

Out of the European Union into the World

Controlling our immigration policy
restoring democracy, going global

The
Bruges
Group



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Should Britain leave the EU?

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Table 1.1 A survey of costs from EU membership

	(% of GDP)
Net UK contribution	0.5
Costs of Common Agricultural Policy and of EU protection of manufacturing	4.0
Regulations	6–25
Bail-out transfers	2–9
Effects of EU regulations on growth to 2035	0.5 p.a.
Effect of joining the euro on economic volatility	Doubling of volatility

Source: Minford, Gupta, Le, Mahambare, Xu 'Should Britain leave the EU?' 2nd edition, 2015, Edward Elgar (1st edition 2005)

The problem of EU protectionism

- Agriculture- well-known; current tariff-equivalent c 16%
- Less well-known: general goods trade; current tariff-equivalent similar, c 16%.
- Works mostly via 'hidden' 'non-tariff barriers'- quotas, anti-dumping duties, threat of these
- Effects of protection: raises UK prices to consumers, increases inefficient industries.

Leaving EU for free trade, WTO

- Consumer prices fall 8%
- Manufacturing and food prices fall 10%
- Services prices fall 2%
- Manufacturing contracts, services expand
- GDP rises by 4%; consumer welfare by 3.5%
- Not Norway or Switzerland; but normal self-governing country- cf. Japan/US/Singapore...

Cling on to Nurse?

- 'In' vote argues that leaving=uncertainty
- But: staying=uncertainty too. Where will EU as budding State take intervention in UK?
- 40 years of EEC/EU. EU run by 'euro-elite' with social-ish ideas; no reverse or revising mechanisms, only lobbying.
- UK: long bloody history of resistance to such dictatorial government. Joined EEC, not EU state.

Conclusions

- EU important neighbour; must have a Treaty to suit both sides
- Not current one which suits others but not UK
- Economic costs lie in EU protectionism, bureaucracy/regulation, bail-out demands, need to join euro
- Political costs: legal intrusion, sovereignty loss, immigration
- EU progress to state: uncertainty for UK as 'IN'. As 'OUT' UK becomes normal state again, like Japan/US..
- New UK-EU Treaty needed as good neighbours. UK in world markets attractive prospect

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