

MANAGING A SUCCESSFUL UK-EU DIVORCE, AROUSING THE DESIRE FOR UNION

António Vitorino | *president of the Jacques Delors Institute*

0ur President, António Vitorino, takes a stand on the main issues of the European Council of the 28-29 June 2016 by answering questions on the British referendum on the EU and its consequences, the Juncker Plan, the refugee crisis and the European security strategy.

1. What is your analysis of the outcome of the British referendum in favour of an exit from the European Union?

This result saddens me, both for the United Kingdom and for Europe, but we have to acknowledge it. The EU is not a “prison house of peoples” and the British are free to leave the EU, a wish a majority of them has expressed.

While Brexit is a shock for the EU, it is not entirely surprising in view of the very specific history and geography of the United Kingdom, which include notably its island status, its imperial past and perception as a great power able to thrive alone, and its parliamentary culture without a written constitution, among others.

In hindsight, it could almost be said that the British transplant has never been completely successful, even though I believe that many factors with no direct connection to EU membership played a decisive part in the referendum outcome, in particular the mistrust of the country’s political and financial elite. I also believe that David Cameron bears a great deal of responsibility in the victory of the “Leave” camp, because he has spent three years saying that he was “neither for nor against” his country’s membership of the EU, before suddenly campaigning against an exit that he described as apocalyptic...

The UK’s exit is an “amputation” for the EU, which will lose one of its important Members, at the very time when its Member States need to unite more completely in this world full of opportunities but also threats, a world in which Europe is central to a decreasing extent. The European construction was launched without the British, and it must now continue without them, even though we must strive to achieve a new partnership

between the UK and the EU once the country’s membership has been officially terminated.

2. Do you believe that the British referendum could cause a knock-on effect on a European scale?

As Brexit is an earthquake for the EU, there will naturally be aftershocks in other European states, but I do not believe that this will lead to other exits.

Let us not underestimate the scope of the “plate tectonics” that favoured the UK’s exit, and which speaks of a period in which Europeans, and more broadly the West, question their identity at a time of economic and migratory openness which is both essential and yet discriminatory, and sometimes daunting but we must not be too quick to forget the specific case of the UK, whose membership in the EU was located on a “seismic fault line” due to its history and geography, and whose status as a major power allowed a majority of its citizens to believe that they could perhaps envisage a solitary future in this globalised world.

Brexit will stimulate all partisan forces wishing to hold a national referendum on EU membership, against a backdrop of rising Euroscepticism. Here, a clear distinction must be made between Euroscepticism, i.e. criticism of the EU, and Europhobia, i.e. the desire to leave the EU! As a Portuguese citizen, I am in a position to observe the rise in Euroscepticism, in a negative view of the recent developments of European construction, regarded as excessive austerity. Yet I am also in a position to note that a majority of Portuguese citizens has not become Europhobic, and that there is a clear difference between a deterioration in the EU’s image and the continued strong desire for EU membership, as highlighted in a [recent study by the Jacques Delors Institute](#).

Let us not forget either that for many Member States, leaving the EU would also mean leaving the Euro and the Schengen area, and this twofold breakaway would have much deeper ramifications than a “simple” exit from the EU such as the UK exit. In my opinion, the case of the peoples of Central and Eastern Europe is highly significant in this respect: while definitely more Eurosceptic than in the past, they certainly do not wish to leave the EU which provides them with so many benefits!

The EU is therefore facing a “crisis of co-owners” arguing over a revision of their co-habitation rules rather than the start of a wave of exits heralded by Brexit: this must not lead us to underestimate the seriousness of this internal crisis, but must at least subdue the predictions announcing the “dislocation” of our common home.

3. What must national and European authorities do following the British referendum?

I believe that the analysis of the new situation created by the British referendum should be conducted with more phlegm but also that we need to show a stronger measure of passion in its implications for the European construction.

First of all, national and European authorities must launch the procedure for the UK’s exit from the EU with haste, as it is in no party’s interest that the decision of a majority of British citizens not be followed by visible short- and medium-term effects. To postpone this procedure would lead to uncertainty which would be damaging not only for the EU but also for the UK. The authorities must also negotiate a partnership that can act as a framework for the UK’s new status of “independence within interdependence” and keep the adverse economic, social and diplomatic consequences of Brexit to a minimum.

Brexit can of course be an incentive to a redefinition of the correct interplay between national and community levels within the “European Federation of Nation States” made known by Jacques Delors: I am thinking in particular of the means in which competences are distributed and above all exercised between the national and European levels and the democratic scrutiny of EU decisions. But Brexit must also act as a reminder that the EU can only be strong if its Member States are, and it is therefore up to Heads of State and Government to ensure that their countries are

sufficiently sure of themselves and the reasons of their membership, to flourish, “united in diversity”.

With all the respect we owe to our friends in Britain, national and European authorities must also focus on many other urgent challenges facing the EU, by giving a clearer direction to the European construction. The agenda of the European Council meeting must encourage them to do this, as it includes challenges as important as investments for growth and employment, the refugee crisis and the overhaul of the European Security Strategy.

Yet in terms of the many challenges facing Europeans, I believe that national and European authorities must absolutely provide more answers of an emotional and symbolic value, and not simply operational and material responses. After all, a majority of British people has just reminded us that it was not opposed to an exit that is detrimental in practical terms if it is deemed rewarding in terms of identity.

When there is a desire to live together, we can launch common projects, while the opposite is not true. I therefore ask the Heads of State and Government and the European institutions not to reverse the order of priorities, and, in the wake of the Brexit shock and multiple crises, to address the EU peoples in existential terms. Why are we united? Is it in our interest to remain so and even to step up this unity in the current climate? What are our strengths and weaknesses in this globalised world? In terms of common challenges, are peoples best served on the basis of national sovereignty or by creating shared sovereignty? Is the Union an opportunity or a threat, a threat or a response to threats?

The EU does not only need firefighters hopping from crisis to crisis, or masons providing a few new blocks for the community building: it needs architects and leaders, able to arouse a desire for unity by speaking to European citizens’ hearts and souls, then by responding to their hopes and fears and therefore answering their existential questions, without reducing them to consumers or taxpayers.

In any case there should not be any leaps forward: the problem is political, it is about the aims of the European Union and not about the institutional engineering, which is not an aim in itself.

4. The European Council is set to discuss the implementation of the Juncker Plan and support for growth and employment: what are your recommendations in these areas?

A few days ago, the Commission presented an assessment of the Juncker Plan, one year on from its launch and I think we should first of all note that the results are promising. The European Fund for Strategic Investment (EFSI) is on track to mobilise the EUR315 billion in additional investments by mid-2018.

In a [study recently published by the Institute](#), we analyse the strengths and weaknesses of the Juncker Plan and conclude that its potential has been broadly underestimated. It is the most ambitious initiative to date to use the EU budget as a guarantee with a view to mobilising private financing and, if it is successfully implemented, it could give rise to a permanent and welcome change in the European Investment Bank's working habits, as it could more easily move away from its traditional reluctance in financing high-risk projects. Unlike previous EU investment initiatives (such as the 2013 decision to increase the EIB's capital), the Juncker Plan not only tackles access to financing issues but also strives to remove the various regulatory obstacles to investment (which, in some sectors, are the main disincentive for private investment). It also pays special attention to the quality, and not simply the volume, of the investment, by supporting projects' preparation and financial packages. Lastly, by encouraging the participation of National Development Banks (NDBs), the Juncker Plan could foster a more integrated and coherent approach to promoting investment in Europe.

While this is true, it should also be said that the Juncker Plan cannot turn around the European economy on its own: its impact in the very short term will be modest, and this is normal as the plan aims to support long-term investment and as such is not a fiscal stimulus package.

Support for growth and employment therefore depends first and foremost on actions to be rolled out on a national level: structural reforms, a more expansive budgetary policy. The EU can encourage Member States along this path, in particular by keeping an intelligent interpretation of the Stability and Growth Pact, but it cannot replace national authorities, who are recording very different results as regards growth and jobs.

5. EU leaders are being called on to assess the decisions taken to deal with the refugee crisis, and the EU-Turkey agreement in particular: what can we expect?

It is good that Heads of State and Government are reviewing the implementation of the decisions they made, both in terms of controlling refugee flows and of European solidarity in the wake of this crisis.

They are most likely to obtain the best results as regards migratory flow control firstly by confirming the now imminent creation of a "European Corps of Border Guards", then by ensuring that this body has all the financial, technical and human resources it needs to be operational as quickly as possible. This solidarity-driven response, which would be based on effective action under a well-defined chain of command, is indeed essential to bridge the trust deficiency between Member States, and therefore to reassure all Member States that the EU's external borders will be subject to real controls that make a distinction between asylum seekers and economic migrants, and also identify possible terrorists.

The European Council may also observe the major impact of the implementation of the EU-Turkey agreement on the number of asylum seekers arriving in Greece, which has dropped significantly since March, as has the number of asylum seekers then taking the Balkan route.

This drastic restriction of asylum seeker flows will only be sustained if the Heads of State and Government provide the necessary impetus to grant Turkey what it asked for in return to be able to financially support the almost 2.7 million refugees it is hosting in its territory, and also in terms of a facilitated visa policy, if all the requisite conditions are met.

The current effectiveness of the EU-Turkey action plan must not lead the European Council to forget the humanitarian considerations of the crisis: processing the asylum requests filed in the hotspots opened in Greece remains highly uncertain, the number of refugees directly resettled from Turkey to Europe is still very low, more generally, less than 3000 asylum seekers have been relocated in one year from Greece and Italy while the objective is to relocate 160,000. More significant improvements are therefore also necessary in terms of solidarity, in order to preserve political

cohesion and thereby the effectiveness of the EU's response to the crisis.

In view of this, the European Council must quickly focus its attention and action beyond Turkey, by encouraging the signature of partnerships with all countries of departure and transit of refugees and migrants, and by stepping up the diplomatic initiatives aimed at putting an end to the war in Syria and chaos in Libya.

6. The European Council will also decide on the new European security strategy presented by Federica Mogherini: what are the key challenges in your opinion?

Ensuring the European Union's security is no longer a technical question requiring bureaucratic adjustments: it is now a matter of **political urgency!** Europeans are facing a multifaceted security challenge that must, now more than ever, be tackled together, by placing their "collective security" at the core of European construction.

In order to prepare a new EU Global Strategy for foreign and security policy, Federica Mogherini conducted a widespread consultation project throughout Europe. The aim was ambitious and this phase in which the capitals took ownership of the policy was important to

create a mobilising vision and to prepare the implementation phase. In addition to the effort to reach consensus on the interests and objectives of Europeans, the strategy's key challenge concerns the guidelines provided to convert this "vision" of European security into "actions".

The outlined recommendations to make the EU a more strategic driver of security must be accompanied by real political initiatives without delay. This must be founded on **recent progress** made in collective security, in order to act in a pragmatic manner: we should reinforce solidarity in the funding of European external operations, improve military spending and investment and adopt a gradual strategy aiming at the implementation of a "permanent structured cooperation" in the defence sphere by those countries willing to take part. We should also swiftly complete the transformation of Frontex, which is already underway, into a fully-fledged "European Border Control Corps" and create a "European Prosecutor General's office" capable of acting effectively to hunt down criminals and terrorists.

This leap is a precondition for our ability to engage in our neighbourhood and in the world. Revising the global strategy proposed by Federica Mogherini is therefore more relevant than ever.

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