

Reforming by Hope, Will or Necessity? EU Integration in Times of Enlargement

by Matteo Bonomi and Raffaele Mastrorocco

The revival of the EU's enlargement policy as a geostrategic imperative following Russia's 2022 invasion of Ukraine¹ has sparked discussions about the Union's internal readiness to welcome additional members. The potential accession of up to nine countries from the post-Soviet space and the Western Balkans² has been widely associated with the urgent need to reform the Union.³ The European Council and the Commission have also acknowledged this necessity, formally starting a process of internal revision of EU's institutions, policies and budget.⁴

Yet fundamental uncertainties remain regarding how enlargement will influence this process and whether it will contribute to substantial changes.

In this context, and particularly considering the current security situation, further European integration could develop as a result of leaders' hopes for internal reforms through enlargement; a willingness to expand in view of existing interdependencies; and the necessity to adapt to long-term dynamics. Each of these dynamics offers different pathways for deepening and widening the EU, as well as shaping its broader system of regional integration.

To move past current challenges and overly optimistic expectations, the EU could continue to integrate effectively by drawing on the benefits

¹ Nathalie Tocci, "How the EU Can Enlarge", in *Politico Europe*, 24 July 2023, <https://www.politico.eu/?p=3378024>.

² Namely Albania, Bosnia and Herzegovina, Georgia, North Macedonia, Moldova, Montenegro, Kosovo, Serbia and Ukraine.

³ Ursula von der Leyen, *Europe's Choice. Political Guidelines for the Next European Commission, 2024–2029*, 18 July 2024, https://commission.europa.eu/media/58570_en.

⁴ European Commission, *Pre-Enlargement Reforms and Policy Reviews (COM/2024/146)*, 20 March 2024, <https://eur-lex.europa.eu/legal->

[content/en/TXT/?uri=celex:52024DC0146](https://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex:52024DC0146). See also the European Council website: *Internal Reforms of the EU*, last reviewed on 1 August 2024, <https://europa.eu/!NBDMck>.

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of its differentiated nature and porous boundaries, as far as it combines them with the pursuit of clear strategic objectives. The latter could include the consolidation of EU integration in crucial sectors, such as industrial, technological and defence policies, as well as the gradual expansion of the EU integration project to candidate countries, up to full membership. Yet these outcomes are by no means certain: they require the EU leadership's determination to find a delicate balance between advancing EU policies and decision-making while providing viable solutions to controversies surrounding the EU budget.

Leaders' hopes and preferences

Some European leaders hope that enlargement could drive further integration by helping to balance member states' diverse preferences regarding the functioning of the EU. Germany is the main advocate of using enlargement to revive the stalled process of institutional reform. Chancellor Olaf Scholz has rekindled hopes for stronger supranational governance, framing it as essential for enlargement and suggesting that EU treaty changes may be needed.⁵ These views are shared by key figures like the European Commission President Ursula von der Leyen, who believe that reforming the EU is a necessary prerequisite of enlargement.⁶ The

⁵ German Federal Government, *Speech by Federal Chancellor Olaf Scholz at the Charles University in Prague on Monday, 29 August 2022*, <https://www.bundesregierung.de/breg-en/news/scholz-speech-prague-charles-university-2080752>.

⁶ Ursula von der Leyen, *Europe's Choice*, cit., p. 25-26.

envisaged reforms, echoed in the 2023 Franco-German experts' report, include a shift from unanimity to qualified majority voting (QMV) in areas like the Common Foreign and Security Policy (CFSP) and taxation, as well as restructuring the European Parliament and Commission.⁷

Yet, these leaders will have a hard time convincing other member states to agree to such reforms. Germany hopes that the new eastward-looking enlargement perspective could push some Central-Eastern European (CEE) countries, which are interested in shifting the Union's balance to the East, to overcome or soften their traditional opposition to institutional reforms. CEE states remain reluctant to cede further sovereignty, particularly in strategic areas. Czechia,⁸ Croatia and Hungary,⁹ for instance, openly oppose any move towards QMV in the CFSP. To promote its goal, Germany launched the 'Group of Friends on QMV in EU CFSP' gathering a group of states such as Belgium, Finland, France, Germany, Italy, Luxembourg, Netherlands, Slovenia and Spain, that aims to foster QMV in this policy field under the

⁷ Franco-German Working Group, *Sailing on High Seas: Reforming and Enlarging the EU for the 21st Century*, 18 September 2023, <https://institutdelors.eu/en/publications/sailing-on-high-seas-reforming-and-enlarging-the-eu-for-the-21st-century>.

⁸ Daniela Lazarová, "PM Fiala: Czechia Not in Favour of Qualified Majority Voting in EU", in *Radio Prague International*, 7 October 2023, <https://english.radio.cz/node/8796468>.

⁹ OSW Team, "The EU Debate on Qualified Majority Voting in the Common Foreign and Security Policy. Reform and Enlargement", in *OSW Commentaries*, No. 545 (12 October 2023), <https://www.osw.waw.pl/en/node/31931>.

current treaties.¹⁰ However, Germany's intentions hardly will succeed if some of these states do not actively pursue the same goal, like Italy. Overall, the fear of losing sovereignty is shared by 17 member states, who oppose treaty changes necessary to introduce QMV.¹¹

Without formal treaty revisions, institutional reforms will remain limited. Even adjustments short of treaty amendments, like using the *passerelle* clause¹² to move to QMV, reducing the overall number of MEPs or increasing the hierarchical structure of the Commission, are unlikely to achieve a consensus as they require adjusting the relative weight of member states in the Parliament, Council and Commission.

Interdependencies matter

When addressing the EU enlargement, member states' have also been willing to pragmatically tackle the evolving interdependencies stemming from the war in Ukraine, regardless of their overall preferences for EU integration. The negative externalities generated by the war in Ukraine have affected several sectors, from defence and technology, to energy, migration and food security,

and may serve as catalysts for change. As such, directly addressing costs deriving from war-induced shocks in these sectors could be an opportunity to both modernise connected EU policies while increasing support to candidate countries by gradually allowing access to these policy areas. Indeed, some EU leaders might find it more feasible to support enlargement and key EU policies' reforms rather than modifying the Union's complex institutional settings and decision-making procedures.

Different actors are echoing this view. The outgoing Commission has outlined key reforms in core policies such as the Common Agricultural Policy (CAP)¹³ and cohesion policy¹⁴ to make them more efficient and prepare for the inclusion of enlargement countries. Also, it is no surprise that Enrico Letta's report on the Single Market – which calls for the completion of the Capital Market Union together with upgrading the Single Market to include defence, telecommunications and energy infrastructure – also deals with the external dimension of EU Single Market and policies.¹⁵ Addressing common interdependencies could, at the same time, encourage the deepening of the Single Market while supporting gradual integration of candidate countries in

¹⁰ Group of Friends on QMV, *Joint Statement of the Foreign Ministries on the Launch of the Group of Friends on Qualified Majority Voting in EU Common Foreign and Security Policy*, 4 May 2023, <https://www.auswaertiges-amt.de/en/newsroom/news/-/2595304>.

¹¹ Nicole Koenig, "Towards QMV in EU Foreign Policy. Different Paths at Multiple Speeds", in *Jacques Delors Centre Policy Briefs*, 14 October 2022, <https://www.delorscentre.eu/en/publications/towards-qmv-in-eu-foreign-policy>.

¹² The *passerelle* clause is a provision in EU treaties that permits changes to a legislative process without requiring a formal treaty modification.

¹³ European Commission DG for Agriculture website: *The Common Agricultural Policy: 2023-27*, https://agriculture.ec.europa.eu/node/47_en.

¹⁴ High-level Group on the Future of Cohesion Policy, *Forging a Sustainable Future Together: Cohesion for a Competitive and Inclusive Europe*, February 2024, <https://doi.org/10.2776/974536>.

¹⁵ Enrico Letta, *Much More than a Market*, April 2024, <https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf>.

the EU, especially in light of current security dynamics.

The willingness to address current interdependencies through various forms of enhanced cooperation within a multi-speed Europe is clearly reflected in Emmanuel Macron's 2023 speech in Bratislava, where he revised France's traditional stance on enlargement, revealing a change of mind – if not of heart.¹⁶ Europe's strategic awakening, as proposed by the French President, encompasses a profound revision of EU industrial, technological and defence policies, while relying on flexible organisation and formats. These also include greater support for enlargement countries, which should be allowed to benefit from EU policies and budget even before fully-fledged membership.¹⁷

However, divergencies among member states about how to reform policies are as profound as those impeding the success of institutional reforms. There is a range of different views on such issues as the future of the CAP, how the cohesion policy is funded, as well as Macron's complaints about member states buying non-European weapons after February 2022. Even the Letta report, which rightly notes how persisting fragmentation is damaging

¹⁶ French Presidency, *Globsec Summit in Bratislava. Closing speech by the President of the French Republic*, 31 May 2023, <https://www.elysee.fr/en/emmanuel-macron/2023/06/01/globsec-summit-in-bratislava>.

¹⁷ Pierre Vimont, "Macron in Eastern Europe: Reassure, Shore Up, Move Forward", in *Strategic Europe*, 6 June 2023, <https://carnegieendowment.org/europe/strategic-europe/2023/06/macron-in-eastern-europe-reassure-shore-up-move-forward>.

the Single Market,¹⁸ does not provide detailed recommendations about how to harmonise its economic and financial rules or develop concrete mechanisms for increasing the inclusion of third countries. That said, while war might have raised EU leaders' awareness of common challenges and costs of non-integration, this consensus does not necessarily translate into action. On the contrary, any change of the status quo in any of the above-mentioned policy areas implies a number of distributive conflicts among the member states which will be difficult to resolve within current decision-making structures.

EU long-term challenges

Other policymakers recognise that enlargement will do little to address the EU's urgent need to reform and avoid decline and that, thus, the EU should focus on its long-term challenges to foster integration. This point is illustrated by Mario Draghi's report on EU competitiveness, which overlooks enlargement and focuses instead on the need of EU leaders to act decisively to avoid long-term stagnation.¹⁹ The Draghi report outlines serious concerns about the EU's declining growth, innovation and competitiveness in the face of Chinese competition, geopolitical tensions, energy dependencies and negative demographic trends. According to proponents like Draghi, the potential

¹⁸ Hung Tran, "The Enrico Letta Report and the State of the EU's Capital Market Union", in *Econographics*, 7 May 2024, <https://www.atlanticcouncil.org/?p=763030>.

¹⁹ Mario Draghi, *The Future of European Competitiveness*, September 2024, https://commission.europa.eu/node/32880_en.

of the EU budget must be scaled up to address the around 800 billion-euro-gap in annual public and private investment in order to improve productivity and boost competitiveness. These discussions highlight that the future of EU integration rests on the capacity of EU economic governance to support this process in light of increasing challenges.

The budget considerations demonstrate that the future of EU integration goes beyond the specific challenges of EU enlargement to include broader financial reforms. For instance, the EU's financial efforts linked to enlargement pale in comparison to Draghi's suggestions about the EU budget. According to a study by Bruegel, for example, Ukraine's EU membership is expected to cost 136 billion euros over 7 years,²⁰ far below Draghi's annual budget forecast. The ability of the budget to support integration will also determine the success of enlargement. In this way, reforms of the EU budget are pivotal and remain interlinked with the enlargement process especially at a time when candidate states are under pressure to reform and prepare for accession. For this reason, the EU's response to long-term challenges will need to ensure not only that integration continues but also a successful enlargement process.

Change through necessity faces obstacles, however, due to member states' reluctance to adapt to new

²⁰ Zsolt Darvas et al., "Ukraine's Path to European Union Membership and Its Long-Term Implications", in *Bruegel Policy Briefs*, No. 5/24 (March 2024), p. 16, <https://www.bruegel.org/node/9789>.

circumstances. For instance, German representatives publicly rejected the Draghi report because it contains proposals about joint decision-making in economic matters.²¹ This mirrors the lack of support that previous efforts to increase the EU's own resources received. EU bonds, often proposed as an option, have raised concerns over debt costs, with Nordic countries opposing them.²² Opposition to the idea of an EU common debt is linked to the overall debate about the model of growth the Union should pursue. With many frugal member states still relying on an export-led growth model, Next Generation EU funds running out by 2026, and the new Stability Pact having just entered into force, fiscal rules are likely to tighten in the years to come. Like the North-South divisions during the EU debt crisis, these restrictions will negatively affect internal demands and fuel intra-EU animosities, impacting on both enlargement, further integration and weakening the EU as a whole.

Looking ahead

The role of the EU enlargement in the integration process relates to the different hopes, wills and needs of member states to reform the EU, which push the integration process in different directions while being intrinsically connected. The reform of the integration process cannot

²¹ Giovanna Faggionato and Hans von der Burchard, "Germany's Lindner Rejects Draghi's Common Borrowing Proposal", in *Politico Europe*, 9 September 2024, <https://www.politico.eu/?p=5343717>.

²² Iain Begg, "Dilemmas and Challenges around the EU Budget", in *CER Insights*, 8 April 2024, <https://www.cer.eu/node/10855>.

ignore divergent preferences and interdependencies among member states. Approaches based on transforming the EU's fundamental architecture or proposing a grand vision is unlikely to be accepted by all member states.

Against this backdrop, differentiation, whether internal or external, remains key for member states that want to pursue integration in areas of their major interests and contributes to enhancing cooperation with partners and future members. However, EU leaders should carefully evaluate the best way to take advantage of differentiation, or they risk pushing the EU in contrasting directions. Agreeing on a tangible set of concrete objectives to pursue could help overcome deadlock, facilitate compromises in negotiations and enable compensations and side-payments across various areas. This, in turn, would help build trust and credibility in the overall reform process, potentially attracting greater political investment from EU leaders, who could ultimately become more willing to also overcome entrenched positions concerning the reform of EU governance.

The EU's porous boundaries also provide a path to foster integration in light of the current challenges. EU policies entail a degree of porosity, which consists in the access to policies an organisation can provide to non-member states²³ that enhances the

²³ Stephanie C. Hofmann et al., "Porous Organizational Boundaries and Associated States: Introducing Membership in International Organizations", in *European Journal of International Relations*, Vol. 29, No.

ability to cooperate with candidate states. This porosity enables both the enlargement process itself or participation in Common Security and Defence Policy (CSDP) missions to become vehicles for increased cooperation and smoothen the integration process of candidate states as they become increasingly involved in EU policies. This, in turn, allows the EU to increase its engagement with candidate states, reinforce and improve the efficiency of its policies especially in light of future accessions, and maintain cooperation with its partners active and kicking. This is crucial in times of war and considering the current security dynamics, but requires the Union and acceding countries to remain committed to cooperation.

An approach to reforms that considers the potential of differentiation and porosity could ultimately also contribute to change the dynamics of the EU economic governance in what is likely to be the most challenging negotiation: that concerning the EU's budget. A productive path forward involves moving away from zero-sum-game logic and a 'fair reward' approach to focus on European public goods and how to finance and govern them. To this end, security imperatives brought about by the war in Ukraine could be instrumental and reveal new ways to overcome long-standing deadlocks.

Overall, the challenge for the EU political leadership is to ensure that member states stay committed to integration. Enlargement plays important role

4 (December 2023), p. 929-959, <https://doi.org/10.1177/13540661231163988>.

since it brings our attention to the differentiated and porous nature of the EU as a way to find political solutions. This could certainly help to address divergent hopes, wills and needs that, until today, have caused uncertainty and deadlocks in the integration process.

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