

# Editorial

## Some Further Thoughts on Protection and Social Dumping

The tide of recession flowing in the Community – some 17 million people are expected to be unemployed in the Community at the end of 1993 – always brings with it the siren calls for protectionism. But just as sailors listened at their peril to the calls of the sirens so too should the perceived attractions of protectionism be resisted. The change in government in France seems to have had no impact whatsoever upon French determination to resist the Blair House agricultural agreement with the United States, even though it did not seek to block the restrictions on oilseeds which were approved by the Council in this month. The French opposition to reforms in terms of trade is not, though, limited to agriculture. Thus the proposals submitted by Prime Minister Balladur to his colleagues call for a Europe which is no less protected than its industrial competitors. The newly industrialised Asian countries, characterised by relatively low wages, would appear to be the front line targets of the French call for protectionism. On the basis of social

dumping claims it is understandably argued that there is no fair competition between companies subject to extensive social and environmental protection legislation and companies not subject to such constraints. The Community, runs the argument, is more than merely a free trade area which affords open doors to all comers and, particularly in view of the threat perceived by the commercial awakening of China, must take steps to protect against further unemployment at home.

Nearer home, though, there is also a perception of social dumping as a result of the policies of the United Kingdom government which sets its face against Community action to improve the social protection of the workforce. The perception that policies of the Eighties of pushing back State intervention are under threat from Community action is behind the social opt-out at Maastricht and the British government's opposition to the introduction of a maximum 48 hour working week as the norm (albeit with certain exceptions and liberty for both sides of industry to agree other practices). The expected competitive advantage to industry as a result of lower social protection in the United Kingdom would place the United

Kingdom within the Community in an analogous situation to the newly industrialised Asian countries outside it (albeit obviously to a lesser degree of advantage), making a nonsense of the concept of a common market within the Community. The attempt to use the health and safety at work provisions of the EEC Treaty to get round the opt-out may yet well torpedo the strategy of narrow and short-term self-interest which lies behind the British position.

No such option is available at the Community level against third countries, although the tying of trade liberalisation to reforms in terms of human rights may be one possible way of affording some postponement of the threat of cheap imports causing further job losses. But at the end of the day protectionism is but a short-term palliative which will not address underlying problems of Community industry. The calls for Community preference, whilst understandable, do not open up other markets to Community goods and do not encourage the industrial restructuring which will be vital to the technological and industrial survival of Europe.

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