Alan Sked's case for Brexit: a six-point rebuttal

S blogs.lse.ac.uk/brexit/2016/07/03/alan-skeds-case-for-brexit-a-six-point-rebuttal/

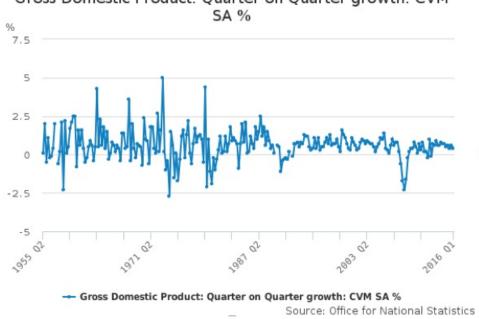
03/07/2016 Shortly before the referendum, Alan Sked delivered a lecture at the LSE arguing that Britain should leave the EU. Ali M El-Agraa rebuts several of his key points.

The main points made by Alan Sked in his LSE lecture on 8 June on why we should leave the EU are either utterly wrong or deliberately misleading.

1. He rightly states that the EU is not just about trade, since the EU's ultimate aim is the creation of a United States of Europe (USE), but he is completely wrong to say that that should be a reason for Brexit. This is because the UK has been granted an opt-out of the principle of 'ever closer union', has an opt-out of the euro, is not a party to the Schengen free cross-border

arrangement, has been granted the right to deny EU immigrants benefits before they have worked in the UK for four years, has a veto on taxation, enlargement, and so on and so forth. It is therefore simply a red herring to say that if we remain in the EU we would be on our way to becoming a state of a USE.

2. He claims that the UK had better rates of GDP growth relative to the Original Six, quoting figures of 7.4% and 6% for the UK. This is utterly wrong. According to the World Bank Development Report of 1980, the figures, in percentage terms and covering the periods 1960-70 and 1970-80 respectively, were as follows: France (5.7 and 3.7), W. Germany (4.4 and 2.4), Italy (5.3 and 2.8), Belgium, which then included Luxembourg (4.8 and 3.3), the Netherlands (5.5 and 3.2) and the UK (2.9 and 2.2)! Indeed, it was the hope that we would be able to emulate the Original Six's rates of growth that was the rationale for our joining the EEC. He claims that his source for the UK's growth rates is the ONS, but the ONS's data, portrayed in their chart for 1955 to date clearly shows that the UK has never exceeded 5% growth rates, and, indeed, achieved just over 2.5% on only 5 atypical situations.



Gross Domestic Product: Quarter on Quarter growth: CVM

3. He spends almost a third of his talk on the suitability of the EEA as a model for post-Brexit UK: no contributions to the EU budget, consultations on regulations, no CAP, etc. Yet, conveniently, he completely ignores the reason for the creation of the EEA. It is designed to facilitate an easy accession process to the EU for those countries deemed to



be on the doorstep to joining. Why on earth would the EU extend this privileged treatment to a 'quitter'? And he is utterly wrong to say that Norway does not contribute towards EU expenditure, see the relevant Article of the EEA EFTA Treaty.

Just because payments to the EU budget are declared for only the EU member states, that does not mean that Norway does not make a contribution to EU expenditure! The Norwegians themselves clearly acknowledge this.



And even Switzerland, which is not in the EEA, pays huge sums towards EU expenditure.

Photo: Quin Dombrowski via a CC-BY-SA-2.0 licence

Moreover, to say that the EFTA members of the EEA are consulted on EU regulations does not mean that they influence regulations. EU law is initiated by the EU Commission, but is enacted jointly, through the 'ordinary legislative procedure', by the Council of the European Union and the European Parliament (EP). The Council comprises the relevant ministers from each member nation and the EP consists of persons directly elected by the EU citizens. Thus the UK in a EEA would not have much say on EU regulation.

- 4. He attributes all the economic and social ills of the southern EU nations since 2008 to the creation of the euro. We are all agreed that the euro structure is incomplete since it needs a fiscal union, but there is almost complete consensus among the experts that the 'misery' is mainly due to the 2007-8 financial crisis, which originated in the USA and has been the most severe since the Great Depression; see the Appendix to my book (*The European Union Illuminated: its Nature, Importance and Future*, Palgrave Macmillan 2015) for a full summary of this consensus. Moreover, all indications suggest that the euro area is in the process of recovery and as historical experience clearly shows, the EU has always come out of adversity to prosper even more. Thus to claim that Brexit will make us escape a 'sinking' EU ship is sheer nonsense.
- 5. He claims that the EU has not been the driver for EU peace, citing the Baltics incident as evidence. The Baltic nations were then not members of the EU and most of them are still outside it and, vitally, all agree that the Baltic situation was extremely complicated. Add to this his claim that it is NATO which has provided the peace when NATO is an organisation for the mutual defence against an attack on one of its members by an outside force and you can clearly see his advancing red herrings to propagate an unjustifiable Brexit proposition.
- 6. He strongly condemns the EU for its regulations, yet completely fails to give them serious consideration. All experts are agreed that were the UK to Brexit, about 90% of these regulations would remain intact. He chooses as an example the regulation on 'bullshit' but conveniently ignores those on cleaner water, the environment, working conditions, equal pay, etc.

I can go on, but it should be clear that both the arguments of his lecture and his fabricated data are utter nonsense.

This post represents the views of the author and not those of the BrexitVote blog, nor the LSE.

Ali M El-Agraa is Emeritus Professor of International Economic Integration at Fukuoka University, Japan.

• Copyright © 2015 London School of Economics