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## TWELVE MYTHS ABOUT THE EU

**Robert Griffiths**

### **Three million jobs in Britain depend on membership of the EU and would be lost if we leave.**

More jobs in Britain now depend on exports to the rest of the world. The share of Britain's exports going to EU states has dropped steadily from over half (55 per cent) in 2007 to less than half (44 per cent) in 2015. Britain's trade deficit with the EU has trebled, while that with the rest of the world has been cut by two-thirds.

Britain's non-EU exports are growing by 5 per cent a year — while exports to the EU decline. By far the biggest growth markets are China, Switzerland and the Middle East. We don't need to become part of the USA or China to have trading and other relations with them — why should the EU be different?

Just under half the stock (48 per cent) of foreign direct investment in Britain is from the EU, unchanged for a decade or more. But while the flow of new investment from the EU has shrunk to 19 per cent (latest 2014), the inflow from US companies remains constant (around 55 per cent) and continues to grow from the Far East (22 per cent).

All the EU structural funds spent in Britain (£4.6bn forecast for 2016) are dwarfed by our annual net contribution to the EU budget (£15.2bn in 2016). In other words, Britain outside the EU could spend four times more on these agricultural, social and regional programmes by redeploying this net contribution. EU treaties and laws prohibit member state governments from taking measures to save or create jobs which 'distort' competition and the free movement of capital, labour and commodities. This includes subsidies, import or capital controls, public procurement contracts favouring local workers or firms etc. Such restrictions have helped destroy millions of jobs in Britain in steel, coal, manufacturing and agriculture since joining the European Economic Community in 1973.

Outside the EU, Britain could negotiate mutually beneficial agreements with other countries instead of secretive EU pacts that benefit big business, such as the Transatlantic Trade and Investment Partnership (TTIP) with the USA.

### **Even outside the EU, we would still have to abide by EU trade rules in order to trade with it.**

Most countries around the world require imported goods and services to comply with their own domestic standards and specifications. At the same time, European countries which trade with the EU such as Norway and Iceland still prefer to remain outside it and pursue their own economic, financial, social and foreign policies.

The EU runs a trade surplus with Britain on which four million export jobs on the European continent directly depend. It would be in the EU's own interests to conclude a non- or low-tariff trade agreement with Britain.

Any EU tariffs on imports from Britain would be limited under WTO rules and a British government could compensate exporters from its own tariff revenues.

As a major economic and political power and trading partner, Britain would be in a far stronger position than most other countries to reach a wide range of mutually beneficial agreements with the EU.

### **EU membership has brought many rights and benefits to ordinary people, especially at work.**

Our main democratic, employment, trade union and welfare rights in Britain have been won by the sacrifices and struggles of the people — not gifted to us by our rulers here or in the EU.

Most of our employment, trade union, health and safety, equal pay, minimum wage and anti-discrimination rights have been enacted by British legislation. This includes the 1998 UK Working Time Regulations, which improved upon the EU Working Time Directive (28 days paid leave instead of 20 — although statutory bank holidays were not excluded); better rights for farm workers; and longer daily rest for young workers.

The original EU Working Time Directive allows member states to permit workers to opt out of a maximum 48-hour week, as the Blair government did.

In many areas of labour law, Britain is ahead of the EU, including in trade union recognition, collective bargaining rights and maternity leave, where we have the second longest entitlement of any country in Europe — 52 weeks with up to 39 of them paid, compared with 14 in the EU Directive (a rise to 18 has been under discussion since 2010!).

At the same time, EU directives have not closed the gender pay gap in Britain, limited the average working week to 48 hours or raised paid holidays to the average European level — only trade union action and national legislation can be relied upon to do that.

Furthermore, neither EU nor British legislation has prevented the average full-time worker in Britain having the third longest working week in the EU, behind only Greece and Austria. Workers in 21 other EU states have more statutory days off with pay (total leave and public holidays) than in Britain.

The EU has never sought to enact or enforce a statutory minimum wage, the right to strike or the right to join a trade union; nor does it protect workers against lock-outs. Article 153 of the Treaty on the Functioning of the EU (TFEU) explicitly forbids EU action in these areas.

The EU done nothing to protect workers in Britain from at least eleven Tory anti-trade union laws since 1979 and it will not defend us against the current Trade Union Bill. Only the strength of our own unions and the election of a different government at Westminster can do that.

### **Leaving the EU would jeopardise our freedom to travel, work and reside throughout Europe.**

The ‘free movement of people’ principle in the Treaty of Rome (1957) has always been a cloak for the ‘free movement of labour’, so that workers can move more easily to where business can make a bigger profit from them. This goes alongside the free movement of capital and commodities, which also enables big business to maximise profits in the ‘Single European Market’ created after 1992.

The result has been mass migrations of capital, jobs and labour across Europe at the expense of national and regional economies, local communities and union negotiated terms and conditions of employment.

Cheaper, more flexible and super-exploited imported labour has been used as a form of ‘incomes policy’, holding down wages as profits and dividends go up.

Freedom to travel, work and live elsewhere need not depend on membership of a political and economic union. Visa and residency arrangements exist between Britain and most countries across the world, while the EU has reached similar agreements with Norway, Switzerland and other non-EU states in Europe.

### **Outside the EU, Britain would be isolated in a globalised world.**

Most of the world is outside the EU, including six of the world’s 10 biggest economies. Britain, the fifth biggest, would make that seven.

The BRICS economies (Brazil, Russia, India, China, South Africa) account for 31 per cent of world output and

more than half of global economic growth. The EU share of global GDP has fallen continuously from 28 per cent in 1990 to 17 per cent in 2015. Less than half (48 per cent) of Britain's external trade is with the EU — even less (46 per cent) if non-EU trade routed through Rotterdam is excluded.

Britain would retain its membership of the UN Security Council, the OECD, the International Labour Organisation, the Council of Europe, the Organisation for Security and Cooperation in Europe (OSCE) and many other major international bodies, and regain its own independent seat at the World Trade Organisation.

Instead of being represented by the EU in international trade matters and bound by EU common foreign, defence and security policies,

Britain would be free to negotiate its own agreements in partnership with other countries across the world.

### **The EU has brought peace in Europe for 50 years or more**

The EU originated in a 'Cold War' bloc to rebuild monopoly capitalism in western Europe and confront the Soviet Union and the new states of eastern Europe.

After NATO was formed in 1949, plans for a 'European Defence Community' alongside the European Coal and Steel Community were thrown out by French Communist and Gaullist MPs. West Germany was then rearmed and admitted into NATO, leading to the formation of the Warsaw Pact in 1955.

Peace was kept in Europe by anti-war feeling in the West and the Soviet policy of 'peaceful co-existence', despite the US-led arms race. The German-Soviet process of detente led to the formation of the Organisation for Security and Cooperation in Europe in 1975, which played a leading role in easing tensions, although the EU still strives to marginalise the OSCE and its work for peace-keeping, arms control, democracy and human rights.

Since the end of the Soviet Union and the Warsaw Pact, the EU has expanded eastwards alongside NATO, developing its own capacity for rearmament and military intervention in league with NATO under the Lisbon Treaty. EU states have helped destabilise Yugoslavia, Ukraine, Afghanistan, Iraq, Libya, Syria and parts of Africa.

### **Many problems today are international, and so require a coordinated EU approach**

Problems of global warming, pollution, malnutrition, disease, economic and financial crisis, organised crime, corruption, war, mass migration etc. are often wider than the EU. Britain already plays its part in numerous international agencies (the UN, WHO, Unesco, ILO etc.), based on individual member states, to combat them.

The EU represents the interests of Europe's big business corporations, using its collective strength to undermine many international agencies to the cost of weaker countries and their peoples (e.g. carbon emission trading schemes which transfer licenced pollution to the Third World and create a new source of financial speculation and profit; trade and debt restructuring agreements which require market access and privatisation).

As the world's fifth biggest economic power with economic, political and cultural relations across the world, Britain has its own resources, expertise and perspectives to contribute to solving international problems.

### **If Britain votes to leave the EU, it would be a victory for the political right**

The CBI, Institute of Directors and the mainstream political right support EU membership, reflecting the interests of big business, while wanting to protect the City's banks and financial markets from any EU regulation and discrimination (the chief objective of Cameron's renegotiations)

A vote for withdrawal would bring down the Cameron-Osborne regime. Any Tory replacement would be unstable and probably short-lived, as the Tory Party tears itself apart. The conditions could be created for electing a Labour government on a programme of progressive taxation, public investment, public ownership, industrial regeneration and ecological security.

Free from EU barriers and restrictions, Britain could more easily promote policies at home and abroad which put people and the planet first, not corporate profit.

### **The EU can be reformed to serve the interests of the people**

Three of the four major EU institutions (the Commission, European Central Bank and European Court of Justice) have their extensive powers guaranteed by EU treaties which can only be changed by unanimous agreement within the fourth, namely, the Council of Ministers.

Similarly, the basic free market, pro-austerity policies of the EU are set in concrete in those same treaties, which can only be amended by unanimous agreement of all member states (28 at present).

Those fundamental treaties severely limit the ability of EU member state governments to fund public investment, rescue failing companies and industries, save jobs or use public ownership for wider economic, social and environmental purposes. Should Britain elect a left or progressive government, the treaties will act as a strait-jacket on its policies, which could only be removed if every other EU member state government agrees to treaty change.

Outside the EU, a future British government would be free to regulate the movement of capital, goods and services in order to boost domestic investment in productive industry, stimulate economic growth and balanced industrial development, support strategic sectors and enterprises, promote ecological and energy saving measures, encourage different forms of public and social ownership, and protect all workers against super-exploitation.

### **Scotland and Wales benefit from EU funds and British and withdrawal would lead to the break-up of Britain**

Wales receives around £18m a year (£92m according to Plaid Cymru) more from EU funds than it puts in. But this is less than one-fifth of 1 per cent of Britain's net contribution to the EU Budget (£15.2bn in 2016) and of the National Assembly's annual block grant from central government (£15.5bn in 2016).

In July 2015, it was revealed that the SNP government has been compelled to drastically amend its Scottish Futures Trust project for public investment in schools, hospitals and roads to give the private sector a bigger, more profitable role.

Scotland and Wales have suffered heavily from the export of capital and jobs to southern and eastern Europe, where labour is skilled but cheaper and energy and transport costs are lower.

As independent member states of the EU, Scotland and Wales would be among the smallest, while their main economic relations would continue to be with England. The Scottish Government in Edinburgh accepts that Scotland would continue to be a net contributor to the EU Budget as a separate member state.

Outside the EU, the Scottish, Welsh and British governments would be free to decide whether and how to finance public expenditure and support strategic industries and services. Free from the EU Classical Directive on public procurement, local government could award larger contracts to local suppliers.

### **Democracy and human rights will be threatened if Britain leaves the EU**

Democratic rights in Britain are enshrined in our domestic law, together with commitments arising from international law, its conventions and courts. Those rights did not originate in the EU.

Tory hostility has been aimed at the European Convention on Human Rights (ECHR) enshrined in Britain's Human Rights Act and its European Court — both of which arise from our membership of the Council of Europe, set up in 1950 and wholly separate from the EU.

While EU membership obliges all member states to adopt the ECHR, this does not prevent governments from flouting both the convention and the UN Declaration of Human Rights. In December 2014, the ECJ blocked a draft treaty affiliating the EU to the convention and its court, not wishing to expose EU institutions and treaties to a different authority — the ECHR European Court — in matters of human and democratic rights.

We need to defend and extend democratic and human rights, including through the ECHR and OSCE, whether inside or outside the anti-democratic EU.

### **There is no realistic alternative to EU membership**

Most of the world's countries, big and small, manage without being in the EU. Britain has bilateral agreements with almost all of them, including through our participation in more than 70 international organisations in political, economic, scientific, environmental, labour, health and educational matters.

Many countries trade and cooperate with the EU, without being EU members or accepting the imposition of the pro-big business economic and financial policies demanded by EU treaties and institutions.

Joining the European Free Trade Area and through it the European Economic Area would enable Britain to remain in the 'Single European Market', but at the price of obeying many EU rules and diktats.

Economic, political and other relations could be strengthened by new arrangements with BRICS and the 53 Commonwealth countries, collectively and individually.

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