

Introduction

The EU's critics argue that membership of the union holds Britain's economy back. They think that the EU's single market restricts the growth and profits of British companies due to too many kinds of regulation (red tape) and that the EU's structure means British exports are diverted to slow continental economies rather than the fast-growing developing world. They argue that the trade deals the Commission has negotiated, such as those with South Korea or Mexico, have [held back British trade](#) and that [Britain could do better representing itself](#).

Because they think EU membership restricts the UK economy, they argue Brexit would create more jobs and boost the economy. They also argue that the EU does not help attract foreign investment, as most foreign businesses invest in Britain for its own strengths, not its EU membership. They think that the economic benefits from free trade with the EU's members could be kept if Britain voted to leave. This could be achieved through a free trade agreement, membership of the [European Economic Area](#), or a new kind of treaty.

Trade benefits

Eurosceptics are split over the value of the EU's single market. Some think that it does help British exports to the EU's 27 members, while others think that it just prevents the UK from expanding its trade to the rest of the world.

The former group argue that Brexit could be designed so Britain keeps all or most of the trade benefits of the single market while avoiding many of the drawbacks. For example, Britain and the EU might negotiate a free trade agreement with the EU that covers goods and services, building on the example of Canada. Britain could also follow the Norwegian or Swiss examples of accepting some EU law in exchange for good market access.

The latter group think the EU's single market rules make trade too expensive, so Britain should leave that as well as the EU. Only companies exporting products to the EU would need to follow EU rules, and they say exporters will not be burdened much by tariffs or rules barriers.

British-made rules

Eurosceptic campaigners think many of the EU's rules are costly to comply with, unnecessary or badly written. They argue that after Brexit the UK parliament would be fully responsible for regulations, so could [remove or reform the unwanted rules](#) but keep those that are needed. They believe only UK companies selling directly to the EU would need to follow EU rules, so many small firms that only sell locally could have a lighter regulation burden. They also think Britain could have more influence on global rule-setting, which could result in greater access for our goods.

Business investment

The Leave campaigns think that foreign [companies invest in Britain for many reasons](#) like its educated workforce, its flexible labour market, its excellence in sectors like finance and science, its strong legal system and lack of corruption. Membership of the single market is, they argue, a minor reason or not counted at all. This means that both European and non-European firms would continue to be attracted to invest in Britain after Brexit: indeed, they may be more motivated to invest if Britain cuts regulations compared to the remaining EU.

Free trade agreements

The Leave campaigns think that Britain has not benefitted from the free trade deals that the Commission negotiated. The rate of growth of [UK exports to many free trade partners actually dropped](#) after EU agreements came into force. They think that the EU is too sluggish and that balancing the interests of 28 members means such trade deals are full of compromises. Instead, they look to small countries like Switzerland, Chile and Korea to argue that non-EU countries with less economic clout can actually make a lot of trade deals with large markets including China, Japan and America, and that such arrangements could be better tailored to Britain's specific export strengths.

Benefits to free movement of workers

Many Leave supporters think that the EU's system of [free movement of people is bad for the UK economy](#). They think that the million or more migrants who have come since 2004 place too much pressure on public services like schools and hospitals. They also think that such a large number of mainly unskilled workers means there is more competition for jobs, so British workers lose out, or wages are pushed down. Another migration argument is that EU migrants do not integrate properly, so undermine British culture, include language use and respect for the law. Others argue that the high volume of unskilled migration is bad for Britain mainly because it means public opinion and public services are hostile to non-EU immigration, meaning highly skilled or wealthy citizens for the rest of the world cannot come to Britain. They argue that it would be [fairer to have the same migration rules for all non-Britons](#), or that people from countries similar to Britain (the Commonwealth or OECD) should receive priority.

Services

Leave campaigners say that the EU does not help UK services exports much since services are not subject to tariffs. There are some ways the EU could block access to financial services providers, but most Leave supporters think that Britain would be able to [negotiate a banking passport arrangement](#) so long as the British banks followed the European Central Bank's rules.