

# How the EU keeps people in **poverty**

## Briefing Paper



## Wages will rise when we leave the EU

**STUART ROSE**, who was Executive Chairman of Marks & Spencer, speaking to MPs suggested that wages of low skilled workers could rise in the event of Britain leaving the EU.

According to the former M&S boss, if there were restrictions on EU migrants then **“the price of labour will, frankly, go up”**.

Britain is becoming a cheap labour economy with working people living precarious lives on zero hours contracts, high rents and increasing debt. This is the tip of a wider EU problem that has led to millions becoming impoverished.

According to Lord Rose, the former boss of Marks & Spencer, there is a cost to remaining in the EU. That “cost” will be continued “one-way traffic” of EU migrants for up to a decade.

**Vote to leave the EU,  
give working people a chance.**

# The EU and Your Top Three Concerns: Education, Employment, and Housing

Immigration makes it harder to attend a good university, obtain a well-paid job, and secure affordable living accommodation.

## Education

- In many EU states youth unemployment is high and there is little prospect of securing a job in these countries.

Country	Youth (under 25 years) unemployment – December 2015
Greece	48.6%
Spain	46.0%
Croatia	44.1%
Italy	37.9%
Cyprus	31.7%
Portugal	31.0%
France	25.9%
Slovakia	24.7%
Romania	21.2%
Bulgaria	21.0%

- Over the past 5 years, the number of students studying in the UK from Italy, Romania, Bulgaria, and Spain has increased by 48%, 42%, 36% and 22% respectively.
- In 2014/15 there were 124,575 EU students studying in the UK.
- EU students are able to study either free of charge in Scotland, or for a nominal fee, whereas English students are required to pay £9,000.

## Employment

- Many businesses want to remain in the EU to benefit from free movement, which allows them to have access to a larger pool of potential employees.
- Whereas graduates were once competing against other UK graduates, they are now competing against applicants from the other 27 EU states.
- The ultimate effect of unlimited EU immigration will be to increase youth unemployment in the UK to levels closer to that in other EU states.

## Housing

- Unlimited immigration exacerbates the shortage of living accommodation.
- Official figures show that in the year to March 2015, 636,000 people arrived in the UK from abroad.
- Since 1997, house prices in the UK have increased by 253%, and in London this figure was 434%. The demand for housing is driving this increase.
- Unlimited immigration adversely affects young people in the UK more than the older generation. This is because most EU immigrants are young people. EU immigrants compete against young people for places to study at university, for well-paid jobs, and for living accommodation.

# The economic harm of uncontrolled immigration

**LEAVE**  
The European Union 

**There is already the suspicion that multi-national companies' have the desire to keep Britain in the EU because it helps them keep wages low. Economists found that increases in immigration have reduced the pay on offer to care workers, waiting staff and cleaners as competition for jobs has risen.<sup>1</sup>**

One would expect that wages would go up when employment rises but most new jobs have gone to EU migrants. By increasing the supply of cheap, imported labour the EU keeps big business' labour costs down. Again, the working people of Britain see stagnation in our living conditions. We have not seen real-terms pay rises for decades. Well done the EU!

Another problem, by becoming a cheap labour economy, there is little incentive to invest in technological advances and new tooling. So, again we see the figures show that productivity is not increasing.

If you vote to REMAIN in the EUROPEAN UNION we will carry on giving away to the EU £33,000,000 net or more of our taxes every single day.

## Immigration and low wages

There is a direct link between the uncontrolled immigration into Britain and low wages.

According to the respected think tank, Migration Watch UK, immigration has an economic cost. The need for extra provision in housing and education are particular issues. Naturally, an increase in demand without a corresponding increase in supply will drive-up both rents and house prices. Immigration also has an effect on depressing the average wage

of existing British residents.<sup>2</sup>

According to a House of Lords report the least well-off lose the most from immigration. For each increase in the number of working age immigrants there was a decline in the pay packets of those at the bottom of the pay scale. The lowest paid ten per cent suffered the most.<sup>3</sup> What is more, the least skilled British workers had a reduction in their salaries.<sup>4</sup> Another cost of immigration is the transfer of money that migrants have earned in the UK back to their country of origin. According to the World Bank each year \$1.2 billion is sent from Britain to Poland alone.<sup>5</sup>

The economist Professor Tim Congdon estimates that the influx of 700,000 new workers from Eastern Europe had displaced some British born workers, costing the UK economy  $\frac{3}{8}$  of 1% of its economic output.<sup>6</sup> This is not a great figure, yet for those that have a lower chance of employment the effects can be devastating.

- 1 <http://www.breitbart.com/london/2014/07/30/eu-migrants-find-jobs-easier-than-brits/>
- 2 Anthony Scholefield, *Warning: Immigration Can Seriously Damage Your Wealth*, the Social Affairs Unit, 2007
- 3 Christian Dustmann, Tommaso Frattini and Ian Preston, CDP No 03/08, *The Effect of Immigration along the Distribution of Wages*, 2008
- 4 Gavin Thompson and Daniel Harari, *The economic impact of EU membership on the UK*, SN/EP/6730, The House of Commons, 17th September 2013
- 5 <http://www.theguardian.com/global-development/datablog/2013/aug/09/remittances-britain-data>
- 6 Congdon, Professor Tim, *How much does the European Union cost Britain?* 2013

**According to the Bank of England:** *Low-skilled migration and a reluctance to invest have been cited by a leading Bank of England official as possible factors depressing wage growth and harming Britain's productivity.*

**Ben Broadbent**

Deputy Governor of the Bank of England

## What we achieve by voting to **LEAVE**

- **A better vision for Britain's future, in control of our own global affairs.**
- A better vision for our old friends in Europe. Look at what the EU has done to Greece, the misery inflicted on Ireland by Euro membership – we can do better than that. It is our duty to do better.
- **Leaving the failing EU will give more opportunities to the young.**
- Depopulating Central, Southern and Eastern Europe of working age people is actually a lose/lose for them, as well as Britain, as they do not have the chance to build-up their own country's economy.

**THE BRUGES GROUP** was founded in 1989 to stop the EU taking power away from our democracy and set out an alternative that brings control over this country's affairs back to the British people. In this referendum campaign the Bruges Group provides support, leadership and resources to those on the front line of the campaign for Britain's independent future. Membership is drawn from all political affiliations in Britain and from the membership of pro-democracy organisations.

Go to **brugesgroup.com** to see links to learn more about our positive vision for an independent Britain. Sign up online at: **www.brugesgroup.com** or email: **info@brugesgroup.com**

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