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Revamping Europe

The war in Ukraine, the consequent attainment of EU candidate status for Ukraine and Moldova, and the current geopolitical challenges have led to a revision of the EU's agenda and call for new institutional solutions and modus operandi for the European Union. Enlargement, which, for a long time, has been a dormant policy area, is now a central topic for the EU; this has triggered reflections and debates on how to adapt the Union to an increased number of members and how to regulate the EU's relations with its neighbours, particularly those that are not interested in joining the Union. Against this backdrop, the most important innovation is the creation of the European Political Community, proposed by Emmanuel Macron in June 2022.

During the second year of the war in Ukraine, which was started by Russian aggression in February 2022, more and more Europeans – citizens, experts and institutions – started to think seriously about the need for a new design and modus operandi of the EU, and more broadly European integration or just coexistence. It became clear that the war would be a long one. It also became obvious that after the war Europe would be different, and it was high time to think about exactly how different.¹

The European Commission maintained its central role in forward-thinking, though many had the feeling that things were moving too fast and too far. In her speech on the State of the Union (September 2023), Commission President Ursula von der Leyen included very important statements, according to which the future of Ukraine and Moldova was in the EU, and so was the future of the Western Balkans, while Georgia could also remain hopeful that it would move along a similar path.

All this represents a turnaround in the EU policy agenda, but it is not the first one. Before 2020, health was a marginal policy field, which suddenly became very central. Before 2022, enlargement was a dormant policy area of the EU, but today it is the top interest within the institutions and among the wider population. At the same time, everybody also understands that all enlargement rounds are different, and the next one might be just

¹ Tocci, N. (2023) "How the war in Ukraine has transformed the EU". Social Europe, 15 November.

very different from the previous ones. This necessitates fresh thinking about the history of integration, the current geopolitical challenges and alternative institutional solutions.

The EU and wider Europe: A short history

The most important institutional innovation of this new stage, the European Political Community (EPC), was proposed by the French president, Emmanuel Macron, in spring 2022, in the wake of the Russian invasion of Ukraine, but this initiative did not come without precedent. When the Eastern (Soviet) bloc was disintegrating at the end of the 1980s, France's socialist President Francois Mitterrand came forward with the idea of a Confederation. This was an expression of interest in an integration process that covered a wide geography, while signalling to the newly democratising East that a rapid expansion of the EU should not be expected. In the end, the Confederation was not formed, and eight countries from the former Eastern bloc became EU members 15 years after the fall of the Berlin Wall.

The turn of the millennium was characterised by the doctrine of unique, convergent and homogenous integration. This assumed that all EU countries (save those with an opt-out) would also have the euro, and the EU could include all those who wanted to join: Turkey, with whom accession talks started in 2005; Iceland, which was preparing a bid for 2009; and the Western Balkans, to whom the Thessaloniki summit in 2003 made a clear promise. (It is noteworthy that Germany and Austria originally proposed a privileged partnership for Turkey instead of full membership, but this idea was then sidelined.)

The global financial crisis (which threatened disintegration of the euro) and subsequent Brexit referendum (June 2016) incentivised fresh thinking, most prominently represented by Jean Pisani-Ferry and four other experts, who put forward a proposal for a "continental partnership".² Under this concept, the UK could have taken back some control over labour mobility and distanced itself from the EU's perceived supranational decision-making. The proposed partnership would have consisted of participating in goods, services and capital mobility; some temporary labour mobility and continued participation in intergovernmental decision-making. It would also have entailed regulatory integration (i.e., enforcement of common rules to protect the homogeneity of the integrated market). The UK could have retained a good amount of influence on EU policies but without formal authority. This approach would have turned the EU into an inner circle (deep and political integration), while an outer circle with less integration would have been created. In the long run, the latter could also have served as a vision for structuring relations with Turkey, Ukraine and other countries.

The Mitterrand idea, with the original vocabulary, was revived after the outbreak of the Russo-Ukrainian war in spring 2022 by the former Italian prime minister (and president of the Jacques Delors Institute), Enrico Letta, who at the time also served as leader of the Italian

2 Pisani-Ferry, J., N. Röttgen, A. Sapir et al. (2016) "Europe after Brexit: A proposal for a continental partnership". Bruegel, 29 August.

Democratic Party (PD). He put forward and started to popularise the idea of a European Confederation – a new organisation that could be established within one year. This was part of a plan to speed up simultaneous deepening and widening of integration.³

According to Letta, the existing EU would need to deepen in seven fields, including defence, energy and social, while we would create a Confederation that would include the EU but also countries of the Western Balkans plus Ukraine, Moldova and Georgia in the East. The Confederation would not need to be something entirely separate from the EU. According to Letta, every meeting of the European Council would be accompanied by a consecutive meeting of the heads of state and government of the European Confederation.

Franco-German brainstorming

Adopting the name proposed by Macron, and the content outlined by Letta, the EPC was launched in 2022. At the same time, the European Council turned Ukraine and Moldova into candidates for EU membership, and Ursula von der Leyen became a champion of fast-track EU enlargement for the East. For many, however, and even among those who became supporters of such enlargement, it was obvious that a reform of the EU itself would need to come first,⁴ and most likely that would necessitate a change of the EU Treaties.⁵

To solve related dilemmas and chart the way forward, at the request of the European ministers of France and Germany, an expert group was established. Reminiscent of Franco-German rapprochement efforts on questions of the Economic and Monetary Union one decade before (through meetings of the Eiffel and Glienicker groups), the intelligent dozen delivered their report in September 2023 under the title “Sailing on high seas: Reforming and enlarging the EU for the 21st century”.⁶ The Franco-German Report (FGR) presented a Europe of concentric circles,⁷ effectively suggesting that not all European countries can be or should be integrated into the same EU in the same way. And movement should not only be possible from the periphery towards the most tightly integrated core, but the other way around as well.

Variable geometry has been around as a concept in academic EU studies and in policy debates, acknowledging the importance of national choices (as opposed to complete European uniformity), but particularly policy choices within the same integration framework. Not so long ago, it was the then Commission president, Jean-Claude Juncker, who opened up thinking in this vein when, on the 60th anniversary of the Treaty of Rome, he published

3 Letta, E. (2022) “A European confederation: A common political platform for peace”. *The Progressive Post*, 25 April.

4 von Sydow, G. and V. Kreiling (eds) (2023) “Fit for 35? Reforming the politics and institutions of the EU for an enlarged Union”. *Sieps*. 2023:2op.

5 Rodrigues, M. J., V. Andriukaitis, M. Bresso et al. (2023) «EU treaties – why they need targeted changes». Policy Study. Foundation for European Progressive Studies.

6 Costa, O., D. Schwarzer, P. Berès et al. (2023) “Sailing on high seas: Reforming and enlarging the EU for the 21st century”. Report of the Franco-German Working Group on EU Institutional Reform, 18 September.

7 Ibid.

a *White Paper on the future of Europe* with five scenarios. In various ways (functionally as well as geographically), Juncker opened a discussion on possible deconstruction options of the EU, confirming that the straitjacket of the past under the commitment to an “ever closer union” was thrown away.

While the Juncker White Paper allowed for scenario-based thinking at the time, it had very little impact on the Conference on the Future of Europe, which took place in 2021-2022 with the involvement of citizens, and it was seen as even more irrelevant after the pandemic and the Russian invasion of Ukraine. The 2023 FGR is neither about functional deconstruction nor about variable geometry but concentric circles. As Attila Ágh puts it: the four-level Europe is knocking on the door.⁸ But for this four-level Europe, the old EU slogan “unity in diversity” does not perfectly fit. What might be more appropriate is organised diversity out of chaotic diversity.

The FGR would allow a deeper integration of the eurozone (an old French idea), and it defines the possible relationship between the EU and a ring of associated members, while the EPC would represent the widest ring, without any form of institutionalisation. By declaring the eurozone as a separate level of integration, the FGR authors would normalise what, so far, has been a borderline anomaly: the non-accession to the eurozone of countries that otherwise committed to the introduction of the single currency when they joined the EU, a group currently including Sweden, Poland, Czechia, Hungary, Romania and Bulgaria.

At the same time, in the name of a Europe that could be a more powerful player in the world, the authors of the FGR are pushing forward the well-known efficiency arguments about the EU and recycling some pre-existing solutions like reducing the number of EU commissioners and abolishing unanimity requirements, especially concerning the foreign policy of the EU. More often than not, the latter proposal has been justified by pointing to the rogue behaviour of Hungarian Prime Minister Viktor Orbán, who has consistently refused to participate in weapons deliveries to Ukraine and often publicly criticised EU sanctions against Russia.

Associated membership: Second class or privilege?

The FGR authors do not assume a clean slate and do not want to invent things that would be totally disconnected from the previous state of affairs. The EPC already exists, and so does the eurozone, with some specialities in which the remaining EU members do not participate (like the Eurogroup). The EU also has association agreements, but associated membership does not yet exist. This is therefore the most important new proposal in the FGR, with a not-so-hidden purpose to offer a status that could fit countries as diverse as the UK, Ukraine and Iceland, if they so wished.

The introduction of the concept of associated membership is a sign of the understanding that fresh thinking is needed about the ‘grey zones’ located between the current EU and strategic rivals in the wake of Russian aggression, and that EU enlargement as such cannot

⁸ Ágh, A. (2023) “Bekopogtat a Négy Európa”. *Népszava*, 15 November.

solve all related problems, at least not in the short term. According to the FGR authors, associated membership would mean participation in the internal market and requires the rule of law, but without full engagement in all EU policies and structures. Associated members would still remain rule takers instead of becoming rule makers.

Earlier, the EU addressed such grey zones through neighbourhood policy, and by establishing the 'Eastern Partnership' policy (2009). This was not a bad concept, but consolidation failed and it crumbled before our eyes. The EU still speaks about a neighbourhood policy with two sections: one in Eastern Europe and another one across the Mediterranean Sea. But the Eastern neighbourhood is no more: between the EU border and Russia there are countries with an aspiration to integrate with the EU, except Belarus, which is a vassal of Russia. However, current dynamics may as well lead to a re-emergence of an EU neighbourhood beyond the Caspian Sea, with the five ex-Soviet republics and Mongolia endeavouring to achieve deeper integration among themselves, but also rapidly deepening their cooperation with the EU as well, to redefine their geopolitical status, which so far has been primarily defined by their relationships with their two closest neighbours: Russia and China.

Once associated membership is defined, the EU can think about its content beyond market access, not least to create a bridge to policymaking. One way to satisfy this need would be access to the main consultative bodies, namely, the Committee of the Regions (CoR) and the European Economic and Social Committee. Through participating in these advisory bodies, the associated members would be able to exercise some influence over EU policies as well. It would allow aspiring members to develop a sense of two pivotal features of EU integration: regionalism and tripartism. The CoR could actually be boosted by adding an environmental dimension and one to focus on the quality of public administration. Critical activities to facilitate upward convergence before actual EU membership could focus on the fight against corruption, the reform of oligarchic economies, the rights of ethnic and linguistic minorities as well as the fight against extremism.

There are many in Europe who do not consider these two institutions as very important, and for sure there are many who are not even aware of their existence. By opening them to associated members, they could attain a strategic role in the context of EU enlargement and neighbourhood policies, while continuing their main mission. This approach would be particularly justified since creating peace between Ukraine and Russia may take time, and the reconstruction will also require a long-term commitment. Similarly, further efforts to consolidate the constitutional structures in the Western Balkans (in the cases of Bosnia-Herzegovina and Kosovo in particular) and prepare them for the enlargement process will certainly be needed.

Why EU enlargement is not a sprint

In August 2023 in Bled (Slovenia), the European Council president, Charles Michel, declared that the EU must be prepared for enlargement by 2030. For some, it might have been a sign of reluctance concerning speeding up enlargement, while for others it was

a manifestation of genuine commitment. Most importantly, it was an acknowledgement that the EU not only needs to stimulate reform among the applicants, but it needs to prepare itself, and this may take some time. With every round of enlargement, European policymakers have to face the fact that, for the admission of new members, some rearrangement is inevitable.

The size of the European Parliament and the allocation of seats or the practice of each country delegating an EU commissioner are all up for discussion, and these issues can be long and complex before another actual enlargement round can take place. The size and structure of the EU budget, with the balance between net contributing and net recipient countries at its heart, is an equally critical question. Membership of a low-income and, to a great extent, agricultural country like Ukraine would redefine the Common Agricultural Policy and Cohesion Policy as we know them today (and these two policies represent two thirds of the EU budget).

It should be highlighted that the two blocks awaiting the new enlargement round pose difficulties of a different nature. The point in the Western Balkans is the number of small countries. The institutional architecture of the EU is a special arrangement between a certain number of larger, medium-sized and small countries. Adding six small states would change the existing balance, even if we only speak about 16-18 million citizens. In addition to the lack of full recognition of Kosovo as a state, and the unique constitutional arrangements of Bosnia-Herzegovina, there are question marks around the region's sustainable path towards democracy and the rule of law.

Ukraine's potential accession is a different matter, since, in this case, pivotal EU policies like agriculture and cohesion would need to be reconsidered.⁹ This may come either before or after negotiations start. However, even if we just rely on early estimates, it is clear that the nature and effect of these policies would change massively as a result of (or as a pre-condition of) Ukraine's EU accession. The grain dispute between Ukraine and four EU member states in September 2023, which also reached the podium of the United Nations General Assembly, might be a precursor of very complex talks at a later stage about how Ukraine's economy can be integrated into the single market. When exactly the reconstruction effort will bring Ukraine to the level of a "competitive market economy" can only be the subject of speculation at this stage.

Those who pretend that the speed of joining the EU primarily depends on the swiftness of paperwork in Brussels unintentionally mislead others, but probably mislead themselves too. In recent years, the EU has found it hard to move ahead with the integration of rather small countries like Montenegro or North Macedonia. Croatia became an EU member 18 years after the end of the war it was involved in, and without being ruined by its adversaries. Ukraine is much larger and, despite the great potential of the national economy, overall, it is not in a better position now than at the time of the dissolution of the Soviet Union 30 years ago.

9 Korniychuk, A. (2023) "The case of Ukraine's candidacy to the EU". Policy Study. Foundation for European Progressive Studies.

Such considerations and references to the history of EU enlargement may matter, but their actual relevance will be decided later, given the more general shift towards geopolitics. Since the war in Ukraine, we may find ourselves in the unknown unknowns, and the past may not necessarily be a good guide for the future¹⁰ in various policy fields, including enlargement.

Farewell to Copenhagen?

Under Jean-Claude Juncker (2014-2019), the European Commission carefully avoided any significant move towards the accession of further countries. Enlargement policy was practically dissolved in neighbourhood policy. Since the war in Ukraine, Ursula von der Leyen seems to have changed this completely. A critical question is therefore whether the Copenhagen criteria are still alive.

Veteran Danish politicians (including former PES president Poul-Nyrup Rasmussen) and current office holders at the end of June 2023 celebrated the 30th birthday of the Copenhagen criteria. This set of criteria originates from 1993. Shortly after the EU was formed, the block of 12 countries clarified under what conditions it was ready to admit further members. They simultaneously focus on the qualities of the political system, economic competitiveness and legal harmonisation. This approach has been guiding EU enlargement ever since. In the 1990s, fulfilling political criteria was a precondition to start negotiations and, by the end of such talks, economic criteria (being a competitive market economy) also had to be fulfilled. Because of the former, Slovakia was not involved in the first launch of Eastern enlargement in 1997.

With Prime Minister Rasmussen chairing the European Council, the Copenhagen arrangement pulled the approach of EU enlargement towards a merit-based angle, but it should be admitted that by the end of the 1990s the geopolitical argument also started to play a role. Concerning the FGR, it is very clear: the authors believe that the Copenhagen criteria are alive and well; and they have to be applied rigorously. However, in June 2022, when EU candidate status was awarded to Ukraine and Moldova, the pendulum swung towards the geopolitical corner, as opposed to the merit-based one. (The subsequent Enlargement Report of the Commission was called “schizophrenic” by EPC expert Corina Stratulat.¹¹)

With Ursula von der Leyen announcing a proposal to open accession talks with Ukraine and Moldova, the commission changed the interpretation of the Copenhagen criteria, to say the least. Considering Ukraine a functioning democracy, when under martial law not even presidential elections can be held, represents a bending of the concept. The patriotic sacrifice of Ukraine is appreciated by all and doubted by nobody. But, contrary to what

¹⁰ In November 2023, the Portuguese prime minister, Antonio Costa, welcomed a conclave of leading intellectuals, scientists, entrepreneurs, artists, citizens and politicians to Cascais, Portugal, to discuss the future of Europe.

¹¹ “Enlargement package marks a turn in policy to the East”. European Policy Centre, 14 November 2023.

many citizens, diplomats and enthusiasts of Ukraine might believe, this has very little direct connection with actual EU membership, unless we omit the prevailing paradigm of the past 30 years.

Since Ukraine and Moldova have been put on the fast track, there have been many warnings about the existence of a 'queue'. The countries of the Western Balkans have been participating in the enlargement process for some time, and the Western Balkans region has been relatively peaceful for over two decades. The accession process is supposed to be based on merit and performance and, like many other aspects of EU functioning, this has much more objectivity in it than many would believe.

The EU may decide to replace the Copenhagen criteria with something else. However, the approach that EU enlargement can be the unique policy to solve all the problems of the neighbourhood of the EU will most likely prove unsustainable in the coming years. What leaders should avoid, in particular, is creating false hope, which can only sow the seeds of future controversies and undermine the credibility of the EU as a result. The EU should also save itself from ending up with an eclectic enlargement policy: a merit-based approach for the Western Balkans and a geopolitical one for Ukraine.

Geopolitics versus geoeconomics

The perception that geopolitics rules, and almost overrules, everything today is justified by references to the entry into office of the von der Leyen Commission in 2019, when the new president qualified her college as a "geopolitical commission". This statement created an impression that they would like to double down on earlier promises of strategic autonomy, but today there are mixed feelings regarding any genuine movement towards such an objective.

The claim of being geopolitical might just have been a bon mot after Jean-Claude Juncker spoke about a political (as opposed to technocratic) commission, but it also created expectations. The expectation was primarily about stepping up Europe's strategic autonomy, and presenting a more united and better articulated position in global affairs. In other words, Europe would stop punching below its weight in international politics. But how is Europe's weight determined?

The EU's relationships with the rest of the world are primarily determined by economics. Experts speak about a "Brussels effect" because of the regulatory power exercised over one of the two greatest marketplaces of the world (which remains a position even after Brexit). The EU started to speak about strategic autonomy in the Trump era (2017-2021), but this idea suffered a blow with the Russian invasion of Ukraine and the arrival of an era of unprecedented global economic warfare.

The EU was 'mugged by reality', and instead of bringing its role in global politics to the level of its weight in global economics, it went for the fallback option of securitisation, which rests on NATO. Macron was surely wrong to call NATO "brain dead" (in October 2019). But NATO did not choose someone like Kaja Kallas to be its new secretary general, following Jens Stoltenberg, and in July 2023 it evaded the accession of Ukraine, which

would have meant an immediate entry into an open war with Russia. Instead, it continued the coordination of weapons deliveries to Ukraine, thus leaving the EU with a more symbolic rather than substantial role in security.

Perhaps the highest point of the geopolitical ambition of the EU (or at least the von der Leyen Commission) was the leadership role performed in political support of Ukraine's defensive war and sanctions against Russia. But this also raised doubts about whether the EU was subordinating to geopolitics some other issues – defence of the rule of law and the pursuit of economic prosperity – that would be more central to its mission. For example, von der Leyen's choice was geopolitical, but at the detriment to the primary mission of the EU, which is the pursuit of the economic rationale, when she showed readiness to compromise the Common Agricultural Policy in favour of geopolitical considerations during the grain dispute with Ukraine (September 2023).

Alternatively, when a new war broke out in Israel following the horrendous terrorist attack by Hamas against not only military targets but also many civilians (7 October), it appeared that it was not obvious to the Commission how to handle such a complex situation. The debacle involving von der Leyen (and her enlargement and neighbourhood commissioner Olivér Várhelyi) might allow many to conclude that foreign policy should not be allowed to slip into the domain of communitarian affairs. Such episodes make it harder to argue that foreign policy issues in the EU should be decided by a qualified majority instead of unanimity.

If Europe's future is organised in tandem with the EU and NATO, should the EU not concentrate on what it really can do, which is calculate the costs and benefits of everything, and be an economic powerhouse of countries sharing the same democratic values? While preparing for another big-bang enlargement,¹² the EU should not forget about deepening and improving its capacity to deliver public goods,¹³ and insist on some meaningful strategic autonomy, so it can also respond to the tragedies of our time with courage and creativity.

EPC: An idea whose time has come?

Francois Mitterrand responded to the fall of the Iron Curtain by proposing a confederal framework, while also initiating the establishment of the European Bank for Reconstruction and Development. In the year of the *"Zeitenwende"*, in his post-re-election speech in Strasbourg (9 May 2022), Emmanuel Macron fleshed out the idea of an EPC, bringing together democratic nations of Europe to focus on common security, energy and transport.¹⁴ This is to recognise that there are more countries in Europe that face common

12 Emerson, M., M. Lazarević, S. Blockmans et al. (2021) "A template for staged accession to the EU". CEPS, October; Kribbe, H. and L. van Middelaar (2023) "Preparing for the next EU enlargement: Tough choices ahead". Brussels Institute for Geopolitics, September.

13 Beda, R. (2023) "Rethinking the EU's budget. Perspective and challenges". Eurocomment 2023/4; "The European Union at the time of the new Cold War: A manifesto". VOX EU, 4 October.

14 Mayer, F. C., J. Pisani-Ferry, D. Schwarzer et al. (2022) "Enlarging and deepening: Giving substance to the European Political Community". Policy Contribution, 15/2022.

challenges than those who want to be integrated through both a single market and a single currency.

Within one year, the EPC organised three summits (in Prague, Chişinău and Granada). In itself, this is a sign of viability and, in all likelihood, the format will continue. At the same time, it remains true that the relationship between the EPC and enlargement is somewhat ambiguous. Is the EPC an enabler or a substitute for the enlargement of the EU as such? Those who believe that EU enlargement can be (and will be) fast, do not expect much from the EPC, and those who are sceptical about fast enlargement attribute greater potential to the EPC.

The EPC is not a community of the same values – it actually allows leaders belonging to the same geographical area to discuss important issues, despite entertaining different values and ideas. Thus, the EPC can be seen as a loose format based on the lowest common denominator that allows leaders of European countries to discuss issues of common interest with biannual regularity. Informality is key, and according to the first few gatherings, the right idea is to avoid defining deliverables based on predictions. Even without concrete mandates, the EPC can potentially address issues where the EU is not active or effective, for example, criminality related to migration.

Non-institutionalisation can be seen as a political limitation, but the majority of participants simply appreciate the strategic intimacy that has become part of the EPC brand. Leaders gather without a secretariat in a capital city, with the agenda determined by the host government, which in every second semester coincides with the presidency of the EU council. This setting has created opportunities to solve specific issues, just like the gathering in Moldova was used by Ukraine President Volodymyr Zelensky to discuss the question of F-16 aircrafts.

Sceptics would say that organising a ‘political Davos’ is not enough for the long-term survival of the EPC. And if we only create one more intergovernmental roundtable in Brussels or Strasbourg, we have not solved much. Organising a non-event every six months in a beautiful place would be compatible with the ‘end of history’ paradigm, which is everything but timely. And if the EPC is created when the power centre of Europe is apparently shifting towards the East, the EPC could also match the new content with new symbols. It could indeed choose a seat, and for that purpose, one would need to consider a city with historical symbolism in one of the newer EU member states, such as Kraków, Bratislava or Cluj-Napoca.

This wider organisation could be helpful for those who would one day join the quasi-federal core itself, or the UK, which left the EU in 2020, and is finding it hard to cope with the consequences. It allows Turkey, Serbia, Switzerland and Iceland to be engaged without knowing what the next step is in their relations with the EU. Success or failure of the EPC should not be measured in terms of resolving specific conflicts. It should not even endeavour to politicise itself or engage civil society organisations. To consolidate itself for the long term, it simply needs to pass the test of UK and Hungarian presidencies in 2024.