Bilateral Disputes and Hold-Up Problems in EU Enlargement: A Case Study of North Macedonia and Bulgaria

https://doi.org/10.22151/politikon.27.2.3

Vasili J. IOANNIDIS
National and Kapodistrian University of Athens, Greece
ioannid@pspa.uoa.gr

Abstract

This research note asks whether the European Union's (EU) unanimity requirement in enlargement decision-making creates a "hold-up problem" for candidate states facing bilateral disputes with a Member State. To test this, the study applies a novel political hold-up framework to a single case: Bulgaria's veto of North Macedonia's EU accession bid. It draws on two sources of evidence — statements and actions by political elites in North Macedonia, Bulgaria, and the EU, and qualitative and quantitative survey data on public opinion in North Macedonia. The findings largely confirm the hypothesis: unanimity does incentivize Member States to extract bilateral concessions from candidates. However, the evidence also shows that the accession process's many intermediary decision points are themselves a key driver of the hold-up problem, pointing to a refined hypothesis that combines unanimity with multiple decision points.

Keywords: North Macedonia; Bulgaria; European Union; Enlargement; Hold-Up Problem; Bilateral Disputes; Signaling; Decision Points

Introduction

The European Union (EU) has historically touted enlargement as a transformative process for its candidates. However, given that decisions regarding the enlargement criteria that candidates must meet are made by the Member States via unanimity, the potential for the process to be politicized in order to further the Member States' national interests cannot be dismissed. This is especially pertinent in a case where a bilateral dispute exists between a Member State and a candidate. In such a case, actions by Member States that institutionalize bilateral disputes into the enlargement process for domestic political gain have the potential to undermine the credibility of the process (Hillion 2010; Zweers 2019). Indeed, the European Commission (2011, 24) has previously warned that "[b]lockages linked to bilateral issues can compromise the transformative power of the enlargement process." Therefore, it is necessary to determine the consequences that the EU decision-making process has on the prospects of enlargement, particularly in cases where there is a bilateral dispute between a

Member State and a candidate. Thus, the purpose of this research note is to determine whether the unanimity requirement in EU enlargement decision-making incentivizes Member States to demand concessions on bilateral issues, resulting in a potential hold-up problem for candidate states.

In order to evaluate the impact of bilateral disputes and unanimity in decision-making on the EU's enlargement process, a case study of the North Macedonia-Bulgaria bilateral dispute is conducted. This case was selected because the bilateral dispute has been effectively embedded into North Macedonia's EU negotiating framework, and its emphasis on identity-related issues may create opportunities for repeated bargaining interactions over the course of accession negotiations. As a result, it allows for an analysis of how the EU's institutional processes shape bargaining dynamics between the EU and a candidate state.

This study relies on analyzing the statements and actions of political elites from North Macedonia, Bulgaria, and the EU. More specifically, it analyzes statements directly related to the North Macedonia-Bulgaria bilateral dispute and the constitutional amendments required for North Macedonia's EU accession process. Due to the reliance on publicly available statements from political elites, one limitation of this approach is the potential for selection bias. In an attempt to bolster the robustness of the findings derived from elite discourse and actions, qualitative and quantitative survey results from 2023 and 2024 are also evaluated to gauge whether public opinion in North Macedonia is reflective of the positions taken by the state's political elites. The surveys analyzed were arranged by the International Republican Institute (IRI) as well as the Institute for Democracy "Societas Civilis" – Skopje (IDSCS) and the Konrad Adenauer Foundation in the Republic of North Macedonia (KAS). Despite supplementing elite statements with public opinion, it must be acknowledged that the potential for selection bias cannot be entirely eliminated. Nevertheless, the evidence presented here permits an evaluation of the applicability of the hold-up problem framework and facilitates the identification of the conditions under which a hold-up problem is likely to emerge.

The remainder of the research note is organized in the following manner. First, the theoretical background related to the hold-up problem is introduced. Second, the case study of the North Macedonia-Bulgaria bilateral dispute is analyzed in the context of EU enlargement. Finally, the main findings, policy implications, and potential avenues for further research conclude the analysis.

Theoretical Framework

Economic and Political Hold-Up Problems

A central concept in economics, the hold-up problem focuses on a scenario characterized by incomplete contracts and asymmetric bargaining power (Hart 1995). In a two-party bargaining scenario featuring a short-term contract, if the first party makes a relationship-specific sunk investment, then the second party can use this information as leverage to extract the surpluses from the investment *ex post* during contract renegotiations (Hart 1995; Balkenborg et al. 2012; Celik et al. 2020). This ultimately leads to economic inefficiency as the first party recognizes that a sufficient return on investment is unlikely and underinvests *ex ante* because of the incentive for the second party to exploit its increased bargaining power (Hart 1995; Balkenborg et al. 2012; Celik et al. 2020). To summarize, the three assumptions necessary to characterize a hold-up problem are incomplete contracts, relationship-specific investments, and a willingness to exploit increased bargaining power with the general outcome being an underinvestment caused by the expectation of insufficient returns.

In addition to economics, the hold-up problem has been incorporated into the literature of political economy. In contrast to the conventional concept, which focuses primarily on the economic relationship between two parties, Carnegie's (2014) political hold-up problem adaptation links economic and political interests. Focusing on international trade agreements between asymmetrically powerful states, Carnegie's (2014, 56–57) model assumes that the small state must make a relationship-specific sunk investment of an economic nature to facilitate exports to the large state. Diverging from the established economic theory, rather than seeking economic concessions, such as lower tariffs, Carnegie (2014, 57) proposes that the large state will instead use its trade policies in contract renegotiations to extract political concessions from the small state, such as access to military bases, which are viewed as more valuable to the large state. Thus, the political hold-up problem can be identified "…when one state fails to undertake an investment due to the increased ability it would provide another state to extract political concessions" (Carnegie 2014, 54). While Carnegie (2014) retains the core logic of the economic hold-up problem, the political hold-up problem broadens the concept's explanatory scope by focusing on state-level actors and adding political dimensions to the bargaining scenario.

Enlargement Hold-Up Problem

Applying the economic hold-up problem framework to EU enlargement, Wallner (2003) demonstrates its potential to reduce a candidate's gains from accession. Wallner (2003)

assumes the EU is a unitary actor and focuses on the implications of EU-specific investments made by private investors in a candidate state. In the enlargement process, Wallner (2003) posits that these relationship-specific investments made prior to accession increase the candidate's dependence on the EU. As a result, the EU's leverage *vis-à-vis* the candidate state increases, allowing it to adjust the admission conditions to its own benefit at the expense of the candidate state (Wallner 2003). Therefore, Wallner's (2003) application of the hold-up problem to EU accession negotiations suggests that disregarding the bargaining dynamics and the associated costs to a candidate state risks overstating the gains from accession.

Building on Wallner's (2003) application of the economic hold-up problem to EU enlargement, this study further adapts Carnegie's (2014) concept of the political hold-up problem to accession negotiations. In doing so, rather than maintaining the initial relationship-specific investment as economic, this study emphasizes investments of political capital by a candidate state. In this context, political capital refers to the finite "stock of influence" political actors have to pursue their agenda (Banfield 1961, 312–313). In an effort to maintain or increase their power, political actors are assumed to rationally choose an agenda at the expense of pursuing alternative objectives based on the potential returns on investment (Banfield 1961, 312–313). Thus, the "enlargement hold-up problem" can be described as a situation where a candidate state fails to invest political capital in enacting EU-related reforms due to the increased leverage that it would provide Member States to extract political concessions over the course of accession negotiations. Therefore, in this adaptation, an underinvestment refers to a strategic calculation that involves political actors in a candidate state failing to fully pursue and implement the necessary reforms in accordance with EU accession requirements. In applying this novel adaptation of a political hold-up problem to EU enlargement where a bilateral dispute between a Member State and a candidate is present, all three core assumptions are observed, namely short-term contracts, relationship-specific investments, and asymmetric bargaining power.

First, in an attempt to promote a more effective adoption of the EU *acquis communautaire* by candidate states, the accession negotiation process is broken down into clusters and chapters which require unanimity among Member States at each decision point (Lehne et al. 2025, 2). This has resulted in the creation of intermediary decision points, effectively veto points, where Member States can impose new conditions, even if they are unrelated to the formal accession criteria (Subotić and Cvetanova 2025, 2).[1] Given the need

[1] Even though the cluster methodology has reduced the number of decision points, Subotić and Cvetanova (2025, 2) estimate that there are at least forty-nine decision points in the current accession process which result

for unanimity at each decision point, the cluster approach to enlargement can be equated to a series of short-term contracts that can be renegotiated by the Member States at these intermediary points.

Second, candidate states need to have enacted and demonstrated compliance with the *acquis* prior to closing negotiations, and only upon accession do candidates receive the full benefits of membership (Teokarevic 2011, 75; İçener and Phinnemore 2014, 37; Lehne et al. 2025, 4). Furthermore, compliance with the *acquis* constitutes a largely irreversible investment as the administrative, economic, and political resources devoted to *acquis* implementation are not easily recoverable if a state decides to end its accession bid or subsequently withdraws from the EU (Spirig and Weder 2008, 89). Although many individual *acquis*-related reforms, such as improving judicial independence, could increase domestic utility independent of EU accession, the full realization of the gains associated with adopting the *acquis* in its entirety is contingent on EU membership. Therefore, while *acquis* adoption provides value without EU accession, the extent of a candidate state's return on investment is dependent on its future relationship with the EU and may ultimately be lower without eventual membership. Given these characteristics, the required adoption of the *acquis* largely resembles a relationship-specific sunk investment.

Third, given that the EU "…can set the entry conditions in a take-it-or-leave-it offer," there is an inherent power imbalance favoring Member States over candidates (Wallner 2003, 872). In accordance with the assumption that actors must be willing to exploit their bargaining power, there is a documented precedent of Member States utilizing the enlargement process to further their own national interests (Hillion 2010, 2011; Rodin 2012). Indeed, Hillion (2011, 191) has described how individual Member States have used their veto power for reasons related to their "crude domestic interests," rather than the candidate's compliance with formal criteria. As a result, the power held by Member States to progress or stall enlargement creates an inherently asymmetrical relationship favoring Member States over candidates.

After establishing that the enlargement process meets the necessary assumptions, the following case study seeks to determine whether the hold-up problem outcome is applicable and to what extent it is impacted by the need for unanimity in decision-making among Member States.

in a combined total of 1,323 veto opportunities that a candidate must overcome (49 decision points x 27 Member States = 1,323 veto opportunities).

Case Study: North Macedonia-Bulgaria Bilateral Dispute in the Context of Enlargement

"Bilateralization" of Enlargement

In the context of North Macedonia's accession bid, the current veto by Bulgaria appears to be a recent development. In actuality, bilateral disputes between North Macedonia and Bulgaria have been a persistent feature of the relationship since the Cold War (Sfetas 2012; Vangelov 2023). At the heart of the dispute are matters related to history, language, and identity, with Bulgaria questioning the very existence of a separate Macedonian nation (Vangelov 2023; Basheska 2025, 11). In 2019, Bulgaria's National Assembly adopted a framework position which made Bulgarian support for opening North Macedonia's EU accession negotiations contingent upon North Macedonia adopting Bulgaria's official views pertaining to matters of history, language, and identity (Christidis 2019; Fouéré 2023, 9–10; Vangelov 2023, 210–212). At the December 2020 European Council meeting, this framework position "…in essence became the Bulgarian veto on the European Council's green light for the opening of accession negotiations with…North Macedonia…" (Fouéré 2023, 9). In asserting its veto power, Bulgaria acted unilaterally, much to the dismay of the other Member States. Specifically, Czechia and Slovakia were the most vocal opponents, but Bulgaria was unwilling to lift its veto (Marusic 2020; Stefanova 2024, 97; Zweers et al. 2024, 6). Progress in resolving the matter was made in 2022 when both North Macedonia and Bulgaria endorsed the "French Proposal," effectively rewarding Bulgaria with many of its desired concessions (Fouéré 2023, 10). The focal point of the proposal makes the opening of North Macedonia's accession negotiations contingent on North Macedonia amending its constitution to recognize the existence of a Bulgarian minority (Council of the European Union 2022, 2–3). It also allows Bulgaria to reassert its veto if it deems that bilateral issues are not dealt with properly by North Macedonia (Fouéré 2023, 10), and there are no guarantees that Bulgaria will not use its veto in the future in order to impose new conditions (Zweers et al. 2024, 4). Consistent with the "creeping nationalization of enlargement" (Hillion 2010; 2011, 210), the path to the "French Proposal" illustrates how Bulgaria was able to assert its position as an EU Member State and institutionalize the bilateral dispute in order to extract concessions. Furthermore, Bulgaria's behavior exemplifies how the unanimity requirement in EU decision-making incentivizes Member States to use the

enlargement process to further their own national interests at the expense of candidates, as such actions cannot be blocked by other Member States.[2]

Elite Reactions

While agreement on the "French Proposal" seemingly cleared the path to opening accession negotiations, North Macedonia has yet to fulfill its side of the bargain (as of mid-2026) to enact the necessary constitutional amendments. When assessing the statements and actions of political elites in North Macedonia in this context, the hold-up interpretation appears applicable. In the absence of guarantees against the imposition of new bilaterally-based conditions at future decision points, the political elites in North Macedonia have expressed continued concern that the execution of the "French Proposal" will not actually unblock their accession bid; ultimately, it may serve to further incentivize Bulgaria to impose additional conditions (Dimoski 2025a). Since matters closely related to national identity are at the heart of the dispute with Bulgaria, future conditions seen as infringing upon North Macedonia's national identity, such as matters related to language, have evoked vocal anxiety by political elites in North Macedonia (Vinocur 2025). Given the salience associated with matters of national identity, in the absence of a credible commitment by the EU to enlargement, Schimmelfennig (2008) concludes that there is an incentive for political elites not to comply with the conditionality when the perceived political costs outweigh the benefits from EU accession progress. As perceived future conditions may be tied to the politically sensitive issue of national identity, the Government of North Macedonia has stated it will not enact the mandated amendments unless there is a guarantee against the future imposition of new conditions related to purely bilateral issues (Basheska 2025, 12; Dimoski 2025a). Arguably as a result of the insufficient guarantees reducing the potential for political elites to benefit from EU accession progress, there is an apparent underinvestment in political capital to enact reforms.

The resistance to the "French Proposal" by political elites in North Macedonia has also resulted in efforts to renegotiate its terms. In an attempt to rebalance bargaining power and create its own guarantees, the Government of North Macedonia has proposed a "delayed enforcement" of the amendments—meaning they would be passed, but not take effect until EU accession (Ivković 2024; Dimoski 2025a). Despite North Macedonia's efforts, the EU

[2] As Moravcsik and Vachudova (2003) explain via bargaining theory, the unanimity requirement in EU decision-making offers each Member State bargaining power in relation to all other Member States. Thus, even a smaller state can act as a veto player in order to extract concessions in exchange for support in decision-making procedures (Moravcsik and Vachudova 2003).

and its Member States have not welcomed the idea of renegotiating the "French Proposal" and seem unlikely to accept any similar propositions in the future (Ivković 2024; Nikolov 2025). Even though they have been unsuccessful, such proposals indicate that political elites recognize the process's bargaining power asymmetry and the political costs of intruding on matters of national identity. In short, delayed enforcement proposals are consistent with the presence of the enlargement hold-up problem and attempt to address it by lengthening the terms to effectively sideline the impact of unanimity and intermediary decision points.

Public Opinion

Not only is the behavior of political elites supportive of the appropriateness of the enlargement hold-up problem, but the general public in North Macedonia also appears to consistently share similar views regarding the required constitutional amendments. In a 2023 qualitative research study conducted by the IRI (2024, 26), when asked about the bilateral dispute with Bulgaria in the EU accession process, ethnic Macedonians tended to view Bulgaria's actions as "unacceptable" and "a form of blackmail." For example, one ethnic Macedonian respondent stated, "'Yes, and we expect more and more requests from them. [NB. From Bulgaria]. They started with a name, the constitution, then they will think of something else'" (IRI 2024, 26). Such statements made by the general public support the assertion that the expectation of future conditions being imposed on North Macedonia is not limited to the governing elites, but is shared by the broader population.

In addition to the qualitative statements made by the general public about expecting additional conditions, quantitative survey results lend further support to the applicability of the enlargement hold-up problem outcome. Given the centrality of identity issues to this dispute, consistent with elite statements, there is a noticeable concern about the status of the Macedonian language. In a survey conducted between April and May 2023, a majority (52%) of respondents are reportedly concerned that the Macedonian language is "somewhat" or "completely jeopardized" in the EU accession negotiations (IRI 2023, 79).[3] Furthermore, the same survey found that 66% of respondents believe Bulgaria to be the biggest opponent to EU accession (IRI 2023, 82). In contrast, only 7% believe all EU countries are opponents of North Macedonia's EU accession bid (IRI 2023, 82). Thus, these findings suggest that the general public expects future demands on matters related to national identity, likely due to the lack of guarantees included in the "French Proposal." In addition, consistent with

[3] For a further breakdown of the results, 22% of respondents believe that the language is "somewhat jeopardized" and 30% believe that it is "completely jeopardized" (IRI 2023, 79).

unanimity in EU decision-making allowing the demands of one Member State to potentially dominate the process, the general public does not believe all Member States are equally hostile to North Macedonia, but rather focuses on Bulgaria as the main opposition.

Along with the results suggesting the anticipation of future demands, additional data reports that there is also a lack of public support for executing the required constitutional amendments. According to a 2023 survey cooperatively conducted by the IDSCS and the KAS, only 24% of respondents voiced their support for enacting the necessary constitutional amendments (Velinovska 2023, 14). In contrast, a plurality (49%) of respondents stated that either the negotiating process should be stopped (20%) or North Macedonia should proceed by "…do[ing] nothing" (29%) (Velinovska 2023, 14). Furthermore, the 2024 survey also reflects consistent findings. Despite the share of respondents who support stopping negotiations or "to do nothing" falling to a combined 43%, it still represents a plurality (Velinovska and Sofeska 2025, 9–10).[4] Additionally, the support for enacting the constitutional amendments also decreased to 20% of respondents (Velinovska and Sofeska 2025, 9–10). These figures are largely consistent with the enlargement hold-up problem interpretation as they suggest that the anticipation of future demands may influence public sentiments against accession-related reforms in the present.

Due to North Macedonia's multiethnic demographic composition, it should be noted that variation was observed between the attitudes of the state's ethnic Albanian and Macedonian populations. While some ethnic Albanian respondents did express disapproval of Bulgaria's demands in the qualitative study, they tended to be less critical of Bulgaria's actions than their ethnic Macedonian counterparts (IRI 2024, 26). Similarly, across both years of the quantitative survey data, ethnic Albanians displayed a higher level of support for enacting the constitutional amendments (Velinovska 2023, 14–15; Velinovska and Sofeska 2025, 10). Despite these micro-level differences, this study relies on aggregate public opinion as a measure of domestic support for EU-related reforms.

While these surveys alone cannot causally link the expectation of new demands being placed on North Macedonia with the reluctance to invest political capital in enacting the EU-mandated constitutional amendments, these results do show that such inaction is not unpopular among the general population. However, given North Macedonia's long-stalled accession process, it should be acknowledged that the plurality of respondents favoring ending negotiations or retaining the status quo could also reflect enlargement fatigue, rather

[4] For a further breakdown of the results, 21% of respondents supported stopping negotiations and 22% preferred the status quo (that is, "to do nothing") (Velinovska and Sofeska 2025, 9–10).

than a strategic calculation. Nevertheless, when analyzing the qualitative and quantitative surveys together, there appears to be a shared perception that additional costly conditions are likely to be imposed in the future. Such patterns suggest that the enlargement hold-up problem is likely an appropriate concept for understanding the lack of political capital investment by North Macedonia in addressing EU accession conditions.

Incoherent Signaling

Given that the "French Proposal" does not provide concrete guarantees against the imposition of new bilaterally-based conditions at later decision points in the accession negotiations, North Macedonia's incentive to enact the necessary amendments depends on credible signaling by the EU.[5] Since the EU is not a unitary actor and enlargement decision-making is driven by unanimity among Member States, coherence among all Member States' messaging is crucial to ensuring a consistent signal is sent at the EU-level (Gebhard 2011). The EU institutions have attempted to send positive signals and build trust between the EU and North Macedonia, exemplified through statements by European Council President António Costa which declare that no new conditions will be imposed on North Macedonia (Dimoski 2025b). Various Bulgarian officials, such as the Ministry of Foreign Affairs and then-Prime Minister Rosen Zhelyazkov, have also claimed that they would adhere to the "French Proposal" and not pursue any new conditions (Kolekevski 2023; Dimitrova and Peeva 2025). However, as a result of contradictory actions stemming from various Bulgarian domestic and European officials across the political spectrum, such coherence has not been realized in this case. For example, in the summer of 2025, all seventeen Bulgarian Members of the European Parliament representing various national parties endorsed a letter which attempted to delay a European Parliament report on accession for North Macedonia (Griera et al. 2025). In addition to the letter, an amendment supported by the Bulgarian delegation was introduced to the aforementioned report to remove references to a "Macedonian identity" and "Macedonian language" (*Kathimerini English Edition* 2025). Furthermore, despite Zhelyazkov's earlier statements against setting new conditions on North Macedonia, it was reported that the then-prime minister may have also played a role in opposing the report (Griera et al. 2025). Given that the "French Proposal" does not extend to matters of identity and language, the actions by Bulgarian officials have led some analysts to believe that Bulgaria

[5] In scenarios where incomplete contracts could lead to a hold-up problem, the use of signals can reset the balance of power and ensure adequate incentives for a party to commit to the relationship-specific investment (Khanna and Mathews 2016). Such signals are used to build trust and attempt to create a credible commitment by indicating the actions a party plans to take in an otherwise uncertain future (McAdams 2015, 123–127).

may impose additional conditions in the future, despite verbal assurances otherwise (*The New Union Post* 2025). Such contradictions exemplify how attempts to overcome the power imbalance via signaling can be undermined by incoherence between EU statements, Member State statements, and Member State actions. Thus, the continued resistance to following through on EU-mandated conditions by North Macedonia highlights that where there is incoherence, unanimity in enlargement decision-making may actually deepen the hold-up problem.

Discussion and Conclusion

In an attempt to better understand the consequences of the EU decision-making process on the prospects of enlargement in cases where bilateral disputes are present between a Member State and a candidate, the case study of North Macedonia and Bulgaria highlights three main findings. First, as a result of unanimity in decision-making equalizing bargaining power among Member States, this study lends further support to the existing theory that there is a "creeping nationalization of enlargement" where individual Member States can use their bargaining power to extract concessions from candidates with whom they have bilateral disputes (Hillion 2010; 2011, 210). Second, the shared expectation of future conditions and insufficient returns by political elites and the general public of North Macedonia, as well as the apparent underinvestment in EU-related reforms, support the applicability of the enlargement hold-up problem. Third, the unanimity required in decision-making heightens the need for coherence in signalling. Thus, incoherence between the EU and Member State positions may further intensify the enlargement hold-up problem.

More specifically, the working hypothesis that the unanimity requirement incentivizes Member States to demand concessions on bilateral issues which may result in a potential hold-up problem for candidate states is largely supported by this case study. The unanimity requirement does appear to incentivize the institutionalization of bilateral issues because of the bargaining power symmetry among Member States and asymmetry with candidate states. Additionally, as previously stated, it may also exaggerate the hold-up problem because of the need for coherence in signaling. However, the working hypothesis does not fully capture a key underlying cause of the hold-up problem, specifically the existence of multiple decision points in the enlargement process. The theoretical underpinning of the hold-up problem is reliant on short-term contracts, and, in the case of North Macedonia, both political elites and public opinion express concern that new conditions could be imposed as the accession process progresses. If there was only one

decision point where Member States could exert their influence, unilaterally or not, then there would be less apprehension towards additional conditions being imposed as there are no longer any future decision points. In other words, the short-term contract assumption would no longer be satisfied. As a result, a more correct, amended hypothesis asserts: the unanimity requirement *and multiple decision points* in EU enlargement decision-making incentivize Member States to demand concessions on bilateral issues, resulting in a potential hold-up problem for candidate states. Despite the apparent importance of unanimity and multiple decision points for the enlargement hold-up problem, this is not to suggest that the framework is applicable to all cases where a bilateral dispute between a Member State and a candidate has been internalized into EU accession negotiations. As the enlargement hold-up problem is contingent upon repeated bargaining interactions, this suggests that its explanatory scope may be limited to cases with bilateral disputes containing multiple issues or a complex single issue that requires a multistep settlement.

These findings are particularly relevant in the midst of the debate regarding potentially reforming the EU decision-making process for enlargement. In order to address delays and deadlock in the process, one prominent proposal has been to reduce the number of decisions requiring unanimity and introduce qualified majority voting (QMV) in its place (Zweers et al. 2024; Subotić and Cvetanova 2025). Importantly, based on legal feasibility, many of these proposals limit the use of QMV to the intermediary decision points (Zweers et al. 2024; Subotić and Cvetanova 2025). However, this would still leave multiple decision points requiring unanimity and—based on the amended hypothesis—may not preclude the emergence of an enlargement hold-up problem. Instead, North Macedonia's delayed enforcement proposal warrants reconsideration. Such an approach could reduce the need for major institutional reform and mitigate the risk of future bilaterally-based conditions further delaying North Macedonia's accession process.

While it is unlikely that the European Commission (2011, 24) was referencing the theoretical concept when it warned that bilateral issues should "…not *hold up* the accession process" [emphasis added], nevertheless, the statement can be applied to it. However, it must be acknowledged that the study's evidence does not permit alternative explanations to be dismissed outright, namely general enlargement fatigue, perverse incentives arising from the precedent set by the Prespa Agreement, and the hardening of domestic identity politics divorced from EU accession considerations. Even so, the analysis indicates that the enlargement hold-up problem is applicable and provides a useful framework for interpreting the observed elite actions and public sentiment. Ultimately, this case study does suggest that

the Commission's concerns are well-founded as blockages due to bilateral disputes do pose a threat to the transformative power of the EU.

Future research should focus on the effect that observing a hold-up problem may have on other (potential) candidates. As the enlargement hold-up problem may be relevant elsewhere, a future study should examine its impact on the perception of EU credibility in (potential) candidates and whether those who have outstanding bilateral disputes with one or more Member States consequently change their approach to accession negotiations.

References

Balkenborg, Dieter, Todd Kaplan, and Timothy Miller. 2012. "A Simple Economic Teaching Experiment on the Hold-up Problem." *The Journal of Economic Education* 43 (4): 377–385. https://doi.org/10.1080/00220485.2012.714310.

Banfield, Edward C. 1961. *Political Influence*. The Free Press.

Basheska, Elena. 2025. "The Western Balkans and the EU: Genuine and Sincere?: The Story of Bilateral Disputes and Pretence." *European Journal of Risk Regulation*, August, 1–16. https://doi.org/10.1017/err.2025.10031.

Carnegie, Allison. 2014. "States Held Hostage: Political Hold-up Problems and the Effects of International Institutions." *American Political Science Review* 108 (1): 54–70. https://doi.org/10.1017/s0003055413000646.

Celik, Levent, Bilgehan Karabay, and John McLaren. 2020. "Fast-Track Authority: A Hold-up Interpretation." *Journal of International Economics* 127: 103392. https://doi.org/10.1016/j.jinteco.2020.103392.

Christidis, Yorgos. 2019. *Bulgaria Sets Tough Conditions on North Macedonia's EU Accession Path*. Policy Brief 58/2019. Hellenic Foundation for European and Foreign Policy. https://www.eliamep.gr/wp-content/uploads/2019/11/Policy-Brief_58_Yorgos-Christidis.pdf.

Council of the European Union. 2022. *Council Conclusions on North Macedonia and Albania*. ST 11440 2022 INIT. https://data.consilium.europa.eu/doc/document/ST-11440-2022-INIT/en/pdf.

Dimitrova, Risida, and Desislava Peeva. 2025. "PM Zhelyazkov: Bulgaria Is Not Setting New Conditions for Republic of North Macedonia's EU Path." *Bulgarian News Agency*, November 30. https://www.bta.bg/en/news/balkans/1018537-pm-zhelyazkov-bulgaria-is-not-setting-new-conditions-for-republic-of-north-mace.

Dimoski, Angel. 2025a. "Constitutional Changes with Delayed Effect Sole Acceptable Solution, Gov't Wants Guarantees and Predictable EU Path: Sources." *Media Information Agency*, March 7. https://mia.mk/en/story/constitutional-changes-with-delayed-effect-sole-acceptable-solution-govt-wants-guarantees-and-predictable-eu-path-sources.

Dimoski, Angel. 2025b. "Costa: Reasonable to Guarantee No Additional Demands Will Be Made of North Macedonia After Constitutional Changes." *Media Information Agency*,

September 5. https://mia.mk/en/story/costa-reasonable-to-guarantee-no-additional-demands-will-be-made-of-north-macedonia-after-constitutional-changes.

European Commission. 2011. *Communication from the Commission to the European Parliament and the Council: Enlargement Strategy and Main Challenges 2011–2012*. COM(2011) 666 final. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52011DC0666.

Fouéré, Erwan. 2023. *EU Enlargement and the Resolution of Bilateral Disputes in the Western Balkans*. Centre for European Policy Studies and European Policy Centre. https://cdn.ceps.eu/wp-content/uploads/2023/07/EU-enlargement-and-the-resolution-of-bilateral-disputes-in-the-Western-Balkans.pdf.

Gebhard, Carmen. 2011. "Coherence." In *International Relations and the European Union*, 2nd ed., edited by Christopher Hill and Michael Smith. Oxford University Press.

Griera, Max, Antoaneta Roussi, and Jacopo Barigazzi. 2025. "Bulgaria Disrupts European Parliament's Bill on North Macedonia EU Accession." *POLITICO*, June 5. https://www.politico.eu/article/bulgaria-european-parliament-bill-north-macedonia-eu-accession-green-austria-waitz-lobby-vote-smear-campaign/.

Hart, Oliver. 1995. *Firms, Contracts, and Financial Structure*. Oxford University Press.

Hillion, Christophe. 2010. *The Creeping Nationalisation of the EU Enlargement Policy*. Report 6. Swedish Institute for European Policy Studies. https://www.sieps.se/media/zjqh3vwb/the-creeping-nationalisation-of-the-eu-enlargement-policy-2010_6.pdf.

Hillion, Christophe. 2011. "EU Enlargement." In *The Evolution of EU Law*, 2nd ed., edited by Paul Craig and Gráinne de Búrca. Oxford University Press.

İçener, Erhan, and David Phinnemore. 2014. "Building on Experience? EU Enlargement and the Western Balkans." In *The EU and Member State Building: European Foreign Policy in the Western Balkans*, edited by Zeynep Arkan and Soeren Keil. Routledge.

IRI (International Republican Institute). 2023. *National Survey of North Macedonia: April – May 2023*. IRI. https://www.iri.org/resources/national-survey-of-north-macedonia-april-may-2023/.

IRI (International Republican Institute). 2024. *Making or Breaking Citizens' Trust? Qualitative Research on Local Government Responsiveness in North Macedonia*. IRI. https://www.iri.org/resources/making-or-breaking-citizens-trust/.

Ivković, Aleksandar. 2024. "EU and Bulgaria Unlikely to Accept VMRO's Proposal for Re-Negotiating Constitutional Change." *European Western Balkans*, July 12. https://europeanwesternbalkans.com/2024/07/12/eu-and-bulgaria-unlikely-to-accept-vmros-proposal-for-re-negotiating-constitutional-change/.

Kathimerini English Edition. 2025. "EU Parliament Groups Agree to Drop References to 'Macedonian' Identity, Language from Report." July 4. https://www.ekathimerini.com/politics/foreign-policy/1274328/eu-parliament-groups-agree-to-drop-references-to-macedonian-identity-language-from-report/.

Khanna, Naveen, and Richmond D. Mathews. 2016. "Posturing and Holdup in Innovation." *The Review of Financial Studies* 29 (9): 2419–2454. https://doi.org/10.1093/rfs/hhv071.

Kolekevski, Ivan. 2023. "Bulgaria Has No New Conditions for North Macedonia, Says Country's MFA." *Media Information Agency*, July 16.

https://mia.mk/en/story/bulgaria-has-no-new-conditions-for-north-macedonia-says-countrys-mfa.

Lehne, Stefan, Zoran Nechev, and Richard Grieveson. 2025. *Access Before Accession: Rethinking the EU's Gradual Integration*. Carnegie Europe. https://carnegieendowment.org/research/2025/08/access-before-accession-rethinking-the-eus-gradual-integration.

Marusic, Sinisa Jakov. 2020. "Czecks, Slovaks Reject Bulgaria's 'Historical' Twist to Enlargement Criteria." *Balkan Insight*. December 18. https://balkaninsight.com/2020/12/18/czecks-slovaks-reject-bulgarias-historical-twist-to-enlargement-criteria/bi/.

McAdams, David. 2015. *Game-Changer: Game Theory and the Art of Transforming Strategic Situations*. W.W. Norton & Company.

Moravcsik, Andrew, and Milada A. Vachudova. 2003. "National Interests, State Power, and EU Enlargement." *East European Politics and Societies* 17 (1): 42–57. https://doi.org/10.1177/0888325402239682.

Nikolov, Krassen. 2025. "Sofia Tells Skopje to Stick to Constitutional Change Commitment." *Euractiv*, February 10. https://www.euractiv.com/news/sofia-tells-skopje-to-stick-to-stick-to-constitutional-change-commitment/.

Rodin, Siniša. 2012. "The European Union and the Western Balkans: Does the Lisbon Treaty Matter?" In *The Foreign Policy of the European Union: Assessing Europe's Role in the World*, 2nd ed., edited by Federiga Bindi and Irina Angelescu. Brookings Institution Press.

Schimmelfennig, Frank. 2008. "EU Political Accession Conditionality after the 2004 Enlargement: Consistency and Effectiveness." *Journal of European Public Policy* 15 (6): 918–937. https://doi.org/10.1080/13501760802196861.

Sfetas, Spyridon. 2012. "The Bulgarian-Yugoslav Dispute over the Macedonian Question as a Reflection of the Soviet-Yugoslav Controversy (1968–1980)." *Balcanica - Annual of the Institute for Balkan Studies*, no. XLIII (December): 241–271. https://doi.org/10.2298/BALC1243241S.

Spirig, Beat, and Rolf Weder. 2008. "To Wait or Not to Wait: Swiss EU-Membership as an Investment under Uncertainty." *Swiss Journal of Economics and Statistics* 144 (1): 85–114. https://doi.org/10.1007/bf03399250.

Stefanova, Boyka. 2024. "Small-State Veto Power in the European Union? National Interests and Coalition-Building Capacity of the Member States in Central and Eastern Europe." In *Small States in EU Policy-Making: Strategies, Challenges, Opportunities*, edited by Anna-Lena Högenauer and Matúš Mišík. Routledge. https://doi.org/10.4324/9781003380641.

Subotić, Strahinja, and Filipa Cvetanova. 2025. *Reining in the Enlargement Vetoes: The German-Slovenian Non-Paper Under Review*. European Policy Centre. https://cep.org.rs/wp-content/uploads/2025/06/Reining-in-the-Enlargement-Vetoes-The-German-Slovenian-Non-Paper-Under-Review.pdf.

Teokarevic, Jovan. 2011. "Ten Years of Post-Milosevic Transition in Serbia: Problems and Prospects." In *The Western Balkans and the EU: "The Hour of Europe"*, edited by Jacques Rupnik. Chaillot Papers 126. European Union Institute for Security Studies. https://doi.org/10.2815/24268.

The New Union Post. 2025. "North Macedonia Has 'No Clear Path Forward' on EU Accession." November 18. https://newunionpost.eu/2025/11/18/north-macedonia-eu-accession-stalemate/.

Vangelov, Ognen. 2023. "An Analysis of Bulgaria's Rejection of the Macedonian Ethno-Linguistic Identity and Its Implications." In *Macedonia's Long Transition: From Independence to the Prespa Agreement and Beyond*, edited by Robert Hudson and Ivan Dodovski. Palgrave Macmillan. https://doi.org/10.1007/978-3-031-20773-0_11.

Velinovska, Anamarija. 2023. *EU Integrations in the Shadow of the Internal Processes – Public Opinion Analysis for 2023*. Public Opinion Analysis Paper 26/2023. Institute for Democracy "Societas Civilis" – Skopje and Konrad Adenauer Foundation in the Republic of North Macedonia. https://idscs.org.mk/wp-content/uploads/2023/12/26-2023-ENG.pdf.

Velinovska, Anamarija, and Ana Sofeska. 2025. *EU Integration in 2024: From European Dream to Macedonian Reality*. Public Opinion Analysis Paper 2/2025. Institute for Democracy "Societas Civilis" – Skopje and Konrad Adenauer Foundation in the Republic of North Macedonia. https://idscs.org.mk/wp-content/uploads/2025/02/EU-Integration-in-2024-From-European-dream-to-Macedonian-reality.pdf.

Vinocur, Nicholas. 2025. "EU Leaders to Moldova: Pick Us, Not Putin." *POLITICO Brussels Playbook*, August 27. https://www.politico.eu/newsletter/brussels-playbook/eu-leaders-to-moldova-pick-us-not-putin/.

Wallner, Klaus. 2003. "Specific Investments and the EU Enlargement." *Journal of Public Economics* 87 (5-6): 867–882. https://doi.org/10.1016/s0047-2727(01)00159-1.

Zweers, Wouter. 2019. *Between Effective Engagement and Damaging Politicisation: Prospects for a Credible EU Enlargement Policy to the Western Balkans*. Clingendael Institute. https://www.clingendael.org/sites/default/files/2019-05/PB_Western_Balkans_May19.pdf.

Zweers, Wouter, Isabelle Ioannides, Zoran Nechev, and Nikola Dimitrov. 2024. *Unblocking Decision-Making in EU Enlargement: Qualified Majority Voting as a Way Forward?* Clingendael Institute. https://www.clingendael.org/sites/default/files/2024-06/PB_Unblocking_decision-making_in_EU_enlargement.pdf.