



## Foreign & Commonwealth Office

### **Record of roundtable discussion on EU Enlargement at UK Representation to the EU, Brussels, 28 April 2014**

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On 28 April 2014 The UK Representation to the EU in Brussels hosted a roundtable discussion on EU Enlargement. It was attended by Heather Grabbe from the Open Society Foundations, Sinan Ulgen from Carnegie Europe and Rosa Balfour from the European Policy Centre.

#### **Impact of EU enlargement on the UK and the EU**

1. The session began with a discussion on the lessons learnt by the Commission from previous enlargement rounds – focusing on judicial reform and the time it can take to firmly bed in. This is reflected by the fact that some early accession countries still have difficulties in this area. The Commission has taken this on board through its ‘new approach’, which sees the rule of law related chapters (23 and 24) opened towards the beginning of the enlargement process and only closed at the end, as well as the use of opening and closing benchmarks. By and large this has been a good addition that has enhanced the credibility of the process. It has signalled to policymakers in accession countries what to prioritise and served as a useful signal in terms of the policy agenda.
2. Areas for improvement remain, however. Firstly, it is difficult to define what a sufficient degree of rule of law is. A quantifiable determination of progress on chapters 23 and 24 is needed as otherwise it leads to scenarios where candidate countries must meet unreasonably stringent standards. Secondly, increasingly the whole methodology of enlargement is obsolete. It was designed for countries to become members after one or two electoral cycles at most. Once it goes beyond that timeframe it loses the ability to influence things on the ground as the public loses interest. There is a big public event at the launch of the process and one at the end, but very little in between as technical progress is not enough to push the political argument forward. If the process is completed within two electoral cycles this is not a problem, but beyond that it is difficult, as nobody cares about the progress report anymore and there is no imminent impact on the process – any problem can be pushed to the following year. Fresh thinking is needed

particularly with regards to how to build in interim milestones that can add dynamism and interest.

3. One participant was unsure whether the UK had taken these lessons on board, stating that they see the UK as blocking aspects of enlargement, and thus preventing the early opening of chapters 23 and 24. The example of the UK's alleged leading role in not granting Albania candidate status in December 2013 was cited in relation to this. The overarching question is whether it is better for member states to wait for countries to reform before officially recognising progression, or whether to offer progress and allow reforms to take place once within the enlargement framework.
4. Another participant believed it is a question of tactics: how far can you push candidate countries before granting candidate status, opening chapters, etc? In the Balkans the balance is delicate. Since 2008/9 most political parties have agreed that EU accession is a good thing, but this unified approach is fragile, as for some it is not a position taken for reasons of ideology, but of pragmatism, and a lot of what they are doing depends on the realistic possibility of eventual EU accession. It is therefore essential that care is taken with regards to what is said and which actions are taken, as decisions made and statement given at the European Council are closely followed by citizens and media in candidate countries.
5. Another impact of previous enlargement rounds is that enlargement has largely become a domestic political issue within member states, whereas previously it was primarily seen as a foreign policy one. The 2004 round of enlargement, for example, was mostly run by foreign ministries, whereas now enlargement has generated a sometimes controversial domestic debate, often linked with other issues, e.g. free movement. Participants agreed that it is important for there to be internal legitimacy, but the by-product has been that it has changed the nature of the discussion.
6. Governments have to work harder to make a positive national case for enlargement domestically, but presently there is little to no conversation about the Balkans in member states. The benefits need to be explained all the way along if a huge shock upon finalisation and then accession is to be avoided. It does not seem that the Minister for Europe is engaging in an ongoing manner with the UK public – a missed opportunity as many in the UK still have memories of the UK's positive involvement in the war in the Balkans.

7. It was noted that it is difficult to disentangle the impact of enlargement with the effects of the financial crisis. There are significant differences in the political dynamic within countries – Poland and Hungary were cited as examples. It is also difficult to find links between EU membership and how these countries are today, as well as what they will become.
8. Some believed that enlargement in 2004 has broadly made the EU more Atlanticist. There has been a commitment to free trade and a more liberal approach, particularly among Baltic states, some of whom saw their economies shrink up to 20% during the financial crisis but who nevertheless kept their economies open. There was not a huge push on Common Security and Defence Policy and not as big a cleavage as there might have been. The two big dividing issues in EU foreign policy are Russia and the Middle East. On the Middle East member states have pretty much agreed to disagree, albeit they have come closer. On Russia they are not close enough, although countries like Poland, Lithuania, and Estonia have appreciated EU solidarity on bilateral disputes with Russia – a game-changer for them. The logic in some older member states of being stronger together is not always evident.
9. Another participant suggested that what had led to a more Atlanticist approach to the EU was not so much enlargement, but austerity, which brought home the limits of what the EU can do on its own, especially in relation to security. The election of President Obama also helped, as for some countries it was the previous type of Atlanticism that was unappealing.
10. The 2004 round of enlargement entailed the entry of Cyprus, and according to one participant, this has been detrimental to enlargement for Turkey. There needs to be a recognition that letting in a country that remains divided has had a series of detrimental consequences. Giving such countries a green light means conflicts are imported into the EU, generating a contagion effect. In the case of Cyprus this has occurred in energy and other policy areas, in addition to enlargement.
11. In terms of the impact of enlargement on the UK's interests, one can look at the cost of instability in the Balkans in the 1990s – EULEX was extremely expensive, as were initiatives in Bosnia. Improvements in the region have come about because of the enlargement process. It costs less to keep the Balkans in the EU than it does to keep them out, and this is not just through the avoidance of war. Montenegro, as a smuggling hub of cigarettes is not good for UK interests in Europe either. The EU enlargement

process is the best and only way to encourage these states through the process, and this is demonstrated by the fact that in Croatia the special prosecutor's office brought down the Prime Minister. Nevertheless, challenges remain with countries like Bulgaria that have come in and yet still have associated problems.

12. In terms of trade, enlargement has had a beneficial impact on the UK. We have seen that in the crisis, the Baltic countries (plus others) did not introduce protectionist measures. Furthermore, in the wake of the failure of the DOHA round, enlargement has made free trade agreements in the EU easier to conclude. It would have been more difficult to come to an agreement with 15 member states than with 28. Also, in areas such as climate change, you wouldn't expect a country that is dependent on coal like Poland to take on the commitments it did as part of the EU agenda. There are therefore specific examples of how enlargement has helped push certain policies forward despite national interests.

### **Future challenges, options for enlargement**

13. Perhaps the largest challenge is the politics of enlargement, which do not work. In the past the process provided a platform for internal actors – something that has now disappeared. The question now is how to rebuild the lost credibility. As mentioned earlier, one solution is to engineer interim milestones that are attractive and desirable. Chapter openings are not enough – a more visible approach is needed. Previously, visa-related milestones were the most important for accession countries and bound many countries to a pro-EU approach.
14. The future economic situation is another important factor worth considering. Public perception of enlargement was undermined by the economic crisis. Protests in Greece, Spain's economic collapse, and zero growth undermined confidence in accession countries.
15. Thirdly, the Russia-Ukraine question will have an impact, depending on whether it becomes a major fault line affecting the relationship between Russia and the West. If it does, there will be increased incentive for countries to join, although it will be more difficult for those pro-Russian countries that want to join the EU. There is also the question of Kosovo and whether Serbia will recognise it – and if it does would Spain and/or Cyprus? There is also the possibility that Ukraine and Moldova will want to join, which would throw up its own challenges.

16. There was general agreement that the process does not need reinventing. On the political side things are more complicated because there are a number of challenges coming up on the horizon. For example, in relation to timing, if Montenegro finishes the process before the others, will it join immediately or will it need to wait for a group of others to catch up? Some countries (e.g. France) have made it a constitutional necessity to hold a referendum if there is further enlargement and others have made political promises (Austria) to do the same. However, if the decision is taken to wait till all are ready you lose the element of competition and undermine the idea of conditionality.
17. Possible intermediate steps include an EU that is multi-speed, although it is uncertain whether that can be envisaged. The possibility of privileged partnership without membership at the end of the process would not be accepted by Turkey or the Balkan countries. Any changes must include the commitment that they will be able to join when ready if they want to. Another possibility would be to provide them with the opportunity to be at the negotiating table with the EU member states on certain issues – something that would likely be coveted. An element of positive competition could also be introduced to create a sense of positive competition between countries.
18. One of the chief risks is that enlargement slows down so much that conditionality has no function. People in the country need to be able to use it within the domestic political system to push reforms forward. If you can empower people with reforms from the EU and deliver economic growth and investment that really helps the country, a convincing case can be made. Unfortunately for the current candidate countries they have entered the process at a time when global liquidity is dry meaning that the signature of their Stabilisation and Association Agreements has not led to the levels of foreign direct investment enjoyed in central Europe. It has therefore been more difficult to demonstrate the benefits of EU membership.
19. In terms of solutions, older member states need to sell previous enlargement rounds to sell future enlargement. The Polish question makes this difficult. It is important to stress the benefits including the opportunity in the Balkans to create a stable south-east Europe. There was ethnic cleansing not so long ago in central Europe and current stability there is a great thing. A challenge is that there is no strong economic based argument for enlargement on the Western Balkans side – it is mostly about peace and reunification.

**Annex A: additional comments from Dr Heather Grabbe, Open Society European Policy Institute**

The political conditionality in the accession process has brought attention to rule of law, human rights and respect for and protection of minorities far beyond what post-communist and post-conflict governments would otherwise have paid to them. The experience of human rights defenders and civil society (including the Open Society Foundations in the enlargement countries) is that the EU's conditions and its regular reporting on the human rights situation in the country forced ministers and heads of government to take action much more comprehensively and on a faster timetable – both in Central Europe, and the Balkans and Turkey. For example, nearly all of the constitutional protections against discrimination in the Balkans are the result of EU pressure, while the small progress on policy measures to help Roma inclusion is almost entirely due to the EU constantly asking countries to report on this issue. The situation on rights and minorities would be much worse by now if there had been no enlargement policy.

One of the key lessons of the past ten years is that EU conditionality works effectively when it is consistent and credible. When the EU has blown hot and cold about either the final goal of accession negotiations (as in the case of Turkey) or the conditions that need to be met, the motivation of the enlargement countries to undertake serious reforms weakens and the transformative effect of the accession process has been lost. For this reason, it is vital that the UK government maintains a consistent position on enlargement.

**Annex B: additional comments from Dr Rosa Balfour, European Policy Centre**

The 2004 EU enlargement was expected to strengthen Atlanticist allegiances in Europe. However, US growing demands for greater European responsibility in global security, the economic crisis and its related austerity measures, made many of the countries which joined the EU in 2004 more committed to the European agenda. Thus in some countries of Central Europe, now EU members such as Poland, there has been a renewed emphasis on the EU and on contributing actively to European politics.