

The final requiem for the 'three million jobs myth?

It was always a myth. There was never any official report saying that three million British jobs would be lost if we withdrew from the European Union. The figure of three million jobs, or more exactly, 3.2 million jobs, which were linked to our membership of the EU, first appeared in a report produced by Dr. Martin Weale in 2000 for the National Institute for Economic and Social Research. However, the report actually said:

Detailed estimates from input-output tables suggest that up to 3.2 million UK jobs are now associated directly with exports of goods and services to other EU countries. This has given rise to popular concern that some of these jobs might be at risk if Britain were to leave the Union. Opponents of membership on the other hand argue that many of the benefits flowing from the increasingly integrated European Economic Area might still be available even if the UK were to withdraw, particularly since the Uruguay Round Agreement has imposed significant limits on the trade barriers that the EU can place on non-members. In conjunction with the potential gains from withdrawing from the Common Agricultural Policy and no longer paying net fiscal contributions to the EU, there is a case that withdrawal from the EU might actually offer net economic benefits.

The report did **not** say that these jobs would be lost if we left the EU. Far from it. It suggested that withdrawal may actually be beneficial. It was the *Britain in Europe* cross-party group, which campaigned unsuccessfully for Britain to join the euro and which included such figures as Ken Clarke, Tony Blair, Michael Heseltine and Charles Kennedy, who started the scaremongering. Unsurprisingly, Dr. Weale was furious at

this distortion of the findings of his research, describing it as “pure Goebbels” (a reference to Hitler’s Minister of Propaganda), and saying, “in many years of academic research I cannot recall such a wilful distortion of the facts.” However, it has been repeated over and over and over again, perhaps in the hope that if the lie is repeated enough it will become accepted as truth. Nick Clegg regurgitated it in January 2013 in the wake of David Cameron’s announcement of a referendum on our membership of the EU and John Prescott followed suit four months later. Danny Alexander, the Treasury minister, recycled this rubbish to an audience in Washington as recently as June 2014. It seems like some people never give up.

There is hope that at last, the final requiem for this nonsense may be only round the corner. It should have happened a long time ago. Professor Tim Congdon’s booklet *Europe Doesn’t Work* (Published by the Hampden Trust in 2013) proved from government data that EU membership had actually **destroyed** British jobs. Of course, given Professor Congdon’s involvement with UKIP, the Europhile establishment were not going to take one iota of notice in spite of his meticulous use of statistics. However, the coup de grâce may be about to come – and from an unlikely direction. The Open Europe think tank, which supports UK membership, put in a Freedom of Information request to the Treasury – Mr Alexander’s own department. The reply was most interesting. Open Europe’s blog highlighted the key statement, which was as follows:

*“As set out by the Chief Secretary to the Treasury, the Treasury estimate that 3.3 million jobs in the UK may be related to exports to other European Union countries. This figure is based on the assumption that the share of UK employment associated with UK exports to the EU is equal to the share of output that is exported to the EU, making allowance for the composition of the UK economy. **It is not an estimate of the impact of EU membership on employment.**”*

In one sense, this isn’t anything more than Tim Congdon or

many others have argued, but firstly, it is highly embarrassing for Danny Alexander to be contradicted by his own department. Secondly *The Times* has taken up the story. "Treasury wrecks Clegg's EU jobs claim" it proclaimed, while the popular *Huffington Post* blog reported the story under the headlines "Treasury officials ruin Danny Alexander's EU jobs warning." (We are hoping to publish some further research on this subject on the CIB website shortly which will drive a further nail into the coffin of this unfounded allegation – watch this space!).

Of course, given the Lib Dems' past track record it may yet be premature to write a requiem for the three million jobs myth, but surely now if they continue to peddle this nonsense they will come across as complete and utter fools. Mind you, given the party's performances at the ballot box recently, it looks like most of the electorate already regard them as such anyway.