

How the EU single market and customs union damaged the UK economy

Conventional wisdom says that the UK received an economic boost from joining the EEC, wrongly called the Common Market at the time. It also alleges there was a further boost from the EEC transforming itself into the EU and completing its so called single market in 1992.

I believe in checking the data. If you looks at the graphs and charts of our economic output there is no sudden favourable burst in 1973-5 when we first joined, and no sudden surge in 1993-5 when the EU announced single market completion. Nor is there any sign throughout this period of any upward tilt in our economic performance, however slight. If you gave people the charts and asked them when a significant favourable event occurred they would not have chosen 1973 or 1993.

Worse still is that in practice both our time in the Common market and in the single market impeded our growth and helped destroy important parts of our industrial base. These were the years of big decline in everything from fishing to steel and from market gardening to shipbuilding.

The 20 years from 1953 to 1972 prior to our entry into the EEC saw the UK grow by 95%. That was a growth rate of 3.4%. I have left out 1945-1952 as years obviously boosted by recovery from a war and affected by demobilisation.

The next twenty years in the Common market, 1973-92, saw our growth slump to just 42%, under half the previous 20 year period. That was an annual rate of 1.76%

If we then look at the 28 years 1993 to 2020 when we were in the single market and customs union, total growth was 59%. That was an annual growth rate of just 1.66%. I have taken the OBR forecast for 2020 as we still await the end year number.

So we grew much slower in the EEC/EU than out, and slower still once the restrictive and bureaucratic single market was completed.