


The EU and the decimation of the UK steel industry

Photo by moleitau 

If, as looks all too possible, 15,000 jobs go at Port Talbot as the Tata owned steel plant there closes – and another 25,000 related jobs go too – who is to blame?

Partly it is world-wide over-capacity, aggravated by Chinese production policies. A good deal of the blame can be attributed to Britain's strong pound. Partly it is lack of up to date investment. But two factors have a lot to do with our EU membership.

One is the commitment strongly entrenched in all EU policies towards green policies associated with combatting global warming. There may well be risks associated with climate change but these need to be balanced against current realities. The EU commitment to combating global warming combined with opposition to fracking means that energy costs in the EU generally are about twice what they are in the USA and China. Since steel-making is very energy intensive, this is therefore a significant reason why Port Talbot has been vulnerable.

Perhaps more important than is the more general point about what countries should be able to do with their own problems, unconstrained by international pressures. This is an issue of accountability. There are always difficult arguments to be considered about the extent to which governments should assist industries which are in difficulties – about whether this is really the right way to use public money as opposed to letting market forces prevail. The crucial question, however, is where these sorts of decisions should be taken.

Should they be taken at a supra-national level by unelected

bureaucrats or should they be in the hands of those whom we elect to parliament? Should they be taken at EU level or by our MPs at Westminster? There are arguments for and against nationalisation and assistance to industries in trouble and there will always be disagreements about what should be done. The crucial issue is where these issues are resolved and decisions on them are taken and how accountability for them lies.

The developments at Port Talbot are tragic. It seems terrible that the country which virtually invented the steel industry during the nineteenth century should find itself with almost no steel-making capacity left at all. If we are going to find our way to a more viable future, however, we need to be in a position to take our own decisions, to control what happens ourselves rather than to be told what can and can't be done by Brussels. This won't make the decisions any easier but at least the future will be in our own hands