
Keep Calm and Carry On – But How?

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For the European Union, the outcome of the United Kingdom's referendum does not necessarily spell the beginning of the end. In a government statement, Chancellor Merkel warned against drawing rapid or facile conclusions from the result. Instead she called for calm and patience. The classic British dictum Keep Calm and Carry On is on everyone's lips. Of course the question of precisely how to "carry on" is still open, and the EU's 27 other member states are facing not one but two dilemmas.

The First Dilemma: Punishment versus Pragmatism

The first dilemma involves *how* to move forward with the United Kingdom. On one hand, there are good grounds for a clean divorce with no further ado – to set a strong example. Out means out, and there will be no velvet gloves or special treatment of any kind, certainly not the sort of cherry picking that Britons have practiced for years in the EU. It is crucial to set the price of Brexit as high as possible to discourage copycats, be it those who want special conditions, too, or those who want the best of two worlds, a kind of "membership light."

On the other hand, there are just as many good grounds for steering clear of the hard line. The EU's 27 remaining states cannot stay together in the long term by pressuring and coercing third parties. Nobody truly desires a new edition of the "splendid isolation" that Great Britain pursued in the late nineteenth century. After all, close and cooperative relations with the island nation are in the interest of all the EU's member states – not least in order to keep the economic damage to a minimum and to avoid losing the UK as a partner in European foreign and security policy. The door to the EU should not be closed too hastily on the British. For nobody can quite

tell yet where the country is heading in its current – and spectacularly leaderless – form.

To balance these two political objectives is no small undertaking. Finesse and sensitivity are needed on both sides. The fine line between punishment and pragmatism depends at least partly on whether you're taking the British or the European perspective. The EU's 27 other member states – we'll call them the EU-27 for the sake of convenience, although there are still officially 28 states in the union – must reach consensus very quickly about where this journey is going to take them – first by consulting each other and then by working together with the UK. If they do not, the separation that faces them could turn into a very bitter divorce indeed.

The Brexiteers promised voters nothing short of squaring the circle: a land of milk and honey with unimpeded access to the European single market and a simultaneous halt to migration from the EU. Reaching a consensus on future UK–EU relations that satisfies both the 52 percent of voters who ticked "Leave" on their ballots and the not insignificant number of "Remain" voters (48 percent) will be even harder within the United Kingdom than it will

be within the EU's other 27 member states. Rather than a speedy agreement, we are going to see a lot of broken china. Watching the Tories and Labour tear themselves to pieces gives a preview of what is to come. As if the EU-27 and the UK didn't already have enough to worry about.

The Second Dilemma: Integration versus a Lack of Faith

So how will the EU-27 continue to carry on without the UK? Here, too, there are diverging notions that are difficult to reconcile – not just since the British referendum. Convinced Europeans who see the answer to the 21st century's questions not in nationalism but in close, open-minded cooperation among European states can only call more loudly for *more* Europe, not less. This is particularly true for foreign and security policy, where the liberal democracies of the West must be able to create unity, resilience, and – also – power in the face of increasingly authoritarian neighbors and disintegrating states near by.

At the same time, adamant integrationists who reflexively and continually call for deeper integration among the EU's member states – not only in terms of deepening but also in terms of enlargement – are starting to sound very, very out of touch. This is not just because of Brexit. Approval ratings are sinking in all member states. If this referendum has showed us anything, it is that the idea of an ever closer, ever larger Union is no longer sustainable, at least not in its current form. And not only on the island of Great Britain.

Certainly, it would be a mistake to argue that the UK was never really part of the EU anyway. It is folly to claim that the removal of a country that only acted as a “brake” will finally lead the way toward further integration without any major resistance. The referendum forces the EU-27 and the political elite in Brussels to admit the degree to which the European project has lost its appeal. Upcoming presidential elections in France and in Germany's Bundestag in 2017 will show that, in this regard, the UK is no island.

Rather, we Europeans live in societies that are showing signs of greater and greater polarization. We see – most recently in Austria – groups diametrically opposing each other on questions of whether there should be more or less of a nation state; how national borders should function; and the costs or benefits of immigration. The British referendum was, of course, not just a decision about the country staying in the EU. It was also yet another indication of the electorate's rising distrust in Europe's political elite.

Germany's Responsibility

Right now the EU seems neither able to move forward nor to move backward – at least not in perfect step with each of its 27 members. In theory “keep calm and carry on” is terrific advice, but in practical terms consensus is needed about the direction in which one actually wants and needs to be moving.

One possible solution could be to give the integration process greater differentiation – that is, to characterize it as more than just a transitional phase and to remove the pressure of arriving at an “ever closer Union,” while also keeping the door open to stragglers who eventually may be willing to take to the next steps toward integration. Here it would be critical to choreograph those steps carefully and avoid fragmentation.

As the search for decisions on direction gets underway in earnest, we will see more and more eyes fixed on Germany. Berlin is particularly responsible for finding ways out of the dilemmas outlined above. Four things are imperative here: to strengthen the cohesion of the remaining 27 member states; to prevent further disintegration; to address the UK in a single, European voice; and to develop a plan for the future of the EU. This is a massive undertaking considering the extent of the differences among member states, and there is no clear outcome. However, Germany cannot afford to stay on the sidelines, for this would create a vacuum that would play straight into the hands of Europe's right-wing populists.

The European debt crisis and its refugee crisis have shown all too clearly that not all of the EU's member states feel Germany has the answer to Europe's problems. Rather, many European partners, particularly the southern and eastern member states, see Berlin's growing influence as part of the problem. The British exit from the EU further tips the shift in the balance of power toward Germany. Berlin has a well-founded concern that the “German question,” if it is already present in other EU capitals, will be discussed more vehemently, and with it, that member states will show even less understanding for German positions and readiness for cooperation. The first loud voices are already starting to be heard at home and abroad that Angela Merkel's refugee policy was responsible for influencing the British decision to Leave.

At this very difficult juncture, it is therefore crucial not only that Berlin seek solidarity with France, but also that the Franco-German tandem open itself to other European partners, particularly Italy and – despite its controversial government – Poland. This is the best way to shape broad consensus on the pressing and decisive questions about the EU's future. At the same time, Berlin should not just

work with the EU's traditional core members but also actively involve members on the periphery, and do so as soon as possible.

These challenges are certainly made more complex by the fact that Angela Merkel is currently facing a decidedly less friendly domestic political landscape. The negotiations on a third bailout package for Greece and the chancellor's refugee policy have contributed to a steep decline in her approval ratings. She can no longer count on her broad majority in the Bundestag.

Chancellor Merkel's room for maneuver in terms of shaping the EU is starting to shrink drastically as she looks ahead to next year's parliamentary elections and

eyes the growing momentum of the right-populist party Alternative für Deutschland. Yet whether the British decision signals the beginning of the end of the European Union or whether the rest of the EU can stick together will depend substantially on German leadership.

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