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REFORMING THE POLITICS AND INSTITUTIONS OF THE EU FOR AN ENLARGED UNION

## EU Enlargement: A Strategic Imperative for Survival

Activating its enlargement process is not optional for the European Union. In this post, Professor **Veronica Anghel** argues that enlargement, particularly to wartime Ukraine, is a matter of institutional survival, a major push to enact reforms the EU needs, and a strategy for the EU to respond to the growing competitiveness gap between the organisation and global economic powers.

Thy would the EU, of all things, choose to respond to a crisis by internalizing the security problems of third countries? The EU has important economic, political and structural challenges to deal with already. It also encompasses various members with diverse goals, as well as a wide range of non-state actors, such as firms and third country nationals, who benefit in different ways from participating in the EU's Single Market. So why would the European Union consider enlargement to even more diverse states that are either under direct Russian military threat such as Ukraine, Moldova and Georgia, or vulnerable to internal political violence such as Bosnia and Herzegovina?

The scale of the challenge might be different this time, but the EU has done it before. The answer is not immediately obvious, particularly when the EU's security is already vulnerable and highly dependent on U.S. and NATO security guarantees. And yet enlargement is the main response that the EU embraced since Russia's full-scale invasion of Ukraine. The reason for this move lies in what effects an enlargement is expected to produce. The scale of the challenge might be different this time, but the EU has done it before.

Enlargement is the EU's strategic gamble for managing risk. By admitting new members, the Union seeks to exert greater control over unpredictable players and mitigate free riding, both from internal and from external actors. This is a classic response to how organizations deal with collective action problems, and a strategy that is embedded in the EU's evolution. Enlargement not only broadens the EU's reach and governance but also offers an opportunity to strengthen its monitoring and control mechanisms, and to tighten the reins on member states and non-state actors that prioritize self-interest. Moreover, as new states enter the EU's inner circle of decision-makers, they will have a vested interest in the Union's collective achievements and the survival of that project, instead of only being beneficiaries of the Single Market. In that sense, paying for Ukraine's war effort or post-war reconstruction is not enough if the EU wants control over its own resources and interests.

Enlargement also serves as a mechanism for the EU to internalize negative externalities, thereby reducing the burdens it places on outsiders. The security dimension, fraught with vulnerabilities, exemplifies this approach. Europe developed its economy on cheap Russian energy sources but externalized indirect costs such as decreased security to Russia's neighbours, such as Ukraine. Now, these costs must be absorbed collectively by the EU. Similar dynamics play out in areas like human rights and climate policy, where successful collective action is paramount.

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## Institutional stagnation is the path to disintegration

The European Union is an entity that defies simple categorization. It transcends the traditional notion of a club as economists understand it; it operates more like a selective membership organization tasked with managing what are known as 'common resource pools' or 'commons.' The EU's objective is not merely to safeguard the resources it generates but to maintain and enhance the sustainability of these resources, ensuring they remain accessible and beneficial to a broad spectrum of people, firms, and organizations—including those beyond its current membership. In that sense, all processes of advanced cooperation which allow non-member states to only participate in some of the dimensions that make up the EU are delicate and must be well thought-out. Yet cooperation with outsiders also entails costs that not all countries can afford. While differentiated integration is a costly but acceptable arrangement for countries like the UK, Switzerland or Norway, the same collaborative approach would cost countries for whom EU membership is an existential project, such as Ukraine or Moldova, their sovereignty.

... EU membership is a strategic means of managing risks and redistributing responsibilities.

The EU operates on a flexible framework of rules and norms. Those rules and norms steer the Union through various trajectories over time, yet its course remains largely predictable. The decision to enlarge is crucial for the EU's resilience and progress towards deeper integration. Far from a mere benevolence, EU membership is a strategic means of managing risks and redistributing responsibilities. Expansion addresses issues like free riding, such as benefitting from EU funds, refugee support or cross-border financial services without paying the cost of maintaining the Single Market. Expansion also mitigates the impact of destabilizing forces, while simultaneously granting stakeholders greater stewardship in the European project.

Most lessons for the EU's current policy making in the context of Russia's war against Ukraine come from how the organization dealt with enlargement to post-communist Central and Eastern Europe. The European Union's enlargement to Central and Eastern Europe was a complex journey, far from the straightforward path envisioned following the fall of the Berlin Wall. Initiated at Copenhagen in 1993, the process was designed to unfold gradually, embedding robust safeguards to ensure candidate countries were thoroughly prepared before accession. This cautious approach continued with the criteria refined in Luxembourg in 1997, focusing on economic qualifications, and was later expanded in Helsinki in 1999 to accelerate and broaden the inclusion. Despite these meticulously crafted agreements, each fell short of fully achieving their objectives. Even the accession announced in Copenhagen in 2002 proved incomplete: Bulgaria and Romania were allowed to join subject to exceptional temporary safeguards.

Eastern enlargement suggested a necessary institutional recalibration of how new members influence internal integration, which the EU formally resisted. Yet the enlargement process itself inevitably propelled the EU forward towards more integration. This progression was not merely about fulfilling a predetermined plan but rather adapting responsively to emerging challenges and external pressures. The integration of democratically challenged countries such as Hungary has since consistently pressured the EU to tighten its oversight mechanisms and be creative in identifying formal ways to curb the individual country's access to the EU's common goods without following the rules that protect the generation of those goods.

## The EU's Geopolitical Imperative: Adapt or Fail

The renewed push for <u>EU enlargement is deeply entwined with geopolitical</u> <u>considerations</u>. A strategic enlargement would not only enhance the EU's global stature

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and its competitiveness but also fortify its relevance. Particularly at a time when Europe faces pivotal challenges in the context of a disintegrating world order, the push for enlargement is a tactical move.

Historically, the accession of Turkey and the Western Balkan countries was not seen as vital for safeguarding the EU's core pillars: the Single Market, currency, and financial space. Today, the landscape has shifted dramatically. Russia's assault on Ukraine, coupled with its military threats to Moldova and Georgia and its destabilizing actions in the Western Balkans, now poses a direct threat to the integrity of the European project. The danger extends beyond military aggression. Nations within the EU that are geographically close to Russia and Ukraine, like the Baltic countries, worry that Russian advances could disrupt European supply chains and energy and agricultural markets, drive population displacement, fuel inflation, and trigger financial instability. These concerns are amplified by fears that other powers, such as China, might exploit European vulnerabilities to deepen divisions within the EU.

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Geopolitical demands on the EU are amplified by the diminished attention that the U.S. is paying to the transatlantic partnership. Russia's escalated aggression against Ukraine momentarily reinvigorated transatlantic cooperation, casting a stark light on the persistent perils in global politics and the critical role of the transatlantic alliance. Yet, this resurgence of transatlantic unity is tainted by entrenched divisions, not just between the United States and Europe, but also within them, complicating the crafting of unified policies on Russia, the promotion of democracy, and the alignment of economic agendas. Despite the potential and goodwill to fortify these connections, historical patterns and domestic political challenges are likely to obstruct such efforts. Worldwide trends towards more transactional relationships and the rising ambitions of non-Western nations for an alternative global framework may further diminish the cohesion and leadership of the West.

Ultimately, enlargement secures greater influence for the EU in world affairs. In the end, it is hardly surprising that at a moment of existential crisis on the European continent, enlarging the EU is perceived as an imperative to avoid disintegration and irrelevance.



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Fit for 35 Forum aims at contributing to the discussion on enlargement and reform of the EU. The Forum is set up by SIEPS, initiated and managed by Göran von Sydow (Director) and Valentin Kreilinger (Senior Researcher in Political Science) and edited by Patricia Wadensjö (Editor).

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