



# Europe's Grand Bargain for the Twenty-First Century and its Transatlantic Implications

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## Introduction

Russia's full-scale invasion of Ukraine—now in its third year—triggered a cascade of events on a global scale. In continental Europe, it revived the debate on the enlargement of the European Union (EU), brought attention to the notion of a wider Europe, and rekindled aspirations for European sovereignty, especially in security and defense.

From the outset, EU leaders were unequivocal in stating that Russia's aggression against Ukraine and the wider threat it represents for the continent made enlargement a geopolitical imperative. In December 2023, the European Council followed suit by [underlining](#) that “enlargement is a geo-strategic investment in peace, security, stability and prosperity” and opened accession negotiations with Ukraine and Moldova while granting candidate status to Georgia. In March 2024, Bosnia and Herzegovina was also [invited](#) to start accession negotiations. In June 2024, the European Union opened

accession negotiations with Ukraine and Moldova via the first Intergovernmental Conference.

Alongside the enlargement dossier, geopolitical thinking on what to do beyond the EU's borders gained momentum as the international setting became more fraught. This culminated in a series of meetings under the banner of the European Political Community, of which the United Kingdom and Hungary will host the fourth and fifth gatherings in July and November 2024, respectively. The platform focuses on security, economy, and connectivity, opening up a space at the leaders' level for EU and non-EU countries alike.

The third leg of this rewiring manifested itself through a renewed push for greater European sovereignty, competitiveness, and resilience. Related EU reform discussions aim to increase the EU's capacity to act. This aspiration has become more pertinent after Donald Trump emerged as the potential Republican candidate in the 2024 U.S. presidential election, reviving



[Europe's bitter taste](#) from its first experience with the unpredictable former U.S. president.

These separate but related dynamics are the basis on which the EU is undergoing a historic geopolitical adaptation. This adaptation will not only determine the future of the union but have larger implications, including for transatlantic relations. This makes the EU's transformation relevant for policymakers in the United States, which is the EU's leading transatlantic partner, and in NATO member Türkiye, which is its longest-standing candidate for membership.

These shifts are taking place at a time when European skepticism over the U.S. commitment to the continent is [on the rise](#). Notwithstanding a comparably better environment in bilateral relations than in the preceding Trump era, trade tensions and concerns over the U.S. Inflation Reduction Act, differences in China policy, and diverging priorities affected by national agendas continue to test the transatlantic partnership.

Even with the wars in Ukraine and Gaza warranting greater U.S. attention to the European continent and the broader region, the primary U.S. focus is elsewhere. As reflected in its [National Security Strategy](#), Washington's gaze is set on China and the Indo-Pacific. This is a defining paradigm confronting Europeans in their engagement with the United States.

Meanwhile, the [results](#) of the recent European Parliament elections, marked by the rise of nationalist and far-right political movements, reflect the political mood on the continent. While the European political center, consisting of the Christian Democrats, Social Democrats, and Liberals, held sway, there was a palpable swing toward the political right, particularly in countries like a [France](#) and [Germany](#). This is presumably a function of growing worries related to rising living costs, uncontrolled migration, and a general sense of insecurity that have increased the appeal of right-leaning political discourses. This trajectory will shape policy

decisions on the national and EU levels, influencing the continent's geopolitical evolution.

Türkiye, meanwhile, comes across as a challenge the EU prefers to sidestep and not speak much about. This relationship has gone from bad to worse over the years, overshadowed by a heavy dose of frustration on all sides. As part of its geopolitical rewiring, the EU will have to contemplate how to manage this engagement with a pivotal country that is displaying an increasingly ambitious foreign policy agenda of its own.

This article is part of a project run by the Carnegie Endowment's [Türkiye and the World Initiative](#), aimed at analyzing the forces at play within Europe since Russia's full-scale invasion of Ukraine on February 24, 2022. It will examine the European enlargement and reform debates and tie them into the EU's relations with the United States and Türkiye drawing conclusions for the transatlantic partnership. It will serve as a scene setter for the following three publications in the project dedicated to (1) Türkiye's entanglement with Russia, (2) counterbalancing China in wider Europe and Africa, and (3) the EU and Türkiye's aspirations for increased capacity for autonomous action.

## Wider Europe in Times of War: Enlargement and Reform

The EU's enlargement policy has arguably been its most successful foreign policy tool. The prospect of EU membership has historically been a key driver of socioeconomic and democratic reforms in candidate countries. However, despite affirming its transformative power, EU enlargement has slowed down in the last decade. Croatia was the last member to accede to the EU in 2013.

In the meantime, member states have become afflicted with "[enlargement fatigue](#)," fed by a fear of their own

declining influence and doubts over the limits of the EU's absorption capacity. This has had serious consequences both for the EU and its neighboring countries. Ever diminishing prospects for EU membership have undermined the credibility of the integration project and, along with other economic incentives, led candidate countries to look for other alignments.

In some cases, this was accompanied by disruptions in accession-oriented reform processes and rising EU skepticism in candidate countries, fueled mostly by populist rhetoric from political leaderships and foreign interference. Russia and China have become the net beneficiaries of this frustration, offering an alternative governance model, financing opportunities, and multinational fora enabling geopolitical hedging.

Russia's full-scale invasion of Ukraine has inspired a fundamental rethinking in Brussels of the enlargement process and a wider Europe. Notwithstanding the [geopolitical urgency](#) of enlargement, however, the accession process demands time, especially because of internal and external factors at play.

**First**, member states' national priorities will not always converge. Finding mutually acceptable solutions will require difficult negotiations and compromises on policy priorities and budgetary requirements, which will be time consuming.

**Second**, the socioeconomic convergence of candidate countries will affect the accession process. The degree of disparity between EU members and candidate countries is considerably high. The EU will need to invest in accelerating the convergence of candidate countries if it wants to prepare them accordingly and sustain the union's ability to act with new members among its ranks. This consideration goes both ways: candidate countries will also need to commit to real, deep-seated reforms.

**Third**, the accession process will also be conditioned by external spoilers: Russia's attempts to increase its

influence in Moldova, Georgia, and the Western Balkans will be a significant challenge for the EU and the respective candidate countries. The latest saga of the "[foreign agent law](#)" in Georgia is a case in point. The U.S. presidential elections in November are another external variable that will shape enlargement policy. If a change in administration makes the United States increasingly reluctant to support Kyiv, it could, for example, hamper Ukraine's war efforts and eventual reconstruction works. This, in turn, would delay progress on laying the ground for Ukraine's eventual EU membership.

The enlargement issue is also closely linked to the EU's institutional reform debate on how to strengthen the union's capacity to act. There are several contentious topics, such as decisionmaking procedures on foreign and security policy matters, rule of law considerations, fair institutional representation, and budgetary matters.

The discussion on **reforming decisionmaking procedures**, particularly in relation to the enlargement process, is mainly about whether to introduce qualified majority voting. This would streamline the validation of standard procedures and overcome blockages due to member states' veto power. The issue of veto has been a constant disruptor in European politics. Hungary is the latest example with its obstruction of [decisions on Ukraine](#). Prolonged processes to find consensus test the EU's credibility and are time and energy consuming.

Among existing reform proposals is the idea of including a sovereignty security mechanism that would enable member states to defend their critical national interests. This mechanism is designed to preclude unwarranted internal tensions on foreign policy matters. It reflects current thinking in the EU about boosting the union's capacity to act while preserving a safety clause for member states. There is also another innovative idea related to veto power being wielded by a group of countries instead of individually. The intention of these solutions is to reassure everyone, particularly skeptical EU members, and facilitate their support for reforms.



Another difficult debate is related to the **budget**. Enlarging the EU calls for expanding the EU budget in relation to every member state's gross domestic product. This is necessary to have the capacity to fund the enlargement process and required investments. It is also essential for increasing the EU's resilience and competitiveness. This tense discussion is around the corner, as member states will soon have to review the existing budget and start negotiating the EU's next multiannual financial framework. Sharp differences of opinion between budget expansionists (like France) and budget conservatives (like Germany) are bound to surface.

All in all, geopolitical instability has led the EU to rethink its project and to breathe new life into it through enlargement and reform. The challenge will lie in striking the right balance between the aspiration to enlarge and the need to preserve the union's internal resilience. That's where some bold and innovative thinking will have to come into play. Rather than adhering to the outdated sequence of enlargement first and reform later, implementing both processes concurrently will most likely be the best way to advance this agenda and strengthen the EU's capacity to act.

## Western Balkans and the Growth Plan: A Step Toward Progressive Integration

The Western Balkans also come across as a primary subject of the EU's thinking on future enlargement. In the midst of the revival of the enlargement policy, the European Commission published the [New Growth Plan for the Western Balkans](#) as a geostrategic investment in a stable, strong, and united Europe. This is a mechanism that aims to accelerate the integration process while strengthening engagement with local audiences. It involves reforms and socioeconomic convergence programs in candidate countries to address deficiencies that could otherwise delay the accession process.

A key element of the EU's New Growth Plan for the Western Balkans is the introduction of mutually reinforcing measures to multiply the benefits for candidate countries ahead of EU membership. It aims to encourage reforms, investments, and the adoption and implementation of the [EU acquis](#) in the hope of accelerating economic growth and hastening the readiness of candidate countries for EU membership. Additionally, it advocates regional integration efforts to help overcome legacy challenges and nurture belief in a common future.

Some scholars are already suggesting innovative approaches to the binary "in" or "out" model of accession. A study by the European Policy Centre and the Centre for European Policy Studies, titled "[A Template for Staged Accession to the EU](#)," raised the idea of staged integration that encourages different stages of membership for the candidate countries.

A policy brief titled "[The European Family Action Plan: Mapping Transitional Integration While Moving Towards EU Membership](#)," published by the Global Policy Center, contributed to the debate by coining the concept of transitional integration—that is, progressively adopting policies and joining institutions of the union—while including a security component. These ideas are reflected in the New Growth Plan, showing that the European Commission is embracing the idea of altering the binary nature of EU membership.

One key pillar of the New Growth Plan calls for "enhancing economic integration with the European Union's single market" to drive economic growth and deliver substantial economic benefits to the countries in the region. As a starting point, Western Balkan countries are encouraged to develop a common regional market among themselves aligned with EU standards that would pave the way for their eventual integration into the EU's single market.

Another characteristic of the plan is the call to Western Balkan countries to prepare a prioritized reform agenda,

which, when fulfilled, would trigger the release of funds under the Reform and Growth Facility. This financial assistance is linked to reforms in areas like the rule of law, democracy, respect for human rights and fundamental freedoms, macro-financial stability, public financial management, and transparency. Again, the logic is to weave together financial support with progress on actual reforms required for membership.

As can be seen from these examples, the EU is applying lessons learned from past accession processes to the geopolitical requirements of the day. It is doing this through innovative and, arguably, bold thinking. This represents a dynamic and impressive response from the EU, as further exemplified in its forward-leaning approach to Ukraine and other nations under the threat of a revanchist Russia's aspirations, where it has been forthcoming without sacrificing its governance requirements for accession.

## Looking East: Association Trio and Eastern Partnership

Before the war in Ukraine, the EU was engaging its eastern periphery mostly through the Eastern Partnership (EaP), an initiative specific to the European Neighbourhood Policy launched in 2009. Its initial aim was to strengthen and deepen political and economic relations and support sustainable reform processes between the EU, its member states, and six Eastern European and South Caucasus partner countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine). The EaP focused on: stronger economy, stronger governance, stronger connectivity, and stronger society.

[The EaP has had an irregular history](#). On the one hand, it provided an effective format for cooperation. It paved the way for [visa liberalization](#) with Georgia, Moldova, and Ukraine and for next-generation trade

agreements. Consequently, the technical alignment of these countries, whose EU candidate status has been endorsed, will be easier. The issue of political will and the impact of polarization, however, is a whole different discussion.

Moreover, the partnership failed to deliver in critical areas, like enhancing regional stability: five out of six EaP countries have unresolved territorial disputes; there has been an increasing fragmentation among them over the years; and, as of late, the war in Ukraine has totally altered the landscape for the worse.

The EU was also unable to provide enough investment to meaningfully support the economic diversification and resilience of these partner countries, which remained vulnerable to Russia. The Kremlin capitalized on this opportunity by leveraging economic, energy, and military tools at its disposal. Belarus eventually left the EaP in June 2021.

Armenia, which had previously succumbed to Russian pressure and rejected the association agreement and regulatory instruments, seems to be warming up to the EU under its current Western-oriented leadership and in the aftermath of its military [defeat](#) by Azerbaijan in Nagorno-Karabakh in September 2023. Another EaP member, Azerbaijan, on the other hand, [signed](#) a declaration on “allied interaction” with Russia on February 22, 2022.

Until Russia's full-scale invasion of Ukraine, the EU approach was to encourage EaP countries to align with EU standards without granting them a membership perspective. Yet, experience proved that the absence of a clearly stated accession goal left these countries in a void. This realization led to new thinking in Brussels. With enlargement back on the EU's agenda as a geopolitical tool, the prospect of EU membership has also been made more tangible, as manifested in the membership perspective given to Ukraine, Moldova, and Georgia, referred to as the Association Trio.



The key [challenge](#) will be to combine a membership perspective for the Association Trio while helping them uphold their democracies and sovereignty. The EU needs to design the pre-accession process in a results-oriented manner that boosts the EaP countries' resilience while addressing their needs, concerns, and priorities in view of the pressures associated with the war in Ukraine.

The different dynamics affecting the Western Balkans and EaP countries require the EU to adopt tailored approaches in both arenas. The EU's dynamic approach to these regions represents the clearest sign of the union's geopolitical adaptation. This will also have a bearing on transatlantic security, as will the EU's engagement with another country in the wider neighborhood, Türkiye.

## The Unspoken Challenge: Relations with Türkiye

In contrast to the energized outlook of the EU's engagement with other candidate countries, its relations with Türkiye, its oldest candidate for membership, have mostly run out of steam. Disagreements over Cyprus, the Aegean, and the Eastern Mediterranean, as well as stalled reform efforts and democratic backsliding, have brought Türkiye's accession process to a [standstill](#).

The EU repeated its concerns on these issues in its [2023 country report](#) released at the end of last year and once again put the onus squarely on Türkiye. Not surprisingly, [Ankara thinks otherwise](#) and believes the EU needs to do some reckoning. It charges the EU with strategic blunders and disingenuity.

This standoff leaves little hope for a miraculous breakthrough in Türkiye's EU accession process in the short to medium term and implies that, for now, its future will be wrapped in [uncertainty](#). The most probable scenario for now is that both sides manage this

relationship without rocking the boat. The EU is already displaying such a mindset as it pursues its geopolitical adaptation with little, if any, regard for Türkiye's role therein. In turn, Türkiye is busy with its own agenda. The risk is that this inertia could further sink an already troubled relationship.

With Türkiye's accession process on ice, efforts to infuse any semblance of momentum into the relationship need to be directed elsewhere. Charting a [new way forward](#) by modernizing Türkiye's association agreement with the EU or [building a new framework](#) that fosters gradual rapprochement are ideas advanced by experts. Meanwhile, the European Political Community represents a platform where useful [strategic-level discussions](#) could be held should Türkiye attend, which it has not done so in the last two iterations of the event.

As the EU thinks out of the box in the face of rapid geopolitical evolutions and moves into uncharted territory like arming Ukraine and finally getting serious about investing in defense capabilities of its own, it should also consider injecting some of its newfound dynamism into its relations with Türkiye. This would respond to Ankara's calls for Brussels to think strategically and, ultimately, test Türkiye's rhetorical commitment to advance its partnership with the EU.

To be frank, this is an ambitious proposition in the current circumstances. Politics aside, however, there is a business case to be made. The European struggle to [furnish](#) Ukraine with 155mm shells is a case in point. The EU was not able to tap into Türkiye as a supplier because of internal objections. Despite many ongoing bilateral disagreements and the fact that Türkiye has been sanctioned through the Countering America's Adversaries Through Sanctions Act, the United States set politics aside and did just that. It will soon be producing 155mm shells (in Texas) on three production lines it recently [purchased](#) from Türkiye, [roughly doubling current U.S. output](#). And with relations on a

[gentle upward trajectory](#), Ankara and Washington are also [examining](#) other opportunities for collaboration.

The potential for the EU and Türkiye to add greater value to each other is real and covers a broad spectrum. That recognition underpins a report on [the state of play in EU-Türkiye relations](#), prepared under the auspices of EU High Representative for Foreign Affairs and Security Policy Josep Borrell at the behest of the European Council. While recognizing significant hurdles and laying out concrete EU expectations, the report underlines the EU's strategic interest in having a mutually beneficial relationship with Türkiye. In this vein, it advocates ideas like reinstating strategic dialogue and boosting sectoral cooperation, including updating the customs union and working on visa liberalization.

In April, [the European Council debated](#) the report and decided for the ideas presented therein to be further examined but, in the same breath, expressed its desire to see sustained tranquility in the Eastern Mediterranean and progress on talks on the Cyprus settlement, thereby putting a condition on its willingness to move forward. Türkiye swiftly rejected this linkage and [criticized the EU](#) for what it described as “a lack of strategic vision.” It is now uncertain whether the necessity and practical benefits of strategic cooperation between the EU and Türkiye will be enough to move the needle, though that objective reality seems to be having some effect on both sides. Yet, rising support for the far-right across Europe and the new composition of the European Parliament are bound to temper any attempts to deepen the union's engagement with Türkiye.

## Looking Across the Atlantic: U.S. Elections and the Future of Transatlantic Cooperation

Relations between the two sides of the Atlantic have

witnessed some significant ebbs and flows in recent years, and speculation over the future of the transatlantic partnership abounds. The most memorable challenges came during the Trump era, which was a stress test of enormous proportions.

President Joe Biden came into office in 2021 with the [promise](#) to repair the United States' alliances and rebuild the image of the United States as a trusted partner. A month after his inauguration, he [referenced](#) the foundational nature of the transatlantic alliance and of relations with Europe at the Munich Security Conference, which was nothing less than music to European ears.

Yet, in no time at all, Biden also started to disappoint U.S. allies, first by abruptly withdrawing from Afghanistan without sufficient consultation and planning, bungling the effort and dealing a blow to the image not only of the United States but also of NATO. Then a security pact between the United States, the United Kingdom, and Australia (AUKUS) led to [great resentment](#) in France. A top (French national) EU official [spoke](#) at the time of the need to “pause and reset” what had become a broken relationship between the United States and Europe. The transatlantic partnership was further burdened down the road by disagreements over [trade policies](#) and how to deal with the [rise of China](#), where differences remain, but a better understanding of respective positions is emerging.

From the European point of view, while being a much preferred interlocutor compared to his predecessor, Biden and his [“America first” policies](#) also present challenges for Europe moving forward. What became evident was that it is never easy to partner with a superpower like the United States irrespective of its leadership—a realization that will stick with the EU as it moves forward.

Russia's full-scale invasion of Ukraine altered the scene



by muffling any resentment from policy differences in transatlantic relations, which were quickly replaced by a shared sense of purpose. Washington and Brussels mobilized their resources to support Ukraine in its war effort and moved in lockstep (together with other like-minded actors across the globe) to target Russia with successive waves of well-coordinated [economic sanctions](#), eventually making it the [world's most-sanctioned nation](#).

As the EU was busy with its own geopolitical rewiring, NATO focused on beefing up its [deterrence and defence posture](#). This involved [increased contributions](#) from all allies and notable [commitments from the United States](#) for the defense of Europe. The alliance also opened its doors to [Finland](#) and [Sweden](#), sparking NATO Secretary General Jens Stoltenberg's [comment](#) that Russia ended up with more NATO rather than less—the opposite of what Russian President Vladimir Putin had hoped for.

This momentum toward consolidation in the transatlantic partnership provoked by Russia has been offset, ironically, by two disruptions coming from the United States.

The most blatant disruption came from former president Donald Trump. Commenting on the campaign trail in February, Trump [spoke](#) of his reluctance to provide a security umbrella to U.S. allies unless they spend enough on defense capabilities, reminding everyone of his [established disdain](#) for NATO and U.S. alliance commitments in general. The fact that these views belonged to the potential next U.S. commander in chief made their [chilling effect](#) more potent.

Trump's words drove home the message of the United States' unreliability like never before, (once again) [awakening the ghosts of European strategic autonomy](#)—the idea to build indigenous defense capabilities and limit the EU's reliance on the United States. Framed differently—as [investing in NATO's European pillar](#)—this idea started to have resonance in Washington as well.

The second disruption has to do with rising [isolationist](#) trends in the United States, including the idea of the United States acting with [restraint](#) in its foreign policy entanglements. In the words of [retired chairman of the U.S. Joint Chiefs of Staff Mark Milley](#), “Americans have kind of had it with wars.” The spread of these sentiments in the United States, including into the political discourse has, maybe wrongly, but nevertheless, nurtured doubts in European minds over the long-term U.S. commitment to the security of the continent.

As Russia's war against Ukraine drags on and [concerns](#) over the potential widening of the conflict grow, strong transatlantic cooperation will remain essential for both the United States and Europe. But this cooperation will need an update and some form of rebalancing where the EU assumes a greater part of the responsibility, particularly in the realm of security. The EU's efforts to make itself geopolitically more relevant go in the right direction. These efforts could enhance the union's ability to spread stability in the wider neighborhood and offset Russia's malign influence, something that would be appreciated in the United States.

Recent experiences have revealed to the EU that the comfort of overwhelming reliance on the United States for its well-being is risky at best and, potentially, nothing but a false sense of security. Organizational, financial, and political challenges notwithstanding, the EU's long-term interests oblige it to shoulder more of the responsibility to secure itself, which, in turn, require it to develop greater [defense capabilities](#). The upside is that nowadays, it is more probable for this idea to gain traction in the United States since the notion of Europe doing more would appeal to any U.S. administration and be palatable on both sides of the aisle in Congress.

## Conclusions

Russia's full-scale invasion of Ukraine ushered in a remarkable drive for reconstruction on the European continent. The comeback of the EU's enlargement policy is now coupled with the reform discussion,



focusing particularly on the EU's capacity to act. The supranational institution is trying to boost its geopolitical clout by resetting its relationship with the Western Balkans and the Association Trio, and breaking taboos as far as its role in security and defense matters is concerned. Türkiye, on the other hand, is all but absent from this debate and related considerations within the EU in a manner that is woefully complacent, suggesting that both Brussels and Ankara should do some deeper thinking on the opportunity costs.

This creative disruption in Europe is happening at a time of transatlantic rescaling. Even if the war in Ukraine has revived the transatlantic partnership, the writing on the wall is clear: Irrespective of who wins the presidential elections in the United States in November, the EU has no choice but to increase its indigenous capacity to uphold its interests and security in an ever-challenging world.

The following months and years will witness two interlinked dynamics: The EU will try to advance in its enlargement and reform debate. This may be a multispeed process, depending on the leadership skills and commitment of its member states and institutions. In the meantime, the conversation about security, resilience, and competitiveness will gain momentum and shape many of the EU's policies. A key intersection point of the two issues will be the upcoming budget debate next year.

At the end of the day, what the EU can and cannot do will mostly be shaped by its capacity to shift resources around, along with its ability to create more financial capacity to fulfil its growing ambitions. This is traditionally a very complex debate, which is bound to get more difficult as the EU moves into uncharted

territory in areas like enhanced financing for its defense needs.

The EU's ability to evolve into a true geopolitical actor, with a growing defense capacity, more member states, and an increased network of partners in its wider neighborhood, including some form of accommodation with NATO ally and candidate country Türkiye, will be consequential for the future of Euro-Atlantic security.

Together with NATO, a more potent EU could start laying the foundations of a new security architecture on the European continent. As the United States continues to divert the bulk of its energy and resources to the challenges associated with the rise of China, this would represent a most significant development that could form the basis of a recalibrated transatlantic partnership.

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