



Annual Costs to the UK of EU Membership

The *net* cost of the EU budget to Britain in 2011 was £10.8 billion* and rising. But the actual cost - direct and indirect - is much more than that.

Last time it was calculated, in 2008, the European Union **was costing us £65 billion gross every year**. That's about £1,000 each every year for every man, woman and child in the UK. It increases every year, so it will be a lot more now, expected to be £16billion 2013.

** Source: Office for National Statistics "Pink Book"*

UK outvoted on 2013 EU budget

Open Europe reported in August 2012 that EU member states agreed on a 2.79% increase in payments in the EU budget for 2013 - as opposed to the European Commission's proposal for a 6.8% increase. The UK voted against, along with the Netherlands and Sweden, but was outvoted. The 2.79% increase means that the UK's contribution to the EU budget would rise by around £350m next year.

Direct and Indirect Costs of the EU

Estimates of the true cost of the EU are difficult to come by. MPs have called many times for a cost-benefit analysis, to prove or disprove the benefits of membership. Successive Governments, both Labour and Conservative, have refused, on the grounds that the "benefits" are self-evident. In truth they are afraid of what such a study would show. The Bruges Group finally produced an authoritative study in 2008.

<http://www.brugesgroup.com/CostOfTheEU2008.pdf>

The total gross cost to the UK of EU membership in 2008 they estimate at around £65,000,000,000* - including:

- £28 billion for business to comply with EU regulations,
- £17 billion of additional food costs resulting from the Common Agricultural Policy
- £3.3 billion - the value of the catch lost when the Common Fisheries Policy let other countries fish in our territorial waters
- £14.6 billion gross paid into the EU budget and other EU funds. (In 2011 this had risen to £19 billion)

It gets **worse each year**. Used better, this sum could transform the UK - increase pensions, recruit more doctors, nurses, teachers and police, build advanced transport systems and start paying off the national debt.

**Even allowing for the UK rebate, which the EU wants to stop. Sources: Bruges Group report: "How Much Does the EU Cost Britain?", UK Office of National Statistics, British Government Regulatory Impact Assessments, International Monetary Fund, World Bank, World Trade Organisation, OECD, Eurostat, European Commission.*

The much-vaunted single market in effect amounts to harmonising a heavy burden of regulation right across the EU, so that all EU businesses are equally handicapped. The EU Commission itself has estimated that EU regulation costs businesses **600 billion Euros a year**, while the savings from the free market amount to only 180 billion Euros.

Update from Dan Hannan on EU Costs

MEP Dan Hannan [daniel.hannan@europarl.europa.eu] reports in his blog (June 2011) that:

- The European Commission has just published its new draft budget. It wants an extra 46 billion euros, proposes to scrap Britain's rebate, and suggests various forms of EU taxes, including a levy on financial transactions which would disproportionately hit the City of London.
- Britain increased its net contribution by 74 per cent in 2010. Much of the increase will be wasted.
- Worst of all, though, is the way in which the EU is assuming bank liabilities in advance of a default which everyone can now see coming.

Britain has been dragged directly into the Irish and Portuguese bailouts, and indirectly into that of Greece:

See [Latest EU Budget Details](#)

The average British household paid £440 to be a member of the European Union last year but received only £312 back in direct benefits, according to newly published Brussels accounts.

Bruno Waterfield in Brussels, Telegraph, 28 Sep 2010

Spain is the only one of the top five contributors where the return is greater than the contribution. The £128 loss for every household is because Britain's share of the costs for running the EU are not matched by returned cash, which comes in the form of farm subsidies or social funds.

The lion's share of spending goes to continental farmers and poorer countries such as Poland, the figures show. Britain is the fifth highest contributor to the EU budget, with £6.7billion, beaten by France, Germany, Italy and Spain. Poland contributes £2.4billion. Each Briton pays £110 in contributions to the EU but loses out by £32 in benefits in return. Spain is the only one of the top five contributors where the return is greater than the contribution. In Poland, every person contributes £63 and gains £166 in return subsidies.

The EU's cost to Britons in 2009 was up by £266million, or £17.44 per household, as bills for running the Union continued to increase due to the rising costs of the new powers and institutions created by the Lisbon Treaty.

Britain has also been hit by a deal negotiated in 2005 by Tony Blair that has seen the value of an annual rebate from the EU, won by Margaret Thatcher in 1984, fall significantly over the past two years.

Nigel Farage, UKIP's European leader, argued that the EU "club" was not worth belonging to when the cost of Brussels regulation was pushing up "membership fees".

"If you were paying a £440-a-year subscription to a health club, you would expect to get fitter or you would leave," he said.

Because of Mr Blair's agreement to cut the rebate, in order to help new Eastern European EU members, British payments are set to rise still further, reaching £8.3 billion late this year.

The bill could go even higher if the European Commission wins a battle over its proposal to scrap Britain's annual rebate, which was first granted to offset high British payments towards farm subsidies that are mostly paid to French farmers.

Open Europe research finds that EU regulation has cost UK economy £124 billion since 1998; UK laws are on average around 2.5 times more cost effective than EU laws

Open Europe has published the most comprehensive study to date on the costs of regulation to the UK economy since 1998. Based on over 2,300 of the Government's own impact assessments, Open Europe has found that regulation has cost the UK economy £176 billion since 1998. Of this amount, £124 billion, or 71 percent, had its origin in EU legislation.

The cost of regulation in 2009 stands at £32.8 billion, of this 59 percent, or £19.3 billion, stems from EU legislation. Since 2005, when the UK Government launched its 'better regulation' agenda, the cost of regulation has doubled - although both the Government and the EU Commission have taken some positive steps to address overly burdensome laws. To read the report in full see:

<http://openeurope.org.uk/research/stilloutofcontrol.pdf>

Huge Increase in Power Costs for British Households - Thanks to the EU

Ever wondered why we will have to spend more and more on electricity? Britain's power chiefs on 14 November told the Sunday Telegraph that huge increases in power charges will be needed to provide sufficient incentive for the £40bn investment needed for the new generation of nuclear power stations. And why is this so urgent? Because in a few years an EU Directive will force us to close all the coal-fired power stations which currently meet our needs, because they don't meet the EU's ridiculous requirement for them to use carbon capture technology that doesn't yet exist. A little matter like reality has never got in the way of EU plans. And our Government doesn't have the guts to tell them to go jump in a lake.

There is even an EU mechanism for doing this - it's call getting a derogation from a directive - i.e. delaying its application for some years. We can all just pay up and thank the EU and of course David Cameron.

EU Spending in Britain - Does it Benefit Us?

In 2008 we "benefited" from £5.2 billion of EU spending in Britain (spent out of our money). This is usually deducted from our gross contribution to give a net cost. However £2.4 billion of this is for agricultural subsidies - part of the wasteful and damaging **Common Agricultural Policy**. Much of the rest of the money we receive from the EU budget has to be spent on projects approved by the EU. Bizarrely, the rules say that these must be projects which would not otherwise be funded by public money. In other words - things which our own Government does not want to do. So we'd be much better off if we kept our own money, and did not have the agricultural subsidies or EU projects. We could devise a much more effective system of our own to support our farmers. We could hardly devise a less effective one.

EU Administration

The total budget for EU 'administration' alone is **£34 billion**. The European Commission claims on its website to employ 25,000 staff. The true figure, according to an Open Europe study in August 2008, is 170,000. Nearly 10,000 of these receive over £54,000 pa - over twice as many as in the whole of Whitehall.

Britain's new EU Commissioner, Baroness Ashton, gets £750,000 for just one year's service - including £200,000 in salary, £250,000 in "transitional payments" on leaving her post, and a raft of perks. She will also get an annual pension of £8,000 pa for one year's service - twice what a UK pensioner gets for a lifetime of work. **Government Cost Benefit Study - by the Swiss, not us!**

A Swiss Government cost/benefit analysis of full European Union membership (*Europe 2006" June 2006*) concluded that membership would cost between six and nine times the cost of their present bilateral agreements with EU countries.

The UK Government has **never carried out an official cost benefit analysis** of our membership.

The Costs of the EU Fall Disproportionately on the Poor

The costs of the EU weigh especially heavily on the UK poor, who spend a higher proportion of their incomes on:

- Food: It is estimated that the Common Agricultural Policy costs the average British household £322 pa. EU Budget Commissioner Dalia Grybauskaitė has said that the CAP forces consumers to pay "two or three times more for food than we would pay without this policy (*source: Telegraph, 25 November; Irish Times 13 November*)
- Imported clothes, whose prices are artificially higher because of EU trade policies, designed to protect their inefficient and high cost producers. Genuinely free trade, outside the EU, would reduce the prices we pay for imported goods.
- Taxes. A large chunk of our taxes go into the EU budget. When we leave the EU, we will be able to use that money to reduce our tax burden.
- In addition, when EU regulations hit UK businesses so hard that they go under, it is the workers who lose their jobs.

We will, we must; Leave the European Union - Give Us a Referendum

The EU - Super state or Free Trade Partner? We *Can* Leave.

EU leaders are determined on political union. This is clear from the way the Lisbon Treaty and the Constitution were driven through, ignoring their rejection by popular votes in Ireland, France and Holland. Polls show that almost no-one in the UK wants political union, and more and more want us to leave. The politicians tell us that leaving the EU is unthinkable. They are wrong.

We can leave the EU. We would prosper outside as a free and independent country, trading with every part of the world, as we have always done. See Britain outside the EU

Of Course we Can Leave - our Parliament is Sovereign

We can leave the EU, because no UK Government can bind its successor. We are subject to EU rules only because UK legislation says that we are. Statutes are passed through Parliament to implement each EU treaty. These statutes require UK judges to have regard to EU law in making their judgements.

Repeal this UK legislation, and we are free. EU law no longer applies to us. The debate with the EU would be about how best to manage our leaving, not whether we can leave.

We don't have to pay anything to leave. In fact we will stop paying into the EU budget – more and more every year.

There is a procedure for leaving the EU in the Lisbon Treaty, but no sovereign nation would use it in practice. Treaties can be repudiated (ask the Germans). The Lisbon Treaty procedure requires permission from a majority of countries and MEPs. The leaving country is not allowed to take part in the discussion of the details of leaving, such as who bears any costs.

Having left, the country remains bound by EU rules for two years. Having decided to leave, who would be so spineless as to accept so one-sided a deal? The Lisbon Treaty affects the UK because an Act of our Parliament says so. If we repeal the Act, then we are not subject to the leaving procedure.

How would we leave?

The actual steps of leaving could be as follows:

- Repeal the European Communities Act and its amending acts which brought in subsequent EU treaties.
- Stop paying contributions into the EU budget.
- Repeal the Human Rights Act and withdraw from European Court of Human Rights. UK courts could then no longer refer to foreign jurisdictions in their decisions - just British law and precedent.
- There are thousands of UK laws based on EU Directives. It would be impossible to repeal them all at once. We should pass a series of Enabling Acts as vehicles for amending EU-related laws, and set up a Parliamentary group to review them over 2-3 years. Their brief would be to reduce the burden of regulation substantially and remove the influence of EU Directives. An Enabling Act each year would revise those laws which had been considered by the group. Businesses would be free to create more jobs.
- Negotiate a free trade agreement **after** we have left - once we give them a fait accompli it would be in their interests to regularise trade. WTO rules would prevent discrimination against us, as would self-interest - we are a big market for EU countries.

- Negotiate our own free trade deals with the growing countries of China, India, the Far East, South America and the US – deals to increase the trade of Britain, not the EU
- Notify the EU that we are resuming control over our 200-mile fishing limits, reviving what is left of our fishing industry
- Replace the Common Agricultural policy with a policy which helps British farmers produce what we want at affordable prices

We Can Leave the European Union – and Still Trade Successfully with Them

And finally, a Thought from our former Prime Minister

"Of course, Britain could survive outside the EU...We could probably get access to the single market as Norway and Switzerland do..."

Tony Blair, Speech in Ghent, 23rd February 2000

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