

Written evidence on EU Enlargement

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1. Since the 2004 ‘big bang enlargement’ as well as the entry of Bulgaria and Romania in 2007, the future of the European Union (EU) enlargement leads to extensive discussions both in academia and in the political arena. The impact of enlargement on the European institutions as well as on national interests cannot be neglected: each country desiring to join the European Union raises a series of political and economic challenges that need to be dealt with prior to accession. The Copenhagen Criteria, set up in 1993 to overcome “opposition from several member states to eastward enlargement”,¹ still constitute the key conditions for a state to join the Union. The ‘New Approach’, set up in 2012, strengthened the Copenhagen Criteria by restructuring accession negotiations in Chapters 23 (on Judiciary and Fundamental Rights) and 24 (on Justice Freedom and Security) of the *acquis communautaire*. This approach, in the words of the European Commission, “foresees greater transparency and inclusiveness in the negotiations and reform process, with candidates encouraged to develop their reform priorities through a process of consultation with relevant stakeholders to ensure maximum support for their implementation”.² As democracy and the rule of law constitute core values of the European Union and as most (potential) candidate countries in the Western Balkans will need to implement reforms to comply with Chapters 23 and 24, the ‘New Approach’ is deemed necessary, even though time-consuming.
2. One particular case I would like to address is Iceland’s application for EU membership, which can be considered as an ‘awkward case’ of the EU enlargement policy. Since 1994, Iceland is a member of the European Economic Area (EEA), which constitutes the closest form of relationship between non-member states and the European Union. In 2009, following a severe financial crisis that hit the country in October 2008, the Icelandic electorate voted for a change and the pro-EU Social Democratic Alliance became the largest political party represented in the Icelandic Parliament, the Althingi, for the first time in its history. The Alliance subsequently formed a left-wing government with the Left-Green Movement and put the application for EU membership on top of its agenda. However, in 2013, the government was voted out by the electorate and the new anti-EU right-wing coalition, consisting of the Independence and Progressive parties, decided to suspend accession talks in September. However, Iceland remains a candidate country, even though it appears clear that the government does not consider joining the Union as a viable option. More recently, the government drafted a bill to withdraw the application, which still needs to be considered by the Althingi after the summer recess. Interestingly enough, whereas the future of Iceland’s application for EU membership is doubtful, some analysts have claimed that the application process itself has helped to stabilise the national economy.³ For instance, in 2013, Iceland received €5.8 million from the European Commission as part of the IPA Component I.⁴ On the one hand, the Institute of International Affairs of the University of Iceland highlighted that “it is also important to realize that keeping the formal status of a candidate country provides Iceland with

¹ Grabbe, Heather (2002): ‘European Union Conditionality and the *Acquis Communautaire*’, *International Political Science Review* 23:3, p. 250.

² European Commission (2012): ‘Communication from the Commission to the European Parliament and the Council: Enlargement Strategy and Main Challenges 2012-2013’, COM(2012) 600.

³ See e.g. Payne, David and Puka, Lidia (2013): ‘Iceland’s Relationship with the EU: A Partnership Needed’, *Polish Institute of International Affairs Bulletin* No. 105(558), available at: http://www.pism.pl/files/?id_plik=14911.

⁴ http://ec.europa.eu/enlargement/instruments/funding-by-country/iceland/index_en.htm

more opportunities to lobby for its interests in European affairs (not least when compared to Norway), even if the accession negotiations are on hold, as this gives Icelandic officials better access to influential officials within the EU administration”.⁵ On the other hand, it can be questioned whether such situation, which is unique and somewhat unclear, is in the interest of the European Union itself. As such, the European Union should urge the Icelandic government to clarify the situation as soon as possible, as it constitutes one of the current challenges to EU enlargement. If the European Union allows a country to suspend accession talks, it should be a temporary measure for exceptional circumstances.

3. The Copenhagen criteria also state that “the Union’s capacity to absorb new members, while maintaining the momentum of European integration, is also an important consideration in the general interest of both the Union and the candidate countries”.⁶ The so-called ‘absorption capacity’ of the European Union is an unclear notion and should not be mentioned in official documents. It covers a series of key components that need to be highlighted in order to determine the supply-side of European integration. Emerson *et al.* (2006) suggested de-constructing this ‘absorption capacity’ into more precise and objective components, i.e. “the capacity of the EU’s internal market, labour market, budget, Eurozone and institutional system to absorb new member states, society’s capacity to absorb immigration and the EU’s capacity for assuring its strategic security”.⁷ The EU’s approach to enlargement can be improved in the future by taking these components into account in order to set the future enlargement agenda.
4. As mentioned in the second paragraph, the EEA is the closest form of relationship between the EU and non-member states. Through this agreement, three non-member states (Iceland, Liechtenstein and Norway) have implemented about 75 per cent of EU legislation. The EEA constitutes a good alternative to EU membership, despite the so-called ‘democratic deficit’ of the agreement. Indeed, through EEA membership, non-member states do not (formally) participate in the European decision-making system, and are not represented in the key European institutions. Whereas many hoped that the EEA would become an alternative to full membership (some kind of “associate membership” to the European Union), it quickly appeared that such option would not be taken into consideration. Depending on the absorption capacity of the European Union, however, alternatives to full EU membership, following the EEA model, could be considered in the near future. Associations Agreements with binding steps towards full European integration and clear objectives set in time could be beneficial for both the European Union and the candidate country.
5. One might consider that European public opinion constitute an element of the EU’s so-called ‘absorption capacity’ as part of the society’s capacity to absorb immigration. As such, the impact of EU enlargement on public opinion, especially in the United Kingdom, should not be downplayed. The latest Eurobarometer, published in November 2013, shows that only 32 per cent of the British population is in favour of further

⁵ Institute of International Affairs, University of Iceland (2014): “Iceland’s Accession Negotiations: Summary of Main Conclusions”, available at: http://ams.hi.is/wp-content/uploads/2014/03/IIA_EU_Iceland_Report_Executive-Summary.pdf.

⁶ See http://ec.europa.eu/enlargement/policy/glossary/terms/accession-criteria_en.htm

⁷ See <http://www.ceps.eu/book/just-what-absorption-capacity-european-union>

enlargement of the Union. This is lower than the EU average (37 per cent).⁸ The UK government should monitor the evolution of public opinion, at both the national and the European level.

Concluding remarks

6. The EU enlargement process should be beneficial for the European Union, its member states and candidate countries. The agenda set by the European institutions should constantly be monitored and, when appropriate, adapted to the particular context (as discussed in paragraph 3). As such, one key aspect of EU enlargement should be flexibility. Multi-speed integration, as a form of differentiated integration, should be used as a tool to enhance the EU's approach to enlargement in the future. Broadly speaking, it should be borne in mind that the most recent rounds of enlargements have strengthened the European Union as well as the economy of new member states. The upcoming challenges that the European Union will face are located in the Western Balkans, where enlargement can be used as an incentive to speed up the process of democratisation in the region. The current use of conditionality, especially since the implementation of the 'New Approach' in 2012, seems appropriate to deal with future rounds of enlargement. Yet, should accession treaties be negotiated with Western Balkan countries, the timing of enlargement needs to be carefully prepared by the European Commission and the Council of the European Union.

⁸ See http://ec.europa.eu/public_opinion/archives/cb/cb80/cb80_anx_en.pdf