

Fast tracking Ukraine – Why granting membership will benefit the EU

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Granting candidate status to Ukraine and Moldova in June 2022 was an important and worthwhile step taken by the EU. Yet, as currently devised, the accession process is long, complex, process-oriented, and ridden with uncertainties.

The scepticism about the EU's expansion in many European capitals, rooted in their view of the EU as a federal state in the making, risks creating expectations in countries such as Ukraine, which may later be disappointed and erode the goodwill that the EU continues to enjoy in its neighbourhood.

To prevent such a situation, the widest possible range of benefits of an EU membership, including full market access, should be extended to Ukraine upfront, instead of following the traditional formal timeline for accession negotiations.

Introduction

At its meeting on 23 June 2022, the European Council extended candidate status to Ukraine and Moldova. The decision, taken in light of the Russian aggression against Ukraine, is seen by Kyiv and other capitals of Central and Eastern European countries as an important step in the right direction and as building on the core commitments made by Ukrainians in their 2014 Revolution of Dignity. However, the decision has not been uncontroversial. France's president, Emmanuel Macron, who had previously blocked accession negotiations with the countries of the Western Balkans, appeared sceptical of the move, even in the wake of the Russian invasion. Instead, he introduced the idea of a 'European Political Community' encompassing a wider range of countries than current and prospective EU members (See Parmentier and Marciacq 2022). Moreover, though symbolically significant, the current candidate status does not confer on Ukraine and Moldova tangible guarantees or firm timelines for their EU accession.

Only the first step

Ukraine and Moldova have joined several other candidate countries seeking EU membership, including Albania, North Macedonia, Montenegro, Serbia, and Turkey. (Meanwhile, Bosnia and Herzegovina and Kosovo are recognised as 'potential candidates'.) In the case of Turkey and Serbia, in particular, the accession negotiations have gone since 2005 and 2014, respectively, and have stalled as of late due to political dynamics both in the EU and in the two candidate countries. The Council has noted the conditionalities involved in Ukraine's and Moldova's meeting of the Copenhagen Criteria¹, and 'also [takes] into consideration the EU's capacity to absorb new members' (European Council 2022). The language, a clear concession to enlargement sceptics among EU member governments, serves as an acute reminder of the uncertainties and long horizon involved in any of the current candidate countries joining the EU.

The basic trade-off

The concerns about how the EU's enlargement will impact the bloc's decision-making, articulated by President Macron in 2019, reflect the unavoidable trade-off between the Union's 'deepening' and 'widening'. Empirical research, which has noted that major policy and legislative initiatives have proceeded in the Parliament and the Council, even as the membership base has expanded (Toshkov 2017), misleadingly emphasises the inputs and not the outputs of European policymaking. In reality, the larger the number and diversity of its members, the more difficult it is to agree on and implement institutional and policy schemes that would move the EU towards deeper forms of political unification, sometimes dubbed as 'federalisation'. Previous enlargements of the EU have contributed to economic integration, economic growth, and convergence of living standards. Previous enlargements of the EU have contributed to economic integration, economic growth, and convergence of living standards. At the same time, they have also made the EU's decision-making processes more cumbersome and adversarial in some cases, as illustrated by the frequent altercations with Hungary and Poland – over immigration and asylum, democracy and rule of law, treatment of sexual minorities, or posture towards Russia.

Opportunities and pitfalls of future enlargements

Yet, there is no question about the potential economic and political benefits of integrating with the EU, one of the world's most prosperous blocs of countries. With the Eastern enlargements in the 2000s, the opening up of post-communist countries to trade and investment flows prompted a wave of pro-market economic reforms that have improved the business environment, strengthened the rule of law, and generated economic prosperity. These were not necessarily prompted by the EU's

¹ The Copenhagen Criteria for accession, named after the 1993 EU summit in Copenhagen include meeting political requirements (democracy, the rule of law, human rights and respect for and protection of minorities), economic ones (a well-functioning market economy), and a sufficient state capacity needed to implement the *acquis communautaire*.

conditionalities but, rather, by competitive pressures to attract foreign capital (see Appel and Orenstein 2017). Arguably, these competitive pressures have also impacted 'old' member states, as illustrated by the Hartz reforms in Germany or by the attempted, though unsuccessful, liberalisation undertaken by President Nicolas Sarkozy in France. There is overwhelming evidence of benefits to both 'old' and 'new' member states from reduced trade barriers, higher labour mobility, financial integration, and reduced political risk (Buti et al. 2009). One study, for example, estimates that for the eight post-communist countries that joined the EU in the 2004 enlargement wave, EU membership increased their annual growth rates by 2.7 percentage points on average, adding cumulatively to a sizeable growth advantage (Cieřlik and Turgut 2021). Another study estimates a level effect of EU membership on GDP as large as 30 per cent over 12 years after accession (Hagemejer, Michałek, and Svatko 2021).

Today, bringing in a relatively low-income but populous country such as Ukraine – whose voting public and political elites recognise the existential nature of their struggle to reform and improve domestic institutions and policies in face of a foreign aggressor – could easily set in motion a similar virtuous cycle, including in post-communist member states, many of which have grown complacent since the time of their zeal for reform in the early 2000s.

At the same time, Ukraine's accession remains a tall order, partly because of the trade-off between the EU's widening and deepening, and partly because of the process-oriented and rules-based nature of accession negotiations. Becoming an EU member is difficult. There might also be reasonable arguments for making the accession of new members even more, not less, difficult in light of 'democratic backsliding' among new member states, most prominently Hungary, which were assumed to be consolidated democracies by the time of their accession. Moreover, the non-committal and open-ended character of the accession process risks creating expectations that may go unfulfilled, creating the potential for instability and a backlash against the EU among countries that see themselves as the bloc's closest regional partners².

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The path forward

Although President Macron's 'European Political Community' may serve to keep Ukraine out of the EU indefinitely, it can also provide a platform for the reinvigoration of Ukraine's integration with the West, along with the integration of other countries that are currently candidates for membership. Ukraine may not be able to meet all the formal criteria for full membership in the foreseeable future. It does, however, need many of the benefits that access to the EU market can provide, including labour, mutual recognition of standards, and so forth – as well as deeper cooperation on questions of security. Instead of withholding the benefits of EU accession from Ukraine (and from the 'old' member states as well) as a prize to be awarded eventually after the country meets all the requirements and after the EU reaches a unanimous decision on the question of its membership, such benefits should be extended in an upfront manner whenever practicable.

In hindsight, the conditionalities attached for good reasons to the accession process in the 2000s seem redundant in the case of reform frontrunners such as Estonia and Poland. Estonia, for example, completed its pension reform not because of EU pressure but because its political elites recognised that the existing pay-as-you-go system was not sustainable. Moreover, the country had a more open trade policy before joining the EU. Meanwhile, the same conditionalities were ineffective in fostering change in entrenched post-Soviet regimes that never saw genuine efforts at reform (Schimmelfennig 2007). Obviously, conditionalities played a significant role in coalescing pro-Western political forces in countries that found themselves at a crossroads, such as Bulgaria and Slovakia, which risked seeing their integration prospects disappear. However, Ukraine is not in a similar situation. The country does not need a formal EU accession process to focus on domestic reforms. It has no choice but to improve its institutions, military capacity, and so forth, to simply survive next to a revanchist, imperialist Russia.

These realities warrant a different approach to enlargements than the one adopted by the EU earlier. The EU's institutions and 'old' member states need to adopt a different attitude towards the integration project. Specifically, it requires treating the EU's various constituent parts as potentially separable (see Rohac 2022). Even as a non-member, Ukraine can become part of the EU's single market and the Schengen Area – much like Norway, for example. Also, Ukraine can take part in defence initiatives under the umbrella of the Permanent Structured Cooperation (PESCO). Individual countries could also take steps to recognise Ukrainian qualifications to facilitate Ukrainians' access to their labour markets.

Granting these and other benefits of membership in the present, instead of relying on the traditional process of enlargement, would not only have a significant impact on a country that finds itself at war, but it is also the morally right thing to do. To ask Eastern European countries to demonstrate their commitments to liberal democracy, the rule of law, and a market economy through a painstakingly detailed accession process was fully justified in the 1990s and 2000s. Ukraine, however, has amply demonstrated its allegiances by actively defending those values against a barbaric act of aggression, defending not only itself but also the EU and NATO countries in its vicinity, which could be the next victims of Russian aggression.

² E.g., President Macron's backtracking on the issue of North Macedonia's membership. See Fouéré (2019).

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