

Promoting European Democracy and Solidarity in a Wider EU

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The Egmont Royal Institute for International Relations, with the support of the Belgian Ministry of Foreign Affairs and in collaboration with the Representation of the European Commission in Belgium, has organised a series of three foresight workshops and three working dinners. Each session was dedicated to a key strategic challenge, providing a vital platform for dialogue and expert insight sharing among decision-makers from European Union (EU) institutions, the Belgian administration, and civil society. Far from being just a theoretical exchange, the discussions were a targeted effort to further develop strategic long-term thinking, with a vision extending over the next 5 to 10 years. The third round of foresight workshop and working dinner reflected on ‘Promoting European Democracy and Solidarity in a wider EU’.

INTRODUCTION

In recent years, the European Union has faced a pivotal juncture in its history, grappling with internal and external pressures that test its foundational principles of democracy, rule of law, and solidarity. The discourse surrounding the enlargement of the EU, adherence to the rule of law, fiscal stewardship, and the need for a cohesive strategy to confront emerging geopolitical challenges underscores the imperative for a strategic re-evaluation.

I. Safeguarding the Rule of Law: A Continuous Challenge

The rule of law, the principle that ensures all actors within the European Union operate under a predictable and

transparent legal framework, is the bedrock of the union itself. It not only ensures democratic governance and protects human rights, but also fosters a fair single market that underpins economic growth and social cohesion. However, recent developments within some member states have cast a shadow on this principle, raising concerns about the effectiveness of existing mechanisms to uphold it.

The EU has developed a **series of tools** aimed at safeguarding the rule of law, including **financial levers**. Budget conditionality directly links access to EU funds with adherence to the rule of law. This ensures that EU money supports governments that uphold democratic norms and standards. Beyond financial measures, the EU has **legal mechanisms** to enforce the rule of law. The Commission infringement procedure empowers the European Commission to take legal action against member states failing to comply with EU law. If a case reaches the European Court of Justice (ECJ), the court’s rulings can enforce adherence to the rule of law.

In addition to legal enforcement, the EU employs **annual rule of law reports**. These reports, released yearly, provide a comprehensive overview of the situation in each member state, highlighting challenges and areas for improvement. By fostering transparency and dialogue, these reports shed light on potential shortcomings in upholding the rule of law. Notably, in the third edition¹ published in July 2022, the Commission introduced a new element by including specific recommendations for each member state. This marked a significant step in strengthening the reports’ impact. Building on this development, the fourth edition² of the rule of law reports, released in July 2023, analyzed

the recommendations issued in 2022. Encouragingly, the report found that Member States had addressed, overall, 65% of the recommendations, either fully or partially.

For the most serious breaches, the EU has **Article 7 of the Treaty on European Union (TEU)**, often referred to as the “nuclear option.” This procedure allows for sanctions against member states at risk of violating the Union’s core values, potentially leading to the suspension of certain rights within the EU. However, Article 7 itself faces some **limitations**. There is a **high threshold for activation**, as it requires unanimous vote by all MS. Additionally, the lack of an automatic **enforcement mechanism** means that even if Article 7 is triggered, there are no clear and automatic sanctions for breaching the rule of law. The entire procedure, from initiating an investigation to potentially imposing sanctions, can be a **lengthy process**. This can weaken the deterrent effect of Article 7 and leave member states facing accusations in a state of limbo for extended periods. Then **political considerations** also play a role because national interests and political alliances can outweigh rule of law concerns. Finally, the **limited scope** of Article 7, as it primarily focuses on addressing systemic threats to the rule of law and not isolated incidents. This can make it less effective in dealing with specific instances of rights violations or democratic backsliding.

Complementing the annual reports, the EU established the **rule of law dialogue** in 2020. This dialogue functions as a platform for open and constructive discussions of the situation within each member state. It brings together a diverse range of stakeholders, including national authorities, parliaments, judiciaries, civil society organizations, and the Council of Europe’s Venice Commission. By facilitating this exchange, the EU aims to identify potential shortcomings, encourage reforms, and share best practices. This fosters a more collaborative approach to upholding the rule of law across the union.

While the EU’s toolbox for safeguarding the rule of law needs continuous improvement, positive responses to recent targeted reports show promise. Strengthening these reports and addressing limitations in Article 7 TEU are crucial steps. However, enforcement mechanisms

alone are not enough, a **multi-pronged approach** is necessary. **Including accession countries in the rule of law reporting process** will provide valuable insights and encourage reforms aligning them with EU principles even before joining. In 2024, for the first time, the Commission will publish rule of law reports on four Western-Balkan countries (Albania, Montenegro, North-Macedonia and Serbia). Additionally, encouraging all member states to join the **European Public Prosecutor’s Office (EPPO)**, currently with only 22 out of 27 member states participating, would strengthen cooperation against financial crimes that can undermine the rule of law. The EU can further bolster this **culture of rule of law** by supporting independent media and educational initiatives, alongside public awareness campaigns that empower citizens to participate. Ultimately, safeguarding the rule of law is an ongoing process. By combining robust enforcement with continuous dialogue, a commitment to shared values, and this multi-pronged approach, the EU can ensure a strong foundation for its member states.

II. Enlargement: Navigating the Path Between Opportunities and Challenges

Enlargement is a geopolitical necessity. The “big bang” of 2004 is now perceived as a formidable success in political and economic terms. However, if there is now a window of opportunity, there is a risk that it might be closing soon. A credible perspective must therefore be offered to candidates. While enlargement offers economic advantages, integrating new members presents complex challenges.

OPPORTUNITIES: ECONOMIC AND GEOPOLITICAL BENEFITS

EU Enlargement brings undeniable **economic advantages**. The single market fosters trade and investment, benefiting both existing and prospective members. Lithuania’s remarkable economic rise after joining the EU serves as a prime example. Conversely, the slow progress in regions like the Western Balkans underscores the costs of non-enlargement—political and economic stagnation that can undermine regional stability. This situation may

also affect public sentiment within the EU, as member states grapple with the consequences of instability at their doorstep. From a **geopolitical standpoint**, enlargement can strengthen the EU's global standing. A wider union would have a stronger voice on the world stage, promoting stability and advocating for democratic values. However, this benefit hinges on a **merit-based enlargement strategy**. New members must be prepared to contribute effectively to the EU and uphold its values.

CHALLENGES: PUBLIC PERCEPTION AND INTEGRATION CAPACITY

Public opinion on enlargement remains divided. A 2023 Eurobarometer survey³ revealed that while a majority (53%) of EU respondents are in favor of future enlargement, 37% are opposed. Support varies across member states, with “older” members like France and Germany⁴ showing lower levels of support compared to newer members in Eastern Europe. This discrepancy highlights the importance of addressing underlying concerns such as economic fears – potential strains on social welfare systems and rising costs – as well as fears of a diluting EU identity and values. To bridge these divides, the EU must craft a compelling **narrative** that underscores the long-term economic benefits and the commitment to shared values. This narrative should also engage transparently with public concerns. Both national leaders and EU institutions must exhibit strong **leadership and political will**, articulating a clear vision and mobilizing support for enlargement. This collaborative effort is essential in rallying both national and pan-European support for the integration process. Additionally, the integration of participatory democracy tools, such as **citizens' assemblies**, can enhance the legitimacy of institutions, especially in times of dwindling trust in political entities.

In terms of **integration capacity**, the EU must consider whether its institutions can manage additional members. Many are of the view that adaptations of EU governance are needed independently of enlargement. However, the current decision-making process, involving 27 member states, might be strained with more countries joining.

Streamlining procedures or considering **institutional reforms** could be necessary to maintain efficient governance and resource distribution. Moreover, the equitable allocation of resources and ensuring that new members comply with EU regulations are crucial for the smooth operation of the single market and maintaining a level playing field for all member states. This requires a sustainable approach to financial and regulatory integration that supports both existing and new members. A key consideration is whether the required reforms within the EU will necessitate comprehensive treaty changes or if they can be achieved through less extensive, yet still effective, measures.

A STRATEGIC APPROACH: PROGRESSIVE INTEGRATION FOR MANAGEABLE ENLARGEMENT

While enlargement offers undeniable benefits, its complexities call for a strategic approach. **Progressive integration** offers a practical method for managing this process, moving away from the traditional approach where countries immediately assume full membership rights upon joining. This gradual method allows new members to join with limited rights initially, progressively gaining full membership as they meet specific criteria that ensure their readiness to contribute effectively to the EU – adherence to merit-based principles is central to this strategy. This staged approach offers a **realistic path for aspiring members**, offering a clear roadmap for necessary reforms, and fostering a sense of achievable goals, provided it is safeguarding a level playing field amongst candidates and it is based on clear timeframes which are essential to prevent the “second class membership” syndrome. Progressive integration also creates **guarantees for existing member states** by ensuring that new members are fully prepared before obtaining full rights, thereby minimizing potential disruptions to the EU's internal market and its institutional framework. Moreover, maintaining the **integrity of the single market** is crucial for successful enlargement. Strict compliance with EU regulations is necessary to address concerns about maintaining a **level playing field**. Implementing measures such as **budget conditionality**, which links financial aid to the adherence to rule of law

reforms, can incentivize essential changes in candidate countries.

III. The EU Budget: Finding Sustainable Solutions

The future of the EU's budget stands at a critical juncture, shaped by the fiscal constraints of its member states, the looming conclusion of the Recovery and Resilience Facility in 2026, and the prospects of enlargement. With these factors in play, along with a shifting geopolitical landscape, a strategic reevaluation of both budgetary practices and external policies is imperative.

A multi-pronged approach is key. This should begin with **a comprehensive review of the EU's policies and budget**, including assessing the impact of potential enlargement. This "fitness check" aims to align the budget with current realities and prepare for the fiscal implications of enlargement, given the existing financial constraints of member states.

The EU needs to adapt to the **new budgetary** reality, acknowledging the limitations imposed by the current economic climate. The budget review process must consider how to accommodate upcoming challenges such as enlargement, while ensuring that the EU can still deliver on its existing priorities. This might also involve streamlining existing programs to boost efficiency. The complexity and fragmentation of the current MFF hinder a clear understanding of spending priorities. A **streamlined MFF**, with clear goals and improved readability, would foster transparency and public support. The **success of Next Generation EU**, with its laser focus on the twin transition and recovery, demonstrates the value of a clearly defined purpose. Extending this clarity across the broader budget would greatly improve its effectiveness and allow for efficiency gains. But more should be done to leverage the huge investments which will be needed to achieve the ambitious goals the EU has set itself, in particular finalizing the banking union and the capital single market.

Here again, **public and member state support** is vital for a revamped EU budget. To achieve this, a clear and

compelling narrative is essential. This narrative should frame **enlargement spending as an investment, not an expense**. Such investments promise significant **long-term economic returns**, reinforcing the strategic value of supporting new member integration. Furthermore, exploring new revenue streams, such as the "**own resources**" can reinforce the EU's financial autonomy and lessen dependency on member state contributions.

CONCLUSION

The European Union's path toward expansion and deeper integration is firmly rooted in its commitment to democracy and the rule of law, supported by a strategically aligned budget. As the EU faces a future with more members and increased challenges, it is crucial that its policies and actions robustly uphold these foundational principles while adapting to evolving circumstances.

The EU is the best performing democratic region of the world and is as such a democratic countervailing power. Its strength lies in its unwavering commitment to the **rule of law and democratic values**, which not only safeguard democracy but also foster trust and stability, essential for a thriving union. While budget conditionality and annual reports have strengthened this foundation, enhancements in enforcement measures, addressing limitations in Article 7, and fostering a democratic culture through education and media remain critical.

Enlargement presents its own set of challenges and opportunities, requiring a careful balance between integrating new states (widening) and implementing necessary internal reforms (deepening). While enlargement offers geopolitical and economic benefits, a nuanced approach is needed to manage public perception and ensure integration capacity. A compelling narrative that highlights long-term gains and shared values, supported by a strategic progressive integration model, can build public support and facilitate a smoother enlargement process. Ultimately, successful enlargement hinges on solidarity with candidate countries and a credible, merit-based accession process.



Equally important is the EU's **financial strategy** to support these changes. Adapting the budget to meet both existing obligations and future investment needs calls for a comprehensive review, including an impact assessment of potential enlargement. Streamlining the MFF for clarity and efficiency, exploring new revenue streams like own resources, and framing enlargement spending as an investment are strategic moves that will enhance public support and financial autonomy. Additionally, linking funding to adherence to democratic principles through budget conditionality will incentivize good governance. By embracing these strategies with innovation and collaboration, the EU can strengthen its role as a global leader and a model of unity and resilience.

Lila Djait joined the Egmont Institute in February 2023 to work in the European Affairs Programme as a Junior Researcher. Her research interests include European migration policy and strategic foresight. Lila gained international experience at the Permanent Mission of Belgium and the European Union Delegation to the United Nations in Geneva, and as a Diplomatic Assistant at the Embassy of Belgium in Australia. She holds MAs in International Relations and in Conflict and Development Studies from the University of Ghent.

Endnotes

- 1 The third annual Rule of Law report: https://ec.europa.eu/commission/presscorner/detail/en/ip_22_4467
- 2 The fourth annual Rule of Law report: https://ec.europa.eu/commission/presscorner/detail/en/ip_23_3631
- 3 Eurobarometer (July 2023): <https://europa.eu/eurobarometer/surveys/detail/3052>
- 4 France (35% for, 55% against), Germany (42% for, 49% against), and Belgium (56% for, 39% against) show divided public opinion on further EU enlargement.





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