UK: Johnson commissions post-Brexit “bonfire of regulations” report

Paul Bond
5 July 2021

A report from the Taskforce on Innovation, Growth and Regulatory Reform (TIGRR), commissioned by Prime Minister Boris Johnson, outlines the full scale of the Conservative government’s post-Brexit deregulation programme. It contains over 100 recommendations aimed at removing regulatory “obstacles” to the corporate and financial sector.

The report was followed by the announcement that the government is recruiting for a Director of its Brexit Opportunities Unit. Brexit minister Lord Frost has been tasked with making “the most of the economic and political opportunities of Brexit” by generating “new ideas and acting as a counterweight to Whitehall [civil service] orthodoxy.”

TIGRR’s recommendations are a blueprint for further privatisation and a ratcheting up of exploitation of the working class. Every proposal, on data protection, technology, net zero energy targets, agri-chemical concerns, and health, is directed at allowing parasitic speculation free rein.

The recommendations were welcomed by Johnson as “substantive plans.” He convened TIGRR in February with the aim of exploiting the “new opportunities to redesign or change how we implement regulation across the economy” offered by Brexit. The taskforce, given “access to civil service support,” was to report directly to Johnson. It was chaired by former Tory Party leader Sir Iain Duncan Smith, who has recently been promoting anti-China trade legislation. The TIGRR report shows concern about competition with China in technology and digital currencies.

The other two members were Theresa Villiers, previously environment secretary and Northern Ireland secretary, and George Freeman, who became an MP after 15 years founding “high-growth technology companies” and served as UK Trade Envoy and a Minister of State in the Department of Transport.

They duly provided the findings Johnson was seeking for “realising the promises of Brexit.” He promised to give their report the “detailed consideration it deserves,” and has already insisted that a “thicket of burdensome and restrictive regulation” must be hacked down.

TIGRR says their 130-page report is “not a simplistic ‘bonfire of red tape’,” but it explicitly builds on former Tory prime minister David Cameron’s 2011 “Red Tape Challenge.” Targeting what Cameron called the “excessive health and safety… albatross around the neck of British businesses,” this sociopathic assault on conditions demanded that government departments find savings worth double the cost of any new regulations on business. The resulting “savings” were achieved by a homicidal cuts policy.

TIGRR suggests a “one in, two out” offset principle for any new regulations. It calls for “British standards” to be seen as a transferrable, saleable asset, while gutting them of any content they may still have. It noted that the OECD had praised the quality of British regulatory practices, but two in five businesses “currently consider regulation an obstacle to success.”

The number of business complaints has been dropping over the last decade as successive Tory administrations have continued to dismantle regulations. The TIGRR report plans to accelerate this process.

The document offers high praise to the “regulatory sandbox” technique, where some regulatory obligations are lifted during testing of both products and business models. The report boasts that the UK launched the first financial technology (fintech) sandbox in June 2016, quickly imitated globally. It brags that the sandbox also allows regulators to test whether they can remove or change the regulations they had found irksome enough to suspend. TIGRR are proud that this has been take up extensively in Singapore.

The taskforce returns to the sandbox model repeatedly, especially where concerns for public safety need to be brushed aside. Among the "successes" of the sandbox in Britain, TIGRR lists the NHS Care Quality Commission, heavily pressured and manipulated by both Labour and Tory governments towards their privatisation plans for the health service.

TIGRR's proposals are particularly concerned with how to accelerate deregulation without primary legislation. They call for more Legislative Reform Orders to avoid this, and primary legislation devolving power to regulators.

The report acknowledges that implementation may in some cases fall to regional government. This takes its most acute form over the fragile Northern Ireland Protocol compromise, agreed as part of Britain's European Union withdrawal agreement. The protocol, the report states, "limits the scope for application of these reforms." In line with the right-wing Unionist parties and other hardline Tory Brexiteers, TIGRR expresses "hope that future reform of the Protocol may allow greater scope for regulatory reform in Northern Ireland."

The proposals focus chiefly on financial services. They encourage further private sector investment and the easing of current restrictions and transparency requirements.

TIGRR calls for the "diversification" of Direct Contribution pension schemes to access private equity and venture capital funds. It proposes a 75 percent reduction in the risk margin required of insurers to release capital, in line with its call to lower capital and liquidity requirements for smaller and new banks. It also calls for a relaxation of information document disclosure requirements for some investment products. It is a programme for unbridled speculation.

This requires the further slashing of public funds. The report proposes attracting "private investment to help regenerate local infrastructure and support the UK's levelling up agenda." TIGRR links this privatisation policy to their pensions proposals, with a call to encourage local authorities to "invest their pension funds" in local economic regeneration.

Much of the media coverage of TIGRR has focused on its proposals in regard to technology and data handling, but this is directed towards rapid deregulation across the financial sector.

TIGRR calls for speeding up moves from Open Banking to Open Finance. Open Banking provides third party financial service providers open access to data through Application Programming Interfaces. Open Finance offers the same across a much wider range of financial products. TIGRR calls for changes in regulatory approaches to push this through in as little as two years.

Among other elements in the report is the reduction of anti-money-laundering "burdens" on new Open Banking and fintech services, aimed again at easing the access of third party service providers. This accompanies calls to "Amend disclosure and transparency requirements for financial services products to make them more proportionate and less burdensome."

TIGRR is heavily pushing the development of a Central Bank Digital Currency, looking to launch a pilot within 12-18 months. This explains the report's concern with "new technologies, such as blockchain ."

It also drives the moves to slash legislation surrounding data protection, starting with the General Data Protection Regulation 2018 (GDPR). TIGRR's objection to GDPR is that it acts as an obstacle to the commodification of personal data. GDPR is "centred around the principle of citizen-owned data," whereas their starting point is that "consumer data is highly profitable and a currency in itself."

Whether in Artificial Intelligence technology or in public health, GDPR is seen as a barrier to commercial clinical trials as a source of profit because these require complete access to health system records. When TIGRR discusses "digital health" they mean the integration of business-to-consumer digital health through "health apps and wearable technology." This applies to mental health as well, seen by TIGRR as part of the "UK's potentially huge business-to-consumer 'wellness' market for digital consumer health products."

Regulations in health are increasingly seen as an obstacle to those peddling snake oil. TIGRR is concerned about rules covering "wellness apps, which do not claim to diagnose, treat or monitor a specific illness," which "are not yet clearly established. This is providing a barrier to integrating them into the health system." This is purely about making profits out of the most vulnerable. The report's proposal to re-regulate "nutraceuticals" [generally dietary supplements with a declared but unproven health benefit] because they are increasingly profitable, should be seen in the same way.