

Leading economist calls time on the EU project. If it continues, the European economy will never flourish, says Roger Bootle

Publication: Wednesday 1 June

[PDF The EU: An idea whose time has passed](#)

The economic claims from both sides in the EU referendum debate have left many people puzzled about what would happen either way. Roger Bootle, one of Britain's leading economists, agrees there are uncertainties both ways. But, as he explains in Politeia's next publication [The EU: An idea whose time has passed](#):

The EU is a 'zone of comparative economic failure whose share of world GDP has fallen ... considerably and is set to go on falling':

- The economic record has been dramatically worse in the last twenty years than when Britain first joined
- EU growth is poor by comparison with that of almost all industrialised countries – including America, Canada, Australia and, inside the EU, Britain
- The EU is held back by many self-inflicted mistakes; too much regulation and interference in pursuit of its goal of ever closer union hurts economic growth

The EU project is fatally flawed, anti-democratic, and unable to adapt.

- The founding aim in the Treaty of Rome is 'ever closer union' to a European superstate to be imposed by the European elites
- Taking the refugee countries from communism was a 'significant achievement' but it was a mistake 'to do this while continuing with the same concept of Europe ...'

The formation of the euro was a serious mistake which did not need to happen.

- A single currency is not needed for free trade or a single market. NAFTA, for example, is not a single market.
- The absence of an exchange rate has 'created a massive current account surplus' in Germany. The euro has 'increased German power within Europe' – it has not contained Germany, as the French intended.
- If the Deutschmark still existed, it would have gone up against the other currencies of Europe, and so kept the weaker competitors in the game.

What would happen if Britain were to remain in the EU? The author explains that:

- Far from the prime minister's renegotiation making things 'safer' for Britain if she were to remain, Britain will be in an 'awkward position' with the Eurozone moving to fiscal and political union. 'What the prime minister achieved in his deal to protect us on this ... may be a bit better than two thirds of diddly squat, but not much'.
- Further damage might be done by further regulations in future. 'This scenario is not imaginary. Already a proposal exists for a financial transactions tax which, though currently stuck in the regulatory long grass, may soon re-emerge.'

By contrast, 'the effect of Brexit on Britain may not be at all difficult – Britain will sail through it pretty well', he explains. The effect on the EU may however, be problematic with other countries demanding referendums and pressure on the euro, especially given 'that the Greek crisis is far from over'.

But, as Bootle concludes, if Brexit causes problems for the EU, that could be all for the good. It could set in train a series of events leading to the reform of the EU, and the sort of relationship with Europe with which Britain could be comfortable ... a Europe of nation states, not ever closer union, based on free trade, friendship and co-operation'.

[The EU: An idea whose time has passed](#), is published by Politeia, www.politeia.co.uk, 14a Eccleston St, London SW1W 9LT on Wednesday 1st June.

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