

Keeping business on side

A battle has erupted between Ed Miliband and a number of business leaders. It began when Stefano Pessina, the Chief executive of Boots, warned that a Labour government would be a “catastrophe” for Britain and said the party’s wider platform was “not helpful for business, not helpful for the country and in the end it probably won’t be helpful for them”.

Labour’s response has been to draw attention to Pessina’s decision to live in Monaco’s low-tax economy rather than the UK, but this is at best an irrelevant sideswipe. Other leading figures from big business have rallied to the support of Boots’ boss, including Sir Stuart Rose, the former Chairman of Marks and Spencer, who accused Miliband of being a “1970s throwback”. He went on to claim that Labour offers a “steady drum-beat of anti-business policies” including tax rises and lacks a “credible plan” to tackle the deficit.

With the confrontation currently in full swing, it is too early to judge whether or not these attacks will dent Labour’s chances, but for Ed Miliband, there is one worrying and very recent precedent: the Scottish independence referendum last year. Business leaders concerned about the economic consequences of independence spoke out. Alex Salmond’s sums were analysed by companies such as Deutsche Bank and were shown not to add up. When it came to the crunch, the famous Bill Clinton adage, “It’s the economy, stupid” proved its potency in persuading a majority of Scots to vote to keep the Union.

The lesson for ourselves and other supporters of EU withdrawal are obvious: we have to prove that EU withdrawal will not be an economic calamity and we have to convince big business of the fact. We may not win all the major companies round, especially those that benefit from EU funding or else have sufficient lobbying power to influence EU legislation in their

favour, but we must ensure we have plenty of big-hitters on board.

Many small businesses are on side – indeed, EU legislation and the damage it causes to small businesses is one of the best recruiting sergeants for the withdrawalist cause, but winning round the City and the big multinationals will prove much harder. “Of course the EU will want to trade with us because we run a trade deficit with the other member states” isn’t good enough. In the long term, free from the EU’s onerous legislative burden, we will prosper as a nation, but with no clear road map for negotiating our way through the withdrawal process, business will use all its power to torpedo the case for independence.

Thankfully, Dr Richard North and Robert Oulds, among others are working on exit strategies which will be painless for business. Meanwhile, Ian Milne, who set up *Global Britain* initially to brief MPs and Lords about EU-related issues, has refocused his organisation’s efforts on winning the business community round. We already have some allies, but there is still a long way to go before withdrawal is viewed by big and small business alike as an opportunity rather than a damaging uncertainty. If Ed Miliband is sunk by these salvos from the business community, it will mean we have only two years at most before that all-important referendum. We must not allow them the opportunity to turn their guns on us.