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Mushu to Mulan

Mushu to Mulan: So, what's the plan?

Mulan: Umm....

Mushu: YOU DON'T HAVE A PLAN???

Mulan: Hey, I'm making this up as I go.

The day before, on 22 June 2016, my daughter was returning home from Nottingham where she is a medical student. She questioned me about the referendum. My reaction was clear: knowing the pragmatism of the Brits, I excluded an irrational decision. Her reaction surprised me. Being in her clinical year, she was rotating in several hospitals across the region. Her conclusion: no chance of remaining. And she was right.

This, and what happened afterwards, leads me to ask three questions.

Q1: What is the reason for this vote and what is the impact on the UK?

This is a sensitive question that only the British people can answer. It touches on issues such as the generation gap and the geographical gap. The answer will be interesting and relevant, but cannot come from outside.

Q2: What will the relationship between the EU27 and the UK look like?

For starters, the UK will leave the EU but not Europe. It is up to both sides to design their new relationship and here Article 50 is not of much help. And, much like Disney's Mulan was making it up as she went, my impression is that the Brits did not have a plan either. Maybe they don't even have one now.

Two things seem clear. First, none of the four existing models of closer cooperation with the EU would fit the UK and so they will need to carve out a fifth one. Second, Art. 50, entirely in the hands of the UK, offers temporary shelter. No negotiations without notification is clear enough but still rather problematic. The risk is that the UK will draw up an unworkable model based on wishful thinking and then try to hammer it through its partners with all its might.

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And yet the withdrawal agreement is the easier one, with ‘only’ the Member States at the negotiating table, even though I wouldn’t underestimate the challenge of getting the European Parliament’s consent. At the same time, as both Art 50(2) and common sense stipulate, the withdrawal agreement cannot be isolated from the issue of our future relationship with the UK. And that is a much more complicated issue, both politically and institutionally.

When it comes to our future relationship, today the future is more important than the past. This is because, if we look frankly at the global picture, we may well end up in a lose-lose situation, where the EU is losing big-time and the UK is losing big-time – and with that, the West and the Transatlantic Partnerships are losing, too. We can only hope that the sculptors of the UK model will be realistic and pragmatic enough, but recent developments indicate a hard Brexit is unlikely to be avoided.

Yet realism and pragmatism are also called for within the EU27. Some of the initial ideas on the future of this relationship are alarming. An infamous study by Bruegel, for example, proposes a hierarchy among the four freedoms, relegating free movement into second class. Here, in Germany, I also hear siren voices trying to lure the Government (unsuccessfully so far!) in this direction and force a smaller group of Member States to pick up the ‘UK bill’. It’s too early to dramatize these developments but the risk is there. And if I consider the recent conflation of free movement with migration by the President of the EP, or the European Commission’s approach to the Posted Workers Directive, including the flagrant dismissal of the ‘yellow card’ shown by national parliaments, then the risk is even bigger.

Q3: What will happen to the EU27?

To me, this is the real question. First reactions were promising: don’t panic, keep together. ‘*Der Zusammenhalt*’ of the remaining members is the only basis and hope for the future. But it cannot be taken for granted. Uncomfortable questions in some capitals lead to irresponsible ideas of further fragmentation.

In order to keep the EU27 together, we need three things: first, an analytical examination of the reasons for Brexit; second, the re-establishment of control where it is breaking down, along the lines of previously agreed rules; and third, strict adherence to the Treaty, when it comes to new developments in the process of European integration.

Brexit is a symptom, not the cause, of our problems. It is the consequence of a complicated situation in the EU, even if the UK was never really integrated as deeply as other Member States are. One can argue that the country’s geography and history played an important role, but from my perspective the chief causes of Brexit were the feeling of a loss of control – particularly relevant when it comes to migration – and the gradual alienation of Brussels from Member State capitals. Coupled with the failure of the British political class to explain the fundamental difference between migration and freedom of movement within the Single Market – just like their failure to paint an honest picture of Brexit’s consequences – the images from Calais and the Western Balkan route added fuel to the fire.

A systemic loss of control, then, is the biggest problem with the state of our union in my view. Turning a blind eye to the abuse of budget rules and to the failure to protect our external borders put the two biggest achievements of European integration in question – the euro and

citizens' free movement inside a Single Market flanked by Schengen – threatening to undermine our European economic model and way of life. With the tacit consent of the guardian of the Treaties, the blatant disregard of the rules during the financial and then the migration crisis led to an overall loss of confidence, and a feeling of insecurity among Europeans. We have to return to the rules, back to Schengen and back to the Stability and Growth Pact.

A return to the rules is also the only possible basis for the consolidation of an EU of 27 members, whose perceptions and vision may not be fully congruent. A diverse bunch – lest we forget – *united in diversity*. The foundation of our present and future can only be the respect for the jointly agreed rules. It is extremely dangerous and counterproductive to ignore rules in favour of inchoate 'values' discussions.

While it may be difficult, the institutions have to accept that our Union is a Union of Member States, where the institutions serve the member states and not the way around.

We have to recognize that the justification of the European project has to be adjusted. Peace on our continent is the greatest value, but to respond to today's challenges we need to be able to do more than simply refer to the war cemeteries. What more exactly is up for discussion – but for an open and honest discussion, where criticism of decisions or of institutions (or, God forbid, even of specific people) is not shunned as a rejection of the legacy of the founding fathers. To put it another way, if we are facing unprecedented challenges then views departing from the current mainstream or from politically correct language should not be rejected out of hand, or else we will end up with the war cemeteries only.

We have to return to the equal treatment of the Member States. The differentiated application of the SGP rules, the silence about the long lasting breach of the Schengen and Dublin rules by some and the hectic attacks against the fifth (and only against the fifth) fence on the green external border of the EU and of the Schengen zone are clear evidences that some are more equal than others.

Last but not least, we must recognise that the rules for planning and shaping the future are also laid down in the Treaties. Both the Treaty amendments and enhanced co-operation have clearly designed rules. Attempts at blackmail with a multi-speed Europe (which is, by the way, a reality), a group of the avant-garde (what kind of avant-garde?) and a group of twelve (why twelve, why not eleven or thirteen?) are undermining the remaining confidence and trust.

In the wake of the Bratislava summit, we see three areas with a de facto consensus: security, growth and youth. However, at this stage we are still too much of a hostage to a totally failed concept of a virtual quota. Last year, by-passing two decisions of the European Council, the Commission submitted a proposal on the relocation of 160,000 asylum seekers. Twelve months later, 4700 have been relocated – a clear demonstration of Member States' unwillingness to go down this path. Not to mention the lack of interest on the side of those to be relocated, who usually have a very concrete destination country or even town in mind.

The EU has to return to the real agenda and to give up metaphysical discussions on virtual solutions. Beyond the return to order and European legislation, we have to get back to creating a sense of security, both inside and outside the EU. The list of potential areas affected, starting from information sharing between the intelligence and law enforcement services up to a European army, is long. The same applies for economic reform. The Hungarian model is clear

evidence that budgetary discipline and structural reforms are complementary policies; they can go hand in hand. Those who want to spend more for the sake of spending are simply pushing the burden onto future generations (or on other Member States' tax payers). We have to return to a realistic approach to trade policy. The EU cannot afford to give up its say on designing the future rules of world trade. We have to shape the future of transatlantic relations while remaining ready to reconsider EU-Russian relations. The EU needs a new agenda towards the Western Balkan states and a rather fast recalibration of the partnerships with our neighbours. We have to embark very quickly on an effective, industry oriented digital agenda, otherwise we can forget the legacy of the European industries, and we will lose millions of jobs.

Three months after the Brexit referendum and months before triggering Art. 50, there is a complex European situation with many internal tensions and external pressures. Brexit could have two different impacts. One way is to deepen the conflicts and accelerate the fragmentation, the polarisation, leading to a lose-lose outcome. Sleepwalking again? The other option is a pragmatic, realistic but still ambitious agenda, where everybody tries to save and protect Europe, as a continent and as an institutional community, as a global player. The second version requires a lot of realism and engagement from both sides, from the EU27 and from the UK as well.