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EU Enlargement Policy, in Particular Enlargement to the Balkans

The European Union's enlargement policy has undergone continuous changes in recent decades, as a result of which more and more detailed rules were introduced, which candidate countries had to fulfil in order to successfully join. However, these criteria are still not clear, so many controversial issues need to be clarified. In my study, I first present the history of the development of the enlargement policy, focusing on changes in treaties and other EU rules, thanks to which we are now talking about a 27-member cooperation. The Community successfully balanced economic and political reasons during enlargement. In the following, I will present the results achieved by the 2011 Hungarian Presidency in terms of policy, thanks to which Croatia successfully joined the European Union, and in the case of several countries we can also witness the acceleration of negotiations. This is followed by a description of the changes of the last decade, in which we can see relatively slow progress due to the fault of both the joining countries and the European Union. I conclude the study by outlining the relevance of the Western Balkans expansion, which appears as a priority for the 2024 Presidency, and the interests of Hungary.

Introduction

Joining the European integration has always been a goal for European states, primarily because of its economic benefits and geopolitical reasons. Increasing policy cooperation has turned economic cooperation into political unity, which now covers a wide range of areas. Changes in enlargement policy over the last half century have led to new procedures and increasingly precise expectations, but there are still unclear concepts in the accession process.

In this study, I will first present the evolution of enlargement policy as a policy, followed by the successes of the 2011 Hungarian Presidency in this area. I will then analyse the policy innovations of the post-presidency period up to the present day, and outline Hungary's interest in the enlargement of the Western Balkans. My work is based on two previous articles on the subject.¹

The history of enlargement policy²

European integration has been an attractive form of cooperation since its inception, and in the 1960s the first countries intending to join had already expressed their wish to gain

¹ ÖRDÖGH 2022; ÖRDÖGH 2024.

² ÖRDÖGH 2022.



full membership. In the summer of 1961, the United Kingdom, Ireland and Denmark, followed by Norway in 1962, applied for membership, and the enlargement clause had to be activated. Although the internal tensions in the Member States (the continued veto of France) meant that it was not until 1970 that practical steps towards this had to be taken, the core elements of the policy had already been in the making. With the enlargement of the membership, the aim was to establish cooperation on a solid basis of shared values, with political and economic identification at the heart of the process. The first phase of enlargement constituted the accession of the countries that shared the common characteristics of a democratic system, a functioning market economy and ones all benefiting from the Marshall Aid.

As new members have joined the process of European integration, it can be referred to as a constantly changing scheme of cooperation, with frequently changing and tightening enlargement standards. However, the main strategy had already been put in place at the time of the first phase of accessions and had been continuously updated over the last fifty years before a total of 22 countries joining.

It is important to draw attention to two factors that have influenced the constant evolution of enlargement policy, so that it can be interpreted as a reflection of the way in which the responses to the challenges that have emerged have been reflected in enlargement policy and, ultimately, in the resilience of accession policy. On the one hand, the first stage is the Cold War period, where the sense of bloc integration and the constant threat from the Soviet Union took its toll on the Western states. This may also have had an impact on the fact that there was no need to work out an enlargement policy, or that the reinforcement of the bloc proved more important than the drafting of some detailed rules. The emergence of this phenomenon can be seen as a response to the international situation. This misguided thinking may ultimately prove to be detrimental to the Community in the U.K.'s Thatcher period or after Greece's accession. On the other hand, the Cold War reflexes did not lead to the development of the detailed accession criteria mentioned previously, because the international environment did not provide grounds for it, i.e. enlargement policy was not adapted to the requirements of the times and no detailed expectations were set for those intent on joining. The external and internal 'expectations' ultimately resulted in the emergence of a very flexible system, an instrument of soft policy, with only the treaties defining the conditions, while the detailed rules were easily shaped by the Member States of the Community. An example of this can be seen in the speed with which the technical parts of the negotiations were completed in the first enlargement phase, with only a few detailed rules to be agreed, while no specific strategies and documents were drawn up for accession on a country-by-country basis.

The legal framework for enlargement was laid down in the Treaties, which were implemented in three stages:

1. In accordance with Article 98 of the Treaty of Paris of the European Coal and Steel Community, signed in 1951, any European state can join the organisation, and thereby entrusts its implementation entirely to the Council.³

³ European Coal and Steel Community Paris Treaty. Article 98.

2. In 1957, this was supplemented by Articles 237 of the Treaty of Rome of the European Economic Community and Article 205 of Euratom.⁴ The three regulatory articles were necessary at the time as a candidate country were required to join all three organisations simultaneously yet separately. The relevant provision of the EEC Treaty states: “Any European state may apply to join the Community. It must submit its application to the Council, which will decide unanimously after obtaining the opinion of the Commission. The conditions of admission and the adjustments to the Treaties on which the Union is founded which such admission entails shall be the subject of an agreement between the Member States and the applicant state. This agreement shall be submitted for ratification by all the contracting States in accordance with their respective constitutional requirements.”⁵ From 1958 onwards, the basic framework that has prevailed to this day is clear: 1. the existence of European statehood; 2. the Member States having a decisive say in the Council; 3. the Commission giving an opinion on preparedness; 4. unanimity required for full membership; 5. the need for a single agreement to implement the accession; 6. the need for the agreement to be ratified by both the existing as well as the new Member States. The content of the treaties would be amended with practical elements during the first round of enlargement, thus adding elements of customary law to the enlargement policy.
3. With the adoption of the Single European Act in 1986, Article 237 of the EEC Treaty was amended to read: “Any European State may apply to become a member of the Union. It shall address its application to the Council, which shall act unanimously after consulting the Commission and after receiving the assent of the European Parliament.”⁶ As seen here, the European Parliament’s powers have been extended, it now has a say in the composition of the membership in the field of enlargement policy and it is now also engaged in the monitoring of the preparedness of the candidate countries.

The parts of the agreement pertaining to the enlargement were rather brief and focussed more so on procedural issues. The real criteria and principles were contained in a combination of codified law and customary law: being European, statehood, democratic rights, supplemented by the unwritten requirement of accession to the Council of Europe.

The following were already formulated as basic principles of enlargement in the first phase of accessions:

1. Accession negotiations with a candidate country may commence with it accepting the treaties and the political objectives set by the Community. This is the primary cornerstone, which has been increasingly insisted upon over time. The elementary

⁴ Euratom Treaty.

⁵ European Economic Community Treaty of Rome. Article 237.

⁶ Single European Act. Article 8.

requirement was formulated at the European Council meeting in The Hague on 1–2 December 1969. The requirements to this end were specified in the Treaties, thereby ensuring their imperative role.

2. Countries wishing to join must fully adopt the *acquis communautaire* (body of Community law). As the Community's areas of cooperation have expanded steadily, they have had to take on board more and more written law and even non-codified law, including non-binding recommendations and opinions. As a result of the continuing delegation of tasks to Community-level, by the 1990s the volume of Community legislation had reached 80,000 pages.
3. The transitional period after accession (derogation) should be as short as possible, with no long derogations from Community rules and the commitments made in the Treaties. (Temporary exemptions usually cover a period of between 2 and 7 years, with exceptions of up to 10 years, for example, in case of Hungary for agricultural subsidies or the right of foreigners to buy land.)

The codified background and principles for enlargement were developed in the first enlargement round. The origins of the principles were set out in the Commission's country opinions of 1 October 1969 on the preparedness of the British, Irish, Danish and Norwegian States. It is clear to see the Commission playing a very important role in providing the substance, as they also provided a framework for national governments during the negotiations. The negotiations proceeded at a rapid pace, as the aforementioned principles were agreed, even if the interests of the candidate countries did not always coincide with the expectations of the Community (see the British and Irish negotiations⁷). Finally, as is well known, the European Communities had grown to having nine members by 1973, with the accession of the United Kingdom, Ireland and Denmark. In Norway, the majority of the population voted to opt out.

On the part of the European Economic Community, it is important to talk about the association agreements, which establish close cooperation with third countries with the ultimate aim of membership. Such association agreements have been concluded with the countries of the southern, Mediterranean or second phase of enlargement, because certain characteristics of these countries prevented them from becoming rapidly subject to cooperation. The Athens Agreement was signed with Greece on 9 July 1961. Spain sent its letter of request for association in 1962, to which a reply was received only in 1967, and the preferential agreement was signed in 1970. Portugal also expressed its wish to participate in 1962, and once again, there was a long pause before the agreement was signed, until the free trade agreement came into force in 1972. All three countries had in common a non-democratic system which had made them unstable in political values. It is interesting to see how the European Communities have applied the enlargement option to these three countries. In fact, during their undemocratic period they “forgot” to respond to membership applications. The enlargement policy was then used (or rather

⁷ RAPCSÁK 2005: 287; GÁLIK 2005: 352.

not used) as a means to make value judgments as well as a means of international politics. Greece applied for full membership in 1975 while the two countries on the Iberian Peninsula did the same in 1977. In this case, we can already speak of protracted rounds of negotiations and divided national interests. The EEC finally decided to integrate on political grounds, because once they were in the cooperation they could not deviate from the democratic path, so Greece joined in 1981 and Spain and Portugal in 1986, thus expanding to twelve members. The same period also saw the beginning of a different path for Turkey's relationship with the Community. It submitted its application for membership in 1959, and economic cooperation was launched with the Ankara Agreement in 1963. It announced his intention to join in 1987 and became a member of the customs union in 1995 and a candidate country for EU membership in 1999.

Even during the first and second rounds of enlargement, differences between Member States over the admission of new members arose. In the first accession, one need only think of the two vetoes by President Charles de Gaulle against the British, which can be seen as representing the French national interest, or, in the case of the Mediterranean enlargement, the French and Italian fears about the new agricultural products. But it is also important to note that without the larger states, enlargement could not be given a boost, since France and Germany had a decisive say in British entry and the southern enlargement.

Under the domino principle of regime change, the European Communities' immediate neighbourhood also saw the beginning of a series of changes and democratic transformations. The fall of the Berlin Wall and the unification of the two German states is a unique area of enlargement policy, since the literature does not count the "accession" of the GDR among the enlargements, although it is undeniable that we are witnessing a territorial expansion (geographical spillover). The reason behind it is that, because of the one nation two states concept, the GDR from the very beginning of integration considered the East German territory one that would eventually unite with them, and as such, these territories would also be covered by the agreements.

The end of the Cold War and the collapse of the Eastern bloc led to regime changes in Central and Eastern Europe and European integration became the most attractive forum for cooperation. However, integration was preceded by the provision of political and economic stability in the candidate countries, and so a major reform of enlargement policy was also underway.

The third enlargement, known as EFTA, followed the same logic as the previous ones, in that the candidate countries had the same characteristics as the previous ones, with the clear reasons for their desire to join being the changing global political context. These countries applied for membership in 1989, negotiations started in February 1993⁸ and took 13 months to complete. The rapid negotiations with Austria, Sweden, Finland and Norway were made possible by all four candidate countries having economic development well above the EU average and their democratic functioning having long established them

⁸ With the adoption of the EEA Agreement, the EFTA countries have also become bound by the rules of the internal market.

among the Western European states. The Norwegian people voted against accession for the second time, but the other three countries became full members of the European Union from 1995, with a total of fifteen members.

In preparation for enlargement to the east, the previous wave of clarification of the treaties has intensified, complemented by a tightening of the enlargement principles:

1. With Maastricht, a formal change took place, Article 237 of the EEC Treaty was abolished and the Treaty on European Union was adopted, with Article O identical in content to the previous definition of enlargement.⁹ A change from 1994 was that the European Parliament now voted on the accession treaties, in which it could even veto them by virtue of its power of assent.
2. The Amsterdam change assigned number 49 to Article O making it Article 49, and the elements of customary law were incorporated into the accession rules in written form: “Any European State which respects the principles set out in Article F(1) may apply to become a member of the Union. It must submit its application to the Council, after consulting the Commission and obtaining the absolute majority of the votes of the Members of the European Parliament and the assent of the European Parliament, acting unanimously by a majority of its component members.” Article F(1): “The Union shall promote freedom, democracy, human rights and respect for human rights and fundamental freedoms, and the rule of law, principles which are common to the Member States.” According to Article F(1): “The Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law, principles which are common to the Member States.”¹⁰
3. With the entry into force of the Lisbon Treaty, the strengthening of the role of national parliaments is also reflected in the enlargement policy, which states: “Any European State which respects the values referred to in Article 2 and is committed to promoting them may apply to become a member of the Union. The European Parliament and national Parliaments shall be notified of this application. The applicant state shall address its application to the Council, which shall act unanimously after consulting the Commission and after receiving the consent of the European Parliament, which shall act by a majority of its component members. The conditions of eligibility agreed upon by the European Council shall be taken into account. The conditions of admission and the adjustments to the Treaties on which the Union is founded, which such admission entails, shall be the subject of an agreement between the Member States and the applicant state. This agreement shall be submitted for ratification by all the contracting States in accordance with their respective constitutional requirements.”¹¹

⁹ Treaty on European Union. Article O.

¹⁰ Treaty of Amsterdam. Article 49.

¹¹ Lisbon Treaty. Article 49.

An expansion in terms of principles can be seen with now more than 100,000 pages of Community legislation, which is not enough for the candidate countries to transpose into national law, but also to monitor its application. Article 25 of the 1997 Luxembourg Decision of the European Council¹² already requires the Candidate State to increase its capacity. And since the entry into force of the Amsterdam Treaty, the principle of limited flexibility has been introduced, i.e. candidate countries cannot opt out of certain policy cooperation. (The U.K. was then granted exclusion from Schengen cooperation.) The three existing ones have been amended with a fourth one, conditionality, which ensures that the EU Member States guarantee that democratic transition and the consolidation of the market economy will be achieved in the candidate countries before accession and that their instability will not jeopardise the European project. The adoption of the Copenhagen criteria at the Copenhagen summit in 1993 provided the legal basis for all that:

1. Political criterion: A stable, democratic institutional system guaranteeing the rule of law, human rights and the protection of minorities.
2. Economic criterion: Functioning market economy and ability to compete in the EU.
3. Legal and institutional criterion: the candidate states must be able to assume the obligations of membership, adopting and applying the whole body of Community law.
4. Absorption capacity: the Union must be able to absorb new members.¹³

It has been made difficult to define the content of enlargement policy as the criteria have not been defined, so it is still not clear what the EU means by one or other of these criteria, what is the ideal state in which a candidate country is ready for accession. Enlargement to the East and the negotiations in the Balkan region show that this conceptual framework is also being constantly developed. This in turn leads the parties to the mistake of not having crystallised the accession criteria. Strategies prepared by the European Commission, country opinions on preparedness, may provide more precise definitions. The vagueness of the enlargement policy criteria is in fact a tool in the hands of the EU institutions and Member States, which can be interpreted in different ways, making enlargement policy an area that is both strict and flexible.

It is difficult to define the content of enlargement policy because the criteria have not been defined, and therefore it is still unknown what is meant by the EU by one or other of these criteria, or what the ideal state in which a candidate country is ready for accession is. Enlargement to the East and the negotiations in the Balkan region show that this conceptual framework is also being constantly developed. This in turn leads the parties to the mistake of not having clear accession criteria. Strategies prepared by the European Commission, member state opinions on preparedness, may provide more precise definitions.

¹² Luxembourg Decision.

¹³ BRAUN 2017: 103–134.

The Central and Eastern European countries and the two Mediterranean islands expressed their desire to join European integration in the first half of the 1990s. The first step was to build closer economic ties with the region, and the Europe Agreements were signed. This was the start of a process in a historical context in which the Member States themselves were divided and had different national interests at Community level. Some of them wanted to deepen cooperation in the newly created political areas, while others wanted to unify Europe as soon as possible, having a sense of responsibility towards the countries of the former Eastern bloc. The aforementioned Copenhagen criteria were also established on the basis of the same principle, in order to provide a more precise framework for enlargement policy.

When it became clear at the Helsinki summit of 11 December 1999 that the principle of differentiation would be combined with the principle of equity, the Big Bang enlargement became a reality, i.e. the applicants would be admitted to the European Union together. The previously non-existent system of more detailed specifications has been replaced by individual progress, with negotiating rounds of 31 chapters of Community legislation, which were the technical agreements, with country-specific preconditions and provisional closure. The Europe of the Fifteen sensed that there might be a number of concerns about new entrants, and a protracted series of negotiations took place. It was also becoming clear that Romania and Bulgaria were lagging behind the other eastern countries, so their entry was delayed. Formal negotiations with the Luxembourg Six¹⁴ started on 31 March 1998 and with the Helsinki Six¹⁵ on 15 October 2000. The large number of applicants also required a single document to set out the process and expectations of enlargement. On 8 November 2000, the European Commission published an enlargement strategy paper, which proposed to the Council and the European Council that three categories should be distinguished when assessing applications from candidate countries: acceptable, negotiable and inadmissible. Among the fears raised among old and acceding members were the free movement of labour, changes in the level of agricultural subsidies, the problem of foreigners buying farmland or derogations from the transposition of environmental rules. The Copenhagen summit on 12 and 13 December 2002 formally concluded the negotiations and opened the way to the ratification process, which culminated in the enlargement of the European Union to 25 members on 1 May 2004.

Romania and Bulgaria had a considerable backlog, as they had shortcomings in terms of rule of law, and at the 2002 European Council it was decided that the two countries could only join integration at a later stage. (They became full members in 2007.) The shortcomings have also delayed the Schengen accession process for the two countries. It was further agreed that a new measure, the so-called co-operation and verification mechanism (CVM), would be introduced for them after accession to fill the obvious gaps in their preparations.¹⁶ The mechanism covers the areas of judicial and administrative reform, money laundering, the fight against corruption and organised

¹⁴ The Luxembourg Six: the Czech Republic, Estonia, Hungary, Poland, Slovenia and Cyprus.

¹⁵ The Helsinki Six: Bulgaria, Latvia, Lithuania, Romania, Slovakia and Malta.

¹⁶ VÁRKONYI 2019: 63.

crime. The initiative is by no means a success, as it was put in place for both countries until autumn 2023. In September 2023, the Commission formally closed the CVM for both countries. Thereafter, in line with the other Member States, the EU will examine the issues originally covered by the CVM in its annual Rule of Law Cycle.

What the European Union has to learn from all this is that preparedness can be meaningfully influenced in the accession process, but the effectiveness of reforming these after accession is dubious. In line with the renewed consensus on enlargement endorsed by the European Council of 14–15 December 2006 and the subsequent Council conclusions, the admission of new members remained a key policy of the European Union, but the “3Cs” of *consolidation, conditionality, communication*¹⁷ were defined as an innovation. Finally, Romania and Bulgaria became members of the European Union on 1 January 2007.

From the 2004 and 2007 rounds of enlargement negotiations, it became clear to the European Union that new key areas needed to be developed and kept on the agenda from the start of negotiations until their conclusion. The previous 31 negotiating chapters have thus been expanded to 35, and two key areas have been created: 23: Judiciary and Fundamental Rights and 24: Area of Freedom, Security and Justice. These two chapters came to effect with the accession of Croatia and are also a priority for the ongoing enlargement process in the Western Balkans. Another novelty of the negotiations was that chapter opening conditions¹⁸ were now set, not just chapter closing conditions, and the possibility to suspend negotiations was introduced at the same time (negotiations may be suspended in the event of a persistent and serious breach of EU values, at the request of the Commission or of one third of the Member States, by a qualified majority in the Council). While the opening of these two chapters was delayed at the time of Croatia’s accession, the Commission took this opportunity in 2011 to announce a “new approach”, with a new set of procedures for the negotiations with Montenegro. The opening of Chapters 23 and 24 is now subject to the adoption of action plans by the candidate country authorities. In the common position on the opening of chapters, the Member States set intermediate (interim) conditions.

Enlargement policy among the priorities of the 2011 Hungarian Presidency

One of the priorities of the 2011 Hungarian Presidency were the enlargement of the Balkans, in particular the conclusion of accession negotiations with Croatia. “Making further progress in the enlargement process in the Western Balkans and the conclusion of the accession negotiations with Croatia has been treated as a priority by the Hungarian Presidency, a matter of prestige. Thanks in large part to the repeated efforts

¹⁷ Consolidation: deepening the impact of past accessions. Conditionality: strict, but fair conditionality, with specific targets and consistent monitoring. Communication: proper communication of the process to the public in the Member States and candidate countries.

¹⁸ Opening or closing conditions, benchmarks.

of Hungarian diplomacy, the negotiations were accelerated and concluded on 30 June 2011.”¹⁹ During the six months of the Presidency, the chapters on agriculture and rural development, regional policy and coordination of structural instruments were closed on 19 April and the fisheries chapter on 6 June. On the last day of the Hungarian EU Presidency, agreements were also reached on competition law, judicial and fundamental rights, and financial and budgetary provisions. In the absence of any other sticking points, there was no need to open and close other chapters at the end of the negotiations. As can be felt, the issues of greater financial support and those relating to democracy and the rule of law were left to the Hungarian Presidency, which managed to strike a balance between the EU Member States and Croatia. Contrary to expectations, the Croatian accession document was signed during the Polish Presidency, but Hungarian diplomacy has an undeniable contribution to make to the success of Croatia’s accession.

Unfortunately, no progress was made on the European integration of the Western Balkans during Hungary’s EU presidency, as the countries of the region were in the early stages of accession, with Montenegro a candidate country but not yet ready to start negotiations, Northern Macedonia struggling with Greece over a name dispute, and Serbia and Albania considering submitting their applications for accession.

The current state of enlargement policy

With the accession of Romania and Bulgaria, and the long but successful integration of Croatia, the EU seems to have stalled its enlargement plans for a while. The process of accession of the Western Balkan countries is a rather bumpy detour. Neighbourhood relations are a major stumbling block to progress, exacerbated by political instability and unpredictability. Slow but incremental progress over the past decades has undermined the credibility of the European Union.

In 2019, the policy has been restructured, with new elements such as clustering of chapters, fundamentals first, reversibility (temporary halting of the enlargement process and the possibility to reopen closed policy areas).

In connection with the states of the region, a series of Stabilisation and Association Agreements with a regional approach were first concluded as a result of the war and autocratic traditions, setting out country-specific recommendations for political and economic recovery. The first agreement of this kind was put in place with Northern Macedonia in 2004, followed by Kosovo in 2016. Meanwhile, it can also be seen that over the last two decades, the perspective for the states in the region has been the European Union, with all states having now submitted their applications for membership.

Northern Macedonia indicated its intention to join in 2004, followed by a positive response in 2005, while Greece had consistently vetoed the opening of negotiations due to a name dispute between the two nations. The conflict was settled in 2018 with the

¹⁹ GAZDAG 2011: 79.

Prespa Agreement.²⁰ However, not long after that the Bulgarians came forward with their national identity dispute²¹ and blocked the start of negotiations. Montenegro was the second country to apply for full membership in 2008, was granted candidate status in 2010 and has been negotiating since 2012 until today. Progress has been mixed, with 33 chapters opened but only three provisionally closed. Montenegrin politics has become rather unstable in recent years with the end of Milo Đukanović's party in government after 30 years.²² As a third regional state, Albania indicated its intention to join in 2009, only to be granted candidate status in 2014. Internal, structural problems have meant that negotiations have not yet started with them either, and they have been waiting nearly ten years to sit down at the negotiating table. The first intergovernmental conference with Albania was held in summer 2022, but no cluster was opened. As for Northern Macedonia, negotiations have not yet occurred. Serbia was the fourth country to apply to the rotating presidency for full membership in December 2009. It was granted candidate status three years later, in 2012, and has been negotiating harmonisation since 2014. Like Montenegro, Serbia is not close to accession, with 22 chapters opened and two provisionally closed. The major problem is the unsettled relationship with Kosovo.²³ Bosnia and Herzegovina became the fifth state to apply for membership in 2016 and received a positive response from the EU in December 2022, but still has a number of tasks to complete before negotiations can start. In 2019, Bosnia was given a specific list of 14 key issues including major reforms to the judiciary, key elements of an anti-corruption legislature and a new electoral system. None of them have since been addressed by the Bosnian authorities. Finally, Kosovo, whose independence is not recognised by five EU Member States (Romania, Slovakia, Spain, Greece, Cyprus), will have to complete the accession process. In December 2022, the Kosovo Prime Minister formally handed over his country's application for membership.²⁴ The disputed statehood will certainly not receive a positive response from the EU for a few years.

Several factors have influenced the halt in enlargement policy. For one, the European Union was preoccupied with Brexit, focusing chiefly on the exit arrangements with the United Kingdom. Once over, it was now the Covid-19 pandemic paralysing any possibility of political progress for another two years, followed by a period of leaders focusing on recovery and economic growth. It is also necessary to mention enlargement fatigue and the fact that the acceding countries have not done their best. On enlargement policy, the countries that wanted to join the EU increasingly voiced their dissatisfaction, and the EU eventually reacted. In 2020, to restore credibility, Olivér Várhelyi, Commissioner for Neighbourhood and Enlargement, said: "First, today we are proposing concrete steps to improve the accession process. While strengthening and improving the process, the goal remains accession and full EU membership. Second, in parallel with the first point, the Commission stands firmly by its recommendations to open accession negotiations

²⁰ Prespa Agreement 2018.

²¹ EGERESI 2022.

²² Hungarian Institute of International Affairs 2020.

²³ KRISTÓF 2022.

²⁴ SHENOUDA 2022.

with Northern Macedonia and Albania and will provide an update on progress made by both countries shortly. Third, in preparation for the EU – Western Balkans Summit in Zagreb in May, the Commission will present an economic and investment development plan for the region.”²⁵

In reality, all three steps have been taken, but there has been no rapid change in the pace of accession negotiations. Negotiations on enlargement reform will start with the core issues, which will remain open until the end of the accession negotiations (e.g. the rule of law). The results of these negotiations will set the framework for the rest of the process, and the criteria will remain unchanged throughout the process for predictability. In the last two years, no significant progress has been made in either Montenegro or Serbia, so the reform has not lived up to expectations. The reasons are considerable: on the one hand, the EU’s agenda has been largely modified by the Russian–Ukrainian war. On the other hand, the accession countries have not made progress in harmonising their laws. Negotiations with Northern Macedonia and Albania could not start in 2022 either, following vetoes from Bulgaria and the Netherlands. The third element announced is the Economic and Investment Plan 2020. It was presented in October and it provides €9 billion in support around five pillars: “(a) climate action, including de-carbonization, energy and transport; (b) circular economy, with a focus on waste management, recycling, sustainable production and efficient use of resources; (c) biodiversity, i.e. the protection and restoration of the region’s natural assets; (d) combating air, water and soil pollution; and (e) sustainable food systems and rural areas.”²⁶ These investments are currently being implemented. And for the Western Balkan countries, the rapid granting of Ukraine’s candidacy may have sent the wrong message.

The Russian Federation committed aggression by attacking Ukraine on 24 February 2022, but this geopolitical event also triggered a series of actions in the European Union. In addition to the widening sanctions list, it also affected enlargement policy. The act of war in the EU’s immediate neighbourhood also posed a security challenge. As fighting intensified, Ukraine was the first to apply for EU membership on 28 February 2022, followed by Moldova and Georgia on 3 March. Clearly, the aim was primarily to allay fears of war and strengthen ties with the West (for parallel, see Finland and Sweden’s NATO accession process). On 17 June 2022, the European Commission published its opinion on the preparedness of the three countries²⁷ where it called for the granting of status to all three, praising their achievements. Already from this “country review”, which lasted only a few months, it is clear that the decision was less about technical and more about political issues. A similar explanation can be found in the positive endorsement of all three applications by the European Council on 23 June 2022, Ukraine and Moldova have been granted candidate status, while Georgia has been assured of the support of the Council after additional reforms have been put in place. Enlargement policy has thus become a tool for international events and has sent the wrong message to the countries

²⁵ European Commission 2020a.

²⁶ European Commission 2020b.

²⁷ European Commission 2022c; European Commission 2022d; European Commission 2022e.

that have already joined. The basis of the wrong message is that they have not in fact achieved the expectations that were set for them or differentiated between candidate and candidate states. This move also set a new record, as Moldova and Georgia were assessed at record speed, in just three months. It is important to underline the above, as the treatment of the Eastern Partnership countries and the accession of the Western Balkan countries has been taking place in a different international context.

The impact of enlargement policy on economic and social development

The interests of enlargement in the Western Balkans are political from the point of view of the European Union, which is not interested in it for its economic value, but for the unification of Europe. The population of nearly 18 million does not represent a large market expansion for the EU, nor do the region's economic indicators perform above the EU average, making it worthwhile to integrate the region into the internal market, either on the basis of market acquisition or market performance. However, the social impact could be all the greater, as the accession procession is seen by Member States as a way of ensuring the adoption of European values (human dignity, freedom, democracy, equality, rule of law, human rights), which will also contribute to the stability and development of the region. The other side of the coin, however, is that the importance of cheap, well-trained labour in the Western Balkan region (especially in case of Serbia) should not be underestimated, as other non-EU countries have also seen the potential (e.g. China, Turkey, Russia, UAE).

The accession of the countries of the area to the European Union will also bring economic and social stability to the region. As small economies, they are highly exposed to global market developments, and to compensate for this, it may be worthwhile for them to join the internal market, which offers them the prospect of more predictable economic development. Given the negative impact on the economy of the economic crisis of 2009 or the Covid-19 pandemic, this is a key direction to take for them. It is important to note that the region also faces demographic problems, partly due to its proximity to the EU. Low birth rates coupled with high emigration trends have led to a drastic ageing of the population and a decline in the working age population in the Western Balkan countries. With accession, an increase in living standards could be achieved, which could curb the negative trend.

Hungary's interests in the future development of enlargement policy

The Hungarian Government's position over the past ten years has been to support the region's early integration. "The admission of the Western Balkan countries would strengthen the European Union", Péter Szijjártó said in Sarajevo. The Hungarian Foreign Minister stressed that Hungary is therefore calling for a significant acceleration of the

accession process.²⁸ Enlargement is also among the tasks of the 2024 Hungarian Presidency. It is important to note, however, that Serbia is the key partner from the region for two reasons. On the one hand, it has been the country with the closest energy cooperation emerging in the past years. On the other hand, it has been working closely with Serbia since the migration crisis in 2015.

Hungary's interests are twofold, i.e. political and economic. Along the political interests, it can be seen that governments with the same views as the Orbán Government are more outspoken and have closer economic ties. Political relations with Northern Macedonia, Albania and Montenegro have almost been reduced to zero, due to governments of opposite political undertones. Serbia and the Republika Srpska in Bosnia and Herzegovina, however, have gained in importance. Behind the political aspect of close partnership with Serbia, we also find the desire to improve the situation of Hungarian minorities in Vojvodina, which is cited as a reason for calling for accession. Economic factors show similar proportions. "The Western Balkans is a key destination for Hungarian exports of goods and services, as Hungary has doubled its exports to the region in the last ten years. Hungarian exports of goods and services exceeded EUR 3 billion for the first time in 2019, and Serbia has become one of the most important economic partners in this respect: this year, the value of Hungarian exports of goods and services to the country exceeded EUR 2 billion, i.e. two thirds of our exports to the region came from here."²⁹ Over the past ten years, the Hungarian Government has made a number of investments in the countries of the region thanks to its well thought-out strategy, which has been supported by the EXIM Bank, which has provided support to Hungarian companies. MOL and OTP's entry into the region is regarded as the flagship, followed by the entry of a number of companies.

Conclusion

The enlargement of the Western Balkans has always been an area of key importance for Hungary, as the geographical proximity and partly similar historical past have led to a number of political and economic links that can result in more stable cooperation within the EU. The issue of enlargement is on the agenda of the 2024 rotating Presidency, but three important factors need to be taken into account while considering the realities of the matter.

1. The European Parliament elections will lead to a renewal of the institutional system, and thus the new European Parliament will begin to take shape during the rotating Presidency, but the establishment of the European Commission or the election of the President of the European Council and the High Representative for Foreign Affairs and Security Policy may be delayed, in which the Hungarian side will have less say. But this will also hamper progress on policies.

²⁸ MTI 2023.

²⁹ ÁRMÁS–NÉMETH 2021.

2. Since Croatia's accession, the European Union has been characterised by enlargement fatigue over the past ten years, which is also reflected in the slowdown in accession negotiations. Nothing is likely to come of the 2025 enlargement announced by Commission President Jean-Claude Juncker, or even of Olivér Várhelyi's statement³⁰ that another state would join the cooperation by the end of his mandate. Although the President of the European Council, Charles Michel, had already set a target date of 2030 at the Bled Strategic Forum at the end of August 2023, this was probably just a statement to encourage participants.
3. The Western Balkan countries are not ready for membership either. In recent years, reports from the European Commission and other international and regional organisations confirm that there has been a backward step on the political criteria, while the economic indicators have never been met.

Notwithstanding the issues mentioned above, the Hungarian Presidency will have the opportunity to bring the parties to the table and speed up the negotiations, even if the results will not be as good as those achieved at the conclusion of Croatia's accession.

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³⁰ MTI/AP 2020.

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