

Wooden Spoons Banned: Official

*Christopher Booker and Richard North, The Mad Officials,
Constable, London, 1994*

Reviewed by Stephen Rimmer

IN 1992 the European Community (EC) issued a large number of new regulations, which were implemented by member governments. *The Mad Officials* reviews the recent growth in the number of new regulations in the UK and analyses their detrimental impact on the UK economy. It focuses primarily on the regulation of agriculture, food hygiene, safety, the environment, aged and child care, and consumer protection.

The genesis of the book was a series of articles about the new regulations written by Christopher Booker, who used his *Sunday Telegraph* column in 1992-93 to highlight 'bizarre directives and regulations coming out of Brussels' (p.16). By mid-1993 he had received over 6,000 letters claiming that new regulations had not attained their goals and had imposed considerable costs on individuals and firms.

The book reviews 140 case studies of how these regulations impede the efficiency of many businesses. For example, a school nursery that had operated successfully for 25 years was told by social workers to implement new space regulations, compliance with which required a 33 per cent reduction in the numbers of children. The social workers also instructed staff on how they should greet parents, required the renovation of facilities such as the bathroom, and advised that the dolls in the toy box did not adequately reflect cultural diversity. The owners of the nursery anticipate closing down, because of loss of management control.

According to Booker and North, UK regulators have interpreted and implemented new EC regulations more strictly than other member countries, imposing additional costs. For example, Scottish oyster growers were told that only half of them met new EC health regulations, whereas all oyster growers in France and the Netherlands were advised by their respective governments that they conformed to new regulations, including Dutch growers near the heavily polluted river Rhine. Such new regulations impose considerable costs on commerce and industry. Indeed, according to the UK government, implementation of EC health and safety regulations introduced in the UK in 1993 cost commerce and industry the equivalent of A\$1 billion in additional compliance costs in the first year.

The authors conclude that British regulators often unnecessarily increase the scope and complexity of EC regulations. For example, one EC directive resulted in 84 pages of new UK regulations, while the French equivalent covered only four pages. The authors cite a number of cases where new UK regulations are so complex that they impede the goals of regulation, such as enhancing food hygiene.

Many regulations have unintended side effects, such as eliminating well established practices and customs that have been implemented successfully for centuries. For example, new EC regulations prohibit Welsh roof thatchers from using 'seed

aquila' reed. And just before Christmas 1992, the South Dorset District Council informed a local naval base that, under new food laws, the old tradition of stirring the Christmas pudding with wooden oars was no longer permitted: plastic spoons must be used instead.

The authors claim that the additional costs imposed on UK commerce and industry exceed the benefits that could be derived by such regulations. However, the discussion of costs imposed by regulations usually focuses on the costs incurred by individual firms rather than the costs imposed on particular industries or sectors of the economy. Thus, it is unclear whether many of the case studies are representative of particular industries and whether they can be extrapolated very far beyond individual firms. In addition, as the potential benefits of regulations are usually not identified, most case studies do not provide a systematic analysis of the costs and benefits of new regulations. Nevertheless, it is clear that considerable costs have been imposed in individual firms, and that UK regulators have not transmitted effectively to the persons and organisations effected by regulations the rationale and supposed benefits of new regulations.

According to the authors there has been a loss of political control over regulation making, despite the considerable success the authors had in 1993 in focusing political debate in the UK on the impact of regulations. They claim that effective control over regulation making has now passed from UK politicians to EC and UK based regulators. They conclude: 'What we were looking at, in short, was a regulatory monster which had run so much out of control that, in many instances, it was producing results precisely the opposite of those intended' (pp.29-30).

This book is interesting and easy to read. Humorous illustrations by Willie Rushton are included throughout, such as a depiction of a frightened couple sitting in bed, while health and safety regulators arrive with a measuring tape and an axe to ensure that the bed conforms to new EC regulations. The book highlights an apparent breakdown in communication between regulators and regulated firms in the UK. It also shows how the creation of international regulatory bureaucracies can reduce national governments' control over regulation.

However, it provides little information about the roles and activities of EC and UK regulators that develop and implement regulations. It does not discuss initiatives by EC and UK regulators, including moves to increase the quality and transparency of new regulations by using regulation impact statements. Importantly, this book does not provide much information about whether new EC inspired regulations have replaced or added to existing UK regulations. In these respects the book is incomplete, however useful and amusing.

Stephen Rimmer is Director of the Industry Commission's Office of Regulation Review.