

# Scaremongering and bias

We recently posted a highly critical article by Roger Helmer MEP on the subject of Open Europe's recent analysis of the prospects for an independent UK.

Roger pointed out that claims that the UK would be poorer by 2.2% of GDP was a "worst case scenario". To be fair to Open Europe, this is precisely what it said, with more emphasis was on the "worst case scenario" than you would have thought from reports in the media. The blame for this scaremongering, in other words, should be laid at the door of the press rather than Open Europe itself. "UK risks economic blow outside EU – Open Europe study" claimed the BBC. The Financial Times, whose pro-EU bias is nearly as bad as the BBC's was no better: "Brexit could cost economy £56bn a year, think-tank warns". Thankfully, City AM struck a more balanced note: "Beware the headline costs of Brexit: We'll thrive if we're open to the world". Open Europe's daily e-mail, or "daily shakeup" as it is now called, from 24th March was similarly careful to be a bit more objective than some of the daily papers. "A Free trading Britain could prosper outside the EU" said the headline to one article.

If you look more closely at the report, it claims that, "In a best case scenario, under which the UK manages to enter into liberal trade arrangements with the EU and the rest of the world, whilst pursuing large-scale deregulation at home, Britain could be better off by 1.6% of GDP in 2030." This is a very significant remark. **A pro-EU think tank is claiming that, given the right policies, we would be better off out.** No wonder that the BBC, which has received further criticism from the House of Commons European Scrutiny Committee for its pro-EU bias, skated over this positive scenario in its reporting of the analysis.

Open Europe's round-robin e-mail the following day included a

report on an event it hosted marking the launch of its new report, 'What if...? The consequences, challenges and opportunities facing Britain outside the EU.' It included a quote from Lord Wolfson, one of the speakers and a signatory to the "Business for Britain "campaign. He endorsed the positive prospects for the UK outside the EU if the correct policies were adopted. The UK's economic success outside of the EU would mostly "depend on what Britain chooses to do in the wake of departure," he said. He argued that "the opportunity of leaving [the EU] shouldn't be underestimated", especially since the UK would have more freedom to trade with the rest of the world. Of course, Open Europe would prefer us to stay in a renegotiated relationship within the EU. As Mats Persson, a director of Open Europe put it, "There's life after Brexit, but it makes sense to test the limits of EU reform before pulling the trigger."

Fair enough, but it's all too apparent from the preliminary meetings held by David Cameron that "the limits of EU reform" fall far short of what many people in the UK wish for. An end to free movement of people is not on the cards, nor total repatriation of our criminal justice system. Theresa May foolishly opted back in to 35 Justice and Home Affairs measures included in the Lisbon Treaty, including the European Arrest Warrant. Will a subsequent Conservative Government (in which she may play a prominent role) decide to opt out again a couple of years later? Hardly. Suzanne Evans, a UKIP MEP, was widely criticised when she replied "yes" when asked if she would stay in following a reform she was happy with. This was another case of selective media reporting, for her following words were, "But I don't think that is going to happen – that is the problem. If we could reform the EU that would be wonderful, but unfortunately this is an organisation that just won't reform." She didn't go on to flesh out what "reforming the EU" meant for her, but how about this? Let's abolish the European Commission, bin the thousands and thousands of pages of EU laws, scrap the European Parliament, return sovereignty

to the member states in toto and turn the EU into nothing more or less than another EFTA. If David Cameron could persuade the other 27 member states to go down this route, I am sure that not just Suzanne Evans but many other ardent supporters of withdrawal would say, "I'm happy with these reforms" but **it ain't going to happen.**

Going back to Open Europe, its report insisted that an independent UK would only prosper if it remained outward-looking. To turn this into some sort of scare story, as some media articles attempted to do, is to be guilty of very selective reporting. Open Europe's actual words are, *"In a best case scenario, where the UK strikes a Free Trade Agreement (FTA) with the EU, pursues very ambitious deregulation of its economy and opens up almost fully to trade with the rest of the world, UK GDP would be 1.6% higher than if it had stayed within the EU."* What is scary about this? Pick up any book or article written by a supporter of withdrawal from the EU, be it Ian Milne, Ruth Lea, Tim Congdon, Robert Oulds or whoever, and you will find the author in question propising precisely this course of action – cutting red tape and embracing free trade with the rest of the world. There are unquestionably a few protectionists who support withdrawal, but they are minor figures with little or no influence.

A more contentious point concerns immigration. The Open Europe report says that "In order to be competitive outside the EU, Britain would need to keep a liberal policy for labour migration. However, of those voters who want to leave the EU, a majority rank limiting free movement and immigration as their main motivation, meaning the UK may move in the opposite direction." On the immigration issue, the withdrawalist community is very divided. On the one extreme, Lord Wolfson, a man who is clearly comfortable with withdrawal, is known for supporting free movement of labour. On the other hand, whether or not UKIP's Victoria Ayling really did say "I just want to

send the lot back” when she was still a member of the Conservative Party, there are plenty of other people who will quite unashamedly admit that this is what they would like to do.

There are two comments to be made here. Firstly, even a fairly open immigration policy need not go as far as allowing free movement of people. Surely reclaiming the right to deport foreign criminals and no longer being required to pay child benefit to workers with families still living in Poland is better than the current situation. Secondly, there are a number of reports which question the supposed economic benefits of large-scale immigration, such as the Civitas paper by Anthony Browne *Do we need mass immigration?* Data from the International Monetary Fund shows that in the UK, per capita GDP adjusted for the effects of inflation (“constant prices” or “real GDP” in economists’ jargon) increased by £2,212 in 2000-2004, the four-year period leading up to the accession of the former Soviet bloc states.

However, in the nine years from 2004-2013 when large number of migrants arrived in the UK from Central and Eastern Europe, the latest estimate of the increase is £286, little more than **one eighth** of the growth from 2000-2004, yet over a timespan of nine years as opposed to four. This poses the question as to whether Open Europe is being a bit disingenuous. Of course, more people means a higher GDP, but it is GDP per capita which is the real measure of wealth. Haiti has a higher GDP than Liechtenstein, but you don’t encounter slums, high infant mortality and food shortages in Liechtenstein.

There are plenty of other holes that can be picked in Open Europe’s report, as Richard North points out, but notwithstanding any potential flaws in its methodology, the very fact that it has conceded that withdrawal may be a benefit to the UK economy is an indication of the weakness of the pro-EU argument. Sadly, this is still not resonating with the electorate, with the latest poll from YouGov showing

supporters of withdrawal in a minority, with 46% wanting to stay in and only 36% wanting to withdraw if a referendum were to be held today. The figures are even worse when the choices are between withdrawal and a renegotiated membership. We clearly still have much work to do. It would be a tragedy if, having won a key concession from one of our most influential opponents, we were then to lose the battle that really counts.

Photo by TechnicalFault (formerly Coffee Lover) 