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THE FUTURE OF THE EUROPEAN UNION AFTER BREXIT HOW TO GO FORWARD OR HOW TO GO BACK?

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Abstract: The question about the future of the European Union, formerly European Communities, is set from its beginning. The EU has always aroused the interest of researchers, because its nature, structure and level of organization are not so usual. It is not a typical international organization, not even the state, but it is an example of the most advanced regional integration that has ever existed. Over time, it faced a large number of crises and always came out stronger. Last in a series of crises was caused by the decision of British citizens to choose the option 'Leave' in the referendum on June 23, 2016. Since then, the interest of researchers for the future of the European Union seems to be greater than ever. The key objective of this article is to analyse the options which the European Union has for its operation in the future. Also, we will try to determine which factors influenced the decision of Britain to leave the EU.

Key words: European Union, Britain, Brexit, EU future, Article 50, negotiation, unity.

INTRODUCTION: EUROPEAN UNION – ACHIEVEMENTS, CHALLENGES AND CRISIS

'If we left the European Union, it would be a one-way ticket, not a return. So, we will have time for a proper, reasoned debate. At the end of that debate you, the British people, will decide'.

David Cameron, January 2013

Seventy years ago, during his famous speech in Zurich, Winston Churchill announced his vision for Europe, a continent fresh out of the horrors of the

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Second World War. While addressing students at the University of Zurich in September 1946, he called for a renewal of the European family through a regional structure he referred to as the United States of Europe. The structure was meant to achieve ‘...the salvation of the common people of every race and every land from war and servitude...established on solid foundations’ (Churchill, 1946). If all states were not willing or able to enter the union, those who wished to do so would have to gather and continue on their joint path. The idea was for Germany and France to lead the process, while ‘...Great Britain, the British Commonwealth of Nations, mighty America – and...Soviet Russia... – must be the friends and sponsors of the new Europe.’

Altiero Spinelli, another renowned European who deliberated on the post-war Europe during World War II, clearly stated in his *Ventotene Manifesto* that the future of the continent must be one without borders, based on unity among its nations and rooted in European values. This is the same Spinelli, who served as a president in the first directly elected European Parliament in 1979, and also one of the authors of the Treaty of the European Union Proposal in the 1980s.

The European Union (EU) we know today rests on these very ideas and is essentially a political project. The 28 member states do not merely cooperate but have created, over the course of several decades, supranational institutions with the executive and judicial jurisdiction over them, and those institutions can pass laws that apply to both natural and legal persons. The EU has its own court, The Court of Justice of the European Union, with legal precedence over national courts, as well as the European Parliament, which along with the Council of the European Union, passes laws that have primacy over national laws. Another body that holds supranational and executive functions is the European Commission, primarily in matters of competition and public aid, as well as the foreign trade where it plays the leading role.

The EU’s market is especially integrated – there are no customs between the Member States, and there is a single and common set of rules and standards regulated by the European Commission, with common rules having supremacy in several areas, namely competition, public aid control and equitable contribution to the common good, including funds coming from the budget.

However, the European Union does not consist solely of its successes, but also of various challenges it has taken on. The turn of the 21st century was not an easy period for Europe. The idea of building and developing a Common Foreign and Security Policy was disrupted by the Member States failing to reach common ground regarding the 2003 war in Iraq. At this time, it seemed the EU was divided into the ‘Old’ and the ‘New’ Europe, or Europeans and Euroatlantists. After that, the dream of creating a European Constitution was put to an end due to referenda results in France and the Netherlands. International conditions were not ideal

either. The global economic crisis began in 2008 after the fall of Lehman Brothers in the United States, and later spread all around the world. It seriously shook the EU and resulted in the European Debt Crisis, or the Eurozone Crisis, that started at the end of 2009 when Greece admitted their government debt had reached 113% of the Greek GDP. It was later found that Greece's budget deficit was unacceptably high and that Greece had been submitting false data by using 'different accounting procedures'. The Crisis spread to Ireland, which was at the brink of bankruptcy and then to Spain, Portugal and Italy, and the rest of the member states experienced it at least through GDP declines.

There are numerous academic discussions about the importance and power the EU carries. In them, critics never seem to miss the opportunity to point out that the European Union is not a major power because it fails to solve the crises in its own backyard.³ Even if we agree that opinions were reconciled regarding the Ukrainian Crisis, this was not the case with the refugees. The Refugee Crisis began in the early 2010s with waves of migrants and refugees coming from the territories affected by the Arab Spring. It intensified in the spring of 2015 when a large number of migrants, running away from the war but also in search of better living conditions and asylum in developed countries, started heading towards Europe. The EU, at the initiative of Italian Prime Minister Matteo Renzi, tried to give a joint response as early as in April. An extraordinary meeting of the European Council was held on April 20, 2015, that resulted in the 10-point plan.

The situation exacerbated in September when the European Commission's suggestion on allocating 160,000 migrants using the quota system was met with strong resistance. First, Hungarian Prime Minister Viktor Orbán criticized the Commission's plan, and later, at the Heads of State or Government of the Visegrád Group meeting in Prague, it was decided that 'they will not accept any compulsory long-term quota on redistribution of immigrants' (Ian Traynor, 2015). Many were disappointed by European states' actions seeing as they themselves had millions of refugees in the middle of the previous century. The Migrant Crisis especially shook the "ethical foundations" (Hartmut Mayer and Ethical foundations, Vogt, 2006) the EU external operations are based on.

The last in line is the crisis caused by the outcome of the referendum in the United Kingdom of Great Britain and Northern Ireland held on June 23, 2016, where the citizens decided to leave the European Union. It seems that the question of the future of Europe, and even its survival, has never been more uncertain than it is today. Some authors believe that 'Brexit will erode values that have defined Europe (Bremmer, 2016, p. 18), others that Britain leaving has nothing to do with the EU, but is merely a 'mutiny against the cosmopolitan elite' (Calhoun, 2016),

³ The EU is mostly criticized for failing to prevent and contain the conflict in the Socialist Federal Republic of Yugoslavia.

while some have even said that we are close to ‘the end of the EU as we know it’ (Tim King, 2016). Brexit has definitely opened the question of Europe’s future. It would take a thorough analysis just to get a vague outline of the future, which is why this research is extremely relevant and scientifically justified.

CHRONOLOGY OF EU-BRITAIN RELATIONS: FROM ‘WHAT IF?’ TO ‘WHAT NOW?’

Few topics have occupied the British public as much as the relationship between Britain and the EU and British involvement in European integration. These issues have divided political parties, as well as the society as a whole. Without exception, it has been so ever since the founding of the European Coal and Steel Community up until Britain’s decision to leave the EU. Perhaps the best indicator of the importance of the topic is the number of the referendum held in this country. In the entire history of Great Britain, there have only been three referenda, two of which concerned membership in the EU. The question remains whether Britain has ever, and if so - to what extent, felt as a member of the Union. Many British citizens have thought, and still think today, that the ‘British membership of the EU has not put Britain at heart of Europe, but it has put Europe in the heart of Britain’ (Gowland et al., 2010, p. 5). There was little consistency in terms of British policy towards the EU – the only constant was skepticism regarding further integration (Jones, 2007, p. 6).

The feeling of losing sovereignty, identity and money was constantly present in the minds of the British. The word of Chris Patten that ‘Britain has never actually joined Europe’ (Gowland et al., 2010, p. 3) may be too harsh, but to some extent represent what a major part of British citizens thought of European integration. Politicians played a significant role in shaping the public opinion. Too often, drawing ‘red lines’ or negotiating ‘opt-outs’ were celebrated as victories. Benefits caused by the integration were, however, rarely pointed out. All of the above brought forth Britain’s inglorious nicknames, such as ‘Reluctant European’ (Jones, 2007, p. 2) and ‘awkward partner’ of the EU (Oliver, 2013, p. 19).

Reasons behind Brexit are not easy to explain. Some authors claim that UK citizens were ‘sleepwalking towards a British exit’ (Oliver, 2013, p. 7). Still, drawing an analogy with the great powers entering WW1 (Clark, 2013) would be too simple of an explanation, and citizens are often aware of the decisions they are making, even though they can be irrational. A number of interconnected and intertwined reasons caused the citizens to circle ‘Leave’ on the ballot.

The history of Britain’s relationship with the European Union, formerly the European Communities (EC), began shortly after World War II. It was not long after war drums had ceased that ideas of economic, political and defense

cooperation started emerging. European states and the Founding Fathers of the EC/EU 'saw unity as the only way of achieving eternal peace on a continent with a long history of deep divisions and devastating wars' (El-Agraa, 2015, p. 243). At this time, Britain was sending out 'mixed signals'. They participated in the signing of the Treaty of Brussels and the founding of the North Atlantic Treaty Organization (NATO), but the Labour Party, which was in power back then refused to take part in the unofficial Congress of Europe in 1948 in the Hague. Britain was unclear about how far it was willing to go in connecting with the continent, but things became much clearer during the 1950s.

French Prime Minister Robert Schuman presented the Schuman's Plan on May 9, 1950, a plan operationally drafted by Jean Monnet. A month later, Britain's limits in terms of being willing to forgo integration were more than clear. They found Schuman's Plan unacceptable. Reasons for this were numerous. First of all, Britain's strategic culture implied not connecting with European states thoroughly, and not being present on the continent more than necessary. Second, Britain's trade exchange with European states was, at the time, at 20% of trade in total, and with the Commonwealth over 50% (Gowland et al., 2010, p. 24). Third, the majority of Commonwealth states used the British Pound, and Britain served as the central banker, while half of world payments used their very currency (Gowland et al., 2010, pp. 24-25). Finally, 'special relations' with the United States became the foundation of British foreign policy, but also an important element, sometimes even a stumbling block, of their relationship with other European countries.

Britain also refused to take part in the Conference of Foreign Ministers of 'The Six' in Messina in 1955. This conference was of great importance – it was where European states agreed to establish the European Economic Community (EEC). The EEC began working when the Treaty of Rome came into force in 1958. The 1950s, in general, went by without British aspirations to join the Community.

The early 1960s were a completely different story. Britain was facing serious economic problems. The Bank of England had devalued the Pound multiple times, unemployment was being handled through government projects, and GDP growth was much lower than in France or Germany. During the 1960s, the process of decolonization was accelerated, and Britain was moving further and further away from 'the empire on which the sun never sets' it used to be. It was far from a great power, and was trying to save itself in various ways. In order to encourage economic growth and development, Britain initiated the establishment of the European Free Trade Association (EFTA) in 1960. However, just a year later Britain finally applied for membership at the European Economic Community. The EEC membership was seen as 'panacea for Britain's political and economic ills' (Gowland et al., 2010, p. 42). British Prime Minister Harold Macmillan justified this step by emphasizing trade interests and the importance of having access to the Common Market.

Britain's application was denied at the request of French President Charles De Gaulle. Britain applied for membership in 1967 as well but was rejected once more because De Gaulle 'could not let such a weak currency enter the EEC and drag down the collective European economy' (Jones, 2007, p. 15). The official cause for such a statement was the new devaluation of the Pound, but the actual reasons were quite different. De Gaulle distrusted Britain because he saw it as a 'Trojan horse that would let the United States interfere in European matters' (Jones, 2007, p. 15). He feared an excessive 'Atlantic influence' would prevent a deeper intergovernmental integration in foreign policy and security within the EC. The other five member states did not share De Gaulle's opinion, but his veto remained in force all through the 1960s.

Finally, in 1971 Britain applied for membership for the third and the last time. De Gaulle was no longer in power and the new French president Georges Pompidou was much more enthusiastic regarding Britain's membership. Negotiations lasted for two years and were the 'first negotiations where a collective EEC position was developed' (Jones, 2007, p. 15). With all previous membership requests, the applying state had to negotiate with all six member states separately. After successful negotiations, Britain, along with Denmark and Ireland, joined the EEC in 1973.

Becoming a member of the EEC did not solve all of Britain's problems. British society and political elite were still highly divided around European integration. One of the pre-election promises the Labour Party made in 1974 was that, should they win, there would be a referendum on membership in the EEC. This was the first referendum in British history. This was also the time of the 1973/1974 Oil Crisis, and the economic situation was devastating. It was during that period that the idea of a common energy policy came to be and further caused a fear of stronger integration. Nevertheless, 63% of the citizens who came out to vote on the referendum chose to stay in the EEC.

In 1975, Britain voted to stay in the EEC almost by a two-thirds majority. However, the general opinion on further integration remained unchanged. European institutions did not enjoy a high level of trust, either. At the first direct elections for the European Parliament, voter turnout was 32,3% in Britain, and 63% on the EEC level (Ayres, 2014, pp. 2-10). There were more and more public debates on losing sovereignty and identity within the EEC. Politicians had a tough job of explaining the benefits of the Common Market with ongoing discussions about the declining importance of their national Parliament and the British Constitution⁴, as well as wasting British money on the EEC.

⁴ Britain does not have a written Constitution typical for most developed democracies. Its Constitution consists of Statute Law, EU Law, Law and Custom of Parliament and Works of Authority.

In 1979, Margaret Thatcher – the ‘Iron Lady’ – became Prime Minister. At the very beginning of her term, she initiated talks on the British Budget Question (BBQ). Here, she showed her firm and tough diplomatic style, something she would later use in dealing with most of the problems at hand. In spite of her great commitment to the matter, the BBQ issue remained unsolved. After the EC Summit in 1982, she spoke openly at a press conference: ‘I am stubborn and I intend to go on being stubborn. I have much to be stubborn about’ (Wall, 2008, p. 10). She had a good relationship with German Chancellor Helmut Schmidt, but despised French President Giscard d’Estaing (Jenkins, 1992, p. 495). In the years to come, she strongly opposed Mitterrand’s conception of a ‘two-speed Europe’ because she feared the ‘spillover effect’, as well as the possibility of Britain not being ‘at the table’ during crucial decision-making. She would often find herself in a ‘defensive mode’, but also managed to accomplish Britain’s national interests quite a few times – at least the way she understood them.

There have been, of course, many positive things regarding EC-Britain relations during Margaret Thatcher’s time in office, especially after 1984 when an agreement about a rebate formula⁵ for Britain was reached. Prime Minister Thatcher strongly supported the ideas of economic integration and never opposed the Single European Act, which was supposed to establish the Single Market by the end of 1992. Her successor was John Major. Even though the two had different diplomatic manners and negotiating styles, their priorities were quite similar. Major supported adopting the Maastricht Treaty (officially the Treaty on European Union, TEU) and put across an ‘opt-out’ for Britain from the TEU’s social provisions. He presented this to the public as a ‘game, set and match’ (Young, 1998, p. 432). All British politicians, up until 1997, presented EU-Britain relations to the citizens as a win or lose situation. This contributed to the false image of Europe constantly demanding something of Britain, and the latter being an exclusive provider of services for the EC.

When the Labour Party came into power, and Tony Blair became Prime Minister, Britain’s relationship toward the EU changed thoroughly. Blair sought to show initiative and not allow himself to become isolated, which is what often happened to Thatcher and Mayor. He was probably the first British Prime Minister to be proactive instead of reactive. Along with the German Chancellor Gerhard Schröder, he proposed a unique economic program called the ‘Third Way’, which connected ‘two potentially conflicting goals: economic efficiency and social justice. (Gowland, 2010, p. 147). While Blair was in office, the European Union adopted the Treaty of Amsterdam in 1997⁶, the Treaty of Nice

⁵ This agreement implied Britain would retrieve a partial amount of funds they put into EC’s budget

⁶ Entered into force on May 1st 1999

in 2001⁷, negotiated the Treaty Establishing a Constitution of Europe⁸ and brought the negotiations on the Lisbon Treaty⁹ close to the end. Generally, this was a period of rather good cooperation between member states' leaders – with, of course, the exception of the Iraq Crisis in 2003.

Gordon Brown succeeded Blair as Prime Minister in 2007 and remained in Office until 2010 with no significant changes in relations with the EU. The Lisbon Treaty came into force on December 1, 2009, but there was no time for celebration. Around the same time, the Eurozone Crisis started and fewer and fewer British citizens trusted the EU. The Labour Party lost the 2010 elections and was replaced by the Conservative Party – a party much less devoted to 'European ideas'.

David Cameron was elected Prime Minister – until then, he was Leader of the Opposition in the British Parliament and strongly objected the Lisbon Treaty. He thought the Treaty had too many 'ratchet clauses' that might help move power away from the member states. Cameron feared federal ideas so much that even five years before coming to power he 'used the private hustings for the 197 Conservative MPs to agree with Eurosceptic calls to withdraw Tory MEPs from the "federalist" European People's Party grouping in Strasbourg' (White and Branigan, 2005). He strongly advocated renegotiating relations with the EU because they were based on the Lisbon Treaty and previous agreements he deemed unacceptable. His famous speech from January 23, 2013, will be long remembered as the first step of the process that has become known as Brexit. In that speech, he promised to, should he win the general elections in 2015, request 'to negotiate a new settlement with (...) European partners' and after that call a referendum for citizens to decide whether they want to remain in the EU under new conditions or leave the Union.

The time between this speech and the referendum was filled with numerous discussions and cost and benefit analyses of the remaining in and leaving the EU (Gow and Meyer, 2016; Springford et. all 2014; Dhingra et. all, 2015; Stokes, 2016). Almost every analysis showed a number of economic and political repercussions Britain, and the EU itself, would face in case of Brexit. It seemed rational for citizens to vote to remain in the Union, and not just because 'in the world we live in, acting alone is neither possible nor desirable' (Solana, 2014, p. 45). Additionally, all economic indicators were pointing to the 'Remain' option, while the 'Leave' campaign was based on unverified information and unfounded

⁷ Entered into force on February 1st 2003

⁸ This Treaty never entered into force because France and the Netherlands discarded it through referenda

⁹ Signed on December 13th 2007 (four months after Tony Blair left Downing Street no. 10) and entered into force on December 1st 2009

forecasts. Apparently, these analyses were not sufficient to persuade the citizens to stay in the EU, nor were major parties' representatives, along with Cameron, who all advocated the 'Remain' option. Britain voted on the referendum on June 23, 2016.

Cameron fulfilled his promise. The fate of Britain was put to a vote. Almost 52% of citizens that voted chose the 'Leave' option. Many raised the question of how Brexit could possibly have happened. They put their hopes in rationality and were proven wrong. Maybe the best answer lies in the words that 'every important decision is taken with inadequate knowledge, by imperfect men and women whom the future will confound' (Gowland, 2010, p. 10). One thing is certain: after Brexit, the EU-Britain relationship will never be the same again. As Cameron predicted in 2013, leaving the Union is a 'one-way street' and there is no turning back. Many people in Britain, Europe and the World hoped to never have to look for an answer to 'what if Britain leaves the EU?', and that all those cost and benefit analyses of leaving would simply become an argument against new referenda. However, this did not occur, and EU citizens, as well as those in Britain (that will remain a member state for a while) are demanding an answer to the question 'what now?'

A UNION WITHOUT BRITAIN – A 'REVERSE' ENLARGEMENT'

Surely, the EU will not be the same without the United Kingdom, but we are far from talking about the end of the Union. The UK can step out of the EU, but it cannot relocate out of Europe. Britain's exit will stir a great number of debates regarding the consequences of the first post-Lisbon withdrawal from the Union. The Lisbon Treaty introduced the well-known Article 50 concerning this possibility, but with hopes of never having to implement it. The intention was to make the means and procedures of withdrawal vague in order to express the notion that none of the member states will, in fact, leave the EU.

Nevertheless, the referendum took place and we are all familiar with the results by now. After a couple of months of discussions, the new Prime Minister Theresa May announced that Great Britain would commence the procedure based on Article 50 in March 2017. Here are a couple of legal details concerning this scenario. When a member state, after having decided to leave the Union in accordance with its Constitution, informs the European Council of this intention, the two sides may begin negotiating the arrangements of the withdrawal in order to establish the framework for future relations with the EU (TEU, Article 50, Paragraph 2). The Council of Ministers will then adopt, according to the European Commission's recommendation, a decision to open negotiations on the 'Withdrawal agreement', as well as name the negotiator or the head of the negotiating team (TFEU, Article 218, Paragraph 3). The agreement is to be

concluded by the Council on behalf of the EU, acting by a qualified majority after obtaining the consent of the European Parliament.

The Founding Treaties of the EU cease to apply to the state that is withdrawing on the date of entry into force of the withdrawal agreement, or alternately, two years after the notification of withdrawal, unless the European Council decides to extend this period in agreement with the member state in question. During the negotiations, representatives of the withdrawing member state do not participate in the discussions of the European Council or Council or in decisions concerning it. In order to prevent interference with the Council's work, a new qualified majority will be defined in accordance with this Treaty.¹⁰ Finally, if the withdrawing member state wishes to re-join the Union, the same procedure regarding all other member states will take action in accordance with Article 49 of the Treaty on the European Union. In other words, if Britain wanted to re-join the EU, it would have to go through negotiations on accession and harmonization with European standards the same way Serbia is doing right now.

After the referendum and the decision to leave the EU, nobody actually knows what the next steps are. Obviously, there were no plans on either of the sides, which is why they are just now starting to think about the course of action and the content of the withdrawal agreement. The phrase “reverse enlargement” is becoming more common in order to position thinking about possible solutions into a familiar framework. What this means is that the subject of withdrawal negotiations will differ from that of the accession negotiations. In the latter, the central question concerns the moment the candidate state will be able to adjust its law, politics and standard with those within the EU, while in the case of withdrawal the issue regards the moment and the means of separating Britain's law, politics and standards from the EU, as well as the ways this will affect the remaining 27 member states' level of integration.

In fact, no one is really thinking about the entire *acquis* because everyone's attention is focused on the access to the European market. As prime minister, May clearly has explained: ‘...Brexit has to mean the full repatriation of political power from Brussels. Anything less was unacceptable...it means having the freedom to make our own decisions on a whole host of different matters, from how we label our food to the way in which we choose to control immigration’ (McTagoe and Cooper, 2016). This means that Britain would accept an agreement on free trade rather than a compromise around a completely free market, in order for companies to have maximum freedom to trade and operate in the European market. However, this excludes the freedom of movement of labour for the EU

¹⁰ Article 238 (3) Treaty on the Functioning of the European Union is to be implemented in this case, meaning that a qualified majority is to be determined so as to contain at least 55% of all member states participating in the Council, as well as 65% of their residents.

member states, as well as the jurisdiction of the Court of Justice of the European Union (McTagoe and Cooper, 2016, p. 4).

Brussels' reaction was more than interesting – there was, in fact, no actual reaction! The online response came from Juncker's office saying that they will not react based on media statements, but only after they have received a withdrawal notification, which they expect to happen as soon as possible. However, the EU officials have warned Britain multiple times that they will not allow for informal conversation to take place, since they are aware that member states are not unanimous on what the outcome of the withdrawal agreement should be.

Even now, it is possible to predict which parts of the negotiations will be hard to accomplish. Without a doubt, the EU's starting position will be that they will not allow Britain to be the one to choose which segments of the *acquis* to keep and which to disregard, and that participating in the single market implies providing the funds for it to function properly, or simply to make payments towards the EU budget. Another thing is certain – should the two sides fail in reaching an agreement, Article 50 of the Treaty calls for an automatic transition to trade based on WTO rules, both the UK and the EU being members, which implies having the same rules regarding foreign trade as, for example, with the Russian Federation.

There are other options, but none of those could be applied in their pure form. The model that almost everyone considered at first was the one the EU has with the European Economic Area (EEA), primarily Norway, but that implies freedom of movement of labour which is something Britain is excluding as a possibility. The relationship the Union has with Switzerland, based on numerous bilateral agreements is, however, not suitable for the EU because (as is the case with the Swiss referendum regarding immigrants) things may severely change without the Union having an impact on them. It is possible to arrange a lower level of integration through agreements, for example a Customs union like the one with Turkey – for Britain, this would imply independent negotiations on free trade with all of the partners they had while being a member state, but would put them in an unequal position of being more concerned about the agreement.

Another possible solution is for the UK and the EU to have an agreement on free trade, similar to the Serbian Stabilization and Association Agreement, a Partnership Agreement, or a Trade Agreement recently concluded with Canada. This would allow member states to demand from Britain that the agreement predict immediate harmonization with any new regulations within the EU law, as well as to have control and supervision of the implementation of these rules.

All of the above implies the negotiations will most likely be long and interesting. The Chief EU Negotiator, Michel Barnier, a former member of the

European Commission in the field of trade, is more than skilled at reaching agreements and has excellent knowledge of the European Union Law. He still, however, has not shared his ideas publicly. His plan is to ensure support from the Member States during the negotiations so that all of them may stand behind the reached agreement.

The first consequence of the British vote regards internal changes in the EU. That includes altering vote weighting within qualified majority decision-making, a new distribution of members in the European Parliament, the issue of British officials in the EU institutions, as well as making changes in the budget and spending. This last matter – UK's contribution to the budget, as well as that of every other member state, is and will be one of the most significant points of discussion and negotiation, and will directly depend on the chosen model. These are not mere technical changes and adjustments of management due to one member state leaving the Union, but rather an important question of balance of power within the institutional balance in the EU.

At the same time, the Eurozone may strengthen its position in light of its biggest opponent not being able to influence these policies anymore. There are indicators that facing Britain's leave would lead to stronger integration. This would be quite difficult seeing that an intense shift would cause resistance within the public opinion due to rising Euroscepticism, populism and far-right politics – not only in member states but in the European Parliament as well.

EUROPEAN UNION AFTER BREXIT – A UNION WITHOUT UNITY

Jean-Claude Juncker, president of the European Commission, delivered his State of the Union address in September 2016 and in it clearly stated that ‘...We are not the United States of Europe. Our European Union is much more complex. And, ignoring this complexity would be a mistake that would lead us to the wrong solutions’ (Juncker, 2016). He emphasized the fact that there is neither enough Europe in the Union, nor enough Union in it. He even spoke of an existential crisis and said he cannot see sufficient common ground where member states could agree to work together. Juncker added that member states’ leaders mostly talk about their domestic issues, and even if they do mention Europe, it is only in passing. He expressed his worry that representatives of the EU institutions have never before set such different priorities, sometimes directly opposing national governments and parliaments. He concluded that there is ‘so much fragmentation and so little commonality in our Union.’

Juncker deemed it necessary to tend to five crucial issues: having a Europe that protects, preserves the European way of life, empowers its citizens, defends

at home and abroad, and takes responsibility. A summit meeting of Heads of States or Governments will be held in Rome in March 2017 in order to celebrate the anniversary of the Treaties of EEC. For this occasion, the European Commission is preparing a White Paper that is meant to address ways of strengthening and reforming the Economic and Monetary Union. He concluded his State of the Union speech by saying that no one can defend the rationale for unity but the European nations themselves (Juncker, 2016).

This opens a question of the options the European Commission could suggest as a plan to salvage the European project. Somewhat of a race has been started in academic circles, and there has hardly been a single serious article in a previous couple of months where the author has not deliberated on possible future scenarios for the EU (Walt, 2015; Oliver, 2016; New Pact for Europe Future, 2016). It appears there is a consensus that this is the right moment to rethink the future of the Union – not in terms of the final outlook, but rather in regards to the transition meant to help the EU survive the biggest challenges it is facing today. It is as if there is neither strength nor candidates for a strategic discussion on the *finalité Européen*.

It is possible to systematize these suggestions regarding the future of the EU – it is not a waste of time for citizens of non-member states, on the contrary – it leads to an understanding of our position in every one of the options that might end up on European leaders' desks in the following years. As a country in the process of the EU membership negotiations, Serbia needs to not only be prepared to understand possible courses but also find its place in each one of them during the negotiations as well as after they are finished. We have always known the EU to be a moving target seeing as it changes on a daily basis, but we could not have predicted such essential modifications of the European integration process among member states to occur during our own process of integration.

The first and the simplest scenario would be the one that Britain advocated for quite some time before the referendum, which calls for a return to the basics, with the single market being the key element of the Union. Representatives of this option hold the Euro to be the main issue and believe that discussions of a closer Union need to be put to an end. They call for correcting the mistakes that were made. The first solution being to abandon the Euro which would not destroy the EU, but rather open up a way for a pragmatic and efficient integration process. This would also lead to re-evaluating whether EU activities have any additional value in major policies and could evoke, later on, renationalization of some of those areas. This would mean, of course, limiting the position of the European Parliament and the Commission, while strengthening national governments' and parliaments' roles in decision-making on the EU level. These changes would dilute, naturally, supranationality and supremacy would cease to

be the chief feature of the European integration. In fact, instead of having more Union, this would lead to a rise of national elements within the EU.

The second option is proposed by those authors who believe the Lisbon Treaty secondary legislation and the Court of Justice of the EU's decisions, altogether comprising the *acquis*, actually contain all the instruments needed to solve the existing problems. Their main objection, or the main mistake in EU's actions, is that all those instruments were never used adequately and completely due to the lack of political agreement between member states. Their complete application would not imply further limiting member states' sovereignty in areas they are not prepared for, such as taxation or social and employment policy. These authors believe it is necessary to restore the reputation of the Union among the public, and this can only be done if the EU remains consistent and dedicated to existing arrangements.

The third option implies ambitious further development, but gradually (in accordance with the roots of the European project and its evolving nature), and mere consolidation of the existing level of integration is not enough for this model. What is needed is a further integration that would give the EU greater authority in order to be more efficient in terms of facing challenges, as well as to increase democratic legitimacy. All of this calls for an open debate on making amendments to the treaties the EU rests upon, and that debate would need to include the wider public. At the same time, it would require caution in terms of not deepening the existing differences among the member states. Advocates of this option disagree on whether this would mean permanently introducing the 'multi-speed' Europe principle, or simply its short term use as an element of a previously defined cooperation between voluntary actors. This would result, naturally, in the EU institutions having higher authority and a much stronger supranationality, including domains such as the budget and structural policies, in order to ensure financial support for further integration.

Clearly, there are two completely extreme possibilities coming from the fact that the EU we know today is not functional or able to respond to the upcoming challenges. Some believe that the European experience so far shows that further transmission of concepts from national politics and democracy to the European level was in fact never possible, primarily due to the lack of these very concepts in member states. They see the solution in creating a Union more responsible towards its public, one that would repeatedly find new ways of including citizens in decision-making. This new Union would strive to strengthen its capacities for preserving fundamental rights, as well as guarantee basic social rights by improving its own social dimension.

Finally, according to a significant number of authors, there is a possibility that the EU does not possess adequate instruments for dealing with the problems

it is facing. Therefore, they recommend a complete economic, fiscal, financial, social and political union with a strong European government and legislative power. This kind of a Union is meant to be capable of making autonomous decisions that truly would be in the best European interest. These authors also suggest that the member states that oppose this model should be ignored in order to give a chance to those who actually want such an integration.

One thing is certain. In every one of these options and scenarios, nobody is even considering abandoning the concept of European values. To be honest, they are not really talking about them, either. Let us assume that none of the authors are mentioning these values because they are implied. What this means for us is that, no matter which direction the EU takes or from which perspective we observe its development, our process of reaching European values will neither be obstructed nor inadequate. Surely, it might become slower due to the member states' attention being focused on other issues. However, if we look at our integration process more as a matter of domestic reforms rather than of joining certain institutions, there should be no deadlocks whatsoever. After having opened chapters of the *acquis* regarding rule of law (Chapters 23 and 24), there is still a lot of work to be done in terms of introducing the measures that will accomplish legal certainty in Serbia. The desirable course of action would be to prolong the negotiating momentum by opening new chapters – this would lead to further domestic reforms and inspire us to deliberate on the future of Europe.

Due to both, our European path, as well as the security threats in the European, Asian and Middle Eastern regions, the EU is expected to show consolidated management. Such a Union requires a strong, and not a weakened Europe – one that can respond to security needs and tend to the freedom and well-being of its citizens.

CONCLUSION

'We know what we are, but know not what we may be'.

William Shakespeare

Many might say the future of the European Union is not a bright one. While it is true that the process of integration has slowed down, it is still going on nevertheless. Montenegro and Serbia began negotiating accession a couple of years ago, and have already opened quite a few chapters of the *acquis*. There is still no consensus regarding the Refugee Crisis, Britain has decided to leave the Union, the Ukrainian Crisis is slowly becoming a frozen conflict without a permanent solution, and Europe is still struggling with the consequences of the Eurozone Crisis. However, the entire human history has been permeated with

numerous crises. They affect states, international organizations, and every other subject of global relations. We are living in a world of ‘complex interdependence’ (Koehane and Nye, 1997). Global interconnection has made it possible for both opportunities and crises to easily transfer from one part of the world to the other. The EU is surely not responsible for the Refugee or the Ukrainian crises, but it still has to face and deal with their repercussions.

One more thing needs to be emphasized: just like human history, the history of the EU is filled with crises – it is not easy to even list them all. There are even authors who claim the EU is in a state of permanent crisis. However, it has come out stronger than before from every one of those crises. The Union is a successful experiment, a *novum*, and as such was often a target of misunderstandings. Its nature is impossible to grasp. It is not a state because it does not have all the elements of statehood, but at the same time has many more developed forms of cooperation that international organizations do. It is often defined as a *sui generis* formation. ‘States have foreign policies. International organizations struggle to define and maintain common positions’ (Wallace, 2007, p. 9), and it seems this very vagueness is the reason we cannot always understand the EU’s actions. Of course, there are bases for criticism, but even then we must remember the EU is an example of the most advanced regional integration that ever existed, and that it has developed over the years and has ‘brought the greatest changes for its citizens’ (McCormick, 2002, p. 1). We should never forget such achievements as are peace among European powers, the development of human rights and democratic values and forming a Single Market or a Common Currency. If we look at all the crises, but also all the accomplishments that came after them, it seems overly confident to write off the European Union. The future of the European Union will certainly consist of a political compromise (Mišćević, 2009), because it was created and developed in exactly this way.

Let us, in conclusion, go back to Churchill and Spinelli, but also Monet, Schumann and Delors – none of them insisted that the European Community project would be simple, cheap and easy. However, they did claim its additional value was high enough to respond to most problems concerning Europeans (both of security and economic nature), and to correspond to Europe’s interests. The only logical conclusion is that the EU should commence further integration in order to go back to its starting position of strengthening unity and dividing responsibility for promoting European values.

It takes little wisdom to state this, but a lot of skill, knowledge and tact to accomplish it.

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Tanja MIŠČEVIĆ
Stevan NEDELJKOVIĆ

BUDUĆNOST EVROPSKE UNIJE NAKON BREGZITA – KAKO NAPRED ILI KAKO NAZAD?

Apstrakt: Pitanje budućnosti Evropske unije, nekada Evropskih zajednica, postavlja se od njenog nastanka. Evropska unija je uvek budila interesovanje istraživača jer su njena priroda, struktura i nivo organizovanja krajnje neuobičajeni. Ona nije tipična međunarodna organizacija, niti je država, ali istovremeno predstavlja najrazvijeniji oblik regionalne integracije koji je ikada postojao. Vremenom se suočavala sa velikim brojem kriza i, po pravilu, iz njih izlazila snažnija. Poslednja u nizu kriza uzrokovana je odlukom građana Velike Britanije da na referendumu održanom 23. juna 2016. godine odaberu opciju 'Izaći'. Čini se da je od tada interesovanje istraživača za budućnost Evropske unije prisutnije nego ikada ranije. Ključni cilj našeg članka je analiza opcija koje Evropska unija ima za delovanje u budućnosti. Takođe, pokušaćemo da istražimo faktore koji su uticali na odluku da Britanija napusti Evropsku uniju.

Ključne reči: Evropska unija, Britanija, Bregzit, budućnost EU, član 50, pregovori, jedinstvo.

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