

'BREXIT' IS THE ONLY QUESTION THAT SHOULD WORRY EUROPE

Last November, as Prime Minister David Cameron was trying to bring other EU members on board for a reform of free movement rules, leading Social Democrat MP Axel Schäfer told me a story about a conversation he had with UK Europe Minister David Lidington.

"Mr Minister, do you think Britain exports more to North Rhine-Westphalia (NRW) or to India?" Schäfer had asked. "Then why would you want to leave the Union?" Schäfer indignantly demanded after Lidington correctly answered that NRW was the bigger trading partner.

The latest figures from the Bundesbank, spotlighted on the BCCG blog by Andreas Meyer-Schwickerath in July, confirm Schäfer's pragmatic argument for Britain sticking with its European partners. Bilateral trade between the UK and Germany grew by seven percent between 2013 and 2014 to a new record level of € 177 billion, split roughly 3:1 between goods and services. Figures from the Bundesverband der Deutschen Industrie also show that the more than 2,500 German businesses present in the UK employ 450,000 workers between them. And businesses like those which make up the membership of the BCCG are keen to see those numbers keep growing, something which can best be achieved if Britain remains in the EU.

In a brief – and admittedly unscientific – phone survey of several companies that have recently joined the BCCG, I found that most new members I spoke to were highly enthusiastic about campaigning for Britain to remain. "What is going to happen in Britain – their relationship to the EU – when you talk to people [in business], that's what worries them at the moment," one company founder in Düsseldorf told me. "I am definitely concerned," another told me by mobile phone from a trip around Lincolnshire where he was meeting clients. "Although it wouldn't have a huge impact on me or the small businesses I work with now, it might be a problem in the future," he added – highlighting the uncertainty and disincentive to investment that have been the most concrete effects of the referendum plans so far.

Business leaders are right to worry – and right to think about how they can do more to campaign for the UK to stay in. British griping has taken a back seat to the other pressing challenges the EU has faced in 2015, but the new Conservative government has been inexorably assembling the machinery for the in-out referendum by the end of 2017.

At the same time, Cameron has progressively abandoned his hopes of renegotiating much of Britain's relationship with the EU, as in a recent decision to scrap a hoped-for exclusion from employment laws. That will give euro-sceptics in his own party ammunition for their campaign against interference from Brussels – despite a two-year civil service inquiry into the balance of powers between London and the EU finding no case for transferring powers back when it ended last year. And the rise of a far-left favourite for the Labour leadership in the shape of

Jeremy Corbyn makes the need to put a strong case for Britain in Europe all the more pressing. In early September, we saw right-wing Conservative eurosceptics and a Labour party, keen to look attentive to eurosceptic voters, join forces to block a change to so-called "purdah" rules that restrict government announcements and spending in the run-up to a vote.

While Corbyn has all but ruled out leading his party into a campaign for leaving the European Union, his supporters' opposition to EU laws that might affect favourite policies – like rail nationalisation or the minimum wage – could see many left-wingers plump for "out". But the basic equation of the benefits of Britain's EU membership, the jobs and growth that flow from access to the single market, remains undeniable.

The good news for the BCCG is that companies and individuals are joining in the hope of having a positive impact on the campaign. "You have to act in institutions, within organisations that will have an impact," one of my interviewees told me when I asked why he had joined. Another explained that he had been inspired to join by a BCCG event about the UK's relationship to the EU, saying that he had already moved on to organising his own discussions of the topic in London. "I'm definitely going to tell everyone I meet that I think it would be a big mistake – whether they want to listen or not," he told me. And while there are plenty of hard-headed, self-interested reasons for Britain to remain in the EU, it's also important for the Union's other big countries that the UK remain a member.

The Eurozone is still far from matching the UK's three percent GDP growth in 2014. It often looks as if moribund France and Italy and still-recovering Germany could do with an injection of the "buccaneering, world-beating, can-do" attitude of Britain and its business culture that Cameron praised in a campaign speech in April. The Local owes its existence to a borderless, forward-looking Europe. Brexit threatens to make life harder for many of our readers and advertisers. We'll be working with them in the run-up to the referendum to make sure Britain hears a positive story about Germany and Europe.

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