

Evaluate the reasons for staying in the European Union

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1. INTRODUCTION

According to the Economic and Social Research Council (2019), The United Kingdom first joined the then so-called European Economic Community in January 1973. Ironically, given the situation today, the Labour government at the time sought to renegotiate the membership which resulted in a referendum in 1975 with a 67% vote for continued membership. Today, this European Union of 28 countries encompasses both political and economic union aiming to promote European harmony through a single market enabling the free movement of people, goods and services. The 2016 UK referendum and the subsequent “leave” vote has thrown the benefits of this alliance into doubt.

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2. ECONOMIC BENEFITS

Firstly, it is worth noting the Bank of England's view on European Union membership. According to them, membership over the years has facilitated openness, increased trade, investment and labour. The UK is also a major recipient of Foreign Investment with an estimated stock value of over £1 trillion, about half of which is from other members of the European Union, according to UK Trade and Investment (UKTI, 2015). Only the United States and China receive more Foreign Investment than the UK.

Secondly, the United Kingdom as part of the European Union, hold free trade agreements with several countries who are in the European Union. This is "an agreement between countries that removes tariffs and other restrictions on all goods traded between them" (Economic and Social Research Council, 2019). The UK currently has approximately 40 free trade deals with more than 70 countries (Edgington, T. 2019). If the UK was to lose these free trade agreements which contribute to '11% of total UK trade' (Edgington, T 2019), The impact would be significant. The EU accounts for 44% of all UK exports of goods and services and for 53% of all UK imports of goods and services'. (Parliament, 2019) This figure alone is a steadfast argument for remaining in the EU given the impact over time and the uncertainty in setting up new agreements should the United Kingdom leave the EU. It will undoubtedly take several years to be sure about the structure of Britain's relationship with the EU. Furthermore, according to Giles, C and Cadman, E in the Financial Times poll of more than 100 leading economists in (2016), not one believed that a Brexit would enhance UK growth.

Economic growth through membership of the EU has built up thousands of jobs across the UK and has amplified opportunity for trade deals and investments with the rest of the world. There is a huge potential for some of these jobs to be lost, leaving people unemployed and adversely affecting the economy of the UK.

Let's take Cornwall as an example of the impact of EU finance, Cornwall receives up to £750 million per year from the EU Social Fund (ESF) (Whitehouse, R. 2019). This money received from the EU has funded many developments in Cornwall. For example, The Eden Project was opened in 2001 and has welcomed more than 18 million visitors and has boosted the local economy by £1.7 billion. It is well known all over the world and employs more than 400 people (Whitehouse, R. 2019).

Another development that this money from the EU has funded is the Cornwall Airport in Newquay. This has played a key role in providing investment into the county and bringing business into Cornwall. This has also created hundreds of jobs for the county helping to boost the UK economy.

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Another development funded by the EU has been the introduction of superfast broadband and the improvement of transport links such as the A30 (Whitehouse, R. 2019). Both these factors contribute massively in businesses wanting to settle in the county of Cornwall. With the improved transport links on the south west coast of England, the A30 and the airport, it is now an attractive area for industries to settle in Cornwall and invest in already established companies. These potential opportunities create jobs and increase living standards in areas that were previously deemed unattractive for industry start ups. Without being in the European Union, there will be no opportunity for such funding to create new institutions and businesses.

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3. LABOUR AND FREE MOVEMENT OF PEOPLE

One advantage of the UK being part of the EU is the free movement of people across all countries, within the agreement, to live and work. (Carrera, S 2005). The free movement of labour and capital have helped create a more flexible economy, where the labour market is filled when there is a shortage, for example in the leisure industry and nursing (Economics Help, 2016). According to the article, some people see the flow of migration to the UK as a threat however, this migration can also be seen to increase productive capacity within the UK. Without this free movement of people certain sectors would face a shortage of staff. For example, in the NHS 65,000 members of staff are non-British EU citizens (Parliament, 2019).

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4. RIGHTS, RULES AND REGULATIONS

It is likely that rules, regulations and rights that the UK currently abides by in the European Union, will all be demolished or recreated by the UK when we leave. Some of the rights currently include minimum paid annual leave, time off work, the right to work no more than 48 hours a week without paid overtime, rights to a minimum of 18 weeks of parental leave after child birth, EU anti – discrimination laws governing age, religion and sexual orientation (Gumbrell-McCormick, R. and Hyman, R. (2017)). These are just a handful of laws, rules and regulations the UK abide by as a part of the European Union.

However this could be a disadvantage for some workers. For example, if the law for 18 weeks of parental leave after child birth was either changed or scrapped, this could mean that couples would ultimately not be able to look after the child themselves and would have to spend money on nannies or relatives to look after them. If this were to happen potentially more money would be spent on childcare rather than luxuries which could affect the economy, and this could even spark a decrease in the birth rate in the UK. If this happened there could be a shortage of a younger workforce in latter years and there could be a shortage of manpower and resources.

Furthermore, if for example the regulation of health and safety in a workplace is changed people might be unwilling to work in certain environments due to concern over their personal safety. This causes a similar effect with the parental leave law with a potential decrease of workers in the UK.

5. CONCLUSION

In conclusion, the adverse effects of the UK leaving the EU could be ever-present and create problems that could take years to put back into place, almost making the UK go back to its foundations to build upon again. The advantages of remaining in the European Union are as strong as the importance for economic growth and the subsequent revenue that will come with larger markets, free trade and the free movement of people, goods and services is crucial for future development.

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