



Trinity College Dublin
Coláiste na Tríonóide, Baile Átha Cliath
The University of Dublin

The Brexit Debate – EU Integration or Disintegration?

School of Social Sciences and Philosophy

Date 9th June 2016

Opposing cases

Case for Brexit Economists for Brexit 2016

EU's recent poor economic outcomes reflect bad decision making which affects the UK

The gains from lower cost access to a protected market are small

The UK would have more suitable regulations without EU membership leading to higher incomes

The UK is unable to obtain the mix of immigrants it desires within a reasonable total

The UK is a large net contributor to the EU budget

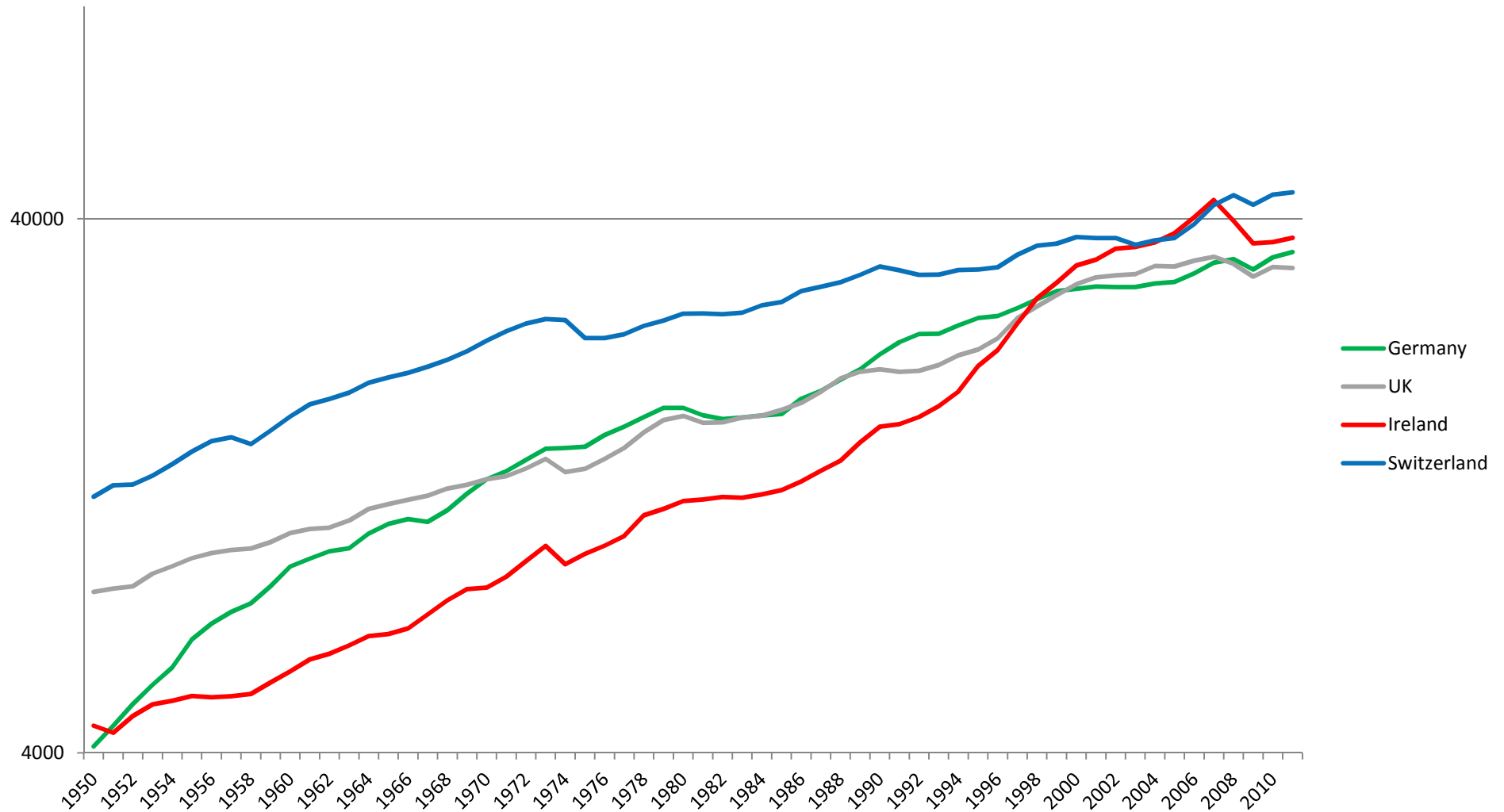
Case against Brexit Various

Membership of the EU leads to higher incomes than would otherwise be the case and this more than outweighs the costs of membership

The transition costs of leaving the EU are likely to be significant

GDP per capita

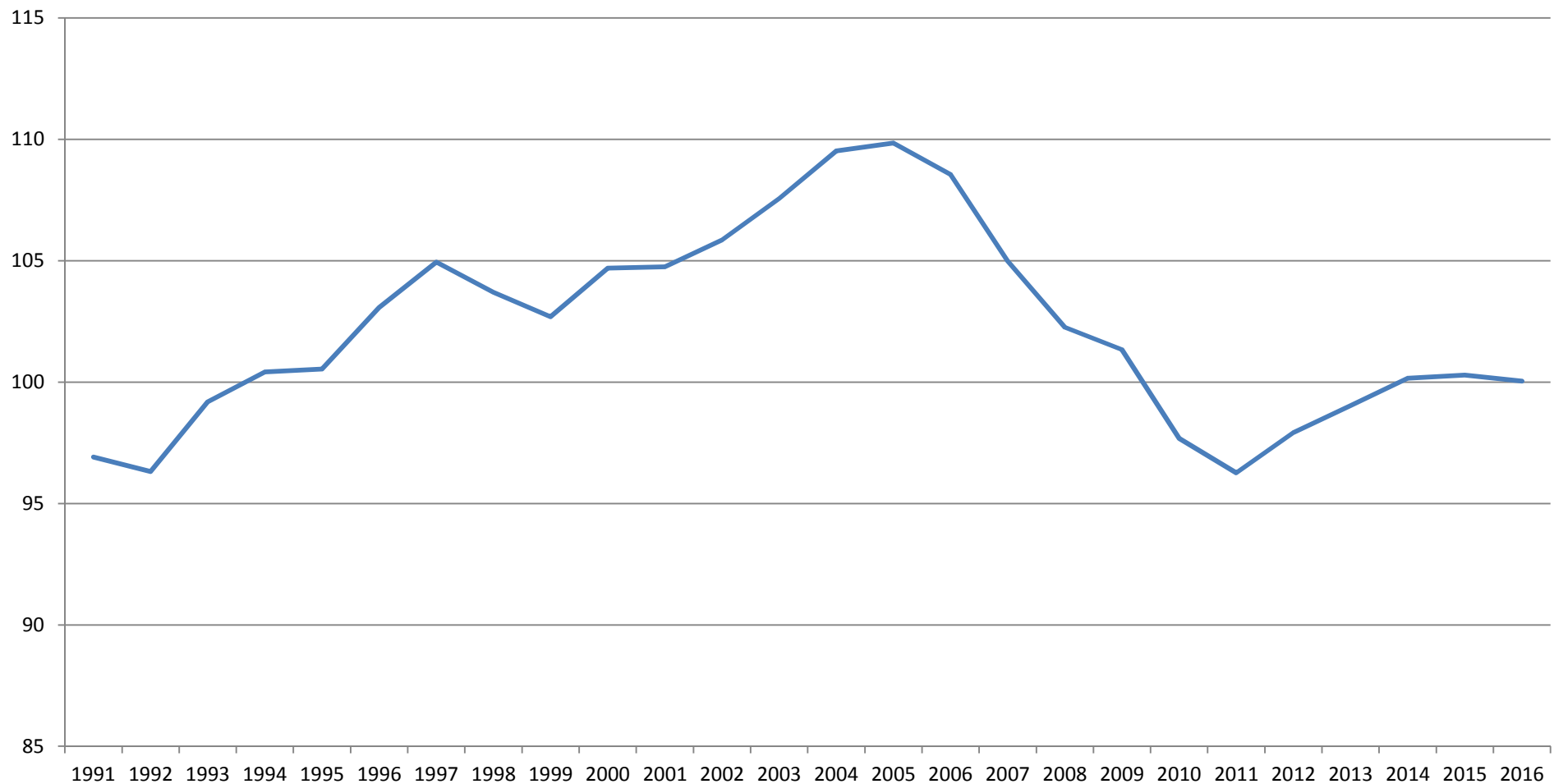
Constant purchasing power parity prices, Penn World tables



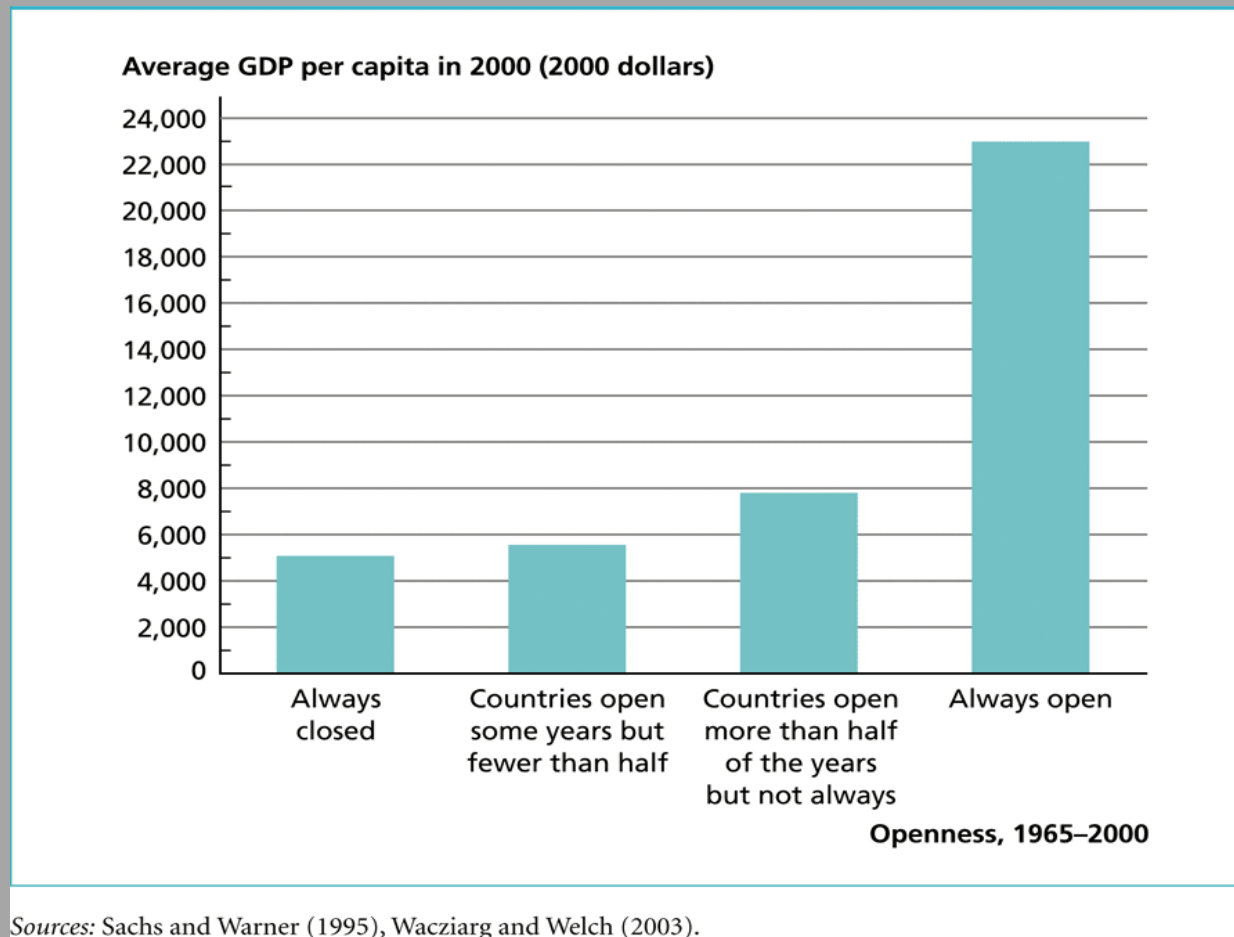
UK GDP per capita relative to EU 15

EU15=100, purchasing power parity

UK GDP AT MARKET PRICES PER CAPITA (EU15=100) (PPS) NADJ



Trade and Incomes



WTO tariffs

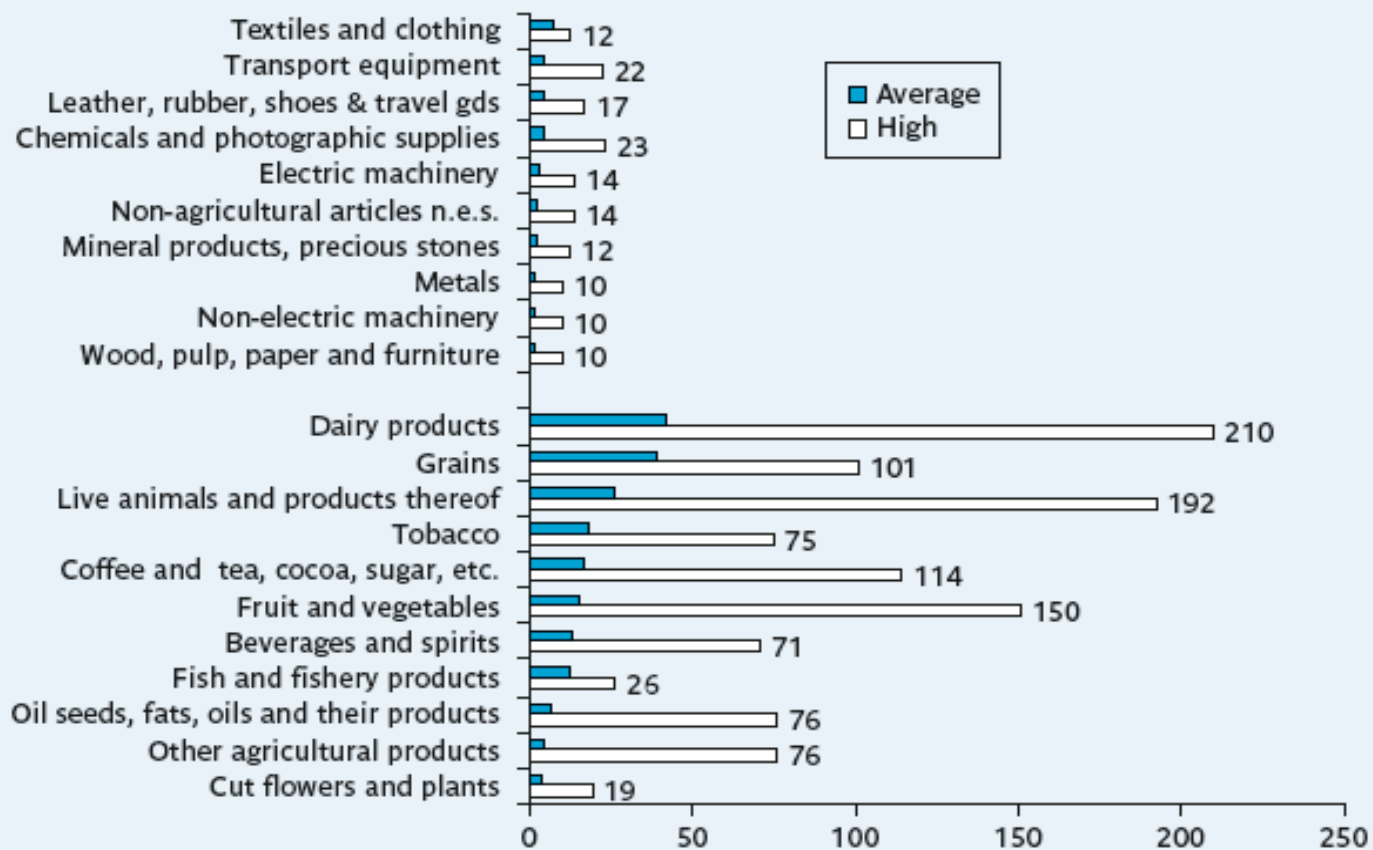


Figure 15.6 EU tariffs

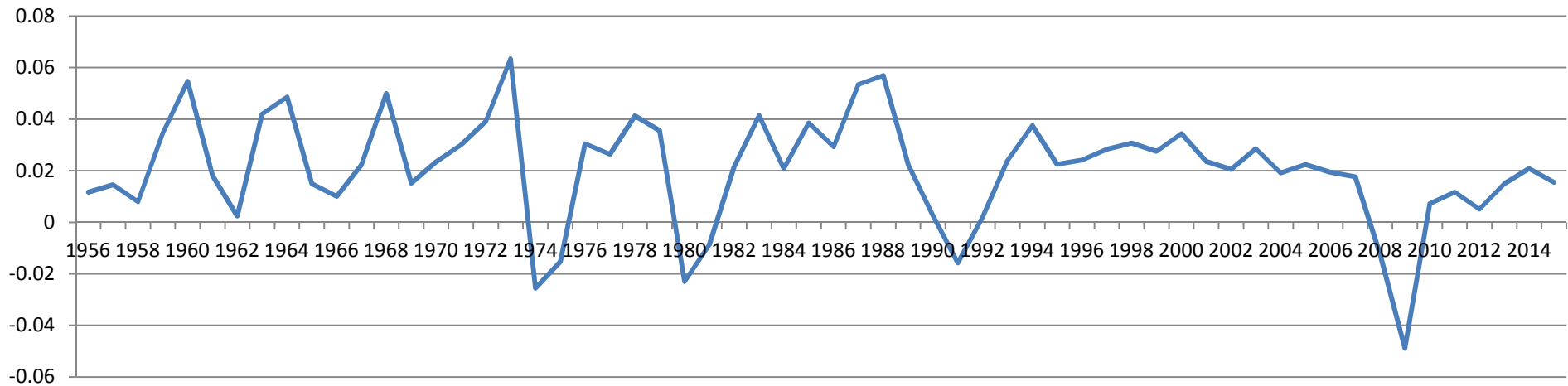
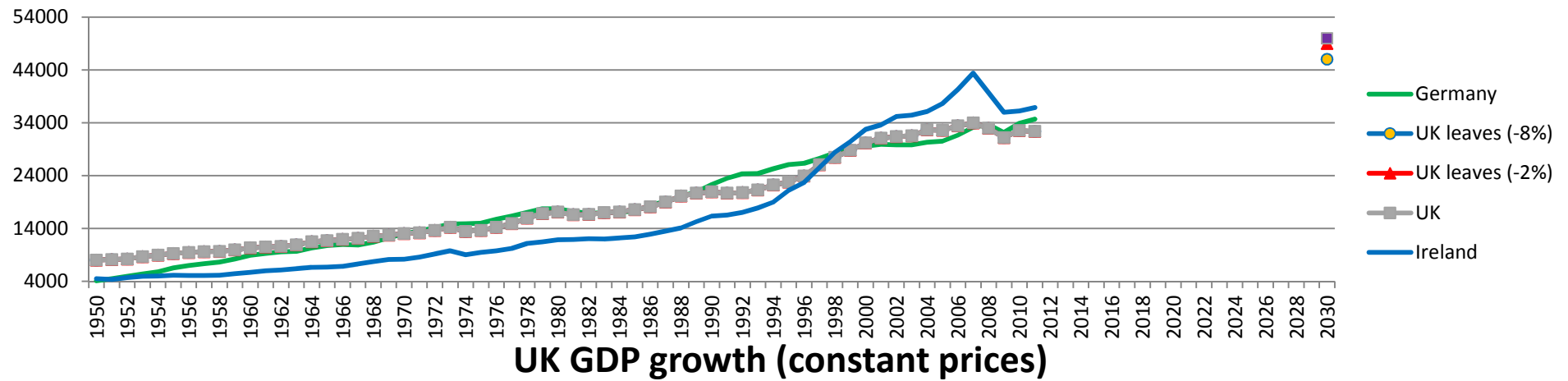
Source: WTO's Trade Policy Review, EU 2007

Long run Brexit balance sheet

Item	Possible economic cost/benefit
Loss of low cost access to single market	Unknown but plausibly -2% to -10% of GDP
Ending of EU regulations	Up to +1% of GDP (likely smaller)
Migration	Unknown
Contribution to EU budget	Up to +0.5% of GDP (maybe much smaller)
Cost of CAP to UK	Up to +0.5% of GDP
Net	Plausibly -1% to -8% of GDP

How important is 2-8%?

GDP per capita (constant purchasing power parity prices, Penn world tables)



Economic impact on other EU countries

Subtitle – Calibri Regular 20pt

- A poorer, less integrated UK reduces competition and market size for other EU members and requires larger contributions (or less EU expenditure)
- The average effect on the EU is likely to be smaller than that on the UK
- The impact on the EU won't be evenly distributed, with certain sectors (e.g. agriculture) and countries (e.g. Ireland) more affected than others



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Thank You

