation with women's groups in all countries to identify priority concerns and to then employ a range of methodologies (not just economic modelling) to assess further. Critically if an issue is found to have a detrimental impact on women's rights it should be possible to exclude this from the negotiation process.
26. Gender chapters in trade agreements suffer from similar drawbacks to labour and environmental chapters, lacking enforceability and potentially giving the impression that the issue has been dealt with. They are no substitute for a more comprehensive approach both during the negotiation process and during ongoing implementation. Similarly, a limited approach focused only on 'how women entrepreneurs can access the benefits of trade' is not sufficient to address the multiple impacts of a trade deal.
27. One noticeable issue lacking from the consultation is a mention of LGBT rights in the GCC countries. Many of the GCC countries have regressive laws which persecute members of the LGBT community, and others have better legal protections but LGBT groups still face significant discrimination and disadvantage in practice. In Saudi Arabia and Qatar same-sex sexual activity is illegal, and in the UAE all sexual activity outside of marriage is illegal (and same-sex marriage is illegal).
28. In a number of GCC countries transgender people are discriminated against, both in law and in practice. For example, in Kuwait a transgender woman was arrested several times in 2020 and charged under Article 198 of the Penal Code, which criminalizes "imitat[ing] the other sex in any way". The UK must not allow its aspirations for an FTA to come before protecting the rights of the vulnerable and marginalised, particularly if it wants to be seen as a global champion of LGBT rights.

