

European Union

Impact of Being Part of The European Single Market

- Ease of trade between EU countries
- Increased choice for consumers and competitions between businesses
- Location decisions to operate within the EU
- Larger pool of skilled and unskilled workers
- Increased competition for jobs
- More mixed society leading to wider choice of products and changing social trends



Benefits of the UK Being in the European Union

Free movement of goods

- Goods can be freely traded between member states without barriers i.e. no additional taxes (tariffs), no limits to the quantity traded (quotas) or bans (embargoes)

Free movement of people

- People can move between countries and seek employment
- Attracts workers into the UK from EU countries where there are less opportunities

EU law

- All countries within the single market have to comply with some common laws
- Rulings made in the European Court can overrule decisions made in UK courts

Single Market

Definition: Involves countries joining together in trade as if they were one country, so there are no trade barriers such as customs duties when goods cross borders within the market. An example of a single market is the European Union.

Advantages of the Single Market for Businesses

- Increased levels of demand result from access to a larger marketplace as it is easier to export to the other countries in the EU
- Lower costs through increased economies of scale as larger markets result in larger scale production, lowering average costs of output
- Lower costs in sourcing raw materials and supplies from EU countries
- Freeing of capital markets as businesses will be able to access the best finance and capital raising deals throughout Europe
- Greater employer access to labour markets – workers from all member states are potential employees
- Growing wealth in poorer parts of the single market could drive future demand for products

Advantages of the Single Market for Consumers and Workers

- Increased wealth as trade and competition increases. This results in lower prices and more job opportunities as employment anywhere in Europe is available to anyone living in one of the 28 member states
- Increased consumer choice as there is access to all manufacturers and service providers in the EU

THE DEBATE

Arguments for and against Brexit, according to the main campaigns:

IN

Britain avoids exporter tariffs and red tape, important as 45% of British exports go to the EU. As a member, Britain can obtain better tradeterms because of the EU's size.

Britain pays the EU £240 a year per household, compared with an estimated £3,000 yearly benefit for membership. In or out, payment is needed to access the single market.

Most EU regulation collapses 28 national standards into one European standard, reducing red tape and benefiting business, i.e., Britain can fight for better regulation.

Leaving doesn't mean reduced immigration. Countries that trade with the EU from outside have higher rates of immigration, including from EU countries, than Britain.

At international summits, Britain is represented twice - by the foreign secretary and the EU representative. Co-operation has helped fight Ebola and Piracy in Africa.

OUT

Britain will negotiate a new EU relationship without being bound by EU law. It can secure trade deals with other important countries such as China, India and America.

Britain can stop spending £350m, equivalent to half England's school budget, to Brussels every week. This money could be spent on scientific research and new industries.

Leaving will return control over areas like employment law and health and safety, measures that a recent Business for Britain poll found businesses favoured.

Britain can change the "expensive and out-of-control" system that offers an open door to the EU and blocks non-EU immigrants who could contribute to the UK.

Britain has little influence within the EU. From outside, it can retake seats on international institutions and be a stronger influence for free trade and co-operation.

Sources: Britain Stronger in Europe; Vote Leave

How Could a Single Currency (The Euro) in the UK Affect:

Customers:

- Easier for them to go on holiday and compare prices when abroad
- Might get confused with the change

Businesses:

- Don't have to worry about the exchange rate changing
- Easier to sell abroad → economies of scale
- More competition from abroad as customers can now easily compare prices
- Costly to change tills and menus

