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European Union Committee

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Ms Eva Kjer Hansen,
Danish Parliament

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Dear Colleague

In October last year, my Committee in the House of Lords launched an inquiry into EU enlargement and the enlargement strategy put forward by the European Commission. You may be aware that this inquiry has now concluded, and yesterday the Committee published its report, entitled *The future of EU enlargement*.

I have enclosed a copy of our report's summary, and the full report is available on our website at www.parliament.uk/hleu. I hope that it may be of some interest to you and your Committee, and I would be very pleased to discuss it with you by correspondence, should you wish.

L Stowell

Lord Boswell

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Chairman of the European Union Committee

SUMMARY

The enlargement process has, historically and in successive Treaties, been understood as an integral part of the European Union's development. 40 years after the first enlargement, which brought the UK, Ireland and Denmark into the then European Community, the EU is about to accept its 28th Member State, Croatia. With eight further countries either already candidates or potential candidates, the EU's enlargement agenda shows no sign of halting. Yet further enlargement will not be easy, either for the Union or for the candidate countries.

This report considers the process by which aspirant countries—that is, the EU's candidate and potential candidate countries—progress towards readiness for membership. The lessons learned from the 'big bang' enlargement of 10 countries in 2004 and the accession of Romania and Bulgaria in 2007—as well as from the ensuing Cooperation and Verification Mechanism for these two countries—have led to significant changes to the enlargement process.

We welcome the increased focus on implementing real, lasting changes in aspirant countries ahead of their accession, and the prominence of the rule of law in ongoing dialogues about enlargement. We also support the strict use of conditionality, so that progress towards membership is inseparable from concrete reform and vice versa. At the same time, it is essential that the enlargement process is not exploited by Member States in order to gain leverage in bilateral disputes with aspirant countries.

This report explores the impact of accession and enlargement on the candidate countries and on the existing Union. Although the enlargement process undoubtedly brings economic benefits for candidates and new Member States, the economic and social impact on existing Member States is less easy to measure, particularly with regard to the free movement of workers. Nevertheless, enlargement offers both candidates and the EU enhanced stability and security, and the enlargement agenda remains one of the Union's main tools for ensuring the stability of its neighbourhood.

We also draw attention to the obligation for new Member States to join the euro area. The medium- and long-term impacts of further countries joining the euro area represent a forgotten dimension of the ongoing discussions about the future structure and governance of the area. It is important that future members are engaged now in these vital discussions in order to both ease their entry and ensure that the new structures are able to cope with enlargement.

Many countries still aspire to join the Union, and so our report concludes with an examination of the likely scope of enlargement in the medium-term and whether there are any credible alternatives to full membership. We note that enlargement fatigue (in the EU) and accession fatigue (in aspirant countries) could seriously threaten the future of the enlargement agenda, but find that the EU's capacity to absorb new members currently suffices and should not pose a threat to the advancement of that agenda. Although there now exist several 'stepping stone' mechanisms on the path to full membership, such as EEA membership, we do not think that any credible alternatives to membership exist. Discussions about 'privileged partnerships' or 'associate' member status are distractions that hinder reform in aspirant countries and diminish the EU's soft power.