**Speaking points**

**Round table talk on the future of Europe**

**organized by the the standing committee on European Affairs of the House of Representatives of the Netherlands**

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Maastricht is a symbolic location for dialogue on the future of the EU – Hungary shares the concept that the future of the EU should not only be decided in Brussels and in the capitals but as close to the citizens as possible. The principle of subsidiarity must apply at all times, and national Parliaments should certainly have a greater role in EU decision-making.

There is a growing perception in Europe however, that the East and the West is divided again. Hungary agrees in this regard with recent statements of President Macron and Juncker that we should end this rift. In order to achieve this, the EU needs to overcome the debate on the internal dimension of migration, which has divided Europe for too long, and Member States should focus on issues where they can achieve results and avoid fragmentation.

It is a danger to European unity that the political debate in Europe has become too dogmatic. When a Member State does not agree with federalist proposals, it is often labeled as a euro-Skeptic country. Hungary is neither federalist, nor anti-federalist. She takes pragmatic approach that the EU should set realistic goals that can enhance the competitiveness and the security of the whole continent.

We welcome that all concepts on the table on the future of the EU are pro-European visons. Hungary also wishes to contribute to the self-reflection process with constructive proposals from a pro-European perspective.

We try to avoid causing any financial problems to the EU. The budgetary deficit in Hungary is well-below 3% and the annual growth is 3-4% of the GDP. This is how Hungary contributes to the competitiveness of the EU and this is what we mean by ‘a strong European Union of strong Member States’.

The Hungarian Government is committed to EU integration and to the Treaties – our baseline is the Lisbon Treaty which lays down the division of competences and the roles of EU institutions. This is a good basis and we should also return to the Lisbon Treaty when it comes to the inter-institutional balance and budgetary discipline in the EU.

We observe however, two worrying tendencies in Europe.

The Schengen system is being dismantled as internal border controls are being re-introduced, which is the result of the ineffective protection of the external borders of the EU. While considering the security aspects, we should preserve a fully functioning Schengen system, too.

Also, the stigmatizing notion of social dumping is spreading in Western Europe when it comes to the workers of ‘new’ Member States. We should preserve the integrity of the Single Market together with the right to free movement, as they contribute to the competitiveness and economic growth of the EU as a whole.

The free movement of workers is one of the most important justified competitive advantages Central European countries have on the Single Market, with their markets open to the free flow of capital and goods.

For citizens in Central Europe, the elimination of internal border controls and the right to free movement are the most tangible achievements of EU integration. This is understandable, as Hungary had been stuck behind the Iron Curtain for more than forty years.

We welcome that the so-called social dimension is also in the core of the debate on the future of the EU. We need a balanced approach which takes into account both the interests of employees and the competitiveness of Europe.

Hungary signed the inter-institutional proclamation on the European dimension of social rights in November for the sake of EU unity, which is a non-binding document. While we respect all concepts, Hungary has its own successful model, too. The ‘Hungarian model’ is based on the balance and coherence of three main pillars: competitiveness, social policy and family policy. This is a well-functioning model and we do not want to replace it with a new European Social Pillar.

It is an integral part of the Hungarian model that we would like to rely on internal resources when it comes to tackling our economic and demographic challenges, and not on external factors, such as migration. We fully respect however, the different choices of other Member States.

Concerning the future of the EU, we see several positive elements in the vision of both President Macron and Juncker. There are many similarities even between the BENELUX and Visegrád joint declarations presented earlier this year. The concept we fully subscribe to is, however, the Leaders' Agenda of President Tusk. We support the President that the political direction of the EU should be set by the European Council and the Member States.

We also agree that the EU should utilize the full potential of the existing EU27/28 frameworks in decision-making. Ambitions should not lead to divisions, and for Hungary it is a priority to avoid a two-speed Europe, e.g. with separate Eurozone institutions or budget. Joining the Eurozone should be based first and foremost on the preparedness of the economies and on real convergence.

Concerning the EU reform, Hungary would like to preserve the Treaty-based traditional policies which are beneficial for the EU as a whole, such as the right to free movement, Schengen, cohesion policy, Common Agricultural Policy. A strong cohesion policy is especially necessary as it is our best tool to achieve convergence and narrow the development gap between the different market actors of the Member States.

Secondly, when tackling new challenges, we should move forward on issues which provide a clear added value to the whole continent. Hungary supports the strengthening of European cooperation in several policy areas, such as digitalization, security and defense (PESCO), fight against terrorism, the external dimension of migration, protecting the EU external borders. Keeping a credible EU membership perspective for Western Balkan countries is crucial in order to ensure the political and economic security of the region.

Thirdly, when there is no consensus in an issue but a group of Member States would like to move forward, we can accept the more frequent use of enhanced cooperations, in line with the Leaders' Agenda of President Tusk and respecting the guarantees laid down in the Lisbon Treaty (non-discrimination, inclusiveness, integrity of the Single Market).

These elements together form the concept of a multi-speed Europe which could provide the EU with the much desired unity and dynamism.

It is natural that the views may differ on the specifics but we welcome any rational debate on the future of the EU. Whichever outcome will prevail, Hungary wishes to provide added value to the process.