





Preparing for EU35+: The View from Central Europe Policy Brief

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Summary

With future enlargement of the European Union (EU) finally becoming a plausible reality, the Visegrad Four countries $(V4)^1$ have a unique opportunity to step up as leaders in the 'EU's most successful foreign policy tool.' However, taking on such responsibility will necessitate significant shift in evaluating the forthcoming processes and their short-, medium- and long-term consequences (enlargement and internal reform), forging reasonable and benefiting negotiation strategy and ability to communicate strategically upcoming gains from enlargement and cost of non-enlargement. Are the Central European countries prepared?

In May 2024, several Central European countries, celebrated twenty years since their own accession to the EU. No longer 'new members', such anniversary calls for careful evaluation of the tenure so far. And, with future enlargement back on the Agenda, for the first time the V4 countries are pressed to look at the upcoming process through the lens of well-established member states.

Is change in the air?

After years placing enlargement on the backburner of European policies, today there is no question among the EU member states on 'if' but rather 'when' new countries will join the Union. The geopolitical urgency, triggered by the Russian aggression in Ukraine, has placed the topic to the forefront of the European Agenda. However, while geopolitics has become a necessary condition it is not a sufficient condition on its own for actual enlargement and candidates are still expected to fulfill the Copenhagen criteria and go through the process of negotiations.

The enlargement process has become deeply <u>politicised</u>, with the Council able to exert control over every single procedural accession step. Years of tweaking with the policy to either stall it (from member states) or strengthen it to account for lessons learnt from previous enlargement (from the Commission), has created a cumbersome over-controlled politically accession process.

Further, the insistent linking between proceeding with EU internal reforms (institutional, policy and budgetary) and the vitality of the enlargement process places a complex set of challenges, rather than opening a door for accession.

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¹ This Policy Brief uses 'Visegrad Four countries' and 'Central European countries' interchangeably to include the Czech Republic, Hungary, Poland and Slovakia.







What has changed, however, is the understanding that enlargement will happen, eventually (and most likely this will be the last chance for accession in the foreseeable future²).

What do to if you are a V4 country?

Traditionally, the V4 countries have been unquestionable supporters for enlargement. They have been some of the loudest, and often the only voices of support, bringing the need for further Union widening, when Western counterparts have actively been pushing back against the idea after the 'big bang' enlargement.

By experiencing a substantial economic growth,³ taking advantage of the four freedoms of movement and having the availability of significant funds from the cohesion⁴ and Common Agricultural Policy (CAP) policies, it is not a surprise that the four Central European countries have perceived enlargement as good experience. Further, good relations with their Western Balkan and Eastern European neighbours, in general, were additionally fueling positive expectations of any further enlargement. Thus, the V4 countries understand well how beneficial it is to become a new member state. However, the V4 countries today will have to take a different stance and get a good understanding of what it would mean to be a member state when newcomers are joining. What are the various costs and benefits? Such a deep-dive evaluation is urgently needed

Countries in Central Europe must carefully assess what the diverse effects of new countries, both small and large, joining the Union will be for them. They need to consider how accepting new members will impact their own status of member states. For example, Slovakia, the Czech Republic and Hungary are mid-size EU members, all net beneficiaries of cohesion and CAP policies. They are in the Schengen area and in an in-between economic model transition—still relying on export-oriented industries (especially automotive), while already seeing the need for serious new transformation of their economies. Slovakia and Hungary will become direct neighbours to the largest EU member state, Ukraine. Additionally, Hungary will share a border with Serbia. Slovakia is the most integrated country from the region within the EU—the only one in the eurozone. Poland, has enjoyed its status as one of the largest EU members. It would also directly border an even larger new member—Ukraine. Gaining new member states as neighbours would mean that

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² Anonymous interview 1 and 2, November 2023.

³ Average increase for the V4 countries on GDP per capita is 47.5% since 2004 (PPP adjusted). Source: Eurostat.

⁴ 2021-2027 Cohesion funds allocations: Czech Republic 21.4 billion euro, Hungary 22 billion euro, Poland 76.5 billion euro, Slovakia 12.8 billion euro. Source: Cohesion Open Data Platform.







Slovakia and Hungary would no longer have to protect EU external borders but also most likely would mean less funding for its borders.

Besides initial analysis based on direct comparisons, inevitably, the V4 countries will have to account for EU internal adjustments and possible reforms. What would it mean to become budget net contributor from a net beneficiary, how can the Union function effectively and efficiently with more members, what would it mean for the countries' social systems, economy, standard of living and security.

With Central European countries in different stages of preparing foresight scenarios on effects of future enlargement, the lack of data has 'aided' into fueling fear among citizens on the perceived (even if not yet substantiated) dangers of enlargement. The discussion surrounding the accession of Ukraine is an example of these issues. Thus, leaders in the V4 have found themselves torn between their traditional stance as supporters of enlargement in principle and their practical doubts in reality. Official positions, despite domestic rhetoric (in Hungary and Slovakia), has led to December's Council decision on start of accession negotiations with Ukraine and Moldova and granting candidacy status to Georgia. It is more likely, however, to expect that this 'pass' was given so Central European countries, that have been in the past frustrated with numerous stalling tactics of other member states on Western Balkans' countries negotiations, are now seeing a golden opportunity to do the same in the currently set heavy technocratic procedures, which are dependent on member state's approval.

In the meantime, the V4 countries continue to <u>disagree on pursuing internal reforms</u>. They oppose such reforms both as preparatory steps before actual enlargement (deepening before widening), and in a simultaneous manner (deepening and widening). Exercising a veto remains their ultimate leverage in driven by the fear of being trumped over, particularly if they are smaller in size), regardless of the policy in question. Having own Commissioner is perceived as a sign to be among equals; keeping the European Parliament weaker, ensures member states' Council stays in charge. And, if prospects for institutional and decision-making changes are met with a hard NO and not much societal discourse, the prospects of changes to the EU budget and policies like Cohesion and CAP are triggering serious tremors.

For twenty years the V4 countries have been net beneficiaries. Time will come when the countries in the region will start to contribute. Firstly, <u>contributors</u> are those that are economically stronger, more developed and with a better standard of living than others in the Union. Every member state should strive towards such a status. It should be a race to the top not the bottom. Second, contributors also get to <u>benefit</u> from the Union's single

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⁵ Anonymous interview 2 and 3, November 2023.







market even more. For example, Germany and the CE region's export-oriented economy has been highly beneficial to the German businesses. Third, with new members rebalancing beneficiaries and contributors, some sense of caution should be expressed on the 'game by numbers' result, where Central European countries would not be richer, just the newcomers would be poorer.

Several steps can be taken to prevent the V4 countries from shifting from strong supporters of enlargement to doubters and stallers.

Recommendations

Shift the view in evaluating the costs and benefits of enlargement. Each member state, and this will be for the first time for the Central European countries, should prepare a comprehensive evaluation on what it would mean for new members to join. How it would shift any domestic and foreign affairs, the countries' position within the Union, the effects on its economy, the social system, education, infrastructure, trade, etc. are some of the main questions that should be considered. Only with such a full analysis, factoring in as many variables as possible, a clear and robust national position, based on data and not on political decisions, can be forged.

Prepare a long-term strategy for moving from net beneficiaries to net contributors. Insisting on the current status quo while the Union is moving ahead, may negatively impact development and prosperity. Embracing the need to invest reduce dependency on European funds⁶ and diversify economically would be more beneficial. Shaping a good negotiation position, after having a clear national position on enlargement and national strategy on development and economic prosperity will be essential in fast approaching budget negotiations.

Re-evaluate possibilities for EU internal reforms. While the chances of moving towards a treaty change are low due to lack of political will in at least half of the current member states, there are various tools and mechanisms available under the current legal framework to enact some institutional and even decision-making changes. Checking exercises on the potential harm or benefit of some reforms on single member states might be a way forward to open avenues for Union efficiency and effectiveness. Opening the discourse in domestic society might also reveal unexpected acceptance by the voters (the citizens).

Communicate strategically upcoming gains from enlargement and cost of nonenlargement. It is important to shift communication towards the importance of

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⁶ Anonymous interview 5, November 2023.







enlargement and the needed internal changes by publicising positive examples of reforms, reminders of own successful accession stories, list of gains and benefits (based on data-driven models) etc. Further, putting into perspective lost opportunities and extra costs generated in case of unnecessary slowdown is also important.⁷ For example, faster accession process in the Western Balkans and Ukraine would have saved billions of euros and thousands of lives (in Ukraine).⁸

⁷ Anonymous interview 4, November 2023.

⁸ Based on closed-door debate on Enlargement, January 2024.







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Visegrad Fund