

Five points to take away

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1. Brexit means Brexit
 - Brexit vote was not an accident, but a powerful signal from people that are left behind or feel left behind by globalisation, digitization, European integration or more generally the current political and economic system
 - It is on the one hand an expression of a specific British identity (Dunkirk moment), retreating to the island in times of crisis, but on the other hand a part of a global trend, a strong desire to re-nationalisatize political decisionmaking, away from the logic of capital markets or supra-national institutions
 - Need to rethink EU project to help people who are or feel left behind – don't blame the voters (Merkel)

2. There are a lot of reasons to be worried about the future of the European Union
 - but no need to be overly worried for the German-British business relationship, companies expect more or less business as usual, but are they too complacent?
 - Euro-Zone still looks unsustainable, crisis may re-emerge quickly
 - Economic discussions in EU will become more confrontational, structural minority for German economic and fiscal policy positions
 - Brexit may seem relatively unimportant once the Five Star movement takes over in Italy or Front National in France
 - Brexit made clear that the narrative of ever-closer European integration is dead
 - If do not want to be unprepared for a disorderly disintegration of the EU, we should define a framework for a multi-speed Europe, allowing the UK and other countries to participate in the common market, but maybe not in all aspects of it
 - Many disagreed with this kind of cherry-picking (criticized as harmful debate by the British side)

3. Britain, Germany and the EU need a new approach to deal with migration
 - One of the core problems in the view of people who are or feel left behind and vote for populist parties – migration as a symbol of globalization, no matter of people actually get in touch with migrants or not
 - So governments need to tackle this issue and shouldn't try to deny it – movement towards that in both UK and Germany. Otherwise there is a danger of a further fragmentation of the political systems.
 - Germany: need for debate about migration law, stop talking only about integration
 - Closely connected to the larger, cultural question “what is British / German”?

- Today's migrants stay closely connected to their home country through media and technology, will not assimilate like in former times
 - Immigration is not mainly an economic, but a political and social issue
 - Countries like Canada and the US have managed to steer immigration flows to an extent
4. Economies like the UK and Germany should encourage migration of high-skilled labour and discourage migration of low-skilled labour
- Companies become lazy when there is a constant flow of low-skilled, cheap labour, like in the UK
 - In order to force companies to invest more capital in R&D and technology, the supply of low-skilled labour needs to be reduced
 - But: If this is so easy, why has productivity not grown or even shrunk in all major established industrial countries?
 - Digitization will change labour market more and more quickly than we can imagine now – it will not only be high skilled vs low skilled jobs, but routine vs non-routine jobs
 - From the perspective of labour exporting countries: they would probably profit from reduction of migration to the UK and other countries, because they face a shrinking workforce and the same need to move up the value chain. So should free movement of labour really be such a dogma in the single market?
5. Energy policy in the UK and Germany should rely more on market mechanisms
- Danger of investing too much money in technologies that will prove too costly in ten or 20 years
 - National energy policies contradicting EU energy policy like ETS
 - More money should be put into R&D, into new technologies
 - Governments are worried that lights could go out, that explains costly investment decisions like the Hinkley nuclear reactor in the UK