

Marek Dabrowski

The European Union's Geopolitical Ambitions: Enlargement, Neighbourhood and Necessary Institutional Changes

Five years ago, European Commission's President-elect Ursula von der Leyen declared in her address to the European Parliament the ambitious goal to have a geopolitical Commission and geopolitical European Union.¹ Despite repeating this declaration several times, it remained far from fulfilled. However, its importance is even greater today given the ongoing war in Ukraine, the war between Israel and Hamas and Hezbollah, the assertive policies of non-democratic regimes, the undermined multilateral political, security and economic order, and isolationist and protectionist tendencies of the incoming second Trump Administration in the United States.

Increasing the EU's geopolitical role requires well-designed and coordinated actions in several important policy areas, including the Common Foreign and Security Policy (CFSP), building European defence capacities, trade, environment, preventing and mitigating climate changes, enlargement, and neighbourhood. In this short analysis, we concentrate on enlargement and neighbourhood policies, and EU institutional changes enabling progress in those and other areas important for the EU's global role.

Enlargement

Since 2013, when Croatia joined the EU, the enlargement process has been practically frozen. Two other Western Balkan countries – Montenegro and Serbia – started accession negotiations, in 2012 and 2013 respectively, but they moved slowly. Negotiations with Turkey opened in 2005 and moved even slower; they were effectively suspended in 2016 due to democratic backsliding in this country.

Enlargement became less of a priority for EU member states and EU governing bodies, who were preoccupied

with other problems and emergencies: the financial crisis in the euro area periphery in 2010-2015, the refugee crisis of 2015-2016, Brexit, challenges related to the first Trump's presidency in the US and the COVID-19 pandemic. Enlargement was a secondary task for the Juncker Commission (2014-2019) and the first half of Ursula von der Leyen's first term (2019-2021). This was reflected, among other things, in the Commission's administrative structure, which included enlargement policy in neighbourhood relations by creating a single Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR) in January 2015.

EU member states lost their political appetite for further EU enlargement in the 2010s and early 2020s (Grabbe, 2024). Worse, some member states abused the unanimity requirement in the enlargement decision-making process to meet their national interests or other domestic political goals.

North Macedonia has been the biggest victim of such practices. Despite obtaining the EU candidate status already in December 2005, it has not been able to start effective accession negotiations yet due to objections from its two EU neighbours. First, Greece demanded a change in the country's name. When this humiliating condition was met in 2018-2019, Bulgaria stepped in, demanding a new set of constitutional changes referring to the supposed Bulgarian roots of the Macedonian nation and language, and recognising the Bulgarian minority in North Macedonia (Brunnbauer, 2022; Dimeska, 2023). Such nationalistically driven conditionalities have nothing to do with meeting the so-called Copenhagen criteria of 1993,² which define candidates' readiness to join the EU.

However, the candidate countries could also be blamed for the lack of progress or, even worse, backtracking in the process of building democratic and legal institutions. This was reflected in a number of ways, including the deteriorating democracy scores in the annual Freedom House surveys Freedom in the World and Nations in Transit (Smeltzer & Karppi, 2024).

One could argue that the slow accession process and uncertain membership perspectives (due to obstacles

¹ See https://ec.europa.eu/commission/presscorner/detail/en/speech_19_6408

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Open Access funding provided by ZBW – Leibniz Information Centre for Economics.

Marek Dabrowski, Bruegel, Brussels, Belgium; and CASE – Center for Social and Economic Research, Warsaw, Poland.

² <https://eur-lex.europa.eu/EN/legal-content/glossary/accession-criteria-copenhagen-criteria.html>

created by the incumbent EU members) were responsible for weakening enlargement-related incentives for the candidates to implement institutional reforms, which are often technically and politically difficult. They also created a fertile ground for nationalistic and autocratic populism. Meanwhile, a drastic democratic reversal observed in two member states that joined the EU in 2004 (Hungary and Poland) played into the hands of enlargement sceptics, strengthening arguments for even stricter conditionality related to democratic institutions, the rule of law, fundamental freedoms, minority protection, etc., i.e. the Cluster 1 of the Revised Enlargement Methodology (REM) (European Commission, 2020).

The Russian aggression against Ukraine, which started in February 2022, radically changed the perception of the geopolitical and security situation in Europe, including the prospect of the enlargement process. It became evident that the EU could no longer accept the “grey” zones of the geopolitical vacuum and instability in its closest neighbourhood, which could be used by other powers such as Russia or China to advance their expansionist interests.

In the first instance, it affected the EU’s perception of Eastern Partnership (EaP) countries, which had never been considered potential EU candidates. In June 2022, the European Council (2022) granted EU candidate status to Moldova and Ukraine. In December 2023, Georgia became a candidate and Moldova and Ukraine were invited to start accession negotiations (European Council, 2023). The relative speed with which three EaP countries obtained candidate status and two of them were allowed to start membership negotiations served as a wake-up call for the Western Balkan candidates, who were afraid of being left behind in the process of joining the EU (Steinbach, 2024).

The EU also took active steps in speeding up Western Balkan accession. Bosnia and Herzegovina became an EU candidate in December 2022 and was invited to start accession negotiations in March 2024. On 8 November 2023, the European Commission announced a Growth Plan for the Western Balkans for 2024-2027 worth €6 billion (€2 billion in grants and €4 billion in concessional loans).³ Apart from providing additional financial assistance to the region, the EU aims to accelerate its economic convergence, establish incentives to speed up governance and economic reforms, normalise Serbia-Kosovo relations, accelerate the integration of candidates into the Single European Market (beyond the Stabilisation and Association Agreement provisions) and boost intra-regional

integration through the Common Regional Market. It includes, among other things, the possibility of joining the Single Euro Payments Area (SEPA), an important initiative for countries dependent on a large-scale remittance inflow, especially when two of them (Kosovo and Montenegro) already use the euro as domestic currency.

On 1 February 2024, the European Council (2024) approved the Ukraine Facility, which includes €5.27 billion in grants and €33 billion in loans. Apart from supporting the EU accession process of Ukraine, this initiative aims to increase the country’s resilience in its war with Russia and help with reconstruction.

On 10 October 2024, the European Commission adopted the Growth Plan for Moldova worth €1.8 billion⁴ with a similar agenda to that for Western Balkans.

While the number of countries with a formal EU candidate status increased from five at the end of 2021 to nine at the end of 2023, and eight of them have entered accession negotiations (all but Georgia), the actual pace of negotiations continues to be slow (as of November 2024).

The most advanced candidate in the negotiation process, Montenegro, has all 33 screened chapters opened, of which only three (science and research, education and culture, and external relations) have been provisionally closed. However, the new government of Montenegro, which came to power in 2023, managed to overcome the earlier negotiation deadlock, moving ahead with reforms in the crucial area of democratic institutions and the rule of law. As a result, the 16th Intergovernmental Conference (IGC) on 26 June 2024 confirmed meeting the interim benchmarks set for Chapters 23 (judiciary and fundamental rights) and 24 (justice, freedom and security).⁵

Since December 2021, Serbia has had 22 negotiation chapters opened and only two (science and research, education and culture) have been provisionally closed.⁶ There are three obstacles to the acceleration of Serbia’s accession process: domestic democratic backsliding, lack of progress in the normalisation of Serbia-Kosovo relations and limited alignment with the EU CFSP, especially concerning Russia (Mihajlovic, 2024).

Other candidates are still in the very beginning stages of negotiations. After completing the screening process (the initial phase of accession negotiation), Albania opened

3 https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/new-growth-plan-western-balkans_en

4 https://ec.europa.eu/commission/presscorner/detail/en/ip_24_5124

5 https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/montenegro_en

6 https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/serbia_en

negotiations on Cluster 1 of the REM (Fundamentals) during the second IGC on 15 October 2024. Although North Macedonia ended screening all six negotiation clusters in December 2023, there has not been any follow-up due to its dispute with Bulgaria. Moldova and Ukraine are in the screening process. For Bosnia and Herzegovina, the negotiation framework (a step before the first IGC and screening) is being prepared by the European Commission.

Due to its controversial legislation on foreign agents (Gorecki, 2024) and numerous irregularities during the October 2024 parliamentary election (EPDE, 2024), Georgia lost a chance to open accession negotiations in the near future.

Despite its progress in implementing political and economic reforms, Kosovo continues to wait to obtain a formal candidate status. Its non-recognition by Serbia and five EU member states (Cyprus, Greece, Romania, Slovakia and Spain) is the main obstacle on the EU integration path.

Enlargement policy: Challenges ahead

To speed up the EU enlargement, several steps must be taken by the new Commission and EU member states. First, and most important, the enlargement decision-making process should be streamlined. In the current procedure and practice, there are more than 150 veto points during the negotiation process (Darvas & Grabbe, 2024), which could be used by individual member states for domestic policy purposes. Member states should agree that unanimity Council decisions are needed for the most important steps such as opening and closing negotiation (perhaps also closing Cluster 1 on fundamentals) while intermediate, more technical steps should be decided by the European Commission.

Looking at the advancement of the negotiation process, it makes sense to set an indicative, not very distant date for Montenegro's accession to the EU in order to mobilise all parties involved as was done in the case of the 2004 Eastern Enlargement. Montenegro is a small country already well integrated with the EU, so its accession involves little risk for the functioning of the EU or economic interests of the incumbent member states. On the other hand, a fast accession of Montenegro can incentivise other candidates and increase the credibility of the entire enlargement process.

The EU governing bodies must push the governments of Serbia and Kosovo to implement the 2023 Ohrid Agreement⁷ on the path to normalisation between the two coun-

tries. The resolution of this conflict could remove obstacles to Serbia and Kosovo's EU accession and stabilise the entire Western Balkan region.

The expert proposals of the staged accession (Mihajlovic et al., 2023) or progressive integration (Darvas et al., 2024) aim at the acceleration of the accession process and creation of additional incentives for candidate countries by bringing forward selected benefits of membership, conditional on the successful closing of subsequent negotiation phases. Elements of these proposals were adopted in the aforementioned Growth Plans for Western Balkans and Moldova (e.g. the possibility of earlier access to SEPA) but it seems that it is not enough to strengthen pro-reform incentives and accelerate membership negotiation. The same relates to the limited financial envelopes of the Growth Plans, which should be substantially increased.

Ukraine, in its fight against Russian aggression, needs a much larger military, and financial and diplomatic support from the EU – especially with the risk of diminishing support from the incoming Trump Administration in the United States.

The idea of staged accession or progressive integration requires a fundamental political debate among incumbent member states on whether they are ready to offer candidates some membership benefits and privileges before completing membership negotiations and signing and ratifying accession treaties. On the other hand, the candidates will have to be reassured that this is an honest proposal to accelerate accession rather than a substitute for full membership.

On a more technical level, the forthcoming Commission should assess the advantages and disadvantages of the REM and propose its correction if necessary.

Neighbourhood policy

Article 8.1 of the Treaty on European Union obliges developing “a special relationship with neighbouring countries, aiming to establish an area of prosperity and good neighbourliness, founded on the values of the Union and characterised by close and peaceful relations based on cooperation.” The practical elaboration and implementation of the respective policies started with the so-called Barcelona Process in 1995,⁸ which initiated the Euro-Mediterranean Partnership with ten countries of the Southern and Eastern Mediterranean region.

In 2004, when the first and main round of the EU Eastern Enlargement was completed, a new policy framework

⁷ https://www.eeas.europa.eu/eeas/belgrade-pristina-dialogue-agreement-path-normalisation-between-kosovo-and-serbia_en

⁸ <https://eur-lex.europa.eu/EN/legal-content/summary/barcelona-declaration-and-euro-mediterranean-partnership.html>

called the European Neighbourhood Policy (ENP) was announced. Apart from ten southern and eastern Mediterranean countries (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestinian Authority, Syria and Tunisia), it was also addressed to six post-Soviet countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine). It did not involve the EU's actual and potential candidates, countries of the European Economic Area (Iceland, Lichtenstein and Norway), Switzerland or Russia.

Russia did not want to be part of the ENP, and a special cooperation framework (like that within the ENP) was developed for it by the EU in the 2000s (Road Map, 2005). It was suspended after the annexation of Crimea in 2014.

The ENP offered the neighbouring countries a privileged relationship built upon “mutual commitment to common values principally within the fields of the rule of law, good governance, the respect for human rights, including minority rights, the promotion of good neighbourly relations, and the principles of market economy and sustainable development” (European Commission, 2004).

From the very beginning, the ENP was considered by the EU as a substitute for an enlargement offer. Therefore, it lacked incentives for the neighbouring countries to align with the EU's fundamental values and institutions both in the political and economic spheres (Milcher et al., 2007; Emerson et al., 2007; Dabrowski, 2014). Originally it was a rather vague perspective of “a stake in the EU Internal Market based on legislative and regulatory approximation, the participation in a number of EU programmes and improved interconnection and physical links with the EU” (European Commission, 2004).

In 2007, it was cemented as the proposal of the Deep and Comprehensive Free Trade Area (DCFTA) between the EU and individual neighbourhood countries (Council of the European Union, 2007). In 2009, it was repeated in the Eastern Partnership proposal, a supplementary cooperation framework addressed to six Eastern neighbours (Council of the European Union, 2009).

DCFTAs, as part of broader association agreements, were signed with Georgia, Moldova and Ukraine in 2014 and entered into force in 2016. Earlier, in the second half of the 1990s and early 2000s, free trade agreements were signed with eight Southern and Eastern Mediterranean neighbours (all but Libya and Syria). However, their content was less ambitious than DCFTAs, signed with three Eastern neighbours.

To have a complete picture of the cooperation network with EU neighbours, one should mention two other institutions created on the initiative of France.

In 2008, the Union for the Mediterranean (UfM) was founded, including all EU member states, EU actual and potential candidates, nine Southern and Eastern Mediterranean participants of the Barcelona Process (all but Libya), Mauritania and Monaco. The UfM initiated several joint projects in environment, energy, prevention and response to natural and man-made disasters, education and small business.⁹

In 2022, the European Political Community (EPC), which gathers all member states of the Council of Europe, was initiated. It aims to serve as a political forum and cooperation platform in various areas between the EU and non-member European countries.¹⁰

Geopolitical developments in the EU neighbourhood in the 2010s and early 2020s shook the conceptual framework of the ENP and associated initiatives, at least in their multilateral dimension. As a result, the entire ENP concept requires a fundamental rethinking and redesigning in new circumstances.

The failure of hopes for democratisation associated with the Arab Spring and proliferation of conflicts in the Southern and Eastern Mediterranean, including civil wars in Syria and Libya, the unsolved Israeli-Palestinian conflict and Israel's ongoing war with Hamas and Hezbollah, and continued frozen relations between Algeria and Morocco undermine any broader pan-regional initiatives in this region.

On the other hand, bilateral relations between the EU and individual partners have also moved from more ambitious goals of promoting the rule of law, good governance, respect for human rights, and trade and investment liberalisation to immediate needs such as the control of illegal migration, security issues and energy supply. They should be redirected back to the original fundamental goals in political and economic areas, at least for those countries that are not directly affected by internal and external conflicts and are interested in closer relations with the EU. They may include upgrading existing trade agreements, cooperation in a green agenda, education and culture, facilitation of movement of people, fighting terrorism, alignment with the CFSP, etc.

The EU should become more active in conflict resolution and post-conflict reconstruction programmes in the region. The EaP agenda as a regional policy framework has also lost its importance. When Georgia, Moldova and Ukraine became EU candidates, they moved to another policy basket. Belarus withdrew from the EaP in June 2021 and became the subject of EU sanctions for human rights violations and supporting Russia's aggression against

⁹ <https://ufmsecretariat.org/who-we-are/history/>

¹⁰ <https://epc-observatory.info/participants/>

Ukraine. The two remaining countries – Armenia and Azerbaijan – would benefit from a more active EU role in helping to achieve a peace agreement between them. Looking further ahead, Armenia may be interested in closer political and economic relations with the EU, and the EU governing bodies should be ready to support such aspirations.

EU institutional reform

The perspective of EU enlargement is often conditioned on EU institutional reforms.¹¹ The key argument refers to the number of member states vs. the unanimity requirement in many crucial decisions. While one can imagine a hassle-free accession of one or two small candidate countries such as Montenegro, the number problem may become more serious when all or most current candidates join. On the other hand, even without the enlargement perspective, the EU needs institutional reform to function more effectively, especially in the context of its geopolitical ambitions.

This requires reducing the list of decisions that need unanimity in order to limit cases in which common EU policies are taken hostage by domestic politics. Unanimity should be replaced by qualified majority voting (QMV), at least in three policy areas: the Common Foreign and Security Policy, EU enlargement and Multiannual Financial Framework.

There are two ways to achieve this goal: activating the *passerelle* (bridging) clauses in the EU Treaties or by changes to the Treaties. The first is politically and legally more accessible but limited in subject scope. For example, it cannot apply to enlargement decisions (Kotaniadis, 2020). However, as suggested earlier, member states can agree to reduce the number of existing veto points during the accession negotiations and delegate decisions related to interim benchmarks (opening and provisional closure of individual negotiation clusters and chapters) at the Commission's discretion.

Regarding the second avenue, the resolution of the European Parliament of 22 November 2023, containing 245 Treaties' amendment proposals, many of them reducing national veto powers,¹² can serve as the starting point for negotiating the Treaties' changes.

Without institutional reform aimed at reducing unanimity requirements, the EU enlargement process will move slowly and could easily be trapped by domestic policy

considerations in any incumbent member state as has happened many times before. Limiting the possibility of member states' veto power is also important for more efficient and meaningful common foreign and security policy, building the EU defense capacity, reforming the EU budget and conducting other EU policies.

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11 <https://www.consilium.europa.eu/en/policies/internal-reforms-of-the-eu/>

12 https://www.europarl.europa.eu/doceo/document/TA-9-2023-0427_EN.html