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Elcano Policy Paper

Deepening for widening

A Spanish perspective to improve the governance of an enlarged EU

Ignacio Molina (coord.) – October 2024

Judith Arnal, Belén Becerril, Carlos Closa, Enrique Feás, Raquel García, Ignacio Molina, Camino Mortera-Martínez, Miguel Otero-Iglesias, Daniel Sarmiento, Luis Simón, Federico Steinberg & Jorge Tamames

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Contents

Executive summary

This paper examines how the EU should strengthen is capacity for action and improve its governance considering the magnitude of the challenges it faces and, in particular, the medium-term prospect that the number of its members may rise to 35.

Since the Constitutional Treaty was signed 30 years ago, the EU has not instigated a single strategic initiative for improving the way it functions or broadening its panoply of powers. In the intervening time there have been reactive initiatives, including the Treaty of Lisbon, which sought to make amends for the failed ratification of the European Constitution, but these reforms have been conditioned by the need to deal with a string of crises: the Eurozone debt crisis, the pandemic and Russia's aggression, amongst others.

Even if it is accepted that these situations have so far been handled reasonably well, the prospects of success amid new challenges seem severely restricted by the internal complexity and the depleted coffers of the current EU. Promulgating a reform of policies, financing and institutional functioning is therefore highly desirable if the future of the 27 current members is not to be compromised, and indispensable if a new enlargement is being sought.

The fact is that the global and domestic political scene has changed quickly and significantly. The EU needs to adapt itself both: externally, to a world of geopolitical rivalry and economic security that have replaced multilateralism and open trade; and internally, it needs to adapt to the growing political fragmentation and the surge in Euroscepticism in some member states that make it increasingly difficult to take joint decisions.

Europe's vulnerabilities and priorities (security, loss of competitiveness, the climate emergency and demographics) are well diagnosed in the Draghi Report and other stock-taking exercises, as is the need to update the EU's powers and improve its governance if these issues are to be tackled with anything like success. But summoning the will and the consensus necessary to take this step is not easy, even if the required reform does not entail a new treaty.

In this regard, the incorporation of the western Balkans, Ukraine and Moldova, rather than being an added risk for the coherence and stability of the integration process, becomes an opportunity for strengthening it, since it is unthinkable that it could be carried out unless there is a prior or parallel adaptation. The fact is that the accessions of new members have historically been a motor of transformation. When they occurred in the 1980s, the 1990s and in the first decade of the current century they were almost simultaneous with overhauls of primary law (the Single European Act, Maastricht/Amsterdam and Lisbon), which deepened the project with more powers, resources and more democratic and effective functioning.

The first of the key areas due for reform that the document addresses is the common policies and the financial framework. The reason for this is that, as the European Council itself recognises, this is the first step towards achieving cautious reform. The entry of new

countries, all of them less economically developed than the current members, will exert considerable pressure on the EU's budget. To finance these new needs, it will be necessary to rethink some traditional policies (agriculture and cohesion) and increase the total of the multi-annual financial framework.

Moreover, given the increase in spending commitments on European public goods that have progressively come about in recent years, the document highlights the need for greater flexibility on the income side, with truly EU-generated resources that supersede national contributions. It also suggests the issuing of long-term joint debt, similar to the Next Generation EU programme, but in a structural way. This type of financing would enable the EU to tackle strategic investments on a large scale in areas such as the energy transition, digitalisation and defence, while ensuring that the new members would be able to catch up with the more developed economies.

As well as its financing, the EU needs to fine-tune its economic and monetary policy, which includes completing the banking union, developing a true capital markets union to retain and attract savings, revising the Stability and Growth Pact to include social and investment indicators, and including growth and employment goals in the mandate of the European Central Bank (ECB). In policies where more has to be done at a European level to gain competitiveness, the legal basis of the current treaties appears to be sufficient, but it is possible that it will be necessary to strengthen the shared competence in public health and unemployment benefit.

As far as the Area of Freedom, Security and Justice is concerned, the enlargement will have systemic repercussions for the Schengen area, immigration policy and police and judicial cooperation; hence the suggestion that the elimination of internal physical borders should be directly linked with the application of a common migration policy and exerting greater control on the harmonised application of the rules that underpin all the justice and home affairs mechanisms based on trust. Lastly, in Common Foreign and Security Policy (CFSP), an argument is made for the need to replace unanimity with the extension of a double qualified majority to this area, as well as exploring the use of passerelles and constructive abstention. Moreover, there is the evident need to ensure the balanced growth of the defence industry among member states, without losers in the process. From the enlargement perspective, the case is made for making an honest assessment of how the mutual defence clause among member states would operate for new member states that are not part of NATO and do not control all their own territory.

Next, the paper turns to proposals in the institutional domain to help the EU improve its capacity for action. If the current structure is not up to the task of creating streamlined processes, with more than 30 members it will be impossible for there not to be many more roadblocks. So as a main recommendation it is suggested the key reform would consist of extending the use of qualified majority voting rather than unanimity in areas such as foreign policy and taxation.

As far as the European Commission is concerned, the report advocates a reduction in the number of commissioners –at least in the number who hold executive portfolios– and proposes a clearer distinction between the institutional functions of safeguarding the treaties and executive power. In the European Parliament, a case is made for establishing an equative and mathematically objective formula for assigning seats and introducing a pan-European constituency with transnational lists.

Another reform suggested is a review of the double majority system in the Council. Decisions currently require the support of 55% of the member states representing at least 65% of the EU population. With the entry of new states, almost all of them small, this could generate imbalances. Hence the proposal to reduce the number of states to 50% such that the qualified majority focuses on the population and better reflects the EU's democratic reality. There is also a series of recommendations for strengthening the coordinator role of the General Affairs Council and dialogue in the national capitals between the representatives of the member states.

It is furthermore suggested that the President of the European Council should focus on coordinating meetings between the heads of state and government, abandoning the role as the representative of foreign policy and security, a role that should be played (likewise in international meetings at the level of heads of state and government) by the High Representative. This section closes with considerations concerning the Court of Justice and the importance of defending the primacy of, and improving compliance with, EU law.

The paper next turns to the defence of democracy and the rule of law. Enlargement raises issues not only of a financial and institutional nature but normative challenges too. The mechanisms underpinning the fundamental values must be strengthened. Some member states have been criticised in recent years for eroding them and enlargement could exacerbate this problem. Various measures are suggested in this context. First, a case is made for strengthening the financial conditionality that connects access to EU funds with respect for the rule of law. This mechanism has been used successfully in some cases, but it needs a more solid legal basis to be applied more broadly. A reform is also advocated of art. 7 of the Treaty of the European Union, which establishes procedures for sanctioning states that violate these fundamental values. This article currently requires unanimity, which makes it difficult to apply. The introduction of qualified majority or double qualified majority voting is suggested to enable sanctions to be applied more effectively.

As far as democratic participation is concerned, strengthening the status of European citizenship is proposed, facilitating participation in elections to the European Parliament and promoting dual nationality between member states. It is also suggested that elections to the European Parliament should be made more visible by means of the above-mentioned transnational lists and improving the *spitzenkandidaten* system, where the main candidates of the European parties run against each other to preside over the Commission.

The penultimate section deals with the potential benefits of the concept of flexible or differentiated integration. In an EU of more than 30 members, not all the member states will be willing or able to Europeanise their affairs at the same pace in all areas of integration.

Flexible integration would enable a lead group to go it alone without all of them being forced to do so, but nor would anyone be able to block the advance of those wanting to progress.

However, the paper warns that this approach should be handled with care to avoid the creation of an 'à la carte Europe', where each state chooses only the policies that suit it, something that may well erode the EU's cohesion and democratic legitimacy. Flexible integration would need to be structured in an orderly way to make it institutionally manageable while also enabling the non-participants to easily join together when they are ready or willing to do so.

Hence the paper proposes that flexible integration should be limited to three key areas: advanced economic coordination, cooperation in justice and home affairs, and security and defence. These areas would enable headway to be made on integration without compromising the EU's overall cohesion. It is also suggested that the states participating in these areas should submit to a common process of decision-making and be held accountable before the European parliament and the national parliaments.

The paper concludes with a section relating to enlargement and neighbourhood. The accession of the current candidates is seen as an investment for ensuring peace, stability and prosperity. The accession of Ukraine and the western Balkans could strengthen the geopolitical position of Europe, but also incur risks, such as economic and political imbalances within the Union. Enlargement should not be perceived as an end in itself and must always be compatible with the stability and efficacy of the integration process.

The text emphasises that enlargement must be managed in an orderly fashion, ensuring that the new members comply with all the accession criteria prior to their admission, especially in areas such as the rule of law and economic stability. At the same time the EU must strengthen its cooperation with the neighbouring countries that are not members, such as Türkiye and the countries to the south of the Mediterranean, to foster the stability and shared prosperity of this region.

EU enlargement is both a challenge and an opportunity to revitalise the European project. However, to ensure that the EU remains operational in an ever-more complex world, it is crucial to carry out profound reforms in its governance, improving its capacity for action and ensuring that the fundamental values of the Union remain intact. Enlargement can serve as a catalyst for these reforms, but only if it is managed in a careful and strategic manner.

Finally, the paper advances a vision of the EU as a more flexible union, capable of adapting to global challenges and the incorporation of new members without losing either its internal cohesion or its democratic legitimacy. The reforms proposed are ambitious but necessary if the EU is to continue playing a major role on the world stage.

1 Introduction: the need for reform[1]

Twenty years elapsed between the adoption of the Single European Act by the then 12 member states and October 2004, when the governments of the EU, recently enlarged to 25 members, signed the unratified Constitutional Treaty in Rome. In this timespan, the integration process went through a highly fertile period involving the generation of ideas and ambitious leadership that heralded, among other advances, the transition from the Common Market to the Single Market; the launch of the euro; the removal of physical internal borders; the devising of a foreign and security policy; the implementation of common policies in such important areas as cohesion, the environment and justice; and adopting European citizenship. This exemplary track record was spurred on by five consecutive revisions of primary law –which had scarcely been amended since 1957– and in each of these five reforming treaties the governance of the Union was also modified in an attempt to make it more democratic, effective and adapted to the circumstance of having quadrupled the number of member states since its foundation.

Contrary to what is often thought from a contemporary perspective that yearns for less complex times, these institutional and power-arrangement reforms were anything but easy. The Single European Act itself was viewed as tarnished by rows between various governments (which forced the act of signing to be split between Luxembourg and The Hague) and by its delayed entry into force following the referendum in Ireland. Meanwhile, as everyone knows, the Constitutional Treaty collapsed during ratification and its contents were repackaged, shorn of most of their lustre, for the Lisbon Treaty.

Another 20 years have elapsed since that moment in the Capitolium of Rome, when the intellectual, political and aesthetic drive to deepen and improve the EU's workings reached its zenith. What has accumulated between then and now has been a series of major crises and sticking plasters that –with varying degrees of success– have been used to patch them. The cycle of major reforms drew to a close amid the realisation that the discrepancies between the member states and the requirement of unanimity to change the treaties made it almost impossible to resume that path. However, even if it has been hesitantly, without fanfare and in a way that has been fundamentally reactive to the many challenges, integration has not suffered any substantial retreat during this period, leaving aside the misfortune of Brexit. The EU has even proved capable of devising some important developments in response to the sovereign debt crisis, the pandemic and the attack on Ukraine.

The improvements to the economic and monetary union from June 2012, the joint vaccine programme despite wielding little power over health matters, the issuing of debt to finance the massive Next Generation EU recovery package, the sanctions against Russia and the

1 The working group that drew up this report was coordinated by Ignacio Molina and counted on the participation of Judith Arnal, Belén Becerril, Carlos Closa, Enrique Feás, Raquel García Llorente, Camino Mortera-Martínez, Miguel Otero-Iglesias, Daniel Sarmiento, Luis Simón, Federico Steinberg and Jorge Tamames. Its authorship is collective, the outcome of an exchange of views, but none of the participants in its drafting is necessarily in agreement, individually, with the entirety of its final content.

strengthening of cooperation on security and defence since 2022 are forceful examples, because they emerged in particularly difficult circumstances, with diverse starting points and in situations where decision by majority was not applicable, proving than an EU with 27 members is still able to reach decisions.

However, two decades without any major strategic initiative for renewing the political commitment to the Union and enhancing its governance is too long. Many of the most recent achievements mentioned above were only made possible with highly unstable balancing acts and intergovernmental transactions that are increasingly difficult to secure. The growing political fragmentation and the rise of Euroscepticism mean the risk of retreating in some areas –such as free movement in the Schengen area and even the principle of the primacy of European law– is also very real.

Moreover, it was during this recent period that the central tenet at the heart of the world order shifted from multilateralism and free trade to geopolitical rivalry and the imperative of security. Between 1980 and 2010 the EU was able to equip itself with an institutional infrastructure that –with all its flaws and limitations– allowed it to navigate the world of that time. But this reality has changed and it would be irresponsible, just when an effective and efficient system for devising policies is needed most, to ignore its shortcomings. As the Draghi Report rightly emphasises, the EU cannot afford to allow its internal complexity to undermine its collective action when compared with the US or China, global competitors that can act as a single country with a single geo-economic strategy and deploy all the political tools needed to pursue it.2

Until just three years ago, the dominant paradigm was that any ambitious initiative to bolster the EU's powers and improve its governance was doomed to failure. When the Conference on the Future of Europe was announced in 2019 –a debating forum launched by the Council, Commission and Parliament and enabling citizens and civil society to put forward ideas on how to improve the Union– the consensus among analysts was the null likelihood of the exercise leading to a reform of the treaties. France and Germany wanted it to serve as a departure point for a new constitutional process, but almost none of the 15 or so European capitals located east of Berlin wanted to proceed in this direction. Nor was much effort expended by Emmanuel Macron and Olaf Scholz's respective governments to work jointly with countries that might have been in agreement –such as Belgium, Spain and Luxembourg, and possibly Italy, the Netherlands and Portugal– to create a pro-reform grouping that, rather than limiting itself to the Franco-German partnership, would have accounted for two thirds of the European population. Indeed, Paris and Berlin, which had already agreed between themselves the 'key questions and issues to be addressed by the Conference on the Future of Europe', later decided to commission 12 experts from both countries to produce a reflection on institutional reform.3

2 *The future of European competitiveness | Part B: In-depth analysis and recommendations*, Report by Mario Draghi, September 2024. https://commission.europa.eu/topics/strengthening-european-competitiveness/eu-competitiveness-looking-ahead_en.

3 *Sailing on High Seas: Reforming and Enlarging the EU for the 21st century*, Report by the Franco-German working group, September 2023 https://www.auswaertiges-amt.de/en/aussenpolitik/europe/cooperation-in-europe/-/2617320.

At any event, since February 2022 support has been growing for the idea –which now has majority but not unanimous backing– that the EU's capacity for taking action needs to be deepened and enhanced. The explanation for this change in sentiment lies fundamentally in the Russian aggression and the political support that the 27 were able to offer Ukraine: the promise of accession and with it the extension of the offer to Moldova and the inevitable rebirth of the languishing candidacies in the western Balkans. Only four days after the war broke out, President Volodymyr Zelenskyy asked to join the EU. Simultaneously, eight countries in central-eastern Europe requested the 'prospect of immediate membership' for the country being attacked. Although publicly these governments declare it is possible to admit Ukraine within the current institutional and budgetary framework, they know it is impossible to exceed 30 members without first or simultaneously implementing changes to the governance and procedural tools. Any honest and credible support for the enlargement agenda involves implicit dismantling of the veto on reform initiatives. Thus, in the last three years the outlines of a *quid pro quo* have started to emerge between those most enthusiastic about a rapid eastwards enlargement and advocates of taking integration further.

In June 2022, on the recommendation of the Commission and with the approval of Parliament, the European Council granted Ukraine candidate status. From this moment onwards, the three institutions also declared themselves officially in favour of opening up the debate on reform. The President of the Commission, Ursula von der Leyen, solemnly affirmed in September 2022 that 'we also need to improve the way we do things and the way we decide things. And as we are serious about a larger union, we also have to be serious about reform. I believe the moment has arrived for a European Convention'.4 For its part, at the end of 2023 the European Parliament endorsed a proposal to review the treaties on which its Constitutional Affairs Committee had devoted years of work. Among other aims of the reform, MEPs seek 'to adapt the institutional framework of the Union to future enlargements', for which they too think it is necessary to launch a Convention in accordance with art. 48 of the Treaty of the EU.5

The national governments took up the gauntlet and in the second half of 2023 started making vague commitments to this demand for reform. At an informal summit held in Granada in October, the heads of state and government declared that 'the process to define the Union's general political directions and priorities for the years to come' had been started. Enlargement was accepted as a shared objective, while emphasising that 'in parallel' there was a need to carry out the necessary internal reforms.6 Subsequently, in the European Council's deliberations of 15 December 2023, it emerged that the cautious order for addressing future enlargement began with the adoption of policies, later turning to their sustainable funding and, as the third step, focusing attention on effective institutional functioning. The European Council of 27 June 2024 gave slightly more detail, adding to these three steps the premise of ensuring of respect for basic values: fundamental rights,

4 State of the Union speech delivered by the president of the European Commission, 14/IX/2022. https://state-of-the-unions.ec.europa.eu/state-union-2022_es.

5 Proposals of the European Parliament for the amendment of the Treaties, 22/XI/2023. https://www.europarl.europa.eu/doceo/document/TA-9-2023-0427_EN.html.

6 European Council, the Granada declaration, 6/X/2023. https://www.consilium.europa.eu/es/press/press-releases/2023/10/06/granada-declaration/.

democracy and the rule of law. The leaders also included reforms as a central part of the new Strategic Agenda that will run until 2029. They did so without mentioning revision of the treaties, but interestingly justifying their need not only on the grounds of having to prepare the EU for the admission of new members but also to address current challenges.

This is the context in which the new parliament starts. It is true that the European election campaign scarcely dealt with the issue –understandably, since it is unlikely to be a vote-winner– and in the mission letters to the new commissioners, which gave ample attention to enlargement, improvement of governance did not stand out as a priority. However, the above-mentioned Draghi Report on competitiveness, which presents itself as a sort of guide for the next five years, does predicate the success of its urgent recommendations on the need to improve financing and to streamline decision-making processes. In short, the debate has been given a prominence that it has not had since the Treaty of Lisbon came into force 15 years ago. Member states are positioning themselves on the various issues and, for example, some call for qualified majority voting in foreign policy (as Germany, Belgium, Slovenia, Spain, Finland, France, Italy, Luxembourg and the Netherlands did in 2023) while others advocate maintaining unanimity.

Naturally, in addition to the initiatives set out by the institutions and national governments, think tanks and civil society observers are also participating and publishing various analyses. The present document seeks to make just such a contribution to the Europe-wide reflection, taking as its starting point the ideals of the integration process cited by the aforementioned Declaration of Granada: peace, prosperity and stability. There it is pointed out that enlargement constitutes 'a geostrategic investment' for securing all three. It is an attractive idea, although it would be self-deluding not to acknowledge that, without appropriate preparation enabling the admission of new members, the process of integration may well emerge worse off.

Thus, focusing on peace, it is true that the EU is currently incapable by itself of ensuring the integrity of Ukraine and the security of the continent. As far as prosperity is concerned, it is impossible to ignore the candidate countries' delicate economic situation and lack of preparedness as states. Lastly, turning to the ambition of stability, a rushed enlargement could end up destabilising the EU itself. Ultimately, what is characteristic of the EU is not that it seeks stability in any generic way but rather that it seeks to achieve it in an audacious and original manner: placing limits on the excesses of the nation-state and with a community approach that, while overcoming the rivalry and sense of superiority some nations may feel over others, provides a positive-sum dynamic between the European and state levels. This is why it is crucial to protect the Union from a dynamic that generates nationalist urges, undermines its supranational vocation or erodes its fulfilment of the values set out in art. 2 of the Treaty.

Once enlargement is understood as a scenario to be advanced towards, the candidates must be helped to fulfil the strict criteria to accede without putting either peace, prosperity or stability in jeopardy. The entry of a dozen countries between 2004 and 2007 should be judged highly positively through the prism of these three ideals 20 years later, even if there are those who criticise having absorbed them *en masse*, without ensuring sufficient capacity

for digestion on the part of the EU and with no clear idea of what outcome was being sought, introducing difficulties to the protection of the rule of law, to the ambition of taking more steps in the process, and to a balanced approach towards geopolitical challenges.

Of course, admitting new members should not be understood as a cause of force majeure, to be endured through gritted teeth, but as an opportunity of force majeure for the cause. First, because the historical experience accrued from the accession of Spain and Portugal half-way through the 1980s shows that deepening and widening are processes in apparent tension but that actually feed off each other. Secondly, because the current scenario may serve as a justificatory lever for introducing reforms that are already necessary, but that without the incentive of ensuring the EU continues to remain functional with more than 30 members would not get addressed.

The purpose of this paper is to provide ideas as to how these preparatory efforts should be focused, both on the candidates (giving intense support, but without altering the principle of accessions based on merit and the capacity of each aspirant to attain them) and, above all, on the inner core of the Union itself. A panoply of reforms is set out in these pages enabling it to go beyond mere resistance to the onslaughts, which has been the prevailing norm since 2005. It is a question of once again being able to deliberately forge its future and its role in the world: maintaining the ideals of peace, stability and prosperity.

This paper is arranged in five sections (in addition to this Introduction). Following the order adopted by the 27 as the correct sequence when it comes to preparing the EU to manage the enlargement, section 2 addresses the policies and their funding. This is an area that cannot be analysed in the detail it deserves because it encompasses the functioning of the euro, the enhancement of the single market, new competences in sectorial policies, the future budgetary framework and other instruments to finance the growing needs for joint action in security and defence, climate action, technology and other European public goods. Given that the priority of this study is to address questions of governance, only a few ideas are sketched out here, but the brevity of the treatment of this immense subject should not be construed as ignoring its fundamental character, which precedes the rest of the analysis about the EU's capacity for action.

Section 3 analyses the way the institutions function, with special emphasis on taking decisions by majority, the improvement of coordination in the Council, the composition of the Parliament and the Commission, and the role of the Court of Justice. Section 4 is devoted to the protection of the EU's fundamental values and the strengthening of its democratic legitimacy. Next an examination is conducted of the potential for differentiated integration among groups of states that wish to strengthen cooperation (conditions, the institutional framework and potential areas; above all in justice and home affairs and security and defence). Lastly, the institutional dynamic of enlargement itself is addressed as well as the future of relations with non-member European countries and with the southern neighbourhood.

Some of the reforms that are recommended involve modifying the treaties and the working group is conscious of the difficulties this process entails. It is not just that it would require

the initial unanimity of 27 governments, but that subsequently there are numerous opportunities for veto: 42 parliamentary chambers that would need to grant approval, 17 national courts with constitutional oversight and the ability to review content, various heads of state with the power to delay ratification, and a referendum which is inevitable in Ireland and could extend to as many as 20 countries. Although it is highly unlikely that the reform of EU governance being called for here would come about through a general revision of the treaties, and many of the suggested changes do not require it, the document has not sought to shy away from identifying what would work better by grasping this nettle; among other reasons, because it is compulsory to alter primary law in order to make enlargement possible as already pointed out, in this circumstance, a *quid pro quo* will operate that may dissolve what currently appear impenetrable obstacles. It was also said that some of the solutions devised to tackle the euro crisis, the pandemic and the war –including Ukraine's switch from the neighbourhood to the enlargement policy– seemed *a priori* impossible.

The pages that follow are, in short, an exercise focused on ensuring the future functionality of an EU with more than 30 members. The considerations are valid from a European viewpoint, although here they are seen through the prism of a specific country. Spain acceded 39 years ago, when the process of integration had already been under way for 35 years and, therefore, while its experience is now closer to that of the founding members, it also has the sensitivity not to overlook the transcendent importance of accession. It has the added value of being a major member state (fourth in terms of population and economic size), which forms part of trailblazing groups and the only one that, according to initial calculations, would change its status from net beneficiary to contributor following future enlargement. The beginning and end of the 20-year period that produced the great cycle of reforms mentioned at the start of this introduction was also marked by Spanish protagonism. The first decision Spain took as a member, even before it had fully acceded, was to support the Single European Act. And the citizens of only two countries, Spain and Luxembourg, expressed their support for the Constitutional Treaty by endorsing it in a referendum.

The members of the working group who produced this paper do not under any circumstances represent any official Spanish position. They are academics and experts without any governmental or party affiliation who, engaged in an Elcano Royal Institute initiative, have worked with total freedom of opinion.7

7 The group, made up of the Elcano Royal Institute researchers and external specialists whose names appear in note 1, are grateful for the comments on earlier drafts received from Julio Baquero, Rut Bermejo, Álvaro de Elera, Julia Fernández Arribas, Ruth Ferrero, Miguel García-Herráiz, Álvaro Imbernón, María Lledó, Antonio López Castillo, Salvador Rueda, Domènec Ruiz-Devesa, Héctor Sánchez Margalef and Ilke Toygür. All have enriched its content, but they are not on that account responsible for the final text or its possible shortcomings. The paper has also benefitted from the debates of various meetings held in Madrid and Brussels between autumn 2023 and autumn 2024, convened under Chatham House rules.

2 Policies adapted to the future and sustainably financed

As pointed out in the Introduction, this section will only address its contents in a summary way and in preparation to the following sections focused on questions of governance. Beyond the enlargement horizon, there have been many lessons Europe has been able to draw in recent years from the euro crisis, the pandemic, the war in Ukraine and the backdrop of the geopolitical rivalry between the US and China. The Draghi Report and the slightly earlier Letta Report8 urge the member states to deepen and improve the single market to restore competitiveness. This links to the broad consensus regarding the need for the EU to attend to its technological, industrial and healthcare vulnerabilities, and the need for it to continue reducing dependencies in energy supplies without renouncing decarbonisation. These priorities now dominating the agenda do not displace other traditional economic goals such as having a more secure currency, further reducing the disparities in income between members and ensuring the sustainable supply of food. In foreign policy there is a need for an EU that is adapted to greater international confrontation –without renouncing a stance that favours cooperation and trade– with more responsibilities in security and defence. And, lastly, in justice and home affairs, the management of borders has never been so complex and politicised.

Such a demanding panorama seems to lead to situation in which, even if new national powers are not formally transferred to the EU, the capitals will have to accept Brussels assuming responsibility for deciding on certain strategic issues, without a possible strengthening of subsidiarity in areas of shared competence likely to be sufficient compensation for national sovereignty. And, in parallel with this already controversial demand for the Europeanisation of major decisions, the spending requirements to meet the commitments shoot up, which also seems to lead to advances in terms of budgets, taxes and European public debt in exchange for greater fiscal control and structural reforms.

For all these reasons, the common policy area and its funding is envisaged to be one of the thorniest areas in terms of an EU reform enabling enlargement. The accession of Ukraine and another seven candidates with lower incomes than any of the current members will have a major budgetary impact and may force the modification of the EU's main items of expenditure, including the Common Agricultural Policy (CAP) and the cohesion funds. This is why it is important to avoid the debates on this subject being framed in terms of a zero-sum scenario, whether among the member states themselves or between the latter and the countries aspiring to accede, and to ensure that a principle of solidarity is maintained. In any event, the size of the aforementioned challenges would oblige the EU to make strategic investments even if there were no new accessions.

8 *Much more than a Market*, report by Enrico Letta, April 2024 https://www.europejacquesdelors.eu/publications/much-more-than-a-market-report-by-enrico-letta

2.1. The EU's financial framework and income

The growing spending commitments and the prospect of enlargement require new resources to be found, ones that do not simply entail greater contributions from the current member states. This will require a profound change in the size of the European budgets, the EU's sources of income and the items of expenditure. Although it would be desirable to make these changes by overhauling the treaties, it is not necessary to modify them to increase national contributions, to issue debt in line with the precedent set by Next Generation EU or to levy new European taxes. More specifically, the pathway involves the following steps:

- An improvement in the EU's financial framework requires abandoning unanimity for making decisions on its own resources and for setting the multi-annual framework, which currently act as dual and very tight constraints on the annual budget.
- The European Stability Mechanism (ESM) needs to be included in the community method and its mandate changed so that it can operate as a source of income for the budget through indebtedness, and even to be the embryo of Eurozone representation in international financial bodies.
- This reformed ESM or, as an alternative, a central European fiscal capability, will support reforms in investments agreed between the Commission and member states, including the recently acceded states. The Next Generation EU funds did not create a central fiscal capability because they were a one-off emission of debt for a temporary investment programme. What should be done is to anticipate the emission of debt in a structural way in the subsequent multi-annual financial framework as an advance on future resources.
- It is necessary to combine increases of the multi-annual financial framework resources with genuine EU resources based on the aforementioned emission of debt and new European taxes. These new taxes should be fundamentally 'green', plus some tariffs, taxes on multinational profits and financial transactions.
- Measured as a proportion of GDP, the EU's public spending would need to rise from the current 1% –where it has remained since the 1980s– towards a much more ambitious and recognisable goal, although measurement of EU spending should not be calculated exclusively on the European budget but also on part of the budgets managed by national governments but determined directly by EU decisions. In this way, 3% or even 5% of GDP would not be so politically unattainable.
- The EU's own resources are needed in contrast to those proposed by the Commission in a different geopolitical context. Resources such as the receipts from the Carbon Border Adjustment Mechanism may be more difficult to obtain than expected in the framework of reduced international cooperation.
- It is also necessary to advocate the possibility that receipts from corporation tax –which is similar as a percentage of GDP in the member states– are integrated into a common taxation structure that enables two objectives to be attained simultaneously: sufficiency of resources and distortions in the assignment of fiscal resources of the large multinationals.

- In any proposal for European expenditure it is important to promote the idea of European public goods (the single market, security of supply, technological autonomy, decarbonisation, defence, etc) and insist that financing these at the national level is, by definition, insufficient; because it does not take external effects into account, apart from the fact that it may jeopardise the single market.
- Lastly, to avoid enlargement being perceived as a zero-sum game among member states and candidates, the reform of the budget should not be at the cost of reducing current budgetary items but rather increasing others (energy transition, industrial policy, digitalisation, research, infrastructure, defence and security and social policies) and steering all towards the same strategic goals.

2.2. The Euro and the Single Market

In the area of economic and monetary union, apart from what has already been said about the issuing of Eurobonds, there is a need to finalise the banking union and to revisit the capital markets union, which will be key to financing the enormous investments the EU faces, including in its new members. Institutional reforms in the Eurogroup and reviewing the mandate of the European Central Bank (ECB), bringing it into line with other large central banks such as the Federal Reserve, would also be desirable. More specifically, the follow steps are proposed:

- Modifying the Stability and Growth Pact –as well as changing its name– in line with the Commission's latest proposal to include social indicators in the review of the deficit, as well as the strategic investments that are already included in the Commission's proposal.
- Ensuring a better connection between the operations of the Eurogroup and the Commissioner for Economic and Financial Affairs, who ought to be the representative of the Eurozone in international forums.
- Reforming the mandate of the ECB to incorporate growth and full employment and removing the ban on monetary financing. This requires reform of the treaties and there is no hiding from its difficulty.
- Framing the banking union –in particular the European deposit guarantee fund and the backstop of the Single Resolution Mechanism– within the concept of Europe's economic security, because there is no economic security without financial security, and this requires the stability of the euro and the decoupling of banking risk from sovereign risk.
- Considering the capital markets union as a form of facilitating the private financing of the green and digital transition and other European public goods. The capital markets manage risk in a much more flexible way than banks, which helps to explain why the US (where 75% of business financing does not originate from banks) is much more efficient than the EU (with banks responsible for 75% of business financing).
- Avoiding the paths for reducing the debt and deficit being the same for all countries in the reform of the Fiscal Rules.

- Avoiding a situation in which the lack of Europe's own resources to pay off the Next Generation EU bonds forces, as is legally provided for, a share-out of the costs between the member states in accordance with a distribution criterion based on GDP. The return –even partial– of the subsidies from the Next Generation EU funds by the member states would be a betrayal of the principle that inspired their creation (resolving common problems with common mechanisms) and a terrible precedent for the future.
- Preventing the practice of bailing out banks with national funds (despite the existence of the Single Resolution Mechanism) becoming legally consolidated, which singularly and unfairly prejudices the banking systems of countries with high public debt.

2.3. Common policies in economic affairs

The Draghi Report argues that Europe's loss of competitiveness means that better coordination is needed between the institutions and the member states in research and development, higher education, infrastructure, industrial and energy policy, the environment, public health and defence industry spending. None of these sectorial areas requires a reform of the treaties, because the competences involved are already regulated as shared, but it does require political will to take the recommendations forward and to launch the Competitiveness Coordination Framework, which the Report views as the central component of governance for achieving its goals.

However, it is possible with some policies that the current legal basis is insufficient; for example, in order to launch European programmes capable of funding unemployment benefit or European stress tests of national health systems –similar to the banking tests– linked to programmes that aid their strengthening. In any event, from the perspective of future enlargement, the pressures to renationalise part of the existing common policies with a high degree of expenditure, such as the CAP or the current way of interpreting cohesion policy, are more important.

2.4. Justice and home affairs

As far as issues affecting the Area of Freedom, Security and Justice are concerned, it is necessary to ensure a more harmonised application that avoids unilateral actions, which already take place and would be liable to increase with an EU of more than 30 members. Enlargement on the eastern flank will have systemic repercussions on the Schengen area, immigration policy and police and judicial cooperation. In this context, it would be positive to directly link the removal of internal physical borders with the application of a common migration policy, to evaluate its operations periodically and to exert greater control on the consistent application of the rules underpinning the European arrest warrant and other trust-based justice and home affairs mechanisms. The following specific recommendations are made:

- Directly linking the Schengen area to the application of both a common migration policy and the standards that underpin mutual trust. It would be possible to have a reform that enabled the EU to expel from the Schengen area, at least temporarily, those member states that refuse to apply a previously agreed common migration and asylum policy.
- This radical reform requires a change of the treaties. However, it is possible to approach this idea in two ways: pragmatically, proposing enhanced cooperation that combines external migration policy and internal borders (the creation of a 'super mini-Schengen' for exclusion, as set out in section 5 on flexible integration). Or, as a less traumatic second option, it could be worth returning to five-year strategic programmes (see point 4.1 in the section on the rule of law). The alternative is the risk of re-establishing border controls and maintaining closed crossings, which is singularly undesirable in terms of trust.
- The police and judicial cooperation mechanisms (including the European arrest warrant), like the Schengen area, should have their own Maastricht criteria and their own ongoing assessment, as in the case of the euro. Given that this would require a change of treaties, various options are possible: enhanced cooperation linking the rule of law to the application of police and judicial mechanisms; *de facto* suspension of such mechanisms in extreme cases, like that of Hungary; or a less strict application that would involve reviving the system of 'five-yearly strategic plans' that came to an end post-Stockholm, to set out criteria and guidelines, at the policy level, for the harmonised application of the rules that underpin mechanisms based on mutual trust.

2.5. Common Foreign and Security Policy (CFSP)

Almost all reflections on the CFSP point to the need to overcome unanimity by extending the double qualified majority formula to this area and/or exploring the use of a system of constructive abstentions, which is analysed in greater detail below. Moreover, there is a need to increase the budget allocation to security and defence policy, enabling joint purchases of military material by the EU, while ensuring the balanced growth of the defence industry among its member states, without losers in the process. It is also crucial to avoid the CFSP's southern flank falling into oblivion, although the return of instability to the Middle East since October 2023 has lifted the strategic-political profile of the debate surrounding the southern neighbourhood.

From the perspective of enlargement, and singularly in the case of Ukraine, the top priority is to strengthen the European dimension of NATO in case the transatlantic bond should fail. It is also necessary to make an honest assessment of how the mutual defence clause –art. 42.7 of the Treaty of the EU– which establishes that if a member state 'is the victim of armed aggression on its territory, the other member states shall have towards it an obligation of aid and assistance with all the means in their power' would operate for new member states that are not part of NATO and do not control all of their internationally recognised territory (such as Ukraine and Moldova).

3 Effective institutions with greater capacity for action

The governance of the EU, which already exhibits serious shortcomings with 27 members, is clearly unfit for a membership exceeding 30. In these circumstances, the Union is unlikely to achieve its ambitious objectives and a gulf is liable to open up between the expectations of its citizens and the limited capabilities wielded by the EU, which often not only lack instruments and resources but also effective processes for taking decisions. This gulf causes frustration and increases with each round of enlargement. Reform must therefore be instituted before, or in parallel to, the accession negotiations, because the enlargement must not be allowed to jeopardise the smooth running of the EU.

The reform must consider the entire institutional framework including the Parliament, the Court of Justice and, above all, the Commission and the Council. In the case of the Commission, it is essential to address the number of commissioners and the dangers of mixing their executive functions and the custodianship of the treaties even further. In the case of the Council, it is fundamental to ensure that the entry of new members does not impede its operations. This involves examining an ordinary system of voting where democratic considerations outweigh considerations of state and where unanimity is reviewed. With 35 states exercising the right of veto, the risk of paralysis and dilution would be exacerbated. Overcoming the current individual veto system, which is neither particularly effective nor democratic, is a top priority for the EU.

Extending the cases of qualified majority voting is proposed, reserving unanimity for a highly limited number of decisions that do not include either the common European policies or the single market. Also prominent among the areas where it would be advisable to remove the individual veto are the CFSP and fiscal policy. The extension of this type of majority could be conducted through a reform of the treaties, by introducing a double qualified majority, or taking greater advantage of what is already permitted: the *passerelles* or constructive abstention, provided for in the context of the CFSP, which could be extended to justice and home affairs.

3.1. Reduction of unanimity

- The treaty allows for certain underused mechanisms such as the so-called *passerelles*, which already enable unanimity to be replaced by qualified majority voting in foreign policy and defence, although the decision to take this step is in itself made by unanimity. *Passerelles* are also possible in protecting the environment and human health, social policy, family law with cross-border implications, the Multi-annual Financial Framework and the rules around enhanced cooperation.
- Another useful instrument is constructive abstention, envisaged in the context of the CFSP (art. 31.1 of the Treaty of the EU). A Council member can use this to abstain from a vote by making a formal declaration, such that he shall not be obliged to

apply the decision but will accept that it is binding for the Union. This mechanism, which has been used four times in the CFSP, could be extended (with a reform of the treaty) to other areas in which the treaty requires unanimity, for example, in the Area of Freedom, Security and Justice. In any event, constructive abstention is difficult to extend beyond the CFSP, where it is a matter of not impeding the adoption of a measure, leaving the state that abstains unbound by it. For the EU's internal policies, such as justice and home affairs, it is better to use enhanced cooperation, because a right to a sort of ad hoc opt-out from the legislation would subvert the entire system of integration. The negotiations would also become impractical if it became known that a state that did not want to be bound could escape by abstaining.

- The Council should also make use of the existing possibility of voting by qualified majority in the four circumstances foreseen in art. 31.2 of the Treaty on the EU. Since the Treaty of Lisbon came into force, the emergency handbrake stipulated in this provision is only to be used when a vital interest is at stake.
- The *passerelle* of art. 31.3 of the Treaty of the EU enables the European Council to agree unanimously to extend the qualified majority cases. Far from encouraging the generalisation of qualified majority voting in foreign policy, this would enable a fixed number of new cases of majority in: (a) the adoption of sanctions; (b) the declarations of human rights; and (c) civilian missions. This would require the unanimity of governments, but not the reform of the treaties.
- There is also the possibility of approaching decision-making in the CFSP from a gradual and pragmatic perspective, such that decisions in this area receive greater support, a sort of double qualified majority or collective veto. In the event of reforming the treaty, the model being proposed is a system of double qualified majority that would require, in order to block, the votes of a number of member states (at least three) representing a certain percentage of the population (at least 10%). This would be more acceptable to the member states than extending to the current areas of unanimity the 55/65 of qualified majority voting, meaning that its possible extension to other areas such as taxation might be more viable. It also offers a pragmatic and gradual pathway.
- There is also the possibility that a system with these characteristics could be deployed as an emergency handbrake, such that, in the context of the CFSP, the qualified majority rule is accompanied by a handbrake that can be invoked by a minimum of states representing a certain population when they declare that their vital interests are affected. In this case, the referral of the matter to the European Council could be required for it to be debated at the highest political level and the obligation on the vetoing states to explicitly formulate their effected vital interests. This veto would need to be only temporary, inaugurating a period at the end of which a decision could be taken by qualified majority.
- Notwithstanding the above, it is worth reviewing (again, reforming the treaties) the cases in which the treaty allows a handbrake to be applied in the European Council, suspending the ordinary legislative procedure at the request of a member state that declares a projected piece of legislation prejudices 'important' or 'fundamental' aspects of its system. This handbrake appears (in different variants, either to prolong the decision-making process by up to four months and to classify the act as not

adopted in the absence of consensus, or, in addition, to deem as authorised the start of enhanced cooperation) in relation to migrant workers' social security arrangements (art. 48 TFEU) and judicial cooperation in criminal matters (arts. 82.3 and 83.3 TFEU). The European Council should not exercise legislative functions, nor act as a sort of appeal court or supreme arbiter, in a way that is prejudicial to the community method. What can be done, however, is for the General Affairs Council to strengthen its role on this point. It is also possible for a renunciation of unanimity in certain non-legislative areas to be accompanied by the possibility of referring the decision to the European Council. Note that what is being advocated is not referring decisions to the European Council in order to have them blocked, but that the latter should operate as a means of unblocking.

3.2. Reconsidering the dual threshold of the qualified majority

An EU that incorporates the countries in the current enlargement agenda (the western Balkans, Ukraine and Moldova)9 will profoundly alter the current bases for the dual majority in the Council, prejudicing the relative power of those citizens who live in larger states. Figure 1 shows the effect on the population percentage that each member will represent. Half of this future version of the EU will comprise countries that account for 1% or less of the total population.

Figure 1. EU-35: percentage of population by country

Countries in an EU-35	Population	%
Germany	84,432,670	16.54
France	68,107,000	13.34
Italy	58,803,163	11.52
Spain	48,345,223	9.47
Ukraine	41,130,432	8.06
Poland	37,749,000	7.40
Romania	19,053,815	3.73
Netherlands	17,861,351	3.50
Belgium	11,697,557	2.29
Czech Republic	10,850,620	2.13
Sweden	10,540,886	2.07
Greece	10,482,487	2.05

9 The accession processes of Turkey and Georgia are currently 'frozen', with little likelihood of short-term improvement, so neither of these states has been included in the enlargement prospects.

Países de una UE-35	Población	%
Portugal	10,444,240	2.05
Hungary	9,597,085	1.88
Austria	9,120,091	1.79
Serbia	6,641,197	1.30
Bulgaria	6,447,710	1.26
Denmark	5,941,388	1.16
Finland	5,574,801	1.09
Slovakia	5,426,248	1.06
Ireland	5,149,139	1.01
Croatia	3,879,074	0.76
Bosnia-Herzegovina	3,219,415	0.63
Lithuania	2,864,906	0.56
Albania	2,793,592	0.55
Moldova	2,597,100	0.51
Slovenia	2,107,180	0.41
Latvia	1,886,300	0.37
North Macedonia	1,836,713	0.36
Kosovo	1,773,971	0.35
Estonia	1,331,796	0.26
Cyprus	918,100	0.18
Luxembourg	645,397	0.13
Montenegro	617,683	0.12
Malta	520,971	0.10
Total	**510,388,301**	**100**

Source: the authors.

In the future version of the EU therefore, the six most populous countries will account for up to two thirds of citizens, while the remaining third will be made up of approximately 30 countries. Meanwhile, the imbalance between geographical areas that already exists within the EU, when countries' veto power is combined with their population, will become more accentuated. In other words, added to the consideration above regarding the

disproportionate increase in the weight of small members, there is the fact that the accession of new states (all in the eastern part of the continent) will be singularly detrimental to the southern countries.

Figure 2. Population by geographical grouping (%)

Geographical groups	% of population
South (9 member states) France, Italy, Spain, Greece, Portugal, Croatia, Slovenia, Cyprus, Malta	45.41
North (9 member states) Germany, Netherlands, Belgium, Sweden, Austria, Denmark, Finland, Ireland, Luxembourg	33.20
East (9 member states) Poland, Romania, Czech Republic, Hungary, Bulgaria, Slovakia, Lithuania, Latvia, Estonia	21.39

Source: the authors.

- As well as this imbalance from a democratic perspective, the enlargement from 27 to 35 or more will objectively complicate the taking of decisions, because each member of the Council has the capacity for intervention regardless of its population and in accordance with the treaty 55% of the member states needs to be secured.
- In these circumstances, the EU needs to prepare itself for preventing enlargement from damaging its capacity for action or asymmetrically altering the current relative balances of citizens' influence, in light of the geography –north, south, east– and the size of its countries. Therefore, if neither the efficacy nor the legitimacy of the process is to be weakened, the future system of dual qualified majority in the Council will need to prioritise the democratic criterion (the majority required being fixed at around two thirds of the EU's inhabitants) and downgrade the country criterion (such that exceeding only half of the votes is required).
- Other possibilities that could lead to a similar result involve calculating the qualified majority on the basis of the square roots of the population and the establishment of a single threshold.
- As a sub-optimal alternative, maintaining the current system (65%-55%) is suggested, ruling out any proposal that suggests reducing the population percentage and increasing the number of countries, in order not to damage the capacity whereby all the capitals have a minority influence adjusted to their population, and therefore avoiding less democratic and more intergovernmental decision-making.

3.3. European Council

- The European Council should consolidate itself as the institution of leadership and major political decisions, limiting its involvement in the legislative process as far as possible.
- The admission of more (and poorly experienced) members to the European Council will oblige its stable presidency to focus on its role as chair: convening meetings, setting the agenda, seeking consensus and negotiating conclusions. This makes it advisable to continue ruling out merging this role with that of the presidency of the Commission, whose executive character, subject to political accountability, removes it considerably from a facilitating function requiring the utmost intergovernmental trust at the highest level.
- But precisely because the president of the European Council performs such a distinctive role, he ought to focus on this and abandon his role as representative of the CFSP,; this should be taken (likewise in international meetings at the level of heads of state and government) by the high representative who, for good reason, already attends the meetings of the European Council and chairs the Foreign Affairs Council. He or she is much better placed than the president of the European Council to gauge the mood and complement the president of the Commission as the EU's representative abroad.
    - This, moreover, enhances the EU's international visibility and reduces the risks of diplomatic incidents and tensions. The President of the Commission, in exchange for this greater international role, would accept establishing a clearer coordination responsibility for the High Representative (who is also Vice-president of the Commission) within the scope of all the Commission's foreign competences and in the foreign aspects of the EU's other internal policies.
- Owing to the High Representative's special relationship with the Commission and the European Council, he or she would continue having autonomy for CFSP and security and defence matters, but a greater role for the Commission would be enabled by this new format, thereby favouring the overall coherence of the EU as an international actor by being able to harness its entire arsenal of diplomatic, economic and any other kind of resource (for example, visas) that it might be possible to deploy to achieve the EU's goals and interests with third parties.

3.4. Council of the European Union

- The rotating presidency trios seem an inadequate format for supporting the institutional capability of not-particularly strong states and for properly coordinating the transition between the six-monthly periods for presiding over the Council in a Union of more than 35 members. These formations could therefore be increased to quintets that combine member states by size and geography lasting a total of 2½ years; and thereby fitting in with the EU's political cycle (two quintets for each term of the European Parliament).

- The General Affairs Council (GAC) needs to be strengthened in each of the three main functions assigned to it by the treaty and the internal rules of the Council: (a) coordination of the Council's configurations; (b) transversal questions; and (c) preparation and monitoring of the European Council.
- For what it does in terms of coordination of the Council's other configurations, the GAC should have effective mechanisms for ensuring the coherence of the Council's work. A radical alternative would be to unify the Council in this configuration, which would replace all the others at the time of voting, forming a second chamber of the Union, made up of the European affairs ministers. The other configurations would operate as 'specialised parliamentary commissions' with technical ministers, but the GAC would be the Plenum of the Council.
- Less radically, the GAC could carry out an exhaustive examination of the activity of the other nine councils and be able to express observations and even warnings. Similarly, in the event of doubt, the specialist configurations of the Council could issue a policy 'call' to the GAC for it to set the institution's position. In this case, it would not be so much a case of changing the rules that govern the Council as the members of the GAC embracing a certain amount of political authority over the rest of the configurations, which would nonetheless continue being technically equal. This would also avoid legislative questions reaching the European Council.
- Together with the need to coordinate sectoral issues, the GAC should take the lead on affairs that are transversal by definition and affect various configurations of the Council without being the responsibility of any of them: reform of the treaties, enlargement and negotiation of financial prospects. Only the GAC can coherently and strategically manage the flow with the ultimate authority –the European Council– both in the upwards direction and in the application of what has been decided by the heads of government.
- In functional terms, the connection needs to be strengthened and more protagonism given in this function to the departments of European affairs. This does not necessarily mean that European policy should cease to be linked to the Ministries of Foreign Affairs. But it would in fact mean that the Europe Minister –even in cases where this was a junior figure– would also have an internal authority that only arises if, as well as continuing to be linked to foreign affairs, it approaches that of the prime minister. This would help to create a true European network of politicians whose strategic role –coordinating and serving as a link between the EU and the member states– could be key to the future of European integration.
- In relation to the preparation and monitoring of the European Council, there is scope for the GAC to strengthen its links with the European Council. It may be worth inviting to the European Council, together with the prime minister whose turn it is to speak first to his or her colleagues, the member of the national government who has effectively presided over the GAC.
- Meanwhile, it is unreasonable that member states' embassies located in the other members are not distinguished either functionally or symbolically from national diplomacy. In this regard, as well as a possible change of name (calling them perhaps

'high representations'), it would be useful to strengthen the states' bilateral embassies in the other national capitals in order to improve the exchange of information and coordination away from Brussels.

- The Foreign Affairs Council also needs to be more operationally effective. The Council agenda could be drawn up in such a way that it discourages grand theoretical debates and focuses on practical questions of representation, the use of financial instruments and other policies such as incentivisation, the planning of joint initiatives with/among member states, coordination of multilateral negotiations and positions in international organisations, etc. Rather than long and ineffective conclusions, the high representative could put forward short-structured conclusions, separating declarative parts from operative parts.

3.5. Commission

- The debate about the composition of the Commission can be relativised if it is borne in mind that the interest of all member states is to form part of the College of Commissioners and not necessarily have an executive portfolio. In this regard, an inclusive collegiate entity (35 members) is compatible with a functional executive power (which does not exceed 20 portfolios invested with major power and general management). It should not be forgotten that the reduction of portfolios to two thirds of the membership is already in the treaties, and a Commission of one member per country strikes the Council as excessive to maintain its characteristic function in the integration system over the medium term. However, this tentative option seeks to achieve a Commission that is more effective from the point of view of the portfolios, while also providing a College in which the sensitivities of all the member states may be expressed.
- The reform of the Commission should also aid a differentiation of tasks at its heart, at least while the lack of consensus about changing the treaties persists; namely, the Commission as guardian of the treaties (enforcing and prosecuting) and as an executive government.
- Considerable effort needs to go into ensuring that the unstoppable politicisation of the European Commission works in favour of European citizens, rather than creating polarisation, and of course avoiding a left-right dynamic. To this end it is possible to use issues that were previously thought to be too technical to give visibility to the Union's policies and more power of scrutiny to its citizens. One idea is for the vice-presidents of the Commission to attend the European Councils and, for example, if the Council is going to talk about immigration, energy and Ukraine, asking the respective Vice-presidents to provide accounts.
- It might also be worth considering the possibility of having geographical commissioners for foreign policy, under the hierarchy of the High Representative and the Vice-president of the Commission rather than thematic commissioners with external responsibilities (enlargement, neighbourhood, development and humanitarian aid), especially when the enlargement commissioner disappears with the extinction of his/her agenda.

This model would ensure the general control and the coordination role of the High Representative, while eliminating the burden of journeys and management (whether because of attending high-level meetings or managing crises), thereby enabling him or her to focus on strategic dossiers and reduce absences from the meetings of the college of commissioners, of which he or she is vice-president.

3.6. European Parliament

- An equative and mathematically objective formula of population ratios should be devised for the assignation of seats in the European Parliament with regard to the principle of regressive proportionality (which facilitates an adequate representation of the least populous countries) with no need for ad hoc political negotiations that have traditionally prejudiced certain members.
- The maximum number of seats should continue to be limited to 751 but some of these would be reserved to introduce a pan-European constituency with transnational lists.

3.7. Court of Justice, primacy and fulfilment of EU law

- Insisting on advocacy of the primacy of EU law and the danger of institutional confrontations between European and national courts, which reduces the credibility of European justice and of the EU as a political project and organisation.
- Considering a reduction in the membership of the Court of Justice, because the high number of judges and the fluctuating composition of the Grand Chamber undermine the integrity of the Court and the coherence of its jurisprudence. The Court itself has previously proposed (in a report on the judicial architecture) the reduction of its members and ensuring the presence of all the sensitivities, combining judges from the two appeals courts and advocates-general. In any event, in all these spheres it is important to ensure that all the judicial traditions are well represented to avoid a biased jurisprudence.
- Enlargement and, at the same time, limitation of the mandate of the Court of Justice's judges (and the General Court's) so that they serve a maximum of nine or 12 years; in other words, the renewable mandates that are currently in operation, which are highly damaging to the independence of both courts, must cease.
- Promoting the message that in a complex economic world it is important to clarify the distribution of competences and the appropriateness of doing so with modifications of the treaties, because otherwise the jurisprudence of the Court of Justice of the European Union (CJEU) introduces uncertainty into the system. For example: when the purchase of debt is crucial as a mechanism for the transmission of monetary policy (in a clear fiscal policy-monetary policy interaction), the legality of the ECB's intervention cannot be subject to periodic legal action pursued by members of national

parliaments. The ambiguity could however be the lesser of two evils if a Constitutional Court blocks this reform of the treaties.

- With regard to the possible harmonisation of the EU's constitutional interpretation, it seems preferable to avoid mechanisms such as mixed chambers and to limit it to encouraging dialogue between judges of the Court in Luxembourg and the judges of the constitutional/supreme courts of the member states. This dialogue should go some way to tackling the growing tension between the national high courts and the CJEU, but without ignoring that the functioning of both the single market and the Area of Freedom, Security and Justice require a clear hierarchy of the regulatory system, and of judicial security.
- Increasing the transparency of the panel created by art. 255 of the Treaty on the Functioning of the European Union (TFEU), which is currently opaque and unaccountable for any of its decisions. In the case of the nominations of judges and advocates-general, adding, as well as the 'legal notice' of the art. 255 TFEU panel, an appearance in the European Parliament (this is not necessary in the case of General Court judges, but it is advisable for the judges and advocates-general of the Court of Justice, given their role as European constitutional judges).
- Removing the power of nominating judges and advocates-general that currently accrues to representatives of member state governments and assigning the power jointly to the Council and the Parliament. This would put an end to the immunity from prosecution that currently applies to the nomination decisions, an anomaly that sits badly with the principle of the rule of law insisted upon by art. 2 of the Treaty of the European Union (TEU).

4 Democracy and defence of the EU's fundamental values

The drift exhibited by some member states highlights the need to strengthen the mechanisms that ensure the values of the Union, with the goal of preventing countries that do not subscribe to the declarations in art. 2 of the TEU from participating in the integration process. It is necessary to strengthen these mechanisms and facilitate their application, especially using the simplification of voting procedures and rules, in particular those provided for in art. 7 of the TEU. Financial conditionality has proved an important step, which should be provided with its own legal basis in the Treaties, thereby providing coercive mechanisms that go beyond strictly budgetary conditionality.

The citizenry of the Union, a concept that is well rooted in European praxis and has its origins in the Treaty of Maastricht negotiations, continues to find practical limitations that impede the real movement of member state nationals, as well as their full participation in national democratic processes. Making headway on European citizenship, and its tangible benefits, is the most effective way of bringing the EU closer to its citizens. Measures are proposed that favour movement and contribute to ensuring that European citizens exercise their rights without any discrimination whatsoever. Safeguarding the dual nationality of EU citizens is also proposed, with the goal of avoiding renunciations of nationality.

The *spitzenkandidaten* formula, whereby the winner of the elections to the European Parliament becomes the President of the Commission, enables the ideological options available to the electorate to be identified more clearly from the perspective of a European rather than a national narrative. However, the system suffers from a multitude of problems. The major ones are: the lack of interinstitutional consensus regarding its use, the misuse of the system on the part of European parties; and, above all, the difficulties in ensuring the system lends democratic legitimacy to the Union, given the current deficiencies in the European electoral procedure. The growing politicisation of the European Commission offers an opportunity to develop the system such that the public can benefit from a greater impact of European decisions in their day-to-day lives to support political decisions that reflect their interests. To this end, a series of reforms will be necessary, such as the introduction of transnational lists and the development of European primaries in each party, to contribute to the election of candidates.

4.1. The rule of law

- There is a necessity of reformulating in the treaties, including the preamble, the narrative framework surrounding fulfilment of the norms: the rule of law is a European value recognised by the treaties, but above all is the *sine qua non* for the proper functioning of the single market and the Area of Freedom, Security and Justice.
- In this regard, there is a need for a profound reform of the European strategy, which will necessarily require a reform of the treaties, to clarify the link between the rule

of law and the single market and Area of Freedom, Security and Justice by means of a specific chapter in the treaties that encompasses a reform of art. 7 (which should include less onerous sanctions than the temporary suspension of voting in the Council as a 'forewarning' and, in compensation, excludes the possibility of various countries becoming entrenched in their mutual support); the extension of the Recovery and Resilience Mechanism to all European funds without exception (scrutiny of the use of the funds on the basis of previously agreed criteria); and the extension of the conditionality system to take it beyond the cases where there is a risk to the Union's budgetary integrity.

- The budgetary conditionality regulation has been useful, although it is limited by its necessary connection to the protection of the EU budget (art. 322 of the TFEU). It would be worth having a new legal basis for adopting an autonomous regulation. It is also important that future funds –like Next Generation EU– incorporate conditionality mechanisms.
- In light of the difficulty that besets a change of the treaties, a first phase should encompass at least an agreement in the European Council regarding the governing principles of the Area of Freedom, Security and Justice, including criteria of compulsory compliance for the extension of the police and judicial cooperation mechanisms. This agreement could draw inspiration from the most executive part of the European Semester and facilitate ongoing dialogue between the member states, the Commission and the Council.
- These political directives could help to define, in conjunction with the member states, actions of compulsory compliance that could be included in the rule of law report, with linked sanctions and incentives. The model could be the European Semester, but with a binding character by means of a 'forewarning' before reaching the final sanctioning procedure of art. 7 (or an eventual art. 7.2).
- Envisaging the possibility of expelling members in a situation involving extreme violations of the EU's values. A state exhibiting extreme authoritarian/totalitarian drift is an entirely inappropriate partner for the other member states.
- Reviewing the requirements for approving the sanctioning stage of art. 7.2. The difficulty of accepting qualified majority voting within the framework of this precept is obvious and it is worth proposing another type of double qualified majority. Requiring a minority of member states representing a minimum percentage of the population has also been proposed in other contexts (similarly to what is being proposed in the case of the CFSP). This double majority could be more acceptable than the effective application of the qualified majority (55%-65%).
- Introducing compliance with the values of art. 2 as a systematic condition for accessing forms of flexible integration.

4.2. Elections to the European Parliament and 'spitzenkandidaten'

- The lead candidate system (known by its German name of *spitzenkandidaten*) only fulfils its chief objective of democratising the election of the president of the European Commission if it meets three conditions: first, if the European and national parties conduct their election campaigns, if not exclusively then at least predominantly, on European issues. Secondly, that the electorate is capable of identifying, and identifying with, the candidates of each party. And, third, that the candidate chosen to be leader of the Commission is constantly held to account not only in Parliament but also at the European Council (it cannot be argued that the democratic legitimacy of the Union stems only from the Parliament, because it also stems from the Council and the European Council).
- The growing politicisation of the European Commission, the various crises negotiated in recent years, the international situation and the *de facto* enlargement of the EU's powers provide an opportunity for complying with at least two of the three aforementioned conditions: the national and European parties have issues that are much more 'visible' to campaign on and European leaders are much more well known in Europe than their predecessors were.
- In the event of a consensus existing on the *spitzenkandidaten* formula, the adoption of an inter-institutional agreement is proposed that codifies the formula on the basis of clear criteria. First, that all the major parties submit a candidate who undertakes to campaign exclusively on European issues. Secondly, that the national parties link their own national candidate to the figure chosen by their party (joint debates, joint appearances, for example). Thirdly, that the agreement bestows an important role on the European Council. The candidate who finally becomes the President of the Commission, and his or her Vice-presidents, should have the obligation of being held to account in the Parliament and the European Council more frequently.
- Exploring the possibility of primaries, encompassing all the member states, for the election of the *spitzenkandidat* of each party/list.

4.3. Citizenry and Participation: European referendums? / citizen consultations

- The Conference on the Future of Europe devised some interesting action plans for strengthening citizens' participation (whether through Citizens' Panels or Citizens' Assemblies) on the basis of randomness. Other proposals included lowering the requirements for the European Citizens' Initiative and limiting the possible circumstances in which referendums can be held throughout the EU.
- Another proposal is to harmonise the list of exclusions for accessing public employment, such that they are limited with greater clarity and the list of public employment posts reserved for native nationals is reduced.

- Similarly, it is important to overcome the difficulties that still persist in the validation of European qualifications in certain professions.
- It is necessary to streamline the bureaucracy to enable citizens to make use of their right to active and passive suffrage in the European and municipal elections to a greater extent.
- In this context it is also advisable to harmonise certain aspects of the way nationality is regulated in the member states. For example, member states should be obliged to recognise dual nationality among member states, facilitate the naturalisation of European citizens with requirements that are more generous than for citizens of third-party countries, etc. For the legal residents of third-party states, it could be stipulated that a period of residence in another member state should be taken into account in their naturalisation process.

4.4. Role of the national parliaments

- The national parliaments do not form part of the EU's institutional system, and nor should they go beyond: (a) their obvious role in the reform of the treaties; (b) their ordinary role in the transposition of directives and in the evaluation of certain European policies; (c) the investiture and monitoring of their respective national governments which act in the EU's intergovernmental bodies; and (d) the supervision of subsidiarity through a more efficient early warning system, but without the possibility of 'red cards' (approved and buried in 2016) to stop the Commission's legislative proposals.
- In any case, as the Draghi Report emphasises, there is scope for enhancing the involvement of national parliaments in European affairs to generate mutual understanding or at least trust between the two levels. Moreover, it is important to bear in mind the major competences that the member states wield in precisely the areas where integration is most likely to proceed in the future.
- In parallel to the MEPs' rightful desire to make legislative proposals, the possibility of this initiating role could be extended to national parliaments. In any event, to incentivise the Europeanisation of national parliamentarians and in line with the aforementioned idea of the importance of avoiding the fragmentation of decision-making, the possible legislative proposal should not be based on any individual chamber but rather a minimum number that could be determined following the majorities used in the control of the subsidiarity principle, through the introduction of a sort of 'green card'. Although in principle this requires reviewing the treaties, a dialogue could alternatively unfold between the parliaments and the Commission to trial it.
- Another avenue for improvement involves increasing the number of appearances that high-ranking European officials might make (in particular, the Commission, the ECB and the EU's various executive agencies) in the national parliaments. Although they

do not need to be formally held accountable to them, regular dialogue is worthwhile, particularly with regards to the governance of the euro, but also when debates are held about association agreements with third parties which have a mixed nature due to transcending the trade sphere and about other areas with greater intensity of shared competences.

- Lastly, the complexity of sharing out competences in at least three areas (economic governance, justice and home affairs, and security and defence) make it advisable that here too an institutional dialogue is held between national parliaments and the EU. Proposals have been included on this issue in the following section, dealing with flexible integration.

5 Flexible and orderly integration to continue making headway

Differentiated or flexible integration is coextensive with the EU's model of governance, rather than being a one-off or marginal mechanism. The EU has designed a wide variety of mechanisms to match the desires and capabilities of its member states. Everything points to this flexibility gaining protagonism in the future with an EU of more than 30 members, but at the same time it is important to avoid an institutional 'Frankenstein' with an excessively variable geometry constructed on the basis of the haphazard collection of enhanced cooperation initiatives.

If it is possible to steer clear of the risk of an *à la carte* Europe, or of a complexity of governance that translates into deficits of democratic legitimacy, flexible integration serves the purpose of adapting the EU to the continuous growth of its membership. Experience shows that the most intense cooperation between groups of member states has almost always proved in the long run a catalyst for making integration deeper. The commitment to differentiated integration rests on its potential for overcoming blocks to reform and/or enlargement. Non-participation in ground-breaking initiatives will incur a political cost that in most cases states will not be willing to pay. The areas in which it is proposed to design and consolidate differentiated integration structures boil down to three: advanced economic coordination, cooperation in justice and home affairs and the area of security and defence.

5.1. Conditions and aspects of principle

- Although it would be desirable to channel flexible integration within the TEU, the rigidities of the ordinary reform procedure combined with the growing number of states and the unanimity requirement make it rather difficult for the design of specific mechanisms and/or forms of flexible integration to be successfully channelled therein. For this reason, while not a perfect solution, resorting to non-EU treaties (like the ESM in 2012) is sub-optimal but functional option. The risk, however, is to be left at the mercy of the decisions of a member state's constitutional court.
- In any event, the principle of flexible integration should be the non-exclusion of such capabilities: those who wish to and can ought to be able to participate. Moreover, there should be clear and accessible *passerelles* that enable all members to join the most advanced states.
- It also enables greater demands to be made regarding respect for the values and rules of those who wish to take part and also therefore more effective safeguards for the system when they are breached. In these cases it could be considered as an expulsion mechanism that would be relatively effective.

- Flexible integration should not entail hierarchies because there should not be first- and second-class members. At the same time, amid the prospect of enlargement without political support for a change in the treaties, flexible integration may represent a solution, at least temporarily, to the traditional dichotomy between enlargement and deepening.

5.2. Institutional aspects

- Flexible integration requires a transparent institutional framework, one that neither involves excessive complexity, thereby frustrating accountability, nor amplifies intergovernmentability, nor renders a uniform application of European law impossible. This is why it is proposed to restrict it to only three areas of broad content. The architecture pertaining to those areas to which it is applied would basically comprise:
  (a) Legislative process based on the EU's general rules with the minimum adaptations necessary (as occurs with the euro).
  (b) Configuration of the Council (and if applicable the European Council) reduced to the number of participants, similarly to what already occurs now with the Eurogroup.
  (c) Ccountability before the MEPs of the participating member states –who would be joined, if applicable, by all those elected in a possible new pan-European constituency– and before possible inter-parliamentary conferences bringing together national MPs (given that shared or exclusively national competences are involved).
  (d) Dedicated budget applying only to participating states both in terms of income and expenditure, without prejudice to the fact that the common budget would devote funds to these areas to cover the institutional and administrative costs.
- It is proposed to introduce qualified majority voting (instead of unanimity) to activate enhanced cooperation in the context of the Common Security and Defence Policy, which would increase the possibility of its being used.
- Extending the scope of the areas covered by the 'acceleration' mechanism, currently only applicable to the Area of Freedom, Security and Justice (art.s 82, 86 and 87), although this would certainly require a change in the treaties.
- There could be a greater supervision role for the Commission in the activation of flexibility, in line with its protagonism in initiating the integration process.
- Each differentiated or flexible integration configuration (which, as has been pointed out, should not go beyond the three areas with their corresponding structures) should possess: a specific commissioner portfolio or a Directorate-General in the Commission; a reduced configuration in the Council, which would not necessarily have to meet periodically like other configurations that operate with a broader agenda, but certainly establish a certain routine and above all meet whenever necessary or in a situation of crisis/emergency; the ability to hold specific meetings of the European Council

for those member states that participate in a specific form of flexible integration, as already happens with the euro summits.

- There is also the possibility of specific configurations of the Committee of Permanent Representatives of the Governments of the Member States (COREPER) with the member states that participate in such flexible integrations. Perhaps it could follow the model of the Political and Security Committee, which is made up of specific permanent representative ambassadors to the Committee. For example, the post of a permanent representative ambassador for enhanced cooperation in justice and home affairs could be created.
- The various flexible integration structures should possess crisis-management mechanisms that are activated automatically. For example, when an emergency occurs, the member states tend to take unilateral border-closure measures that undermine the functioning of Schengen. It might be possible to replicate the model of the Integrated Political Crisis Response (IPCR), which is currently a generalist tool, to adapt it to flexible cooperation structures. To this end, the commissioner or whoever is in charge of the corresponding Directorate-General in the Commission could have the power of activating it when a possible crisis flares up. With this response, the COREPER corresponding to the flexible integration concerned would be urgently convened to ensure the exchange of information and coordination to the detriment of unilateral measures.

5.3. The democratic legitimacy of flexible integration

- To improve democratic legitimacy, the consent of the European Parliament should be introduced to initiate it.
- In general, the participation of the European Parliament should be improved in the activation of the *passerelle* clauses (art. 48.7 of the TEU) and there is a need to have its opinion to expand the list of foreign policy issues that require qualified majority voting (art. 31 of the TEU).
- The Parliament should be consulted in all cases of changing the decision process in enhanced cooperation (it is currently only consulted if the change affects the legislative procedure, in accordance with art. 333 of the TFEU).
- Cooperation with the national parliaments should be promoted and clarified, without creating new chambers composed of representatives of the national parliaments. What could, however, be created is sectorial inter-parliamentary conferences for each of the enhanced cooperation structures (competences shared by definition and even exclusive to the member states) where there are representatives from the national parliaments and MEPs from those countries. These conferences would have the function of strengthening the debate and democratic control and could address the proposals they deem appropriate to the EU institutions, but it will not be a legislative body nor will it have the capacity to veto the decisions taken by the European institutional structure.

5.4. Flexible integration arranged around only three areas

- There is an untouchable core of integration (the single market, trade, the common policies and the values of art. 2). In the agreement of February 2016 endeavouring to avoid Brexit, it was emphasised that 'the Treaties allow an evolution towards a greater degree of integration between the Member States that share a vision of their common future, without this applying to the other Member States', but it added that the acts among the participants in a flexible integration would respect the single market as well as economic, social and territorial cohesion, and would not constitute an obstacle or discrimination against non-participants, and nor would the latter jeopardise the attainment of the objectives by the former. It is there that the doctrine is already established.
- Rather than an accumulation of mini *à la carte* policies, the various speeds should consist of compact and broad policy areas. In this way, diverse degrees of integration could coexist, but without undue complexity and without fleeing from the common institutions (including the Court of Justice). There would be three areas that have been identified since 1992, when the different speeds were enshrined (opt outs for the UK and Denmark) in each of the three pillars. They would be:
  (a) Advanced economic cooperation, which would involve at least forming part of the euro and, from there, advancing in other areas.
  (b) Common Security and Defence Policy (CSDP); with a permanent structured cooperation (PESCO) that really merits this name, including leaving it open to non-member states that can collaborate. The debate on whether to configure a CSDP with the UK, Canada, Norway, possibly Turkey, possibly Australia, Korea or Japan (above all if the transatlantic relationship fails) can remain on the table.
  (c) Cooperation on justice and home affairs. This would encompass additional rights of European citizenship, penal harmonisation (more executive European arrest warrants) and a common system of external border management, immigration and asylum (Schengen 2.0) that goes beyond the Area of Freedom, Security and Justice.

6 Enlargement and neighbourhood

The enlargement process brings major opportunities, but also major risks. The dominant opinion among member states is that this enlargement process is different from its predecessors and should therefore follow distinct and possibly innovative models. However, there is a risk of prioritising a geopolitical criterion and the creation, *de facto* or *de iure*, of a pathway that is too fast to be integrated into the Union. Along these lines, the gradual integration proposals incur certain risks because they involve the candidates getting access to budgetary resources before signing the accession treaty and fulfilling the criteria that make them eligible. In addition, many of the aspects that are included in the gradual integration proposals are redundant and do not contribute initiatives that are innovative in content.

In terms of themed and policy areas, the candidates already form part of initiatives that in practice represent a gradual integration: the Common Regional Market within the framework of the Berlin Process, which seeks to achieve regional economic integration based on EU rules, bringing the western Balkans closer to the Single Market; there are also the Energy, the Transport and the Aviation Communities; the Stabilisation and Association Agreements with the western Balkans and the Free Trade Agreements with the Eastern Partnership. As far as institutional participation is concerned, the methodological review of 2020 already mentions the possibility of the candidates taking part as observers in EU meetings. In any event, an opinion from the Council Legal Service has made it clear that the status of full observer must not be granted without the signing of an accession treaty.

In this way, emphasis is placed on the importance of bringing order to the various types of EU relationship with the candidate and neighbouring countries. Better governance of enlargement involves avoiding the duplication of spaces –as with the creation of the European Political Community– which end up turning into an 'eternal carpark' for the candidate countries or diluting the EU's relations with strategic neighbouring partners. At the same time, it is important to address the traditional dichotomy between enlargement and deepening, and to help the EU's relations with candidate states that are moving forward in the accession process, but without succumbing to the risks of an accelerated enlargement under the primacy of geopolitical considerations.

Lastly, rethinking enlargement involves rethinking neighbourhood policy. In other words, a progressive advance towards enlargement also entails greater importance for the southern neighbourhood, the only one that remains now that the eastern neighbourhood has changed its status to that of candidate countries.

There are various reasons that argue in favour of strengthening relations with the southern neighbourhood: first, there are many aspects of a strategic nature –migration, the environment, energy, etc– in which the EU has long-term interests and that entail a better and more structured dialogue with the countries to the south. Secondly, this also concerns questions where the EU has greater scope for manoeuvre, above all if one compares the security prism through which relations with the eastern neighbourhood are predominantly

viewed. Thirdly and lastly, in a context in which the EU is seeking new political and economic alliances, it is a way of strengthening ties. Furthermore, the instability in the Middle East since October 2023 raises the political-strategic profile of the debate surrounding the southern neighbourhood. In addition, the candidate countries in the Balkans have a Mediterranean dimension, as embodied by Croatia, the most recent country to attain the status of member state.

Enlargement towards the east therefore requires a redefinition of the importance of the southern neighbourhood and the Mediterranean. Paying attention to it would also serve to counteract the growing disaffection that exists towards the West in general and the EU in particular, which are accused of not affording the same attention to its wars and crises as to Ukraine's. Meanwhile, Russia, China and others try to exploit this disaffection to erode the European position and influence in North Africa, the Middle East and the Sahel.

6.1. Proposals for better governance of enlargement

- A distinction needs to be drawn between cooperation proposals with European states that do not have any prospect of integration and those with which the focus of the shared agenda is the pathway towards accession. Hence, it is necessary to give a very clear definition to three economic-institutional types of relationship:
  - Framework 1 for countries that could/will be members of the EU when they are ready (candidate countries).
  - Framework 2 for countries that cannot/will not be members of the EU, even though they are ready (but with which close relations are sought).
  - Framework 3 for countries that are ready to be members of the EU but do not wish to join (Iceland, Liechtenstein and Norway –members of the European Economic Area, EEA, but not of the EU–; and Switzerland).
- Proposals such as the European Political Community (EPC) incur the risk of becoming a substitute, a parallel process to joining the EU or a way of 'parking' the candidates. Added to this is the fact that the EPC still has an embryonic and ill-defined nature.
- Better governance of the relations with neighbouring countries and candidates does not involve the endless creation of forums but rather harnessing and maximising the benefits of those that have already proved useful. In this regard, it is suggested that already-existing structures are priorities, such as the EEA, which has proved to be an appropriate framework for the EU's partner countries (such as Norway or, indirectly, Switzerland). This model could therefore be generalised to those countries that either cannot be members of the EU or do not want to be candidates for accession (frameworks 2 and 3).
- For framework 1 countries, enlargement should be based on merit and must not be subject exclusively to geopolitical criteria. Basing enlargement on aspects of geopolitical alignment will incur a range of risks: (a) that decisions are taken under pressure, on the basis of considerations far removed from the Copenhagen criteria;

(b) it imbues the process with unpredictability, because the coincidence of priorities in foreign policy can change with different governments; this can even be seen with certain countries that are already members, where alignment with priorities varies if there is a change of government; here it must be added that this consideration means meddling in decisions of national sovereignty and it is not realistic to suppose that, regardless of the candidates' governments, they are going to submit themselves to the foreign policy guidelines set out by the EU; and (c), moreover, what interest will the candidates have in applying painful reforms if they know that this will depend on the interests of member states arising from the (geo)political considerations and will of those very member states?

- In the short term, the EU's relations with countries with real prospects of accession can improve through initiatives of governance.
- The proposals for gradual integration and, in line with current thinking, enlargement, entail that the candidates accept a subordinate role that adapts to the EU's institutions. Spaces of shared encounter need to be created for both parties so that the candidates can take ownership and do not feel subjected to alien institutions.
- Instead of issuing invitations to take part in Council meetings –which may distract from the items on the EU's internal agenda, quite apart from the aforementioned problems stemming from granting the status of observers– dedicated encounters should be established, albeit on the fringes of the Council meetings to lend visibility to the candidates' European prospects: for example, joint inter-ministerial meetings after the Council configurations. This would also help to generate trust between the parties prior to integration –above all among those member states most reluctant to admit new members– whereas gradual integration may force the participation of the candidates in the EU's internal meetings when some member states are opposed.
- It is also important to give a strategic character to relations with the candidates and not focus solely on technical matters. The political importance of the content has to be raised to ensure that candidates do not lose interest or motivation. Issues related to the quality of democracy, the fight against corruption or strengthening the rule of law must in any case be placed above any other consideration in terms of the negotiations.
- In this regard, working with civil society is essential. Proposals involving one-to-one approaches have proved themselves in recent years to be the best way of working throughout the European neighbourhood region. The results take longer, but are more effective, the process of Europeanisation permeates in a continuous way and, as a consequence, setbacks are avoided. Programmes that link to young people, women and cultural and academic organisations build greater levels of affinity and trust between the parties. Work conducted jointly with police forces and judges, and the reforms applied to public administrations, need to continue and be bolstered.
- This must be combined with an enlargement process that avoids the taking of pressurised decisions and avoids the steps taken in the enlargement process being superficial ones –for example, the opening of negotiations– but without any real will to incorporate them into the EU, something that is liable to cause frustration in the candidates and damage relations with them.

- The resources devoted to enlargement must also be improved: for instance, using the model of recovery and resilience plans, with specific indicators that tie investment into reforms, using resources to create incentives to drive reform onwards. Here it may be possible to include aspects related to compliance with international law, the resolution of conflicts, borders, etc. This will lend legitimacy to the use of reversibility in the event that the candidate country starts going backwards on its road to accession.
- Introducing qualified majority voting to the intermediate stages of the enlargement process serves only to postpone a problem, not to resolve it, because the final decision needs to be ratified by all the member states. Transparency must be applied throughout the process. Progress on enlargement by means of reform plans such as those put forward here may discourage the use of national vetoes, or at least make them harder to justify.

6.2. The importance of the southern neighbourhood

A concerted effort needs to be made to strengthen trust between both parties. Exchanges and encounters must thus be placed on a regular footing, held at the highest level and transcending elements of a purely technical or sectorial nature.

The concept of gradual integration may be used with the southern neighbourhood as a formula for counteracting the aforementioned narrative of not paying sufficient attention. Some parts of the neighbourhood will fall under the heading of neighbourhood policy, others in the CFSP and the CSDP, but others may aspire to a more structured relationship with a range of more advanced gradual integration instruments. Specifically, bearing in mind the reservations that would be elicited by a conversation about a possible enlargement involving countries like Morocco, it might be appropriate to consider a bold proposal, such as suggesting the possibility of offering Morocco, Algeria and perhaps others observer status at the EPC, or creating a similar construct in terms of a Mediterranean Political Community, and providing these vehicles with financial resources and investment projects. Similarly, the EEA model and its strengths could be extended to relations with the countries in this region, adapting it to their characteristics.

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