BREAKING UP IS HARD TO DO – REVISITED: REFLECTIONS ON BREXIT AND THE 25TH ANNIVERSARY OF SLOEXIT

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In February 2016, Sir Paul Coleridge, a former High Court judge, made news headlines by saying that a ‘high proportion’ of divorced couples regretted their separation five years on. He counselled those contemplating a split to think twice and suggested that marriage breakdown was the ‘scourge of society’ and cost the taxpayer ‘billions.’

He cited research conducted by his law firm Seddons that only 20 per cent of divorcees were completely happy with their decision and, at the other end of the scale, 22 per cent wished they had not parted ways after five years (already lower than the 50 per cent in an earlier, similar, but larger US study that found 50 per cent wishing they had not gone their own ways after a few years). That 20 per cent and the judge’s own view that sometimes divorce was ‘inevitable’ and clearly the best path for the parties, of course, does not mean that dissociation should never be contemplated. But, following Sir Paul’s caution – and echoing the immortal words of Neil Sedaka and the Righteous Brothers – those thinking about it should reflect that ‘breaking up is hard to do.’ This was a reflection that the older one of the authors had already offered a quarter of a century ago regarding the looming and historic demise of another intergovernmental union of sovereign states, in which some of those states were heading for the exit: Yugoslavia and the case of Sloexit, which marked its 25th Anniversary, at almost the same moment the UK referendum on independence was held in June 2016.

The dissolution of Yugoslavia was the end of a union where, in constitutional theory, the ex-
exercise of sovereign rights had been transferred to the union and from which some members wished to return the exercise of those rights, with Slovenia leading the way. The fracturing of that union ran counter to the general global and, particularly, European trend at the time towards greater integration, most notably as diplomacy on Yugoslavia’s disunion famously overlapped with agreement to form the European Union at the Maastricht Summit of European Community leaders, in December 1992. Over a quarter of a century on, it is that European Union that faces the prospect of dismemberment, as the UK heads for the new world labelled ‘Brexit’. The British discussion about sovereignty and reclaiming the exercise of sovereign rights recalls the similar assertions of Slovenia in that earlier episode, whatever the substantive differences between the cases. In principle, it might be useful to use the prism of Slovenia’s experience after the Yugoslav break-up to reflect on the question of the UK’s leaving the European Union and how Sir Paul’s warnings about divorce might relate to that debate. Are there considerations emanating from Slovenia’s independence that might cast light on the prospects for ‘Brexit’? To be able to answer this, of course, we need to know what was the impact of independence on Slovenia? This is a question that surprisingly seems to have been little posed and even less addressed in the years since it happened. One purpose of the present article is to assess the impact of leaving Yugoslavia on Slovenia — a necessary basis for examining how Slovenia’s experience might inform that of the UK.

We begin by addressing the nature of our enquiry, setting out that which it does not purport to be — but, perhaps, might otherwise be assumed to be — from the approach we take, and considering the value of our enterprise and its limitations. We then continue by identifying elements in the conditions and context that generated independence, as well as the dynamics that accompanied assertions of sovereignty, which may provide some elements that align the Slovenian and British cases, and, offer comparable (but, by no means identical) features that allow fruitful extrapolation from one to the other - that is, the ‘why’ in this exercise. We then offer an assessment of the economic and social impact of independence on Slovenia. Finally, we conclude that separation is, indeed, hard and can bring considerable pain, as well as being subject to international strategic circumstances – but, that it is also survivable and can allow

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beneficial development.

The Approach
In the present article, we seek to assess the impact on Slovenia of leaving Yugoslavia, in the illustrative context of Brexit and how Slovenia’s experience might indicate (not predict) that which awaits the UK as it negotiates its way out of the EU – notwithstanding the significant differences between the two situations, which are notable and warrant cautions and caveats. Below, we point to similarities and differences between the situations of the UK and the EU and Slovenia and the SFRY. It would be a mistake (as an otherwise friendly anonymous reviewer of the article appeared to do) to see the analysis as a narrowly-drawn, tight comparison. Indeed, it is not a comparison. It is an allusive projection. There are features that ‘line up’ and make the situations comparable, which are, sufficient for our study. But, the study does not — and cannot — compare the cases, as one is in the past, and the other is emerging, aside from any other consideration. We offer an argument interpretively extrapolating from one situation in the past to one that is current, based on those key points of commonality, while recognising that the situations differ in many other respects, but these do not inhibit our analysis. This is a study that seeks to use those particular similarities as a departure point. In doing so, we try to be careful not to overstate any of the features, in either direction.

We are well aware of the major, even, profound, divergences between Slovenia under communism and the UK in the European Union. However, while even these would not preclude an exercise in comparison (one of the key achievements of comparative politics has been to conceptualise and identify features of polities to enable such comparison, ours, as stated, is not a comparative study and, more saliently, those points of divergence do not significantly impinge on our mission. There were big differences — which we discuss below. But, these do not impair the positive focus on key features that allow the kind of indicative analytical extrapolation we propose. The key issue is that the points of alignment allow us to use the prism of Slovenia’s experience to inform understanding of Brexit.

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This is not - and should not be considered to be - a piece of hard-edged political-economic analysis. It is more an historical essay, informed by politics and philosophy, inter alia. It does not purport to offer a scientific (or pseudo-scientific) projection. In that respect, there is no sense that we are offering a predictive model - and certainly not one based on crunched numbers in sophisticated quantitative modelling. Rather than being predictive, it is more indicative, based on an attempt to interpret carefully and sensibly from one situation to another. It offers a perspective, treating an event in the past with another event sharing some similar characteristics, and investigates that which might cast light from one to the other. As a piece of scholarly research, it is a ‘think piece’, closer to the work of historians and political philosophers than it is to that of hardened political, economic or social scientists. Our analysis is an illustration drawn from reason and interpretation of evidence, not, as already noted, from statistical (or similar) processing. While we would not claim the greatness, say, of Edmund Burke, we would highlight the allusion to his great political study in our title to indicate an approach founded in observations of political phenomena and rational intellectual consideration and judgement of them.

**Conditions, Contexts and Dynamics**

There are clear similarities in the conditions and contexts in which arguments about separation emerged. Most notably, these include the impact of economic crisis and demographic change, and also the dynamics of dispute, as assertions of sovereignty engendered counter-assertions of sovereignty. These are discussed in the present section. In terms of similarity, there are three key points of similarity between the European Union and the Socialist Federal Republic of Yugoslavia, which dissolved in 1991, begetting a protracted, large-scale armed conflict, as well as notable divergences. First, one of the more significant parallels with the EU is the confederal character of Yugoslavia. In both instances, in theoretical and

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8 James Gow has written extensively on the dissolution of Yugoslavia and its aftermath, as well as on a range of international security issues, including UK security, the EU and NATO. Parts of the present analysis draw on that extensive research, including *Triumph of the Lack of Will: International Diplomacy and the Yugoslav Crisis* London: Hurst and Co., 1997 and James Gow and Cathie Carmichael, *Slovenia and the Slovenes: a Small Country in the New Europe* London: Hurst, 2010.
formal terms, the exercise of sovereign rights had been transferred to the centre of a union of states, a centre to which a bureaucracy pertained.\textsuperscript{9} This leads to the second clear parallel, which is the legal-political quality of sovereignty (‘sovereignty’ is assumed, at this point, and discussed below). Under the 1974 Constitution, the federation was based on the sovereignty of the states (Article 3) (which quality set the latter apart from the autonomous provinces (Article 4)). Finally, politically, both forms of union embracing member states had a collective inter-governmental ‘governing’ body — the European Council, in the EU, and the Collective Presidency in federal Yugoslavia (the latter also including representation from the two autonomous provinces in Serbia). The collective Yugoslav Presidency was, in broad, but significant, terms, an analogue for the European Council in the context of the EU – indeed, in the celebrated BBC documentary series \textit{The Death of Yugoslavia}, for simplicity, this analogue was used as shorthand. This intergovernmental council made decisions on behalf of the union, reflecting the positions of the member states.\textsuperscript{10}

While the parallels should not be overdrawn, taken together, these elements reveal comparable contexts: a state asserting its sovereignty in the context of a confederal arrangement involving an inter-governmental council, in which, in constitutional theory (and as already noted), the exercise of some sovereign rights had been transferred to the whole; and, after claiming back the exercise of those rights and asserting them, the sovereign states in question became independent. In this frame, the substantive differences between Slovenia and the UK do not matter — neither their histories, nor the type of polity, nor formal and constitutional basis of sovereignty. It is the effects of a sovereign actor’s leaving and disentangling itself from a confederal, inter-governmental union that matters.

It is necessary, of course, none the less, to be aware of those and other important differences between Slovenia’s situation and Britain’s position, even though these do not impinge significantly on the indicative extrapolation in the present analysis. Four differences should be noted, in particular. First, the ‘socialist’ Yugoslav Federation was a set of one-party states

\textsuperscript{9} For further detail on these issues, see Gow, \textit{ Triumph of the Lack of Will}, pp.13-20 and 67-77, especially, p.76.

\textsuperscript{10} There was also a weak government in the Federation, the Federal Executive Council, which perhaps had some parallels with the European Commission – although this analogy should not be stretched too far given the communist party role.
(until the very final phases), not the liberal democracies of the EU.\(^{11}\) Slovenia was incubated as a state under communism and in the Yugoslav context, from the 1940s onwards, having had no previous history of statehood.\(^{12}\) In contrast, the UK, the ‘mother’ of democracies, had had centuries of evolving statehood, even before the formal creation of the ‘United Kingdom of Great Britain and Ireland’ (later ‘United Kingdom of Great Britain and Northern Ireland’) in 1801.\(^{13}\) However, neither the maturity of statehood, nor the characteristics of one-party rule versus liberal pluralism, make a significant difference regarding the exit from the supranational framework. Indeed, it might be observed that both exits were propelled by a populist groundswell of opinion, rejecting the encompassing framework and asserting sovereign rights and claims, which opinion was focused in the holding of referenda. Arguably, this made both cases a product of democratic will, which expression, for present analytical purpose, effectively wipes away the core differences in the character of the polities. The contrasting character of the polities, therefore, has limited bearing on the questions of separation, although the differences in referendum drivers and outcome might prompt a further question.

The second notable difference, therefore, concerns the drivers of the sovereignty referenda. In both Slovenia and the UK, the holding of a referendum was a common and vital factor in the move for independence. Both referenda were on the question of leaving the wider union. However, their drivers and results were quite distinct — although, in each, the outcome was a populist vote for separation. The Slovenian independence referendum occurred in the context of one-party rule adjusting to pluralism, and as a clearly defensive, self-protective assertion of sovereignty, intended to demonstrate Slovenian unity and to bolster it. By contrast, the UK referendum was almost an accident, with a narrow origin in divisive and divided Conservative Party politics, which situation was a partial reflection of cross-cutting and non-party divisions within the country.


In the Slovenian case, leader Milan Kučan, threatened by extra-Slovenian forces, used the referendum to generate unity and to protect his own position, defending himself and Slovenia. British Prime Minister David Cameron first said that a referendum would be held in the next parliament if his Party held a majority, but he did so in a context where no one expected that the Conservatives would win a majority. He did so as a measure to quieten the sharp divisions within his party about EU membership and to stave off the growing electoral pressure on his party from the UK Independence Party (UKIP), looking as though it could take support from the right-wing of the Conservatives. Intended as a gesture to quell dissent in the Conservative Party (that he believed would never actually happen, but would be won, if it did actually happen), Cameron was obliged to hold the referendum, when, to general surprise, he won the 2015 General Election. Whereas the Slovenian referendum was about showing unity, the British one was about tackling division. These differences had evident consequences in the referendum results: Slovenia’s showed resounding homogeneity and reinforced the case for separation; Britain’s, while having a clear majority, effectively confirmed the almost 50-50 divisions within the country on EU membership, leaving a contested, confused and weak foundation for those charged with taking separation forward. Yet, despite these strong differences in detail, it is evident that, in both cases, a referendum turbocharged the independence cause and that in both cases it reinforced and focused sovereignty as the core question in arguments (as discussed below).

Thirdly, while the EU was built democratically, bottom up and never had an authoritative unifying figure (which is not to say that particular individuals were not important intellectually, or politically, in its genesis), the Yugoslav Federation, while confederal and reflecting the will of its constituent states, had a top and centre in its formation and its binding, especially in the lifetime of President for Life Josip Broz Tito.

Finally, a major difference lies in the existence of a federal armed force – the Yugoslav Peoples’ Army (JNA), the more professional and better-equipped part of a two-tier defence system, with the other tier resting with the states.

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Clearly, the absence of anything like a European army purporting to represent the interests of the union and being prepared to use force, even in a hesitant and confused manner, let alone a stronger and more directed conspiratorial one, makes the pattern of centripetal and centrifugal forces quite different.

While these differences are well noted, collectively, their limitations are considerably outweighed by each of three strong points of comparability: economic strengths and benefits; demographics and migration; and, most of all, sovereignty. The first significant broad similarity between the British and Slovenian 'exits' lies in economic sphere and sharp contentions about reform. In the 1980s, there was a big economic divide between Slovenia and other parts of the South Slav union. The Slovenian economy was relatively autonomous, with most raw materials sourced in the country itself or internationally, with only 1.6 per cent stemming from other Yugoslav lands. It was by far the strongest and most modernised of the Yugoslav economies, historically and in the context of the Yugoslav federation, already producing 20 per cent of Yugoslav GDP in the first decade after 1945 (with well under 10 per cent of the total population). Liberalising and modernising policies in the 1960s and 1970s saw the Slovenian economy boom, establishing at the dominant element in the pan-Yugoslav economic context and the motor of extra-Yugoslav exports, contributing over one fifth of the total (with 8.8 per cent of the Yugoslav population). Indeed, only 21.2 per cent of sales went to the other five Yugoslav states, while Slovenia contributed over a fifth of the Yugoslav federation's exports. As the wealthiest and strongest economy, its national per capita income had risen to 200 per cent of the Yugoslav average by 1988, while it dropped to 24 per cent in Kosovo, the poorest of the Yugoslav territories. Slovenia was the only net contribu-

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19 Cviki, *Costs and Benefits*, p.2.
tor to Yugoslav ‘redistribution’ funds to encourage economic development and modernisation. These divergences became critical issues as macro-economic crisis descended in the 1980s and sharp political differences emerged. This severely impeded modernisation, restructuring, and market reforms that were necessary and was a dominant issue driving Slovenia’s independence.

By the late 1980s, much of the growth brought by ‘warm breezes from booming economies’ in Europe had ended and gone into reverse as the warm breezes of growth turned chill in face of world recession. Reform was required. The price of reform was extremely high and the reluctance, or political inability, of mainly southern Yugoslav governments to pay the price in terms of the critical challenge to their legitimacy and rule added to the depth of the crisis. The northern states in Yugoslavia, Slovenia (in particular) and Croatia began to view their southern confederates as economically sick and ailing. This perception led them to conclude that they would be better off divorced from those failing economies. For Slovenia, full independence ‘became the “emergency exit” condition for macro-economic stabilization, supply side restructuring, and systemic transition’. This made the potential benefits of independence seem considerably to outweigh the possible deficits.

Similarly, many advocating UK independence pointed to the benefit they believed the UK would gain by separating formally from basket-case ruined economies, which were structurally divergent and believed, in some way, to be holding the UK back. Just as in the Slovenia-Yugoslav case, there were many arguments about the way in which the EU was said to hinder the UK and the amount that the UK paid into the Union. While the UK could not be said to dominate the EU economically in the way Slovenia did in the Yugoslav context, it had

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20 Cviki, Costs and Benefits, pp.3-5.


23 This is a perspective that was expressed, mutatis mutandis, on an almost weekly basis by Michael Portillo, former MP and government minister, in his role as political commentator on This Week, a political review magazine broadcast each Thursday on BBC1 in the UK, when the UK parliament was sitting.
the second largest economy (at 16 per cent of EU GDP, after Germany’s 21 per cent\(^{24}\)) and made the second largest net contribution to the EU (also after Germany, and one of only 5 out of 28 EU Member States to make a net contribution), in 2015-16, on the eve of the Brexit referendum.\(^{25}\) UK exports were more extensively locked into the EU than Slovenia’s had been to Yugoslavia, at 48 per cent (meaning the costs of exit would likely be sharply more severe than the costs of separation were for Slovenia) — but, this still left a considerable wider export profile.\(^{26}\) Over a number of years, the UK — including strong supporters of the EU — had pushed for budgetary, regulatory and economic reform, while resisting the push from the centre and from several member states for ‘ever closer union.’\(^{27}\) The failure to gain enough in the way of reform, especially on internal movement of people, was a factor in the perceived failure in David Cameron’s efforts to have a deal ahead of holding the referendum on EU membership.\(^{28}\) While the situations were not strictly the same, there was a strong parallel in the field of economic tensions and failed attempts at reform, which underpinned debates about going a separate way.

Secondly, the issues of migration and demographic change – which occurred against the background of economic dislocation, anyway – present a major parallel. The economic collapse in Yugoslavia, mixed with other demographic trends, resulted in very high unemployment in the threadbare economies of the south. This major demographic pressure was compounded by the ‘internal’ migration the union made possible. Largely unskilled labour moved from the poorer and less developed states and territories to Slovenia in search of employment as economic growth boomed in the 1960s and 1970s, with the net effect that, the

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\(^{25}\) Steven Ayres and Philip Brien, *UK Funding from the EU*, House of Commons Briefing Paper, No.7847, January 2018, p.4 (Fig.1), citing the European Commission’s ‘EU Financial Report 2015 and 2016.’


\(^{28}\) *The Cameron Years*, Part 1.
proportion of ethnic Slovenes fell from 96 per cent in the 1950s to 88 per cent by 1991.\(^{29}\) While these ‘guest workers’, as they were seen, were needed, there were socio-economic and ethnic tensions, with resentment at inward migration. It did not matter that this migration benefitted the economy by filling vacancies and ensuring robustness and productivity. It became a major, though distorting, factor in the political equation, with Slovene attitudes captured in the quasi-racist comments offered across the balcony by an ethnic Slovene to his Bosnian Muslim (or Bosniak, as usage changed in the 1990s) neighbour in the highly successful film *Kajmak in Marmelada* (2003), by Branko Djurić — the title of the film represents cultures that do not mix, with Kajmak, a thick, creamy food somewhere between butter and cheese, represents the immigrant Bosnian culture, and jam represents the host Slovene culture. Although set in the post-independence era, the film reflects historic attitudes, which continue to see non-Slovenes face ‘widespread prejudice and hidden discrimination.’\(^{30}\)

In the context of the UK and the EU, the ‘inward’ migration of citizens from other member states was a factor statistically melded with the visual and physical challenge thrust on all EU member states by the mix of refugees from Syria and other war zones, and economic migrants from those same regions and Africa, entering Europe often illegally on a scale of demographic displacement only paralleled by the Second World War.\(^{31}\) Intra-EU migration was surely beneficial to the UK economy and, aside from small pockets of minor social distortion requiring bridge-building, such as around Wrexham in north Wales,\(^{32}\) completely absorbable. Yet, statistically, it appeared as evidence of the government’s inability to ‘control’ migration, which statistical inability was somewhat fallaciously, if not disingenuously, fused into the need for a response to the pressing migration crisis affecting every EU member state.


\(^{31}\) In 2015, 1,046,599 human beings – migrants and refugees – were recorded as entering the EU from Syria and other Middle Eastern and African sources. *International Organisation of Migration, ‘Migration Flows - Europe (Recent Trends)’* March 2016, available at [http://migration.iom.int/europe/](http://migration.iom.int/europe/) accessed 29 March 2016.

\(^{32}\) ‘Shifting Securities: Television News Cultures Before and After Iraq 2003’, Economic and Social Research Council’s New Security Challenges Programme, ESRC Award RES-223-25-0063, Marie Gillespie, James Gow and Andrew Hoskins, Interview 6, Strand C.
The blend of macro-economic decline, structural disarticulation and demographic pressures provided a common context for both the dissolution of Yugoslavia and debates about UK independence. Allied to nationalist and other political agendas, which drove political debate, in both cases, these conditions provided a context in which questions of divorce, separation and independence came to the fore. That there are parallel conditions does not mean a common fate is predestined. It does, though, serve as pause for thought in considering the prospect of a UK exit from the EU. An exaggerated – if perhaps, inevitable – preoccupation with the present and the perceived challenges of the moment might obscure sounder, long-term appreciation of interests and values. Certainly, it can have a distorting – though unknown and unpredictable, in detail – impact on the course of political interaction between countries, especially where their common future is in question. Such situations can gain an uncontrollable dynamic of their own – as we consider in the following section on the assertion of sovereignties.

**Sovereignty**

Finally, and most important, sovereignty was a central theme in both instances. The word was one of the most powerful and most used in each context. The concept connotes supreme authority — the right to make decisions and, crucially, the right not to be told what to do by others. It is a term that should not be confused with notions of power, or substantive statehood, or other practical and political qualities of statehood — although this all too often happens.

In the case of Brexit, the term dominated the referendum and pro-independence discourse.

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As one highly respected think-tank put it, sovereignty lay ‘at the heart’ of the matter.\(^{35}\) One of the key tropes in the Eurosceptic argument was the need to ‘return’ sovereignty from Brussels to Parliament in London (although, ironically, in the post-referendum period, those managing the exit process, such as David Davis, Secretary of State for Exiting the European Union, who were keen to avoid allowing parliament a say on the actual Brexit details themselves\(^{36}\)). It did not matter that that the use of ‘sovereignty’ showed little understanding, whether of the concept itself, or its theoretical position in the UK-EU relationship. That the theoretical — and also formal and legal — position was that the UK parliament ‘remained sovereign throughout the membership of the EU’, as the Government’s White Paper on Brexit stipulated (adding, to appease those of possibly lesser sophistication or promoters of UK ‘independence’) that it had, perhaps, not always ‘felt like that.’\(^{37}\)

The extent to which sovereignty was central both to Slovenia’s and its opponents arguments and to Slovenia’s eventual independence cannot be overstated. This must be emphasised. One peer review of this article commented that, ‘almost no one (in Slovenia, in Yugoslavia, or internationally) was thinking of the Slovenian republic as a “sovereign state”…’ That is utterly wrong, as that was the core theme. In the wake of the military trial of three journalists and a non-commissioned officer, behind closed doors, in Serbo-Croat, not Slovene — Slovenia leader Milan Kučan openly questioned the non-use of Slovene as an affront to sovereignty, asking how the country (and the language used was always that of the ‘country’ or the ‘state’ could be ‘sovereign’ if it official business, concerning Slovenian citizens who spoke Slovene could not be conducted in the appropriate language.\(^{38}\) This same point was revisited in October,\(^{39}\) and, again, in November, with a major rally in the heart of Ljubljana on the is-

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sue of sovereignty.\textsuperscript{40} As momentum developed over the next year, sovereignty was at the core of debates, which focused on the principles and agreements on which the Yugoslav federation had been born with the AVNOJ (the Antifascist Council of National Liberation of Yugoslavia) in 1943,\textsuperscript{41} and which resulted in amendments to the Slovenian constitution in 1989 that clarified and reinforced Slovenia’s sovereign status, and its voluntary membership of the Yugoslav federation on that basis, as well as the right to self-determination including secession that emanated from that sovereignty; other amendments delineated economic sovereignty — the sole right to make decisions governing policy in this area in the country — and that, effectively, Federal bodies operating in Slovenia should use Slovene as their lingua opeandi, as well as two key provisions: that the declaration of a state of emergency on Slovenian soil, or the deployment of armed forces, was the sovereign preserve of the Slovenian authorities and could only lawfully be decided by them; and removal of the leading role of the communist party — the end of one party rule, recognising and opening the way to pluralist politics.\textsuperscript{42} The withdrawal of the Yugoslav People’s Army from Slovenia on the 25\textsuperscript{th} of October 1991 is commemorated annually with a public holiday called ‘Sovereignty Day’. Finally, and partly reinforcing the broad parallel with the EU (the less integrated EC, as it then was), Slovenia and Croatia jointly proposed a new Yugoslav ‘confederation’ that would be clearly based on the sovereignty of the states (and, lest there be doubt, the language used was always that of the state, recognising the very nature of the political arrangements built from AVNOJ), and re-model the Yugoslav union and its institutions using the terms and organisation of the EC.\textsuperscript{43}

Slovenia was not alone in asserting sovereignty. Against the background of compound crisis, the Yugoslav member states increasingly asserted their sovereignty. Indeed, it was Serbia that acted first to press its authority and openly question constraints on its sovereignty and start to

\textsuperscript{40} Teleks, 24 November 1988.

\textsuperscript{41} Janko Pleterski, ‘Kaj je Avnojska Jugoslavija?’, Naša Obramba, October 1989.

\textsuperscript{42} Mladina, 12 September 1989.

assert it. In 1986, the Serbian Academy of Arts and Sciences produced a ‘Memorandum’ that questioned the constitutional arrangements of the SFRY. It suggested that Serbia and the Serbs were the victims of existing political arrangements and that Serbia had suffered discrimination within the union, especially in relation to the more prosperous republics of Croatia and Slovenia and by being the only state to have autonomous provinces (Vojvodina in the north and Kosovo, with a predominantly ethnic-Albanian population, in the south) compromising its sovereignty. Although the Memorandum was not officially published at the time, it began to create unease among non-Serbs and in republics other than Serbia. By March 1989, the dynamic — fuelled by Serbian protests regarding Kosovo — was such that Belgrade asserted its sovereignty in constitutional amendments that stripped the autonomous provinces of any meaningful autonomy, all the more so, as Kosovo was placed under martial law.

Other members of the federation reacted to the Serbian assertion of sovereignty, beginning a cycle of assertion and counter-assertion. Political leaders in the other states bolstered commitment to their own republics’ sovereignty and territorial integrity. Each member state sought to secure its own destiny, pursuing its own agendas. These were defensive reactions to rising Serbian militancy, for the most part. The assertion of sovereignty engendered antagonistic counter-assertion. There was undoubtedly some sense of self-protection, in each instance. In the critical Yugoslav context, the confederal promoters, seeking less centralisation and weaker integration of the union, saw the federation as Serbian-dominated and centralising; federalists saw greater integration and tighter central control as necessary to preservation of the union. Confederation was a code for dismembering Yugoslavia, in the view of the federalists. While the ‘confederates’ saw it as the means to retain a common framework. In the end, these were mutually exclusive positions and the acutely differing perspectives also revealed, ultimately, the absence of commitment to, and faith in, the joint project — and, of course, dissolution of the federation.

44 Neither the draft memorandum, nor its final version in 1987 were published officially at the time; the 1986 draft was widely circulated and eventually published unofficially, however, in Croatia by Naše Tema, Vol.33, Vols.1-2, 1989. The ‘Memorandum’ was a catalyst both to the rise to power of Serbian leader Slobodan Milošević and to the break-up of the Yugoslav federation.

While the EU context was not so sharply polarised, it was clear that the UK was one of several countries arguing against ‘ever deeper union’ and also for reform of the Union itself. Designs to bond the Union ever more tightly met with reluctance and opposition from those who lacked faith in the EU. The push to greater union provoked the pushback of cares about sovereignty.

In both the Slovenia and British, states pursuing what they perceive to be their interests asserted sovereignty within and against a union of which they formed a part. That assertion of sovereignty, however, produced counter-assertions. The mutual spiral of assertion and counter-assertion very quickly took on a dynamic of its own, largely because, as action begat reaction, emotions grew and those being ‘left’ felt the pain and hurt of rejection.

A dynamic was created in which the states involved might not necessarily be able fully to appreciate, or control, their own positions, as others’ perceptions of them and their own perceptions of others became caught up in an escalatory vortex. In these processes, that which was intended initially may become lost, as event leads to event and statement to statement, until unintended and possibly unwelcome outcomes emerge, as the actors are locked in argument. The argument takes on its own logic, with unknown outcomes to the argument and indiscernible effects beyond it. We attempt to assess these issues of impact and effect in the following, final, section of the article.

Sloexit: Impact and Effect

Inevitably in the Yugoslav context, the armed conflict that accompanied the break-up was the biggest impact on all the countries. However, Slovenia stood apart from the others. Despite experiencing a short period of armed conflict – the so-called Ten Day War – the country was quickly clear of the direct effects of warfare. Its independence, therefore, was not very compromised by armed conflict and so the economic and social impact of independence can be reasonably gauged, which is what we do in the present section.
Slovenia experienced severe economic contraction and depression, linked to the break with the Yugoslav federation and its impact on the economy. Indeed, Slovenia’s experience of economic decentralisation and market features in the 1980s meant that, as one well-placed analyst concluded, ‘the necessity of rapid restructuring was produced more by the secession and ensuing collapse of Yugoslavia than by the transition itself.’ The events of 1991 forced production down by 9.3 per cent, and in 1992 there was a further fall of 6 per cent. Along with this, as noted above, there was large growth in unemployment, adding to public spending.

The most obvious impact of the Yugoslav dissolution was in trade. Slovenia had not been dependent on ‘cheap’ raw materials from other Yugoslav republics—contrary to most assumptions. However, a significant part of its manufacturing output had been sold into the Yugoslav market, particularly to Croatia. Nonetheless, from 1993, overall recovery began and Germany and Italy accounted for the largest individual shares of trade, by 1997. By that year, trade had been re-oriented, with a significant increase regarding member states of the EU. This had already accounted for two-fifths of exports at the end of the Yugoslav period, but had risen to nearly two-thirds. There was also strong trading with the states of CEFTA, the Central European Free Trade Association. Slovenia had restored itself as a successful exporter, after several years and albeit some way short of former levels.

Despite the strong recovery, there was a long-term significant impact on certain businesses, which were closely tied to coordinated production and sale in the Yugoslav federation. For

46 Mencinger, ‘Costs and Benefits’, p.211.
49 Exports to Germany were valued at $2.554 billion, those to Italy at $1.103 billion and those to Croatia at $859 million; Economist Intelligence Unit, Slovenia: Country Profile 1997-98, London: Economist Intelligence Unit, 1997, p. 42
example, the TAM engineering factory in Slovenia was integrated into production in the common Yugoslav market – activity, which was halted because of independence and the outbreak of armed conflict. The company went into liquidation and was reconstituted with only 2,000 of its previous 8,800-strong workforce and a narrow focus on the production of buses.\footnote{Allcock, ‘The Economy’ in Gareth Wyn Jones (ed.), *Eastern Europe and the CIS, 1997*, London: Europa, 1996, p. 731} In 1996, TAM collapsed when that activity could not be sustained in face of global competition.\footnote{Slovenija. Geografska, zgodovinska, pravna, politična, ekonomska in kulturna podoba Slovenije, Ljubljana: Založba mladinska knjiga, 1998, p.242} Thus, independence caused economic casualties in specific areas.

The break with Yugoslavia affected Slovenia’s relations with international financial institutions. Aside from the need to establish links between the newly independent country and these bodies, and Slovenia’s unresolved debt, the country was adversely shaped by perceptions of uncertainty and instability, including the sense that the government lacked the confidence of its own population.\footnote{Allcock, ‘Economy’, p.731.} Securing investment was problematic, as potential business partners did not want to take risks. This impact was clearly shown in the tourist industry, a major source of external income prior to independence. Foreign tourism was almost wiped out for a period, dropping from 1,095,000 (50 per cent of the country’s own population size, approximately) to 299,000, in 1991, and almost no activity in 1992. In part, this could be explained by the armed conflict in Croatia and in Bosnia, as a significant part of Slovenian tourism involved Germans and Austrians in transit to the Dalmatian coast in Croatia – and with war there, they were not travelling – an observation supported by post-1996 (and so post-armed conflict) earnings of $1.22 billion, which, although some way short of pre-independence levels, confirmed good prospects for recovery.\footnote{Slovenija, p. 281} But, there had been a significant cost to leaving the Yugoslav union and securing independence.

There were, then, three main – and negative – impacts on Slovenia economically, as it became independent, The first of these was a sharp economic decline, with an almost ten per
cent drop in productivity in the first year, compounded by further drops, or nil growth in subsequent years, before the economy began to pick up almost a decade later. The second major impact was a significant decline in trade and industry, with businesses enmeshed in the union finding their integrated activity curtailed, or badly affected, leading to restructuring, losses and closures – as well as prompting the ineluctable concomitant of lost trade, rising unemployment, in what had been a prosperous full-employment economy. The final economic effect was the perceived uncertainty and insecurity that accompanied Slovenia’s independence, making international loans and credit difficult to secure, despite an economy that had underlying strength, and inhibiting foreign direct investment.

The effects of independence on Slovenia, economically the strongest of the Yugoslav states and the first to push for independence, were not, however, wholly negative. They were mixed. There was a significant economic contraction, collapse in trade and a lack of external investment, which was the result of perceived instability and uncertainty. However, against this, the economy picked up, a decade on – albeit, spurred by the prospective security of joining another union, the larger European one. Without doubt, Slovenia’s economic restructuring, which was largely successful, occurred far more rapidly that would have been possible had it remained joined to the other Yugoslav states.

Of course, it has to be noted that Slovenia survived independence and, until the 2007-2008 global financial crisis, prospered. Over time, growth returned and uncertainty gave way to perceptions of a safe and stable – if small – economy. However, a major factor in both stabilisation and growth was the prospect that Slovenia would join the EU at some point, as it did, in 2004. On the positive side, Slovenia had sought independence to ensure its own economic reform and programme, and, notwithstanding the post-2007 global downturn (and also government decisions that may have undermined the economy since55), the balance sheet overall suggested more of a positive, than negative, outcome, ultimately. However, there were significant costs along the way. Transition was made more difficult by the need to negotiate the

difficulties caused by the break-up of Yugoslavia.

**Comparative Reflection on Sloexit and Brexit**

What can be taken from the Yugoslav break-up – and Slovenia’s experience of independence, in particular – for the UK-EU question? As noted initially, there are key differences that set the cases apart, but there are some parallels, as discussed in the previous two sections, that mean that something can be gauged from assessing the impact of independence on Slovenia – again, noting that the other Yugoslav states and the effects of war they suffered, offer no reasonable basis for comparison – except, from the warning that once unraveling is begun, where it will end cannot be known for sure, and that this uncertainty also carries with it the risk of armed conflict. However, setting that aside, a focus on Slovenia can yield instructive counsel.

Reflection on Sloexit can inform consideration of the ‘Brexit’ question, notwithstanding the inevitable dissimilarities between the cases. The history of states seeking – and gaining – independence from a union of sovereign states, where sovereign rights in some areas had been transferred to that union and where decision making was inter-governmental provides a patent point of reference for considering the UK-EU independence issue – even though there are limiting factors, as we note in the discussion above. As a point of departure for reflection on the prospect of Britain’ leaving the EU, it offers comparative insight in terms of the conditions and context affecting it, the dynamics of sovereignty assertion and the impact and effects of independence gained.

In terms of the first of these, compound crisis critically challenging the legitimacy of the union provides the conditions that make discussion of independence serious.\(^{56}\) The economic crisis that hit the EU after 2007, augmenting structural differences between the economies of the southern member states and those of the north parallel the same patterns among the Yugoslav states, which experienced economic collapse, largely as a result of external factors, in 1980s. The combination of economic collapse, structural disjuncture and pressures of demo-

graphic change and migration in the two inter-governmental frameworks and the different periods mirror each other. They give very similar contexts both to the dissolution of Yugoslavia and to discussion surrounding Britain’s leaving the EU. Parallel conditions do not, however, preordain the outcome of the latter. They do urge consideration of wider and complex questions about interests and values than can be lost with a focus on more immediate, but passing matters, such as migration. The short-term focus on particular pressures can distort discussion and lead to possibly uncontrollable dynamics in the relations between states.

The Slovenian example demonstrates strongly the way in which actions prompt reactions and lock parties into a particular trajectory. The evidence of the Yugoslav break-up, setting aside the detail, tussles over greater union and retention of sovereignty, or assertions of sovereignty that reap counter-assertions of sovereignty is that one actors’ seeking independence can cause responses and generate circumstances that are uncertain and can lead into unforeseeable waters, more likely than not, with adverse effect. In such situations, the logic of argument takes over and binds those arguing into a course of events they cease to control. This means that outcomes will be unknown and the effects on the actors themselves will be unpredictable.

In the final analysis, reflecting on the parallels between the Yugoslav dissolution and the UK independence question, it is possible to observe that Slovenia’s independence was survivable, but that it came at a price – a fairly significant cost in terms of its own economy and, perhaps, the armed conflict to which the logic of independence led its erstwhile partners. As shown above, there were three major negative impacts caused by Sloexit: sharp economic decline; a significant decline in trade and industry, particularly affecting businesses significantly active in the union, leading to restructuring, losses and closures; and, last, perceived uncertainty and insecurity, making international loans and credit difficult to secure, and inhibiting foreign direct investment. These were effects that, mutatis mutandis, might well be expected to hit the UK, in one way, or another.

States – even the largest and most powerful – need stable security environments and openness in the twenty-first century – as the 2015 UK Strategic Defence and Security Review and National Security Strategy (SDSR) exemplified. And, as a final coda, echoing off the radar of
the warning of resurgent Russia in the SDSR, it is notable that Moscow was the only major actor not to be pushing the UK to remain in the EU. The break-up of Yugoslavia was only possible because the Cold War had ended and the threat from Moscow that previously disciplined the Yugoslav states to maintain their union had gone. It is quite possible that if the threat from Russia were clearly grasped, the EU and its member states would be similarly disciplined to keep partnerships and display coherence. In its own worldview, no doubt, Moscow will benefit far more from European disunion and UK independence that even the most ardent proponents of ‘Brexit’ believe the UK could, which is why Russia softly supported that campaign.\footnote{This included covert measures, as detailed in the US Senate Foreign Relations Committee Report on Putin’s Asymmetric Assault on Democracy in Russia and Europe. Washington DC: Committee on Foreign Relations, 2018.}

**Conclusion**

Slovenia was relatively lucky in exiting Yugoslavia. There was certainly a price to be paid, as the negative effects on the economy proved. Yet, for Slovenia, independence was survivable and also allowed economic restructuring to enable a more modern economy. Slovenia’s luck was not, of course, matched by the other Yugoslav states, who, one way or another, suffered from armed hostilities for a decade after dissolution. Indeed, while many in Slovenia are probably comfortable with the country’s progress and accession to the EU (though by no means all, with large segments of the population exhibiting versions of Euroscepticism), they must also be haunted by the ghosts of the armed conflict that came, in some sense, as a consequence of their country’s quest to exercise the full set of sovereign rights to be masters of their fate. No one (or almost no one) could foresee the kind of armed conflict that would follow and accompany the break-up of Yugoslavia. At the time, many did not believe that a break-up would, or could (let alone, should) occur – and almost everyone believed that, whatever happened in terms of sovereignty debates, another war would be impossible, given the memories still present of the awful suffering of the Second World War in these lands. Both occurred. It is even more unlikely – unthinkable – that a fracturing of the EU would lead to armed hostilities among the member states. Yet, a warning from the Yugoslav experi-
ence might be to consider the way in which the dynamic of batting claims to sovereignty back and forth can create a Frankenstein’s Monster with a life of its own.

This is, of course, not at all dissimilar to the phenomenon of married couples, or other forms of partnership, as Sir Paul Coleridge indicated, in which one party, for whatever reason, decides that it is time to part ways, and the other – however much this other might recognise rationally that the split makes some sense – reacts emotionally to being left and abandoned. It is a caution, in the context of discussion about the UK’s leaving the EU, to keep in mind that, whatever rational evidence or the belief that rationally, whatever the evidence, things will remain the same, the evidence of separations is that they are hard and that being rejected by being ‘left’ almost inevitably creates resentments, even where there is good will. That means that, even where it might be possible hypothetically rationally to say a situation would be exactly the same irrespective of whether a state were inside or outside a union, the messy reality is that emotions and prejudices – including the hurt of being left – will get in the way. And, as the research with formerly married couples with which we began shows, they may wish they had remained in union five years on – and Slovenia’s experience was to join another union as soon as it could, which is the almost inevitable fate of all states that are open, trading, financially interdependent (and socially transnational) who seek economic prosperity and the stability such prosperity requires in the twenty-first century.