

Brexit or Not?

What Consequences for the Enlargement Policy?

In the early hours of the 24th of June, [the results](#) of the British EU membership referendum were announced. Against the betting [odds](#), against the predictions of [market actors](#), and against the last minute [polls](#), with a turnout of 72.2% and with a margin of 3.8%, the voters decided that the UK should leave the European Union. This unprecedented event has ushered in a period of political and economic [turmoil](#) in the UK: David Cameron resigned and the Conservative Party will hold a leadership election; the Labour shadow ministers resigned *en masse* and the Labour MPs held a no confidence vote against their leader; the second Scottish independence referendum is on the agenda; Northern Ireland's status is under question; economic forecasts are grim. Economic spillover effects are expected across the EU, its neighbours and beyond, and potential political instability within the EU looms.

The vote has proved as controversial and polarising, bringing to light deep divisions within the British society. West and East Midlands were most pro-leave, while Scotland, London and Northern Ireland voted resoundingly to [remain](#). An even more striking [generational cleavage](#) emerged: 75% of voters under 25 voted to remain, in comparison to only 39% of 65+ year olds. There is no clear data on turnout per age bracket, but there is a [projection](#) that only 36% of those aged 18-24 voted, as opposed to 83% of 65+ year olds.

The leave procedure is done in accordance with Article 50 of the TEU, which is somewhat ambiguous. Whereas the UK must initiate the procedure, the EU has almost no formal mechanism to force it to do so. The extent to which the withdrawal agreement will also contain or suggest the nature of the future relationship is not detailed.

The Brexit referendum has left the continent with a number of uncertainties. This insight develops three possible outcomes of the current situation, based on which it discusses potential consequences of the leave vote on the EU enlargement policy. It argues that as long as the Brexit issue remains unresolved, the EU enlargement policy will suffer.

Leave procedure: ambiguous and unknown territory

Article 50 of the TEU, which governs the withdrawal procedure, is somewhat ambiguous. It is certain that the [UK itself](#) must initiate the process, and that the EU has no formal way to unilaterally speed it up - apart from triggering Article 7 TEU that provides for a suspension of certain rights of a member state, if it is found to be in breach of fundamental EU values (however, this has been deemed the "[nuclear option](#)" and seems unlikely at the moment). The UK has to give a notification to the European Council, which then sets out negotiation guidelines, governed by the procedure set out in Art. [218\(3\)](#) of the TFEU. Thus, the Commission then submits a recommendation to the Council of the EU, which authorises the opening of negotiations and designates the EU negotiator (most probably the Commission itself).

The notification starts the 2-year period allowed for the negotiations of the agreement, which, if reached, must first get the consent of the EP, and then be adopted by the Council with a "super qualified majority" (72% of Council members, constituting at least 65% of the population of the member states, excluding the withdrawing state). If this deadline elapses without an agreement, there are two options: 1. the UK membership ceases without an agreement on withdrawal and future relations, 2. European Council and the British government jointly decide to extend the deadline.

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Although this is not specified, [EU sources](#) have said that the notification must be unequivocal and delivered in the form of [a letter or a speech](#). The UK is [yet to fulfil](#) this first requirement of Article 50, as it has not yet officially decided to withdraw. Its domestic laws say that the referendum is non-binding and the Parliament has the final say. Also, the extent to which the withdrawal agreement will also contain or suggest the nature of the future relationship is not detailed, with the Treaty only requiring the arrangements for withdrawal to take into account the *framework* of that relationship. Finally, although Article 50 does not require ratification of the agreement by the member states (a notable difference from Article 49 on accession treaties), potentially unhappy member states could perhaps invoke domestic political requirements to approve the withdrawal agreement.

Outcome 1: UK maintains political stability, withdrawal negotiations swiftly concluded

In case that the deepening of the political crisis in the UK is avoided, the political situation consolidates by the end of the summer, and a new prime minister is appointed, one can expect the withdrawal procedure to be initiated promptly. Choosing a PM who was not too vocal in the referendum campaign would help ensure internal stability within the UK. With a stable domestic political situation, the UK is likely to act as a constructive partner in the negotiations, both to help ensure a beneficial exit deal and to help maintain stability on the continent. In this case, Brexit negotiations may be concluded within two years. Simultaneously, Scotland may ask to join the EU, irrespective of its relationship with the rest of the UK.

The Brexit referendum showed potential to slow down Serbia's EU accession process a day after it was held, when the UK representative in the Council [put a reserve](#) on the opening of negotiating chapters 23 and 24, citing "technical reasons". Swift and successful Brexit negotiations would therefore probably be the least painful option for the candidate

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countries. Although for a period of two years the EU would be almost entirely focused on the negotiations with the UK and its own internal consolidation following this shock, within the timeline of the entire accession process two years are a tolerable period of relative stagnation. One may even expect that in addition to the continuation of technical-level dialogue, certain EU member states would make additional effort to keep the prospect of enlargement on the horizon, e.g. through the continuation of the [Berlin process](#). It would, of course, be of utmost importance that within those two years the candidate countries continue to implement reforms aimed at, and compliant with, EU membership criteria.

Although Spain (and potentially some other member states, too) will certainly vigorously oppose it, Scotland's EU membership bid could reinvigorate EU's enlargement policy, at least in terms of the level of priority given to the policy within the Commission and at political level meetings of the Council. For the Western Balkan candidates, Scottish candidacy might render EU membership more attractive and the accession process more competitive. From the perspective of the member states, having Scotland as an EU candidate country would make the enlargement policy more popular among the general public, and would thus have positive effects on the Western Balkans enlargement.

Outcome 2: Political scene in the UK remains unstable, Brexit happens after extended and painful negotiations

If political consensus in the UK on how to pursue Brexit is not found in the near future, with "Leave" backers unable to provide answers to the many open questions, and incapable to fulfil their pre-referendum promises, the political and economic crisis in the UK and the EU is likely to deepen. The Conservative party may remain divided among the two camps, whereas the Labour party may fail to reinvent itself and its leadership. With the added pressure of economic and financial turmoil in post-referendum UK, the period of deadlock would be prolonged, leaving the UK and the EU paralysed, and the member states frustrated.

If the political and economic crisis in the UK and the EU deepens, initiating the Article 50 procedure may take much longer and negotiations may require more time to complete. This scenario would lead to a prolonged period of stagnation of the accession process and possibly further deterioration of the EU's image and appeal both inside and outside its borders.

Initiating the Article 50 procedure may take much longer and negotiations may require more time to complete. In this case, Brexit either happens at the end of the two-year negotiation period without a solid agreement, ushering in a new period of uncertainty and turmoil, or the negotiations get extended by a contentious, last-minute consensus in the European Council. Brexit happens eventually, but both sides come out exhausted from the process.

In such a scenario, political blackmails, blockades and tensions on both sides might lead to outright suspension of enlargement negotiations until the Brexit issue is resolved. Given that this scenario would lead to a prolonged period of stagnation of the accession process and possibly further deterioration of the EU's image and appeal both inside and outside its borders, the candidate countries might find it difficult to maintain the "accession momentum" and public opinion favourable to EU reforms. Nevertheless, so far the [opinion polls in Serbia](#) have suggested that the falling support to EU membership is a consequence of the erosion of respect for EU values within the Union itself, as well as the unresolved bilateral issues with member states, rather than the turbulences within the EU.

Exhausted by Brexit negotiations, the EU might, however, seek to reinvigorate itself by pursuing a "new success story" acceptable to all member states. The post-Brexit EU may become slightly more efficient,¹ but it is unlikely to become much more united, as the [disparate visions of the Union](#) among member states are persistent. Hence, in the absence of agreement on a deeper Union, a new expansion to the Western Balkans might constitute the success that the EU needs, but as a politically driven decision rather than as an outcome of the "strict-but-fair" conditionality policy.

Outcome 3: Brexit does not happen

Even though it now seems next to impossible to bypass the will of citizens expressed in the Brexit referendum, precedents do show that reverting the outcomes of referenda is possible (two Irish and one Danish referenda on accepting EU treaties [have been reverted](#)). Growing public pressure, the incompetent "Leave" political leadership, or even a deeper political crisis in the UK, coupled with a belated understanding that [Bremain is the best option for the UK](#), may lead to a new referendum or to a re-negotiation of the conditions in order to allow the British to stay in the EU. The latter option has been [openly rejected](#) by EU leaders, but the changing dynamics of the political and economic situation in the EU may dictate a different attitude in the coming months.

If the UK were to eventually remain in the EU, the enlargement policy might take a while to pick up again, but would slowly return to the "business as usual" course – at least for the Western Balkan countries. Seeing the UK reverting to its EU member course might cause the other member states and their populations to realise that they are indeed better off in the EU than outside of it, thus helping the Union consolidate after the referendum shock, but also improving its attractiveness for the aspiring members. Though traditionally quite favourable to enlargement, the UK might, at least in the short-term, be less vocal or even opposed to further enlargement of the Union, to quiet the unsatisfied pro-Brexit, anti-immigration voices within the country. Both sides would need to work on ensuring a satisfactory solution related to the free movement of workers from the countries negotiating accession (e.g. long transition periods in which workers from the new Balkan states would not be allowed to move and seek employment in the UK).

¹ While the UK usually votes with the majority in the Council, it is by far the most „oppositional“ voice, and has increasingly been voting in the minority since 2009. In addition, the UK tends to be the country that is the [closest](#) to final policy outcomes, indicating successful imposition of its own interests during the negotiations within the Council.

² The reversal of initial referendum results is not a precedent on the EU level – the Danes initially voted against the Maastricht Treaty in 1992; the Irish rejected the Nice Treaty in 2001 and the Lisbon Treaty in 2008.

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The unlikely and unimaginable dissolution scenario

Finally, one must recognise the possibility of a scenario in which Brexit triggers a period of such profound crisis within the EU, that instead of acting as an incentive for consolidation, it in fact leads to further disintegration and dissipation of the Union. Such a scenario might see the strengthening of populist and right-wing forces within EU member states and utter incapacity of the “old” European elites to address the new problems and fears of their populations. However, authors of this insight consider this scenario highly unlikely, while at the same time discussing its impact on the enlargement process and Serbia’s membership bid would be preposterous. Although the assumption that European integration always wins and comes out stronger from political crises is a dangerous – and perhaps even an erroneous,³ one, European political elites must have learned from the past. The recent statements of European leaders, including those insisting that the UK should initiate Article 50 procedure as soon as possible, do suggest a decisiveness to keep the rest of the EU family together.

³ Craig Parsons and Matthias Matthijs, “European Integration Past, Present and Future: Moving Forward through Crisis?” in *The Future of the Euro*, [Oxford Scholarship Online](#), March 2015.

Milena Lazarević is the Programme Director at CEP

Sena Marić is the Researcher at CEP

Supported by: Tijana Stojanović, Intern Research Assistant at CEP at the time of writing

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