

## A 'Brexit' discussion – Spring 2016

There will be much said and written about 'Brexit' over the coming months and some of it will inevitably be useful. Swindon Equality Group has taken a view on 'Brexit' by looking at the issues that are most likely to impact on economic inequality.

There are, clearly, serious weaknesses in the EU structure that exacerbate inequalities for example:

It favours returns to capital over returns to labour.  
A German dominated central bank is capable of imposing iniquitous policies e.g. the treatment of Greece.  
Democratic accountability is weak.

However the EU has delivered many fundamental benefits that are crucial for economic equality.

Providing union where there was conflict.  
Protection for employees.  
Cracking down on the tax abuse of multinationals.

Those in the exit camp do not seem to view the first three items listed above as important or the second three as useful, in addition exit would seem likely to deliver the following:

Parts of UK work force will be lost without migrant workers as labour shortages appear in critical areas.  
There will be a flood of returning pensioners from abroad putting strain on the NHS while new trade deals e.g. with the US are likely to require further privatisation of the NHS  
It will be harder to trade from the UK.  
The cost of imports will rise and exports will earn less with

the inevitable impact on wages and living costs  
Poorer regions of the UK are more dependent on exports to the EU than richer ones so regional inequality will worsen.

The UK will behave more like a tax haven than it does at the moment

Freedom of speech is likely to be further reduced e.g. union restrictions, charities and research 'gagging' clauses.

It looks as if 'the playing field will be tilted still further in favour of bankers at the expense of workers if Brexit occurs'\*

**Inequality is therefore likely to rise with 'Brexit'**

(Points have been taken from a number of current sources)