

Jam tomorrow and non-tariff barriers

Businesses have to abide by all manner of regulations. Many have come to us from the EU but are made elsewhere and are, to a greater or lesser extent global, with the EU merely acting as a conduit. For instance, your mobile phone continues to work when you cross borders and I don't suppose that even the hardest Brexiteer would want a unique national standard, so that only British phones worked in Britain.

Similarly, batteries for all the various electronic gadgets are standardised. You can go to a corner shop in Tanganyika or Tokyo, as well as Toulouse and it will fit. That has not happened by chance.

This article by the economist John Kay concerns a lower tech product – jam .

“All developed countries have extensive regulation of their food and drink industries.” he writes, “If you buy a jar of jam, you want to be confident it is not poisonous: you want to ensure that it resembles what you expect when you hear the word ‘jam’. Libertarians might dispute the necessity of such regulation: Are not the civil and criminal law, and the concern of suppliers for their reputation, sufficient to protect us from toxic or inferior jam? But history suggests that the answer is probably no. Britain’s Food Standards Agency came into being after ‘mad cow disease’ transmitted through the food chain, having infected several hundred people with a terminal degenerative illness. In any event, there is no advanced country in which such libertarian arguments have been found persuasive.”

“But when countries determine their food regulations independently, they will come up with different answers.

Often for essentially arbitrary reasons: Asked to define 'jam', it is probable that French civil servants will come up with somewhat different answers from those reached by British civil servants. And different countries will have different jam-making traditions, and their jam makers may have chosen different areas of specialisation. Their lobbying will influence, perhaps determine, the local jam regulation."

"Free trade in jam, or any other product, requires some measure of coordination, a move towards a broadly common perception of what is 'jam', to avoid necessity or opportunity for opening jars of imported jam to see what is in them. This coordination is the process of removing non-tariff barriers to trade. The European Union's single market is the result of such coordination. Not just for jam, but for thousands and thousands of products."

"The EU does not have a jam directive because some power-crazed bureaucrat in Brussels wants to interfere with the sale of jam at the village fete. If silly disputes over food standards do arise at village fetes – and they sometimes do – it is because an over-zealous trading standards officer from the local council has crossed the borders of common sense, not because EU officials want to control our crumpets. In fact the Food Standards Agency gives sensible advice to home cooks at village fetes – as the agency does on many other issues."

Mr Kay has drawn attention to the biggest issue facing Mrs May's government as it seeks to decide what sort of trading arrangement it wants with the EU after Brexit. Doctrinaire free traders appear to believe that tariffs are the main problem. However, this is not the case. Our biggest challenge will be to ensure that British goods continue to be internationally acceptable in the global market place as well as the EU and what is more, it is quite obvious that there are far too many regulatory details to negotiate on an item by item basis and such matters will have to be dealt with as a package or off the peg deal.

In whole or in part, the only body of law which contains all these all together is the EEA agreement. It would be relatively simple to do the job "off the peg with alterations" by making deletions or additions to it but to open the whole can of worms would take many years.

With thanks to John Kay for permission to reproduce and quote from his article. His website is www.johnkay.com