



Students Scientific Conference

EU – V4 – BREXIT

Political and economical realignment after the BREXIT

Erika Botyánszki

Supervisor:

Zsuzsanna Gödör
senior lecturer

Banská Bystrica
2017

Table of contents

Introduction	3
The United Kingdom as a member state of the European Union	4
The role of the Visegrad Group in the European Union	7
The results of my research	9
Summary.....	12
Sources of my study	13

Introduction

The purpose of this study to explore what political ramifications of Brexit has led to. I want to learn about what has influenced the Brexit on V4. I will verify some of the changes that are on the way and will explain some of the uncertainty. In my research I describe some of the advantages and disadvantages of the leaving. I want to detail what have to do the Visegrad Four to keep their balance of forces in the EU. In my essay I would like to summarise Kai-Olaf Lang German political scientist's research about the Visegrad Group and the Brexit.

The United Kingdom as a member state of the European Union

2017 is the year of the 60th anniversary of the Treaties of Rome. The agreement was signed on the day of 25th March in 1957. This pact set up the European Economic Community (EEC) and the European Atomic Energy Community. The goal's of this treaty the strengthening of the integration and the economic growth within the community. The six founding Member States were Belgium, Germany, France, Italy, Luxemburg and Netherlands. By the collective decision of the signatories lay down the basic terms of the common market. By the agreement they provide the free movement of the goods, services, persons, and the free movement of capital. The founding member states provide towards the phasing of their Economic policy gradually, they participate in the process of approach the terms of free competition and the terms of free trade of goods and services to each other, and not least, they express their interest in the improvement of economical and social life. In the Treaties of Rome, the member states wrote down how serious to set up customs union and common trade policy. Up to this day they modify the treaty several times, now the valid version's named as the Treaty on the Functioning of the European Union.

From the signature of the articles of association, 22 countries joined to the European Union. If a country wants to join to the union, it has to achieve the Copenhagen criteria. Belongs to the criterion: the free market economy, stable democracy, the being of constitutional state, and the adoption of EU legislation.



1st Picture: The 28 Member States of the European Union.

After the World War II, the United Kingdom concentrate on the strengthening of its own economic status, the European integration was less important. Isolation was sunk by the fact that the British government want to be the third biggest authority in the world, near the United States of America and the Soviet Union, by right of winners and power shifts. Winston Churchill's theory about the three majestic circles deepened the seclusion, because he takes to the first place the importance of the Commonwealth, to second the significance of the British – American special relationship, and just to the third place the interdependency of external relationships. In 1960 with the leading of the United Kingdom, the European Free Trade Association (EFTA) was founded. To this community joined that countries, which were not member of the European Economic Community, the kernel of this alignment was to organize the system of exemption from duty. The outputs of this association lag behind from the Economic Community's statistics; the revolving governments more and more express their interest about to join to the European Economic Community.

In August 1961 the United Kingdom applied for admission into the Community, but in 1963, the French President, De Gaulle put a veto on this application. Four years later, on the 10th May 1967 Great Britain submit its request again, but in November De Gaulle take advantage of his veto again. The 1970 British election was won by Edward Heath Conservative party. The main goal of Heath was to take Great Britain into the EEC. In the meantime De Gaulle vacating of his office, and unfortunately shortly afterwards he died. The new French President was Georges Pompidou, who was not against the common market with the United Kingdom. After long negotiations and legislation, in the 1st January 1973 the United Kingdom joined to the European Economic Community. This was the first enlargement, when near the British, joined Denmark and Ireland too. Until 2013 in more enlargements, 22 countries joined to the EU, in this way the number of the EU members reaches 28.

In 1985 the Schengen Agreement was signed, which allows to the signatories the unchecked transit through the borders. Later the joining to the agreement was allowed to those countries who were not the members of the EU. Up to this day the UK is not the member of the Schengen agreement which allows travelling passport free through the joined countries. The 1st January 1993 the Maastricht Treaty was adopt, which found the European Union officially. The running of harmonization of law, the processing of dismantling of barriers, and ensure of the four freedoms were started. In 1998 European Central Bank was established, which seat in Frankfurt. In 1999 the common currency – the Euro – was create, in the beginning it was just scriptural money, from 2001 it was materialized. Today from the 28 Member States 19

introduce the Euro as their official currency. Great Britain uses her own currency, she did not want to introduce it, but she could do.

The United Kingdom was one of the biggest contributors of the EU budget. A member state pay to the budget, on the basis of equity, in the ratio of its exchequer. The UK carry almost 10% from the budgetary contribution. This is one of the problems which caused that the citizens of the UK on the 23rd June 2016 voted, that they want to leave the European Union. Strengthened the flair for the secession, the fact that they want to stop the unlimited movement of the workforce from the other members, and they want to cancelled those rules which are restrict the markets. Before they started the procession of the exit, they had many negotiations. Still opened that question what will happen with European Union's citizens, who works and lives legally in the UK. According to experts, those who have valid permit to settle, they have no fears. David Davis the President of BREXIT at the end of February said, that they not seclude themselves from the employment of the low skilled employees, because this positions can't be filled by British citizens. Theresa May the Prime Minister of the United Kingdom stated emphatically, that she wants to stop the free movement from the Union, but she wants to protect those EU citizens who lives and works in the UK before the exit.

On 29th March 2017 Theresa May activated the Article 50 which belongs to the Treaty of Lisbon. Sir Tim Barrow the ambassador of the United Kingdom informed Donald Tusk President of the European Council, that the British head of government signed and started process.

The role of the Visegrad Group in the European Union

On 15th February 1991 in Visegrad (then just three countries) – Czechoslovak Republic, Republic of Hungary and Republic of Poland – signed the declaration of their association, with the agreement that they will cooperate tightly in the way of the European integration. Today there are four participating country in the association: Slovakia, Hungary, Czech Republic, and Poland.



2nd Picture: The Visegrad Group

The main goals of the Group:

- *Full restitution of state independence, democracy and freedom,*
- *Elimination of all existing social, economic and spiritual aspects of the totalitarian system,*
- *Construction of a parliamentary democracy, a modern State of Law, respect for human rights and freedoms,*
- *Creation of a modern free market economy,*
- *Full involvement in the European political and economic system, as well as the system of security and legislation.¹*

Under the last decades the V4 has developed significantly, because they are all joined to the European Union and to the NATO. On 15th February 2016 in Prague a summit conference was organized, where the Visegrad Group celebrate her 25th anniversary. Today V4 is the strongest regional community within the European Union. Because of the BREXIT they urge the reformation of the EU.

In Kai-Olaf Lang German political scientist's research were published, if the United Kingdom leave the European Union, it cause many political risk to the Central and Eastern Europe

¹ From the declaration 1991

countries. The most important problem is the power shifts within the EU's borders, which lead to the strengthening of the German – French axis. Furthermore the exit of the United Kingdom effect on the statistics, which in this way, will show false data in the regional policy about the poorest members' development, because they will go up the stair without real development. According to Lang, the Visegrad Group have to be four main target related to BREXIT:

- They have to regularize their relationship with the United Kingdom
- They have to prevent the Group from the marginalisation
- They have to reform the European Union
- They have to strengthen the relationships with other Member States

One of the main questions is what will happen with the Central and Eastern Europe countries' citizens after the BREXIT. This puzzling problem belongs not only to the Visegrad Group; it belongs to all of the Member States generally. Every joined member's obligation to protect their citizens, to protect their living conditions inside and outside the European Union's borders too.

The results of my research

We have much information about BREXIT, so we have to filter out so many from them. In the next paragraph I would like to summarise how Hungarian people thinking about brexit.

Henceforth I would like to show my questionnaire's data and concludes. For primer researching I choose questionnaire, which's place is the virtual space. The advantages of the online questionnaire are the time – saving and it is managing the main analysis, but it has disadvantage, because I can't reach the elder age-group. Altogether 29 respondents filled my questionnaire, all of them were rated. The respondents 18 years old, they are all adults. I study with my survey, how the Hungarian citizens thinking about the evolved situation, how it is affects on their present and future plans, and how they feel the effects of the brexit.

The survey consists of 22 closed questions. In 1 question the respondents could answer with their own words but only three of the respondents used it. In 4 questions I used a 5 scale, where the respondent could rate the present situation in the European Union. In 17 questions the respondents could choose the answers. The survey was filled by 29 respondents, whereby 69% were female and 31% were male. The most of the respondent were between 18-24 years (48,3%), less between 25-34 years (27,6%) and between 35-55 years (24,1%). I am asked the status of the respondents because I think that the answers were influenced by their occupations. The ratios of the occupations: university students (34,5%), employee (48,3%), entrepreneur (3,4%), unemployed (6,9%), retired (3,4%), other (3,4%). I was curious about the respondent's residences. The most of them lives in Hungary, but 3 of them live in the United Kingdom. Mostly they live in county towns (51,7%), less lives in small towns (27,6%), only 2 of them live in big city (6,9%) and 4 of the respondents live in villages.

Most of the respondent did not learn in the United Kingdom (96,6%), only 1 respondent studied in the UK (3,4%). Just a few of them want to studies in the UK in the future (6,9%). Three of the respondents works in the UK even now (10,3%), and 2 want to enter employment in the UK in the future. Those who worked but now not in the UK, said that they move to home because of their family. I think the news about the brexit can cause many suspense in the future. No one answered with yes to the question where I asked that; the BREXIT exercise an influence on your future plans? Most of the respondent can't adjudge how the brexit will modify their future plans (41,4%). More than the half (51,7%) believe that the brexit will not change their future plans. A few respondent (6,9%) think that the brexit will modify their future plans partly. In smallest proportion were there respondent who follow up the news about brexit daily (17,2%). In a same ratio were there respondent who read the

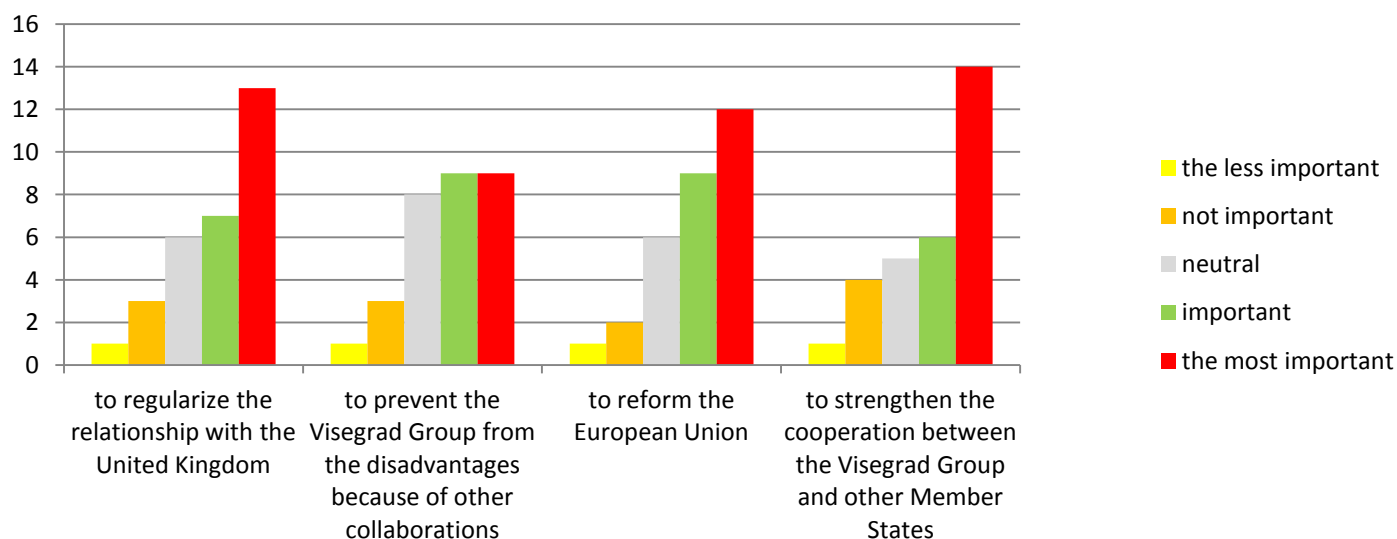
news weakly (20,7%). Most of the respondent did not follow the news, but if they saw something remarkable the read it (41,4%). A fifth of the respondent were not follow the news (20,7%). (From the next questions the respondents could choose more than one answer, so this is why the summed percentage not 100 %.) According to the respondents the biggest issue of the brexit within the United Kingdom borders will be the economic uncertainty (44,8%). Smallest problem will be the political instability (31,0%). In the similar way the respondents think that several foreign direct investment projects will collapse because of the brexit (27,6%). There are a few respondents who think that the brexit has no negative outcomes (6,9%).

I asked the respondents what they think about the European policy after the exit of the United Kingdom, what risks were involved by the leaving. (They could choose more than one answer this is why the summed percentage not 100 %). According to my research the biggest challenge to the Central and Eastern Europe countries will be to manage the economic issues of the brexit (53,3%). One of the risks will be a general uncertainty (40,0%). And not at least we can't avoid the distortion of the regional development (26,7%).

In my next question I asked the respondents to rate the importance of the following goals:

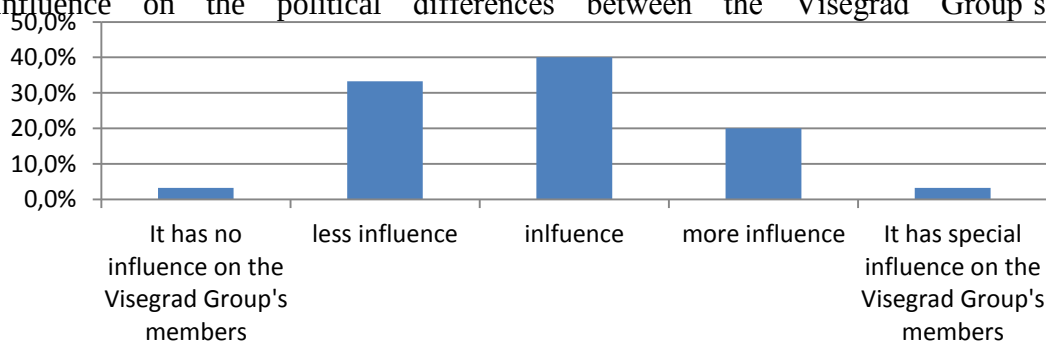
- How important to regularize the relationship with the United Kingdom
- How important to prevent the Visegrad Group from the disadvantages because of other collaborations
- How important to reform the European Union
- How important to strengthen the cooperation between the Visegrad Group and other Member States

I summarized the answers in one diagram:



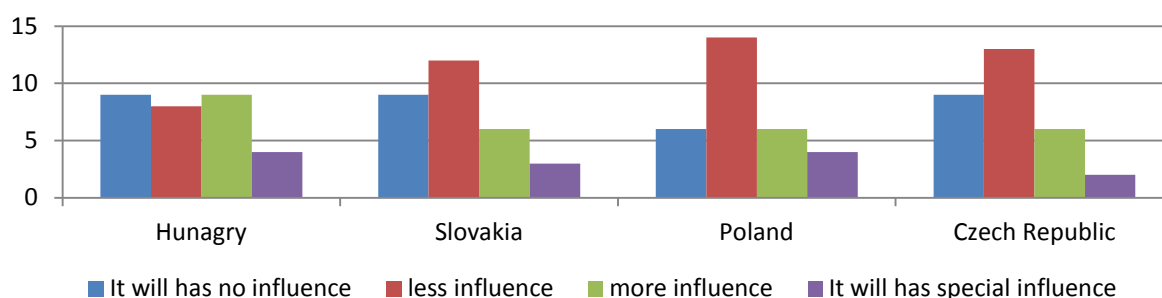
1st diagram: The importance to reach the four main goals after the BREXIT

The respondents answered in a scale for the question in which I asked how the BREXIT will influence on the political differences between the Visegrad Group's countries.



2nd diagram: How the BREXIT will influence on the political differences

In the next question I asked the respondents to rate how the BREXIT influence on the members of the Visegrad Group individually:



3rd diagram: The influenc of the BREXIT on the economical policy

According to the respondents after the exit of the UK, the members of the Visegrad Group will get on together for their own citizens' rights who work in the United Kingdom (66,7%). Even so in reverse this is not true, because just a few respondents think that the V4 will get on together because of British citizens' rights within the European Union (13,3%). Just 4 respondents think that after the leaving, the revaluation of the V4 will gained much power (13,3%). Almost the half think that the V4 will be not revaluated (43,3%). In the same amount (43,3%) the respondents can't adjudge this situation. In contrast with the last question, the most of the respondent think that the migration of the EU citizens from the United Kingdom can be showed by the statistics (43,3%). Almost in the same amount the respondents think that the movement can't be showed by numbers (40,0%). The rest 5 respondent can't answer to this question. Almost all the respondents think that after the leaving the United Kingdom will sign treaties about the holding of the four freedoms. In my last question I asked what they think about that the BREXIT will lead other member states to leave the European Union. 66,7% of the respondent said yes, only 20% said no, and 13,3% can't adjudge this question.

Summary

With the survey I reach as many information as I can. In my opinion the people knows not enough about the European Union, and not as much as they can about the United Kingdom's economical status. General understanding that the BREXIT has no impact on us, but it is not true. Who is not interested in the economy, policy, and in the life of the European Union will not understand the world in the present.

To conclude my study I can said that I block every fact that is available for me, from the momentous vote. I want to continue the study, because I think I have not enough information about the BREXIT. I am sure that we need to follow the news, and it is worth to checking every new change. We have to fix the cohesion; we need to defend the Union, because it serves our safety, and freedom.

Sources of my study

- Rapcsák János (2002): *Nagy-Britannia és az európai integráció: A vonakodó partner*. In: Kiss J. László, Molnár Anna(szerk): *A tizenötök Európai: Közösségi politikák - nemzeti politikák*. Osiris, Budapest. p. 271-320. o.
- Czuczai J. - Ficzere L. (szerk) 1997: *Európa A-tól Z-ig, az Európai Integráció kézikönyve* - ELTE Állam és Jogtudományi Kar. 1997. p. 311. (Szerzők: Werner Weidenfeld és Wolfgang Wessels, Institut für Europäische Politik)
- Práger L. 2000: *Európából a bővülő Európába* - Aula Kiadó Kft. Bp. 2000.
- https://europa.eu/european-union/about-eu_hu
- <http://eur-lex.europa.eu> - A Római Szerződések 60. évfordulója – 2017.03.27.
- <http://szazadveg.hu/hu/kutatasok/az-alapitvany-kutatasai/elemzesek-publikaciok/brexit-politikai-lehetosegek-es-gazdasagi-kovetkezmények> – BREXIT NAPLÓK I. – politikai lehetőségek és gazdasági következmények – 2017.01.31.
- <http://szazadveg.hu/hu/kutatasok/az-alapitvany-kutatasai/elemzesek-publikaciok/brexit-naplók-v-megakasztja-e-a-lordok-haza-a-brexitet> – BREXIT NAPLÓK V. - Megakasztja-e a Lordok Háza a Brexitet? – 2017.03.13.
- <http://www.consilium.europa.eu>
- <http://www.consilium.europa.eu/hu/press/press-releases/2017/03/29-euco-50-statement-uk-notification/> – Az Európai Tanács nyilatkozata az Egyesült Királyság bejelentéséről (50. cikk) – 2017.03.29.
- <http://www.visegradgroup.eu/documents/official-statements/joint-statement-of-the-161215-1> – Joint Statement of the Heads of Governments of the V4 Countries – 2017.03.01.
- https://www.swp-berlin.org/fileadmin/contents/products/aktuell/2016A53_lng.pdf – 2017.03.02.
- <http://www.lisbon-treaty.org/wcm/the-lisbon-treaty/treaty-on-European-union-and-comments/title-6-final-provisions/137-article-50.html>
- <https://www.ft.com/content/e7b2d4d4-daea-11e5-98fd-06d75973fe09> – Your top 10 questions about Brexit answered – FEBRUARY 25, 2016