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The Workaround

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Without public consultation, the boundaries of freeports have been expanded to cover much of the country. What does this mean?

By George Monbiot, published in the Guardian 17th August 2022

Democracy is the problem that capital is always striving to solve. To maintain its rates of profit, it seeks to drive down the taxes it must pay and annul the regulations that defend the living world, workers and consumers. This tends to be unpopular. Governments that permit beautiful places to be trashed, workers' lives to be endangered and consumers to be conned might find themselves voted out of office. So fixes need to be found.

Political funding often does the job: research from the US shows how, generally, the party [that attracts the most money wins](#). Distraction works pretty well, especially when it takes the form of culture wars. The billionaire press does a sterling job at misrepresenting our choices, to favour the very rich. But you can never be too careful. It's safer, if possible, to bypass democracy altogether.

How? One approach is to [create places](#) where the usual rules do not apply and citizens have less decision-making power. I'm talking about "freeports". In crucial respects, these "special economic zones" operate as if they were outside a [nation's borders](#). They are the equivalent of the royal forests of medieval England. Forest derives from the Latin *foris*, which means outside. The forests were hunting estates where the king's private interests overrode the rights of the common people, elevating them beyond the usual laws of the land. The Westminster government has so far designated [eight freeports](#) in England, and the Scottish government is [considering bids for two](#).

Their objectives were set by an advisory panel chaired by the two most ardent supporters of freeports in the government: [Liz Truss and Rishi Sunak](#). The panel was composed of two public officials, two economists, five industry lobbyists, one cities advocate, one venture capitalist and two members of dark-money thinktanks (lobby groups that refuse to reveal

who funds them). No trade unions, political rights, environmental or public interest groups were represented.

The new freeports will be run by “operators”, among whom are some highly controversial private companies. Companies using a freeport can claim a [wide range](#) of customs privileges and tax cuts. These include business rate relief, which will deprive central government of income (because local authorities will be fully compensated by the Exchequer for the loss of rates), and employers’ national insurance relief, which creates a [two-tier workforce](#): cheap and even cheaper.

The government has also offered a radical curtailment of planning rules in these zones. It’s not clear, since its attempt to [demolish](#) much of the planning system collapsed in the wake of a spectacular [byelection defeat](#), whether this promise still holds. Like most important aspects of freeports, the policy is opaque and inscrutable. But the [original proposals](#), which have nowhere been publicly amended, offer businesses “permitted development rights” and “local development orders”, allowing them to build without the usual planning requirements.

Another offer is a “[simpler framework](#) for environmental assessment”. “Simpler”, like “streamlined” and “flexible”, is government-speak for the removal of public protections. On Teesside, environmental standards already seem to have been [junked](#) to make way for the coming freeport.

A further freeport promise is to “identify opportunities for regulatory flexibility and new regulatory sandboxes”. A regulatory sandbox is a place where you can test new products in a real setting, without being constrained by the usual rules. The government [gives the following example](#): a company trialling new automated vehicles, which, in a freeport, would “not require regulatory approval”. This sounds to me like a formula for putting workers at risk. In none of the government documents that I’ve read on freeports is there a word about democracy.

There is a further, extraordinary aspect, which is beginning to come to public attention. While the “tax sites” and “customs sites” in a freeport cover a maximum of a few hundred hectares, the operators are allowed to set an “[outer boundary](#)” with a diameter of up to 45km (28 miles). Where a “[very strong case](#)”, with a “clear economic rationale”, is made, the area can be even wider. There must have been some very strong cases, because some of these zones are [75km from point to point](#). The Plymouth and South Devon freeport incorporates the whole of Dartmoor and the entire South Hams region. The Southampton

freeport includes the New Forest and the Isle of Wight. The East Midlands zone extends from Nottingham to Leicester and Burton upon Trent to Upper Broughton. In Suffolk and Essex, everywhere from Sudbury to Felixstowe and Needham Market to Clacton-on-Sea is included. The Humber freeport boundary extends from Spurn Head to Howden; Teesside's from Peterlee to Staithes and Redcar to Dinsdale; East London's from Barking to London Gateway, and Liverpool's from Birkenhead to Urmston.

What these boundaries mean is, as always, clear as mud. When I asked the government to show me the “very strong cases”, its spokesperson told me “we don't publish that information”, then refused to elaborate. Perhaps it's because the government has told private operators that the information contained in their bids is “[commercially sensitive](#)”. This is another way in which they're protected from democracy: they are not subject to the transparency and accountability required of public bodies.

The Department for Levelling Up tells me: “It is categorically not the case that the entire area has been earmarked for development or has special planning status.” But if there is one thing we've learned in recent years, it's to attend to what the written policy says, not to what the government says it says. I think I have now read every public official document on freeports in the United Kingdom, and I have found no such assurance. On the contrary, [one of them states](#): “Outside of customs and tax sites, wider Freeport levers, including planning freedoms ... should be targeted within the Freeport Outer Boundary.”

Understandably, all this opacity is beginning to cause alarm. Some people have proposed an even more sinister agenda: the government wants to turn these places into “[charter cities](#)”, corporate fiefs in which environmental and workplace protections are almost entirely stripped away. There is, as yet, no evidence of this. But if any senior politician is biddable and extreme enough to extend the stupidities of freeports, it is Liz Truss. Last month she started promoting the idea of low-tax, low-regulation “[investment zones](#)”. As usual, she seemed to have little idea what she meant by this: the line was probably fed to her by some unaccountable thinktank. Is it a repackaging of freeports, or something else?

In any case, it will deliver nothing but harm. Freeports attract [organised crime](#), money-laundering, drug-trafficking and [terrorist finance](#), while bringing minimal [benefits](#) to the nations that host them. But this was never about improving our lives. On the contrary, it's about subordinating our needs to those of favoured capital.

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