

A call to Brexiteers to fill the void on the economic effects of Brexit

I think that we Brexiteers can be very grateful to Michael Gove for his sparky performance on Sky TV. Apart from having to defend the rather silly figure work of the UK paying £350 million per week to the EU, which we all know to be misleading, he was hung out to dry on his lack of supporting evidence for his assertion that the UK could prosper outside the Single Market.

As the Vote Leave campaign have decided to go for the 'nuclear option' of freeing themselves from the clutches of the Single Market and not embracing the Norway option /EEA route (probably because of the worries about the attendant problems of free movement of people) they must somehow build a firm foundation for this view. At the moment there is a generally held view that evidence for a good outcome is lacking, one which John Major hammered home on the Marr Show on Sunday.

Luckily, there is a group of well-known economists which calls itself Economists for Brexit and which shares Vote Leave's view. The group has produced a pamphlet which is available on the internet.

This body of erudition can be found here and the summary of their views in the leaflet is that Brexit will result in a better economic outcome than remaining in the EU. Economic forecasts (based on proven financial modelling by Patrick Minford) show that on leaving the EU:

- Output grows 2%
- Competitiveness rises 5%
- Real disposable wages up 1.5%
- Exchange rate falls 6%

- Inflation and interest rates rise to 2-3% range
- Current account improves to -1.5% of GDP
- Unemployment reduced by 0.2% (75,000 on benefit count)

It also points out that:

- The UK does not need to do a trade deal to trade. It already trades extensively with many countries across the globe under the rules of the WTO and can continue to do so with EU countries in the future (in the same way that the US, Japan and China does). Leaving the EU will decrease prices and boost GDP.
- The City of London will retain its role as the world's leading financial centre outside of the EU.
- The UK is a net contributor to the EU budget and those funds could be utilised far more efficiently elsewhere.

To quote from their pamphlet, which is downloadable, they state that: "The Economists for Brexit is a group of eight independent, leading economists who are convinced of the strong economic case for leaving the EU. To date, debate on the economic merits of whether the UK should remain in the EU has become overwhelmed by the Government's Project Fear campaign. Each of the eight economists have become exasperated by the scaremongering and often economic illiteracy of this campaign.

At the same time, the group believes that whilst there are a substantial number of economic arguments to support Brexit, they are yet to be made in public. The purpose of this group is to explain the very clear economic arguments in favour of Brexit, offering voters – who are crying out for clarity on the economics of Brexit facts based on proven economic models, as opposed to speculation.

It is a useful and insightful view on the way forward if we break loose from both the EU and the EEA and do our own thing. There is even a short but detailed post-Brexit forecast to be

found towards the end of the report by Patrick Minford.

Whilst one can understand that were the Leave campaign to link itself to such a document it is then open to the opposition mercilessly to analyse it, tear it apart and use portions of it against them. However, here is a body of professional opinion which is robustly positive for the economic outlook after Brexit and which has some realistic opinions on the excessive burdens which are placed on business by the regulatory zeal of the EU.

The Leave campaign must now 'up its game' and use the supporting information which is out there to form a compelling case for life after Brexit. It should also make more use of the information which points to the very real dangers of remaining in a failing, over-regulated customs union which contains a host of countries whose economies are in a precarious state.