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A WEEKLY VIEW OF THE UNION

The Dangers of Precaution

by Fred L Smith

Has Europe, long the home of so much scientific and technological innovation, lost its faith in science's ability to generate social and economic progress? Are the gloomy views of the Reverend Thomas Malthus once more gaining sway? This is what some fear as the Precautionary Principle continues its progress from an obscure footnote to the Stockholm global environmental conference of 1982, to a dominant policy rule able to trump even WTO trading rules (according to the February 2 EU Communication on the topic).

However vaguely it is defined in official documents, everyone more or less has an idea of what the Precautionary Principle entails - a cautious approach to change. Definitions proffered elsewhere seem reasonably innocuous on first reading: when a product or action might create serious or irreversible harm, lack of scientific certainty should not preclude preventive action.

But, on further reflection, one realises that if the EU proceeds along this path, innovation may be stifled at home, and foreign trade massively curtailed. The latter danger is perhaps most evident, since the Precautionary Principle has already been invoked for internal EU trade, as well as EU trade with the US. But European regulatory restrict-

ions, at one time more science-based than those of the United States, seem to be beginning to accept any evidence of risk as justifying bans and restrictions (e.g. in the areas of waste management, use of metals, anti-chlorine policies). The latest EU directive drives this home by making it clear that the Precautionary Principle envisions a much more expansive view of the once highly-limited exception to free trade policies included in the Agreement on Sanitary and Phyto-sanitary Measures (SPS). Importers and innovators may find themselves required to prove that an increasingly large range of products could never produce any meaningful risk at any future time.

The EU directive does concede that the Principle entails tradeoffs - 'of balancing the freedoms and rights of individuals, industry and organisations with the need to reduce the risk of adverse effects to the environment, human, animal or plant health.' But the basic nature of societal choice means that risk is never on only one side of the equation. There are risks of allowing the use of any product or technology - but there are also risks of blocking or delaying the use of any new product or technology. The choice is not between freedom and safety, but among various paths - none of which is completely safe, but some of which may be safer

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than the others. A classic illustration of this point was made by Aeschylus in his prophetic play, Prometheus Bound. The gods sought to deny mankind fire, in part, because of the potential risk this dangerous technology might create. But for fire, as for most

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technologies, the comparison is properly not between freedom and risk, but rather between the massive risks faced by mankind in a fireless world and the still large but somewhat smaller risks faced by man in a brighter, warmer world. A new technology, be it penicillin or electricity, will always entail some new risks, while reducing some known and older risks. The challenge for society at large and regulators in particular is to develop a mechanism that encourages better choices over time - choices that gradually make the world, not completely safe, but safer. That requires a sensible policy of trial and error - not one of seeking the utopian path of trial without error.

Experience demonstrates that the risks of innovation, while real, are vastly less than the risks of stagnation. There

are very strong forces in all societies against the innovator: the natural resentment of the less creative toward the more creative; the strong economic reasons why established businesses and technologies will fight long and hard against the upstart innovator; the very real danger that even a reasonable product will fail to prove profitable. Western civilisation already hampers the innovator with considerable precautionary restrictions. There is certainly no compelling basis to go further.

The lessons of history should teach us one thing forcefully: the threats posed by the Reverend Thomas Malthus are real. Mankind does not live in a stable world. Its equilibrium is dynamic - we run to stay in place, we must run much faster to achieve any gains. Allowing the Precautionary Principle to dominate decisionmaking in Europe could suppress the very forces of economic and technological innovation that make the current world possible, and deprive the EU of necessary investment and jobs. That is why - for Europe, as for the rest of the world - excessive caution may be the biggest risk of all.

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