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# Visegrad Four in Brexit negotiations: Tale of two tables

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*The Visegrad countries are facing two challenging negotiations: how to secure the best deal in future relations with the UK and how to influence the institutional response of the European Union to Brexit. In this blog post Jan Jakub Chromiec argues that the Visegrad Four converge on some issues of EU-UK negotiations, but divisions within the group will prevent it from exerting influence on the future shape of EU institutions.*

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# 1 Introduction

From the perspective of the Visegrad countries (Poland, Slovakia, Hungary and the Czech Republic) the upcoming British withdrawal from the European Union (EU) opens up two parallel negotiations.

The first regards future relations between the EU27 and the United Kingdom (UK). The Visegrad countries will try to maximize their impact on the EU27's negotiation position so that the final outcome satisfies their constituencies. As I will argue, at this negotiating table the positions of the Visegrad Four (V4) converge because of shared economic and political characteristics. However, political disunity within the group could make it difficult to act as a unified actor in the negotiations.

The second negotiation revolves around the political and institutional response of the EU to Brexit. The Union is still looking for answers on how the European project should be stabilized: some actors prefer more supranational and others more intergovernmental answers to this question. As I will show, positions of the Visegrad countries diverge in this area, with a major split between Poland and Hungary on the one hand, and the Czech Republic and Slovakia on the other.

## 2 Negotiations with the UK

The EU27 will negotiate with the UK on the basis of a single negotiation mandate, which will likely specify 'red lines', preferred outcomes and priority issues. This mandate will be a sum total of national preferences, mediated by preferences of European institutions, bargaining power of the member states and their willingness to work together as EU27. The latter point is especially important for the EU27, since the more united the group is, the more it can achieve in the negotiations.

In this context Poland, Slovakia, Hungary and the Czech Republic have no official joint preferences, but share a range of structural characteristics. The following descriptive analysis highlights these characteristics, without sketching out differences and commonalities with other member states.

### A like-minded club?

First, the V4 countries share large emigrant populations. According to the British Office for National [Statistics](#), as of 2014 the V4 population in the UK exceeded 1 million people and was composed of 853,000 Poles (around 2% of Poland's population), 85,000 Hungarians, 79,000 Slovaks and 37,000 Czechs. Although the return of migrants could aid V4's

worsening demographic situation, policymakers are aware of migrants' economic importance as senders of remittances, which often go to less-developed parts of the countries and stimulate consumption and economic growth. According to the [World Bank](#), in 2014 Polish migrants in the UK sent back approximately \$1,2 bln, Hungarians approximately \$370 mln. Moreover, returns could put a strain on domestic social expenditures and provoke tensions on the labour market. Protecting compatriots abroad also resonates well with domestic voters and secures electoral support of the migrant population. Consequently, V4 countries are interested in protecting the current favourable migration rules in the UK, in terms of their nationals' access to the labour market as well as social, health and unemployment benefits.

Secondly, Visegrad countries are net beneficiaries of the EU budget. Since their accession in 2004 the four members have profited from an inflow of cohesion funds and agricultural subsidies. Brexit will have two effects on this position. Because the flow of EU funds depends on GDP per capita in regions relative to the EU average, the exit of a wealthy member state will decrease this average, thereby making V4 mathematically more prosperous and less eligible for funding. Moreover, the UK is – despite special arrangements – a major net contributor to the EU budget. Its exit would hence decrease the total amount of available funds. Visegrad countries will want to safeguard their position as net recipients of EU funds. This implies calls for significant British payments into the EU budget.

Third, the UK is an important trade and investment partner of V4 countries. According to the Central Statistical Office of [Poland](#), in 2014 the British economy was the third top export destination of Polish firms (6.4% of all exports), behind the Czech Republic (6.5%) and Germany (26.3%). For the Czech Republic the UK was the fifth most important export destination (5%), for Slovakia the eighth (5%), and for Hungary the seventh (4%). The UK is also among the major sources of Foreign Direct Investment in the Visegrad countries.

The V4 will likely advocate the UK's access to the single market for two reasons. First, to safeguard interests of its exporting firms and stimulate further inflow of British investment. Secondly, to extract the UK's concessions in the field of labour mobility and budget contributions. Given an asymmetric trade [relationship](#) between the UK and the EU (roughly 45% of British imports and exports go to the EU while less than 10% of EU's imports/exports to the UK), the United Kingdom will have more to gain from single market access than the EU and would need to offer concessions. The more generous the access, the stronger the pressure on the UK to grant concessions. The V4 are thus likely to lobby for a generous offer from which compromises in other fields can be generated.

Finally, the competitive advantage of V4's economies is based largely on labour and production costs which can best be exploited in a liberalized single market with minimal barriers to trade. The V4 countries have therefore supported the Commission's agenda of completing the single market through stronger competition in goods, capital and services markets, including the services directive, posted workers directive and legislation on the capital and digital market union. The V4's approach strongly correlated with British positions, making the UK an important V4 ally and balancing factor vis-à-vis members favouring stronger regulation. If the UK lost all influence on the EU's single market legislation it would be more difficult for V4 to construct competition-friendly coalitions. Consequently, the Visegrad group is likely to support a Brexit deal that encompasses arrangements for involving the UK in some capacity (consultative and/or decision-making)

in the legislative process, insofar as it focuses on single market issues. It should be underscored that such a proposal would be controversial among many member states, including Germany and France.

## Favored outcome: Brexit light

In sum, the V4's preferred framework for future UK-EU relations could entail granting the UK generous access to the single market (goods, services and capital) in return for concessions on labour mobility, especially regarding rights of current and future V4 migrants. Moreover, in return for single market access the UK would have to contribute to the EU budget in an amount similar or close to the status quo. The deal could be sweetened for Britain by putting in place consultative and/or decision-making bodies involving the UK in the legislative process regarding (parts of) single market dossiers.

However, as will become clear from the following chapter, there are limits to the unity of the Visegrad group. While the V4 countries converge structurally, they differ in their approach to key EU member states, to European institutions and European integration more general. This makes it difficult for the group to act as a consistent coalition in Brexit negotiations.

## 3 Post-Brexit Europe

### Two common challenges

Brexit confronts the Visegrad countries with two major challenges for their political influence in the European Union.

First, the UK is a large member state which shares common views with V4 countries in a broad range of policy areas. Because of Brexit the bloc will lose an important like-minded actor. Both the UK and the V4 were supporters of completing the single market through more competition, proponents of free trade agreements and sceptics of federalist approaches to European integration. Moreover, the UK was an advocate for the non-Eurozone members Poland, the Czech Republic and Hungary in institutional questions, arguing against further integration of the Eurozone and for inclusive governance arrangements for Euro-'outs'. Additionally, it shared the position of Poland (to a lesser degree Hungary, Slovakia and the Czech Republic) on imposing sanctions against Russia's hybrid destabilization of Ukraine.

What's more, the UK was regarded – especially by Poland and Hungary – as a balancing factor against the major powers Germany and France. In line with this reasoning, Poland's current foreign minister Waszczykowski said in his inaugural address in January 2016 that the UK was Poland's number one European partner, while [toning down cooperation](#) with Germany and France. The post-Brexit reality now forces the V4 to answer the question how to stay influential without one of the fundamentals on which alliances in Europe were to be built.

Secondly, Visegrad capitals fear marginalization resulting from new post-Brexit divisions in the European Union. Ideas of closer integration in an inner core of EU members, particularly among Eurozone countries, are seen with scepticism. The group also registered with disappointment the initial reflex of 'old' EU members to discuss reactions to Brexit in formats excluding 'new' members, such as the Berlin summit of the EU founding countries in June 2016. The V4 want to have a say on the future shape of the Union and fear being 'left out in the cold' by solutions strengthening divisions between member states.

## Visegrad Four – or Visegrad Two plus Two?

The Visegrad countries are losing an important ally in the European power game while being confronted with cleavages between old vs. new, Eastern vs. Western and Eurozone vs. non-Eurozone members. To maintain a degree of influence they would have to formulate a vision of post-Brexit European integration which is convincing enough for the remaining 23 member states. In this context, three splits inside the group emerge.

Firstly, Slovakia is a member of the Eurozone and hence worries less about marginalization in case members of the currency union formed an inner core of closer integration. Poland, Hungary and the Czech Republic would quite easily satisfy accession criteria, but refuse to join the currency for internal political reasons. Hence, they are sceptical of deeper Eurozone integration out of fear of being second-class members of a 'two-speed Europe'.

Secondly, the V4 members have different attitudes towards supranational European institutions and majoritarian decision-making. Even [before the current disputes](#) between Poland and the Commission, the ruling Law and Justice party saw supranational European institutions with suspicion, stressing an alleged lack of democratic legitimacy and suggesting that major powers, especially Germany, use the institutions to interfere in the domestic affairs of sovereign member states.

As a consequence, Poland and Hungary argue that a proper reaction to Brexit should be a re-nationalised 'Europe of fatherlands' which concentrates mainly on its foundational project, the single market, restricts the authority of supranational institutions such as the Commission and limits majoritarian decision-making in the Council and European Council. The leader of PiS, Jarosław Kaczyński, [argues for radical treaty change](#) making re-nationalisation permanent.

Slovak and Czech decision-makers rhetorically highlight deficiencies of European institutions and reject general calls for more integration. However, in contrast to Poland and Hungary they [do not call for radical shifts of competences](#) to the national level and oppose treaty changes. As smaller member states, Slovakia and the Czech Republic realize that they would be worse off in purely intergovernmental settings, where bargaining power is determined more by economic resources (of which they have few in comparison with major European powers) and alternatives to agreements (of which they have less than larger members). Consequently, it is rational for them to support a supranational European Commission which safeguards rights and obligations arising from the Treaties regardless of country size, and the decision-making system of the Council in which even small states can remain influential by trading support across negotiated [legislation](#).

Finally, the bloc is split over Eurosceptic rhetoric and controversial domestic reforms in Warsaw and Budapest. After EU accession in 2004, Poland – the V4’s largest and most powerful member – bolstered its reputation as a source of Euro-enthusiasm, political stability and economic prosperity. However, since 2015, controversial domestic reforms and a rearrangement of foreign policy priorities under a new national-conservative government made Warsaw increasingly look like a source of problems rather than solutions in European politics.

The Law and Justice government, also thanks to the support of Hungary, is on collision course with the European Commission over the rule of law procedure, building a track record of disregard for European institutions and treaties. Warsaw’s Euroscepticism and perception of international politics as a zero-sum game has also increasingly alienated the country from Germany and France.

Poland’s illiberal turn is advantageous to Hungary, as Budapest’s own Eurosceptic tone and controversial legislation now receive less attention. However, Slovak and Czech decision-makers increasingly fear that allying with leaders of an illiberal coalition can lead to their isolation in European politics. According to a Czech official [quoted by the Financial Times](#), “it is getting less and less comfortable to be seen as part of the bloc... V4 is a toxic brand. (...) All we can do is send messages to the west and attempt damage limitation”.

In sum, the V4 more and more resembles a two-plus-two formation with growing divisions between Poland/Hungary and Slovakia/the Czech Republic. As a result of these divisions, the group could so far merely agree on a minimal consensus, as illustrated by a [joint statement](#) after the Bratislava Summit in September 2016. The group advocates a ‘back to basics’ approach, whereby tangible projects should demonstrate to European peoples the added value of integration. This includes more cooperation in the area of internal and external security (stepping up counter-terrorism cooperation, strengthening FRONTEX and the European Border and Coast Guard), migration (more deals with countries of origin and transit) and on completing the single market.

However, beyond rather ambiguous statements on safeguarding a “value of diversity” and “strengthening democratic legitimacy” no concrete joint position on the future institutional shape of the European Union was adopted. This is not surprising as the Visegrad Four would have to settle its internal differences first.