

Political and Security Perspectives for South East Europe after the Brexit Vote

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Abstract

In South East Europe, and specifically in the Western Balkan region, the unfinished processes of regional consolidation have been heavily influenced by the European Union's (EU) integration and conditionality policies. The United Kingdom's (UK) planned withdrawal from the EU, in principle, can have different effects on the EU's own further development. The magnitude of the EU's ability to adapt positively to this challenging situation and the level of resistance by member states against the idea of re-nationalisation will be decisive factors for the specific scenario that will occur after Brexit is implemented. The analysed EU scenarios 'dynamic re-launch', 'risky stalemate' and 'existential crisis' differ significantly in regard to the EU's further ability to stimulate the political actors in South East Europe so as to identify common interests and find compromises with long-lasting positive effects for the region's development.

Keywords:

EU, Brexit, South East Europe, impact, consolidation process, scenarios

Sažetak

Nedovršeni procesi regionalne konsolidacije u jugoistočnoj Europi, prije svega na zapadnom Balkanu, pod snažnim su utjecajem politike integracije i uvođenja Europske Unije (EU). Planirani izlazak Ujedinjenog Kraljevstva (UK) iz EU,

načelno, može imati različite utjecaje na daljnji razvoj EU-a. Razmjer sposobnosti EU-a za uspješnu prilagodbu ovoj izazovnoj situaciji i razini otpora zemalja članica ideji re-nacionalizaciji bit će odlučujući faktori za određeni scenarij, koji će nastupiti nakon implementacije Brexit-a. Analizirani scenariji EU-a "dinamičko ponovno pokretanje", "rizični zastoj" i "egzistencijalna kriza" bitno bi se razlikovali, u odnosu na daljnju sposobnost EU-a da stimulira političke čimbenike jugoistočne Europe na identifikaciju zajedničkih interesa i iznalaženje kompromisa s dugoročnim pozitivnim učincima na regionalni razvoj.

Ključne riječi:

EU, Brexit, Jugoistočna Europa, utjecaj, konsolidacijski procesi, scenariji

Introduction

For those generations born after World War II, the European integration process has been a guarantor for constant democratic development, respect for human rights and prosperous economic cooperation. Various crises that have affected the Western world in general and Europe in particular during the last ten years have made many people uncertain about their future. These have included the global economic crisis, the huge fiscal crisis in Greece, the European Union's (EU) challenges in developing a common migration and refugee policy as well as the global rise of terrorist attacks. The consequences in many countries have been the strengthening of anti-globalisation, anti-establishment and right-wing populist parties and movements, which have promised their growing number of voters a return of an era through re-nationalisation. While on the world's political stage Donald Trump's 'surprising' victory in the US elections, in November 2016, became a symbolic turning point, the EU received its alarming signal already five months earlier, in June at the so-called Brexit referendum. Yet, it is still unclear what the future political, economic and security costs of the planned British withdrawal from the EU will be, but undoubtedly, there will not be much time left for the Union to adapt itself to these new circumstances.

This article is focused on the following question: how will the possible changes in the EU after the implementation of Brexit influence the unfinished

peace and consolidation processes in South East Europe, which in the last 17 years have been essentially dependent upon constructive and pro-active EU policies? The renowned British journal 'The Economist' predicted in an analysis, issued in late October 2016 and dedicated to this topic, that a return to a violent conflict in South East Europe is unlikely, despite 'plentiful sources of political and social instability'. This source further stated that 'the political and economic fallout from the Brexit vote will, on balance, be neutral' (The Economist, 2016a). This is certainly a possible scenario and perhaps the most likely one, but different EU scenarios, as a consequence of Brexit, could have a different impact on regional consolidation in South East Europe. Consequently, the method, which is applied in this article, starts with an analysis of what the main scenarios for EU's post-Brexit development could look like. This part is followed by a stocktaking of the current transition process in South East Europe in the next chapter. Finally, in the last chapter, the different EU scenarios are discussed in the context of their possible effects on South East Europe.

Three Scenarios regarding the Post-Brexit EU Future

At the time of writing this article (in October/ November 2016), some of the key variables for the upcoming Brexit were still unclear. Amongst them were in particular the questions of when, specifically, the British government will officially inform the EU about leaving the Union and whether the United Kingdom (UK) and the EU will agree on a process that will result in a 'soft Brexit'. This would firstly enable the UK to preserve privileged access to the EU's internal market, following the existing arrangements of Switzerland and Norway with Brussels. Moreover, such a 'soft Brexit' would guarantee the free movement of people from the 27 EU members to the UK (The Economist, 2016b: p.11). The unfavourable alternative to this less painful divorce would be a 'hard Brexit' that would sever most of the previous ties and could politically and economically harm both sides much more. For example, for England, this could lead to serious political problems with Northern Ireland and Scotland, where the majority of citizens voted in favour of the UK's EU membership (Die Presse, 2016: p.4). Even though

the UK government hesitated to officially submit the formal application for its withdrawal from the EU in the first months after the referendum, Prime Minister Theresa May stressed that 'Brexit means Brexit' (Hosp, 2016: p.3). The introduction of negotiations into the UK's withdrawal from the EU in the first half of 2017 therefore seemed to be much more likely than a political turnaround of the UK government that would ignore the referendum results.

The UK's most likely withdrawal from the EU in a medium-term period has provoked many discussions all over Europe on how this could impact the EU's further development. The discussed scenarios will be summarised below. However, it must be stressed that Brexit cannot be measured as an isolated factor that impacts further EU developments. In this regard, it is one of the key factors apart from the EU's and her (remaining) member states' ability to find the right response to the financial crisis and economic challenges, 'EU fatigue' and the return of nationalistic and anti-democratic policies.

Scenario 1: 'Dynamic Re-launch'

In this (best case) scenario, Brexit would be used by the EU institutions to re-launch the EU integration project and to re-gain 'the hearts and minds' of the EU citizens. Key member states, such as Germany, France and Italy, would be strongly engaged to find common EU positions to deal with the challenges of an institutional re-setting, migration and Euro crises. A majority of the other EU member states would support these reforms. With this serious engagement of constructive and cooperative European political leaders to re-strengthen the common European agenda, the rise of nationalistic parties in EU member states would be stopped, and, in turn, the erosion of liberal democratic values. In the opinion of the Harvard economist, Dani Rodrik, such a re-launch scenario would demand the deepening of political integration within the EU to the level of economic integration (Wipperfurth, 2016: p.11). The new spirit of internal EU cooperation would become evident also in the field of security cooperation. Thus, the priorities described in 'A Global Strategy for the European Union's Foreign and Security Policy' would be dealt with by concrete joint EU action plans. These would be directed in

particular against threats that concern all EU citizens, such as, 'terrorism, hybrid threats, economic volatility, climate change and energy insecurity' (European Union Global Strategy, 2016: p.9). A stronger EU would enhance its efforts to contribute to the collective security of Europe. Hence, it would work closely together with its international partners, in particular NATO. As currently foreseen in the EU's Global Strategy, the EU would cooperate substantially with the candidate countries from South East Europe to strengthen their resilience (European Union Global Strategy, 2016: p.9).

Scenario 2: 'Risky Stalemate'

Currently, a development that will lead to scenario 1 is not perceived as a realistic option by many observers. Most of the EU insiders, for example, the former Austrian and EU diplomat, Stefan Lehne, expect that the coming years in the EU's development will be characterised by a further 'muddling through'. In this scenario, the institutional framework of the EU would remain, in principle, functional but without further steps for deeper integration. Moreover, there would be no consensus inside the EU to adopt the necessary reforms to respond appropriately and in a united way to the abovementioned political, economic and security challenges. Anti-European and xenophobic political parties would further gain ground among the electorate. These nationalistic forces would not be able to destabilise the EU framework in the medium term, but would be strong enough to turn the traditional pro-European centre-left and centre-right parties into EU-sceptics (Kopeinig, 2016: p.7). In such a stalemate scenario, the Europeans would further dissociate from the 'European idea'. Other relevant international actors, such as, Russia, given their geopolitical interests, would have an easy game to play the EU members states off against each other. Without serious pro-European countermeasures by key EU actors, a development into a more negative scenario, which will be described subsequently, would be possible.

Scenario 3: 'Existential Crisis'

In such a worst case scenario, the EU's institutional framework would become evidently dysfunctional. In most of the member states, extreme euro-sceptic parties would come to power. Moreover, the Brexit virus would spread all over the EU. Nationalistic policies that dominate political life would impede any constructive European solutions. The symptoms of political and economic crises would be so strongly manifested that even the biggest EU supporters would turn away from the European integration project in its previous form and focus on more national(istic) positions. Decisive rifts between EU member states would lead to new geostrategic partnerships. European countries would either strengthen their relations with the United States (US) or build up closer relations with Russia. The 'Westerners' among the European states would try to preserve a rump EU. A similar re-composing and fragmentation could happen also inside NATO. Overall, Europe would face an uncertain future. Even bilateral conflicts that seemed to be settled by European integration could, after a number of decades, turn into a serious political or even security problem.

Intra-State, Bilateral and Regional Relations in South East Europe - A Stocktaking in Late 2016

South East Europe—or, more concretely, the group of six countries labelled by the EU as 'the Western Balkans'¹—at first glance did not seem to be very alarmed by the results of the British EU referendum. The reason for this may lie in the political self-occupation that still characterises this post-war region in Europe. Indeed, the consolidation of cooperative neighbourhood relations is still a half-finished business in South East Europe. The legacy of the wars during the 1990s still represents a huge political and psychological barrier for achieving full normalisation of relations. Unsolved bilateral questions range from open border issues, legal disputes concerning suspected war criminals to minority issues. Instead of pragmatic and cooperative solutions these issues

1 Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia

and disputes have, very often, seen nationalistic reactions in the concerned countries (Balkans in Europe Policy Advisory Group, 2015). Beyond the various bilateral problems, Bosnia and Herzegovina as well as Kosovo are still regarded as fragile states by the EU and NATO. This explains the ongoing presence of peace-keeping troops (EUFOR and KFOR) there and the western intent to keep executive mandates (in Bosnia and Herzegovina's case, against the Russian intention), in order to be prepared for 'all eventualities'. On the one hand, the outbreak of new wars in South East Europe in and outside the region—under the current political circumstances—is not seen as very likely or would even be excluded by observers as a possible scenario. On the other hand, it cannot be overlooked that the general trust in the self-sustainability of the peace and consolidation processes in South East Europe is very low.

The intra-regional relations generally have suffered from a lack of trust. In the last twenty years, several political attempts have been made to push the reconciliation process forward—for example, as seen in the political efforts made by the former Croat and Serbian Presidents Ivo Josipović and Boris Tadić (Pavelic, 2012). Such attempts have been certainly useful and helpful in improving the political atmosphere for a short period, but they could not permanently replace the nationalistic paradigm via a stable cooperative framework. Nationalism has remained an often-used political tool for politicians in South East Europe, in particular during times of crisis.

The deterioration of Croat-Serb relations during the migrant crisis in the summer of 2015 was an illustrative example of this pattern. As a consequence of the questionable decision of the then-Croat government to close the borders temporarily to lorries coming from Serbia, the yellow press and even some of the leading politicians in the neighbouring country compared Croatia's behaviour with that of the fascist Ustaša state, which existed in Croatia during the Second World War (slobodna-bosna.ba, 2015). Political tensions between the two countries have continued after the easing of the migrant influx. This is because of the different political narratives surrounding the wars in the 1990s and legal problems connected with the prosecution of alleged war criminals.

Surveys show how easily citizens can be influenced by a nationalistic political climate and how negative stereotypes of former 'enemy groups' continue to persist. A survey that was published by the Friedrich Ebert Stiftung and the European Movement Serbia, in October 2015, revealed, for example, that 52 percent of the interviewed persons in Serbia had neither a positive nor negative opinion of Albanians from Albania, 22 percent a mainly negative opinion and 11 percent a very negative opinion about their neighbours. Compared with this, 7 percent had a mainly positive and only 1 percent a very positive opinion about Albania's population. 7 percent of the interviewed persons had no specific opinion on this issue (European Movement Serbia/Friedrich Ebert Stiftung, 2015: p.16). In another survey published in the same year by the Albanian Institute for International Studies and the Friedrich Ebert Stiftung, 42.5 percent of the interviewed citizens from Albania described the relations between Albanian and Serbian citizens as 'normal', 27.5 percent as 'bad' and 7.2 percent as 'very bad'. On the other hand, 13.8 percent of the interviewed persons described the mutual relations as 'good' and 2.6 percent as 'very good'. Among the interviewed persons, 6.5 percent had no specific opinion on this issue (Cela, 2015: p.17).

Unlike Croatia and Serbia, Albania and Serbia did not fight a war against each other during the 1990s, but the 'Kosovo issue' has impeded their relationship. Furthermore, it can be assumed that the interviewed persons were still impacted by the nationalistic incidents that followed a soccer match in Belgrade in October 2014 (Cela, 2015: p.5). Since regional relations are still politically fragile in South East Europe, theories of conspiracy and accusations of destabilisation can easily influence political developments. Among the incidents that caused political alarm in the second half of 2016 were, for example, the detention of a suspected 'Croat' spy in Serbia (Petrović, 2016), the prevention of a presumed coup in Montenegro during the parliamentary elections that was supposedly supported by a former Serbian Gendarmerie commander (Đurić, 2016), and a foiled assassination attempt against the Serbian Prime Minister Aleksandar Vučić or his brother (Danas Online, 2016).

Due to the inconsistency local ownership in South East Europe has shown in regard to political normalisation of regional relations and reconciliation,

EU's role for regional consolidation from the perspective of late 2016 remains essential. Despite the sceptical attitudes towards the EU, which in the meantime are even present among EU members, and various crises that the EU has been experiencing since 2008, the South East European candidate and aspiring countries keep EU membership as their most important, or one of their most important, strategic goals. More political realism can be seen on the side of the political leaders in South East Europe compared to earlier phases of EU enlargement. By now, there is high awareness among them that the process of becoming an EU member will be a medium- to long-term venture. It is emphasised by regional politicians that implementing the EU's democratic, legal and other standards is as essential as the future membership in this organisation². Although such announcements have become part of the expected mainstream rhetoric in recent times, they maintain, in principle, the EU's opportunity pro-actively to influence consolidation issues in South East Europe through-somewhat limited-conditionality policies.

This is supported also by the fact that, in the candidate countries, a relative majority of the citizens-though there is a downward trend-still declare themselves in favour of EU membership. Thus, according to a Eurobarometer survey from May 2016, in Serbia, 37 percent have a fairly or very positive attitude towards the EU, 24 percent a fairly or very negative attitude. In Macedonia, 56 percent have a generally positive opinion about the EU, while 14 percent have a negative one. Similar results came from Montenegro: 55 percent have a fairly or very positive attitude towards the EU, in contrast to 13 percent with a negative attitude. In Albania, 72 percent think favourably about the EU and only 4 percent in a fairly or very negative way. In Croatia, which has been an EU member since July 2013, 37 percent perceive the EU in a positive way, in contrast to 19 percent, who have a negative opinion (European Commission, 2016). According to a poll from 2015, Kosovo and Bosnia-Herzegovina-which among the South East European countries draw most of the attention from the EU and NATO due to their complex internal challenges and neighbourhood relations-differentiate noticeably with

2 During their discussion at the Belgrade Security Forum on 13 October 2016, this was stressed for example by the Prime Ministers of Albania and Serbia, Edi Rama and Aleksandar Vučić.

regards to their citizens' EU attitudes. Thus, in Bosnia and Herzegovina, whose State Presidency officially made in February 2016 an application to become an EU candidate country, –which Albania, Macedonia, Montenegro and Serbia already are– there is little enthusiasm. According to this survey, only 30 percent of Bosnia and Herzegovina's citizens have a positive attitude towards the EU, while 26 percent have a negative opinion. In contrast to that, 89 percent of the Kosovar citizens think positively about the EU, despite the fact that, within the region, their country is furthest away from EU membership. Only 2 percent of the Kosovars have a negative attitude towards the EU (Regional Cooperation Council, 2015: p.45).

In terms of an assumed or actual 'enlargement fatigue' within the EU, the so-called 'Berlin Process' is an important signal for the South East European candidate countries that their efforts to be integrated in the EU will be supported further by the Union. Initiated by Germany in 2014, its main goal has been to provide a complementary process to EU integration that will foster a 'closer regional cooperation in view of achieving sustainable economic growth, full-fledged market democracy, and reconciliation' (Lilyanova, 2016: p.2). In three summits that took place so far in Berlin (2014), Vienna (2015) and Paris (2016), particular projects were addressed, which should support the reduction of unemployment –above all among young people–, the creation of an 'Energy Community' in South East Europe and the connectivity agenda in regard to investments. Under the IPA II, the EU Commission has provided up to € 1 billion for connectivity investments and technical assistance, especially for transport links and infrastructural projects. Other focal points have been, so far, the fostering of youth cooperation and civil society as well as addressing bilateral disputes in South East Europe. In this latter context, the political representatives of the six Western Balkan countries signed a declaration at the Vienna summit on solving bilateral border, political and minority disputes. Further, they committed themselves to not block their neighbours on their path towards EU membership (Lilyanova, 2016: pp.3-7).

Without calling into question the possible beneficial impact of the Berlin Process on the regional relations in South East Europe, it should be noted that some key challenges, which are connected with regional consolidation,

will demand regional and international efforts that reach far beyond. This is particularly still the case with Bosnia-Herzegovina and Kosovo. The aim of Bosnia and Herzegovina to catch up soon with the other EU candidates is seriously impeded by the current attempts of the leadership of the Republika Srpska to undermine the common state, in order to achieve separatist objectives (The Economist, 2016c). Croat politicians in Bosnia and Herzegovina still talk about the politically 'disadvantaged position', in which the Croat population would be in this country, compared to the other two constituent peoples, the Bosniaks and Serbs (Krešić, 2016). In turn, the Bosniak politicians are blamed by the Croat and, even more, by the Serb side for striving towards a centralised state that would endanger the national identity of these two national communities. Different interplays between domestic and external actors additionally complicate the consolidation of this state. While the Croats in Bosnia and Herzegovina rely on Zagreb, Brussels and (somewhat less) on Washington, politicians from Republika Srpska seek, in particular, support from Belgrade and Moscow. Russia's role during the Putin era in the context of South East Europe has turned from a constructive partner of the West, at the beginning of the stabilisation process, into a political actor that has openly supported nationalists among Serb politicians and has counteracted further enlargement of NATO and, more recently, the EU (Sarajlić-Maglić, 2015). Bosniak politicians share with the Croat side the goal of integrating into the EU and—unlike Serb politicians—into NATO. However, there is also an increasing influence from Turkey, which has become more suspicious since President Recep Tayyip Erdoğan started to increase restrictive policies in his own country (Wölfl, 2016). It seems that under these complex internal and external conditions the path to EU integration is one of the rare goals, which connects the present leadership in Bosnia and Herzegovina. This fact underlines also from this angle the necessity of preserving an EU that is effective and able to act pro-actively.

The EU's pro-active role is at least equally necessary in case of the normalisation of relations between Belgrade and Priština/Prishtina. Although negotiations about the solution to the daily problems of Albanians and Serbs in Kosovo have been taking place since 2011—supplemented by a political dialogue that started two years later—mistrust still seems to be large between the two

political sides, and also between the two national communities in general. From the Kosovo-Albanian perspective, the Serbian government 'abuses' the dialogue, in order to create their national community within Kosovo as a state within the state, following the example of the Republika Srpska in Bosnia and Herzegovina. On the other hand, for the Serbian government, Kosovo still is an autonomous part of Serbia. The recognition of Kosovo as an independent state for Belgrade remains a completely excluded option. This stance again mobilises nationalist forces among the Kosovo-Albanians, who, like the nationalist party Vetëvendosje, have demanded an immediate stop to the technical and political dialogue with the Serbian government and who have already shown their readiness to use violence to underline this demand (Jureković, 2015: pp.7, 10).

Compared with the current global hot-spots like Syria or Iraq, Bosnia-Herzegovina and Kosovo in recent years have become peaceful places. But due to the abovementioned antagonisms, the EU and NATO do not trust this kind of unsatisfying stability in both countries. That is the reason why operations and missions with executive mandates like the EU military operation EUFOR ALTHEA in Bosnia and Herzegovina, the NATO PfP military presence through KFOR in Kosovo, or the EU Rule of Law mission in this country have been prolonged several times. This kind of 'security net' could become unnecessary only when the EU, but also NATO enlargement, will be successfully finished in the Western Balkans—provided that both organisations will pass through these ongoing, dynamic global and European changes relatively unscathed. Until then, it will be essential for the South East European countries to achieve progress in regard to the targeted democratic, legal and economic standards and to develop recognisable future perspectives for youth. If this does not happen, the fuses of smaller powder kegs—outside Bosnia-Herzegovina and Kosovo—could ignite again. This applies above all to Macedonia's not fully consolidated interethnic relations and the political polarisation in that country (Radio Free Europe/ Radio Liberty: 2016 a). The latter point is also currently evident in Montenegro, which has generally performed well so far in its EU and NATO integration process, but whose citizens are relatively divided with regards to geopolitical and identity issues (Radio Free Europe/ Radio Liberty, 2016b). Constructive

regional relations and economic investments would be the best guarantees to secure good relations between the Serbian state and its Albanian minority in the Preševo Valley as well as with the Bosniak community in the Sandžak region. Both ethnic communities have a close relationship with their 'mother countries' Kosovo and Bosnia-Herzegovina.

Apart from conflicting national or political issues, South East Europe-like other parts of Europe too-has been increasingly challenged by extremist forms of Islamism. Intensified measures that have been introduced by law enforcement agencies in South East Europe from 2015 have almost stopped the inflow of foreign fighters that seek to join the terrorist organisation 'Islamic State'. Until then, almost 800 Balkan Islamists, in particular from Albania, Bosnia-Herzegovina, Kosovo and the Sandžak, went to the Middle East (Wither, 2016: p.51). Although the majority of the Muslims in the Western Balkans practice tolerant forms of Islam, the risk of having an intensified inflow of young people to extremist Salafi movements should not be underestimated. International support for increasing Bosnia-Herzegovina's and Kosovo's state functionality as well as substantial contributions to the economic improvement of the whole region could be useful counter-strategies.

The Post-Brexit Scenarios and the Western Balkan Context

As described before, in the author's view, the EU's own future will have an essential impact on the way South East Europe, specifically, how the Western Balkan countries, will deal with the unfinished tasks in their semi-consolidated relations. Therefore, it seems obvious to look back at the three Post-Brexit scenarios, which were analysed at the beginning, and to reflect briefly about what each scenario could mean for the presently still fragile political, social and economic setting in South East Europe.

The best case, a '**dynamic re-launch**' of the EU that would start even before the UK definitely leaves the Union, would first of all-most likely-guarantee that the enlargement process will continue in South East Europe. It can be assumed that the EU Commission, in such a scenario, would again strengthen its engagement in the accession process as well as with those regional and

bilateral issues in South East Europe, which could further impede progress of the candidate and aspiring countries. In a re-launch scenario, the EU's Common Security and Defence Policy and the European Security and Defence Policy would be upgraded. Therefore, the EU would be very keen on proving that it is a credible actor in the international arena. Viewed in this light, to support South East Europe substantially in finishing its consolidation would be a basic prerequisite for the EU. This would mean, for example, to transform the presently unfrank technical and political dialogue between Belgrade and Priština/Prishtina into a transparent political process that would lead to: (a) the signing of a basic treaty aimed at achieving full normalisation of political, social and economic relations between Serbia and Kosovo and (b) giving security guarantees to the Serb community in Kosovo as well as to Kosovo in regard to its relationship with Serbia.

In the context of Bosnia and Herzegovina, such a pro-active EU policy would be characterised by clear language when addressing those politicians who have stuck to manipulative policies and have, by doing so, stifled real progress in this country since 2006. If there are no other means left, the EU should not shrink from imposing financial and economic sanctions against such obstructive individuals. On the other hand, in such a dynamic re-launch scenario, the extension of beneficial means would dominate. This would mean, for instance, that the 'Berlin Process' would develop a large pulling-effect for Foreign Direct Investments, so that there would be little margin for nationalist policies, and much more for constructive ideas and cooperation. Fostering standards of liberal democracy in the whole region would again become a core issue for the EU, after a period in which these values—as a consequence of the pressure of the extreme political right within the EU—has been put into the background.

For the political leaders in South East Europe, the EU's re-launch option would mean that the time of hidden political agendas is definitely finished and that only a frank, transparent and cooperative attitude leads to progress in the whole region. Most of the political leaders would internalise this political attitude. Thus, the consolidation process, including regional reconciliation, would improve and the implementation of 'EU standards' would become a part of Realpolitik. Under such positive conditions, the next

candidate countries from South East Europe–Montenegro most likely being the first–would become an EU member between 2021 and 2025.

A **‘risky stalemate’ scenario**, compared to the previous one, would certainly make a difference for South East Europe in that EU integration would further lose momentum. Thus, the EU’s conditionality policies would become increasingly a toothless tiger with a decreasing impact on regional consolidation. In a political EU environment, in which nationalistic movements and populist parties would be successful in constantly increasing their electoral support, manipulative and authoritarian policies would continue to flourish in South East Europe as well. The problem fields that were analysed in the chapter on regional stocktaking would neither be necessarily further exacerbated nor even escalate, but there would be little stimuli for constructive and cooperative solutions. South East Europe somehow would be kept imprisoned in its own political and economic stagnation, without having a promising perspective. As a consequence of absent EU investments, the lack of legal security for investors–due to missing reforms–and insufficient regional cooperation, economic growth in South East Europe would come to a standstill between 1 and 3 percent. This would be too little for successfully fighting the high unemployment, in particular among youth. As a result, frustrated voters would prefer populist messages from nationalistic parties that again would not do any good to regional consolidation.

Due to the EU’s weakness, the geopolitical splitting within South East Europe would proceed, by sharpening different spheres of influence that gravitate either towards Ankara, Brussels, Moscow or Washington. Since the political interests of these centres would in some cases differentiate largely, these geopolitical divisions would further harm regional cooperation in South East Europe. In a scenario of ‘risky stalemate’, nationalistic hidden agendas–for example, in the context of Bosnia-Herzegovina and Kosovo–would remain a potential risk. Additionally, there would be an alarming move of young Muslims to intolerant and extremist Salafi groups (Ilić, 2016). Thus, the security net through peace support operations of the EU and NATO would be maintained–however, without any clear perspective for an exit strategy. Since in such a scenario intra-state polarisation in some of the candidate

countries—for instance in Macedonia and Montenegro—would continue to exist in parallel to the enlargement fatigue within the EU member states, the accession of a new member in a medium-term perspective would seem very unlikely.

While in a 'risky stalemate scenario' there is still an opportunity for positive change in the EU itself, and also in South East Europe, the worst-case **scenario of 'existential crisis'** could partly destabilise the Western Balkans. In a situation in which the EU is about to implode as a political and economic association, the main priority of the 'rump EU' would be to consolidate itself—there would be no political energy left to deal pro-actively with South East Europe. Such a constellation would be the ideal scenario for some of the authoritarian and nationalist regional politicians, who could push radical rhetoric and policies without any international sanctions. In fact, their destructive policies would have become 'the mainstream' also in the disintegrating EU. In Bosnia and Herzegovina, separatist Serbian politicians would most likely introduce the formal separation of Republika Srpska, which could provoke incalculable reactions from the Bosniak side. This would replace their previous preference for a state concept, in which citizenship is emphasised, by a rigid Islamic identity. As a consequence, also within the Croat community, serious doubts could arise concerning the viability of Bosnia and Herzegovina as a multi-ethnic state and there could be aspirations to integrate the Croat majority parts of Bosnia and Herzegovina into the Republic of Croatia. The latter, as well as Serbia, would be—at least politically—heavily involved in Bosnia and Herzegovina's existential crisis with an uncertain outcome. The probability of a violent development in such a worst-case scenario would depend on whether there would still be international peace-keeping troops deployed in Bosnia and Herzegovina.

A similar escalating situation in a 'scenario of existential crisis' would develop in relations between Serbia and Kosovo. The bilateral dialogue, as a result of a lack of EU mediation, would be stopped. Previous agreements would lose any significance. The Serb community, north of the river Ibar, would again be totally separated from the rest of Kosovo. Attacks on Serbs in the Albanian majority territories would significantly increase. In case of a missing NATO peace-keeping presence, Serbia would threaten the Kosovo government with

military intervention. As collateral damage resulting from the deterioration of the situation in Bosnia-Herzegovina and Kosovo, the inter-ethnic tensions in southern Serbia, in the Preševo Valley as well as in Sandžak, would rise dangerously. Likewise, in Macedonia, the longstanding fragile inter-ethnic coexistence would be dramatically challenged by the fact that one of the rare common political interests of Albanians and Macedonians, namely the goal of becoming a member of the EU and NATO, would have no chance to be implemented. Finally, it could be assumed that also in Montenegro, as a result of the 'existential crisis scenario', political conflicts along different identity lines, in particular between the supporters of Montenegrin state sovereignty on the one hand, and the supporters of a state-reunion with Serbia on the other hand, would considerably increase. As a whole, South East Europe in the scenario of 'existential crisis' would pass through various dangerous political crises that could also include violent confrontations.

Conclusion

As this analysis tried to convey, the different pathways, which can be taken by the EU and its member states following the planned Brexit can influence in a positive or in a negative manner reform processes and regional consolidation policies in South East Europe. The analysed scenarios—'dynamic re-launch', 'risky stalemate' and 'existential crisis'—would, in very different ways, stimulate the political actors in South East Europe to identify common interests and to find compromises with long-lasting positive effects for the region's development.

In a scenario of 'dynamic re-launch' it would be most likely that progress could be achieved in the open intra-state, bilateral and regional issues through a re-strengthening of the EU's integration and conditionality policies. Compared with this, the scenario of 'risky stalemate' would exclude any substantial progress in improving regional relations and would include the risk of serious nationalistic setbacks. In the worst case scenario—labelled the EU's 'existential crisis'—South East Europe would enter a phase of dangerous instability, in which EU's peace-building model for the Western Balkans would erode.

As this analysis has established, the EU still plays an essential role in the Western Balkans in supporting democratization efforts and the normalization of regional relations that could otherwise slide into new dangerous conflicts. This fact should give a boost to those political forces inside the EU institutions and among EU member states which, regardless of the current crises, remain committed to the idea of European integration and cooperation. On the other hand, the political decision-makers in the Western Balkans have to increase their awareness that, particularly in times marked by great uncertainties on the global and European level, constructive and – in the best case – good neighbourly relations help to keep the waters calm.

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