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## Will Bad EU Policies REACH America?

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From the desk of [Chresten Anderson](#) on Sat, 2005-11-19 11:13

Last Thursday the European Parliament voted to implement REACH, a massive new chemical regulations policy. As I wrote [here earlier](#), REACH is useless, very costly and has negative repercussions for businesses around the world.

A compromise on the proposed policy was reached before the vote, to exempt some chemicals from the full range of tests and reduce the paperwork requirements. But REACH remains deeply flawed, as it is an expensive bureaucratic program. And none of the proposed reforms to the policy can change the fact that the program promises little or no environmental impacts. But it does promise severe economic setbacks, as it will create needless market distortions and hinder free trade.

In addition to the European Parliament, however, the European Union member states also have to accept REACH. The vote was scheduled for the end of this month, but it has been postponed until later this year.

Before the EU members vote on this flawed proposal they would do well to read a recent study from the [Washington Legal Foundation](#): *Exporting Precaution: How Europe's Risk-Free Regulatory Agenda Threatens American Free Enterprise* [[pdf](#)].

While the study has an American focus, perhaps the European politicians are capable of putting two and two together. When they notice that REACH, which implements the [Precautionary principle](#), has a severe negative impact on American enterprises, they will hopefully understand that these regulations will have even greater negative implications for European enterprises that are already unfree to a troubling degree.

In the report author [Lawrence Kogan](#) explains that international bureaucrats and influential activist groups use the precautionary principle as a vehicle to advance special interest agendas hostile to free enterprise and technology. The principle is a scheme for establishing environmental, health and safety regulations that are based on irrational fears rather than empirical science.

The strict interpretation (as applied in REACH) of the precautionary principle harms the benefit of European consumers. It calls for a ban or restriction of activities, products and substances on the sole basis that there is a possibility that they or the processes used for their manufacture,

formulation or assembly might perhaps cause some harm to human health or the environment in some future circumstances. To put it bluntly: It weighs hypothetical risks higher than actual hazards and ignores real life benefits.

The precautionary principle may help to explain why EU nations lag behind the U.S. in economic growth. According to a June 2004 [report](#) from the [Swedish](#) think tank [Timbro](#), U.S. gross domestic product (the measure of the value of the goods and services produced by a country in a given year), was 17% higher than the nearest European country, Switzerland.

Any American reader should carefully consider how to fight the precautionary principle in Europe rather than waiting for it to reach the States. In the report by Kogan, he describes how the scaremongering campaigns of environmental and "social responsibility" groups created public pressure for the EU to implement a strict interpretation of the precautionary principle. And now the same groups are using strict EU laws and regulations as a platform for promoting similar regulatory change in the U.S. Soon bad policy may be the European Union's primary export.

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[What's wrong with Europe?](#) -

<http://francks.blogspot.com/2005/11/whats-wrong-with-europe.html>

from franck's blog on Sun, 2005-11-20 09:44

The more I look at Europe, the more I wonder how we managed to get where we are today. It started with a great concept: bring people together so that we would never have another war.

Unfortunately, it was created using the wrong premise. Instead of enacting

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## The problem with regulation...

Submitted by [francks](#) (not verified) on Sat, 2005-11-19 20:49.

... is the regulators. Unfortunately, Europe was built on the wrong premise.

What we needed is not harmonization but competition. Europe should have been built on the premise that any individual or corporation could decide where he wants to be regulated. We would have then created regulation competition which would have surely allowed the same creative destruction process we see in the private sector. Instead of trying to harmonize countries, a process that not only takes forever, but also, like any design by committee, brings the worse to fruition, we should have instead allowed each regulator to freely compete with one another.

The future is grim indeed!

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## **Cogito**

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Submitted by [Cogito](#) on Sat, 2005-11-19 22:56.

Environmentalists are, and make all others, victims of their Cleansing Compulsion.

Suffering the same Obsessive-Compulsory Disorder as Howard Hughes, they submit the whole world to their shamanistic necromantic rituals.

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## **The ironic side of all this regulation**

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Submitted by [Foobarista](#) (not verified) on Sun, 2005-11-20 20:45.

The irony here is that all this regulation and control has an obvious consequence that many on the Left should hate: it kills small business and favors concentration of corporate power. Business-wise, regulations are anti-competitive barriers to entry, which is why bigger businesses and established players don't always oppose them. But startups and smaller businesses - and new ventures done by big businesses - simply won't be done in places where startup costs are extreme.

And they wonder why Europe hasn't created a net new job outside of government in something like thirty years?