

Busting the 'three million jobs' lie...

**Come a referendum on the European Union,
don't be fooled by scaremongering,
misinformation, and broken promises**

**"Political language is designed to make lies sound truthful"
– George Orwell**

Campaign for an Independent Britain
For a free UK



Researchers Nigel Pain & Garry Young looked at the impact on the jobs figures if the UK left the EU. They concluded “although we find that a large number of jobs are now associated with exports for the EU, there is no *a priori* reason to suppose that many of these, if any, would be lost permanently if Britain was (sic) to leave the European Union”. Indeed the study found that post-withdrawal there would be more British jobs in the medium term than if Britain had stayed in.”

“Three million jobs not threatened by ‘isolation’. The UK’s exports to the rest of Europe will flourish if and when we leave the European Union”

– Tim Congdon’s *Europe doesn’t work* 32 page pamphlet published by The Hampden Trust, 1 Trinity School Lane, Cheltenham GL52 2JL

It has been happening for the past twelve years and continues to slip off the tongues of European Union supporters and spin doctors in newspaper, on television and during broadcast interviews, “3 million jobs depend upon the EU” whilst avoiding, of course, providing evidence.

Where did it all start?

A national newspaper dated 19th February 2000 and headed “Blow to Blair over ‘silly’ EU job scare” reported that Britain in Europe, the campaign to scrap the pound, suffered a humiliating setback after one of the country’s most senior economists accused it of misrepresenting his research to run “absurd” scare stories about the dangers of the UK leaving the EU. Mr Martin Weale director of the National Institute of Economic and Social Research, said pro-euro supporters had misused his report to make “plain silly” claims about the impact of British withdrawal. Mr Weale blamed Britain in Europe for leaked newspaper accounts of his research which suggested that 8 million jobs were at risk if Britain pulled out of the EU. The survey commissioned by BiE actually suggested that 2.7 million jobs were directly related to trade with the EU and another 500,000 were indirectly linked. However it added that it was “unlikely” that many of these jobs would be lost permanently even if Britain left the EU. It added that there is no reason why being outside the EU should necessarily involve mass unemployment. Mr Weale reportedly said “It’s pure Goebbels. In many years of academic research I cannot recall such a wilful distortion of the facts” and went on “Nobody could plausibly believe the figures. As the experience of the 1960s indicates, there is no reason why being outside the EU should necessarily involve mass unemployment”

Tony Blair was due at that time to endorse “Out of Europe, Out of Work” with a poster campaign drawing upon the research. It also came as Keith Vaz, minister for Europe at that time threw his full weight behind the BiE campaign. In an interview with the Daily Telegraph he was reported as claiming that 3.5 million jobs in this country depended directly on membership of the EU. “Out of Europe is out of a job” he is reported to have said.

That was 12 years ago. One of the worst repetitions of this distorted claim came on 31st October from the deputy Prime Minister Nick Clegg in an interview of BBC Radio Four “Today” programme on 31st October 2011 where he said “There are three million of our fellow citizens, men and women in this country whose jobs rely directly on our participation and role and place in what is after all is the world’s largest borderless single market.....isolation costs jobs, cuts growth, cuts peoples livelihood”. In claiming that 3 million UK citizens rely solely on the UK’s current participation in the EU, listeners to the broadcast reasonably assume from this line of argument that these jobs would be lost if Britain were to withdraw from the EU

Can we trust this figure? The organisation “Full Fact” found reasons to be cautious. Full Fact thought it strange that current estimates are the same as those made ten years ago (or more)not least because they had seen a significant recession hit in this time. So Full Fact did some further investigation

The figure dates back to an initial report in 2000 by the South Bank University, which based job estimates on the UK export trade made by the EU, accounting for jobs produced as a direct result, and those produced indirectly by export- generated income.

This estimated a total of 3,445,000 jobs in the UK depend on exports to the EU, but failed to produce a net assessment including import trade.

Regardless of whether this is a net figure, any statistics based purely upon trade with the EU do not offer a fair cost-benefit analysis of the impact of EU membership upon the labour market, since the two are not necessarily directly correlated. Free Trade agreements between the EU and non EEC countries exist for some 10 countries in Europe and others elsewhere, including a Fair Trade agreement made with Switzerland in 1972.

A figure which depends entirely upon UK exports with the EU does not necessarily show that UK withdrawal from the EU would dramatically alter this trade in a negative way.

So is Nick Clegg basing his claim -also quoted in 2010 Lib/Dem manifesto- on these dated and more wide ranging analysis?

When Full Fact contacted the Lib/Dems to find out where is figure came from they said it had come from an analysis by the Department of Business Innovation and Skills which has been referenced in various Commons

debates including one in September 2011 about overseas investment. This analysis was apparently conducted in 2006 and estimated approximately 3.5 million UK jobs were dependent directly or indirectly on the export of goods and services to the EU.

Full Fact contacted the BiS to try to track down this report from which this figure is drawn but the Department were only able to confirm that as far as they were aware there were no reports published with the figure included. They were still trying to find possible analysis which could have been concluded

As Full Fact has no access to where this figure came from, they could not comment on the accuracy of how it was estimated. It is possible it is also based on the report published in 2000.

What can be said, is that when the BiS figure is referenced in the Commons, the statistic still only refers to trade with the EU. Once again, this is not a reliable measure of what could be lost if Britain were to withdraw from the EU. However when Full Fact contacted the Deputy Prime Minister's team at the Cabinet Office, they pointed us towards an entirely different source for this claim: a statistic put forward by the European Commission.

They were however unable to refer to the exact report this corresponded to, instead saying it might be found if quoted in a number of different articles.

However this wasn't as straightforward as they suggested.

Full Fact found a BiS report from February 2011, on the UK Government Response to the European Commission Consultation on the Single Market Act, which stated that "the single market also contributed to increased growth of at least 1.85% and the creation of 2.75 million new jobs across the EU since 1992". This figure is also repeated in various government websites.

This seems to be the only statistics from the EC which is regularly available regarding jobs created as a result of the EU. If this was the statistic to which Mr Clegg referred, which seems likely, he was wildly incorrect to use it in relation to UK jobs specifically, as it is a total created across EU nations.

What is the real figure?

Full Fact contacted the EC to see if they are aware of any UK specific estimate of the number job created as a consequence of EU membership, but they are waiting to hear back.

The most recent report Full Fact could find was conducted by Civitas in 2004. This provided an assessment of all the previous reports and concluded that "the economic impact of British withdrawal from the EU would be marginal – less than 1% of GDP. Putting it another way, these three studies find that, for the UK, the economic benefits of EU membership are at best marginal".

Conclusion

Given this dearth of reliable information, we are left to choose between a dated estimate of jobs benefitting from EU wide trade, but not necessarily dependent upon EU membership, and an EC estimate of jobs created across Europe, when looking at Mr Clegg's claim. Neither supports his assertion that 3 million jobs "rely directly" on the EU.

So there you have it. The 3 million jobs scaremongering myth still is being trotted out as recently as Question Time Thursday 18th January 2014 when reference was made to all three main political parties saying that 3 million jobs in the UK depend upon the EU.

Decide who can you trust at the next General Election to vote in favour of a Bill to take Britain out of the EU.

Please don't allow yourself to be fooled and never forget how Tony Blair was first elected to Parliament in 1983. What did he say to his Sedgefield constituents? "25,000 jobs had been destroyed in County Durham. Courtaulds has closed. Thorns has seen major job losses. Black & Decker has axed workers. Fishburn Coke Works is earmarked for closure. 14 million people in Britain live at or near the official poverty line. He promised if elected **"to negotiate a withdrawal from the EEC which has drained our natural resources and destroyed jobs"**

The Campaign for an Independent Britain is grateful to Full Fact for their permission to quote their report

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Do you want Britain to leave the European Union?

If so, please join us and help your country

Ever since Edward Heath took us into the Common Market by a narrow majority vote of 309 to 301 votes in Parliament in 1972 without telling MPs the terms of entry, our non-party political organisation has campaigned to leave what has become the European Union. We want to regain our ability to make our own laws in the best interests of the UK and people whilst maintaining friendly relationships with all other countries. We need again to trade freely globally and less expensively without being politically controlled from Brussels with its damaging Directives and Regulations and having to pay the EU over £20,000,000,000 gross this year (2013)

We are the umbrella organisation bringing together other eurosceptic organisations including Labour Euro-Safeguards Campaign, The Freedom Association and Get Britain Out. Please visit our website to join, or use the application form overleaf, or telephone 0116 2874 622 for more information. We exist by public donations and with the support of Patrons from both Houses of Parliament, economists and business people

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