

How does Europeanization affect CEE governance? Conditionality, diffusion and diversity

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ABSTRACT The EU influences the development of governance in central and eastern Europe through its accession process in ways that go well beyond its official competences in the current member states. However, the EU's impact is diffused by the complexity of actor constellations involved. Moreover, it lacks the comprehensive institutional templates that would be needed to shape political institutions into an identifiably 'EU' mould. Instead, EU influence interacts with other pressures, both external and internal, becoming woven into domestic debates about institutional change. Accession conditions and negotiations privilege a relatively small group of central government officials over other political actors. The lack of involvement of parliamentarians and wider society in the accession process could, in turn, exacerbate the EU's own democratic deficit after enlargement.

KEY WORDS Accession; conditionality; enlargement; Europeanization; governance; regionalization.

INTRODUCTION

Through the accession negotiations and the conditions set for eastward enlargement, the European Union (EU) is affecting several aspects of governance in central and eastern Europe (CEE), including, *inter alia*, public policy-making processes and intra-governmental relations. How far has governance been transformed by the accession process? How do Europeanization effects vary across different parts of the executive? Within the framework of these questions, this article focuses on the mechanisms by which the EU can influence the evolution of governance structures in the applicant countries. Analysis of the outcomes is inevitably constrained before accession actually happens; however, exploration of the modes and processes of EU influence is already possible, and the constraints on this influence are becoming evident.

The following discussion starts by considering why and how the EU accession process can change governance patterns in the applicant countries, and identifies specific adaptational pressures. It then sets out a typology of the mechanisms of change established by the accession process. The third section discusses why the EU's influence is not as great as its potential might suggest.

Two variables are highlighted: one is the diffusion of impact, owing to the EU's lack of comprehensive institutional templates, tensions within the EU's agenda, and the complexity of actor constellations. The other variable is the interaction of EU influence with other external and internal political dynamics.

This analysis takes a Europeanization perspective in so far as it is concerned with the impact of the EU accession process on national patterns of governance; it is an exploration of how far 'EU-ization' goes in CEE. This article aims to intersect the Europeanization debate with the growing literature on enlargement, by identifying specific modes and processes of Europeanization in CEE. Previous studies of Europeanization have almost exclusively dealt with countries that have already joined the EU (see Radaelli 2000 for a review); yet the EU exerts similar pressures on the applicant countries. Many of the phenomena identified in the Europeanization literature can also be seen emerging in CEE (Grabbe 2001), but the EU's influence on applicants has the added dimensions of conditionality and a negotiating process. This article investigates the impact of these additional dimensions in CEE with respect to governance.

WHY EU CONDITIONALITY AFFECTS GOVERNANCE

Why and how might we expect the EU accession process to influence governance in CEE? European integration has resulted in only limited convergence of governance patterns in western Europe, where the EU member states remain very diverse in how they organize their political systems. Yet scholars working on democratization have tended to assume that the EU has vigorously encouraged the development of democracy by pressing applicants into implementing democratic human rights regimes and open political systems (e.g. Linz and Stepan 1996; Kopecký and Mudde 2000). This article suggests that although the EU has enormous potential influence, caution is needed in assuming the extent to which the EU has shaped governance overall.

There are three grounds for a hypothesis that the EU accession process is pushing the applicant countries towards greater convergence with particular institutional models than has occurred within the existing EU. The first factor is the speed of adjustment. The formal accession process sets out to adapt CEE institutions and policies to the EU much faster and more thoroughly than the adaptation of current EU 15 members, with very limited scope for negotiating transitional periods. The second factor is the openness of CEE national élites to EU influence. The process of post-communist transformation may make CEE more receptive to EU institutional paradigms than existing member states, because EU models are being presented at the same time as CEE policy-makers are seeking institutional models to replace or to create new structures. Moreover, the CEE applicants are working from different starting-points in terms of institutional development, with gaps left by communist systems (Batt and Wolczuk 1999); this legacy may mean that EU policies meet with less

institutional resistance (in terms of existing policies) than in the current member states. Finally, as a consequence of accession conditionality, mitigating the impact of EU policies is more difficult for applicant countries than for member states.

The third factor is the breadth of the EU's agenda for institutional and policy change in CEE. The formal accession conditions set at Copenhagen in 1993 state that candidates must not only have stable democratic institutions and competitive market economies, but also the 'ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union' (European Council 1993). The Copenhagen conditions are extensive, and what constitutes meeting them is open to interpretation, giving the EU considerable discretion in deciding what has to be done before compliance is achieved. Official statements of accession policy emphasize that, to become member states, candidates must have the administrative capacity to apply the whole body of EU law and practice, known as the '*acquis communautaire*',¹ which has some bearing on almost every aspect of public policy-making and implementation (Grabbe 1999). The EU thus has an interest in the structure and functioning of all branches of government in CEE, including the legislature and judiciary as well as the executive. Because of the stress on implementation, the EU's concern also extends to all levels of government, including subnational state structures.

Specific functions of government are included in the third condition on the ability to take on the obligations of membership. This condition can be interpreted broadly by the EU. For example, the capacity to implement and enforce the *acquis* means that the EU is concerned with the entire judicial system; the need to administer EU regional aid means that the conditions include the creation of administrative (and possibly political) units of subnational government; and the capacity to aim for economic and monetary union translates into requirements for an independent central bank and new regulatory institutions to implement single market rules. The scope of the accession agenda goes well beyond the influence of the EU in the governance of current member states, where the EU has no say over issues such as the quality or organization of their political institutions or civil services.

On the candidates' side, the benefits of joining provide a strong incentive to meet the requirements as they are presented by EU actors, even in cases where these demands conflict with other priorities. Political actors in CEE have a domestic incentive to show that they are complying, because they have to demonstrate that they are making progress towards accession. The goal of membership sets a framework for the government's agenda in many areas, since the candidates are racing against one another to move forward: it is not just the EU applying pressure, but competition between applicants which encourages candidates to seek to comply. Among the applicants, only Poland has the luxury of being able to bargain hard, for Polish negotiators assume that factors like the country's size and geo-political importance would prevent the EU from excluding the country from the first group of accessions.

The accession conditions apply to all the candidates, regardless of how far they are from membership. Both front-runners and those further from accession need to show that they are making progress. Receptiveness to EU conditions changes as countries get closer to membership, but it also depends on how well the EU's priorities fit with other domestic and foreign policy concerns. Differences between the candidates stem from their domestic political dynamics more than from their distance from the EU, although there is a two-way causal link between domestic politics and closeness to accession. On the whole, applicants typically have high levels of public support and political consensus for EU accession while they are distant from membership. Nevertheless, policy-makers may be slow to implement EU-inspired reforms if they do not fit well with other demands and if they believe that there is time to make up ground later. At the other end of the spectrum, countries on the eve of membership tend to see falling public support, yet the EU is able to make more specific demands on their governments because of the political attention to accession.

The potential impact on three aspects of governance

How does the EU use its potential influence in CEE? It is impossible to investigate this question systematically at this stage of the accession process, but we can see that the EU and its member states are already involved in shaping public institutions through the creation of new agencies and new co-ordination procedures within and between these agencies. The EU has also had an impact on the reform of the civil service, public procurement, budgetary procedures, and regional self-government. This section illustrates the potential effects by reference to the direct pressures that the accession process puts on three aspects of governance: the relationship between the executive and legislature; the emergence of a privileged accession team in the executive; and the relationship between central and regional governments.

Executive-legislature

The structure of the accession process gives the central role to the national government. The negotiating process and the tasks demanded to meet the membership conditions primarily involve the executive, with a much lesser role for other branches of government. Applicant countries can organize accession preparations in several different ways (Rupp 1999; Brusis and Emmanouilidis 2000). However, in all cases, the executive is privileged over the legislature and judiciary in terms of political attention and commitment of resources, both human and financial. The accession process requires rapid transposition of a huge number of Community directives and regulations into national law. The *acquis communautaire* amounts to some 80,000 pages, and much of it has to be translated and written into national law as the first essential preparation for membership. This legislative task is presented by the EU as being largely

administrative rather than political: candidate countries are not expected to debate the introduction of the *acquis* because it is non-negotiable and community law takes priority over national law for member states. Although this is not the case for candidates who have not yet joined the Community of law, they are expected to shadow the member states in this respect.

Within the executive, officials rather than politicians have had the longest and most consistent role in EU preparations, not least because of the rapid changes of government and the high turnover of political appointments one finds in much of CEE. This gives the civil servants in the executive considerable power in the adaptation process, as their longevity in managing accession preparations and their accumulated expertise on how the EU works complement the technocratic bias of the EU's approach. In response to the incentive to make rapid progress in transposing the *acquis*, all the candidate countries have introduced some kind of fast-track procedure for getting EU legislation through parliament. Given the huge volume of legislation, a well-organized legislature to deal with the procedural aspects is seen as essential by the EU, candidates and international organizations alike. This technocratic approach means very limited parliamentary involvement in the accession process beyond the formal structures (Williams 2001). The lack of debate in most CEE legislatures reflects a consensus on accession, but it also shows a lack of awareness of the details of the legislation being passed on the part of parliamentarians. In interviews with the author, deputies often complained of insufficient information from the executive, as well as inadequate access to technical expertise and specialist knowledge in order to understand the implications of the legislation.

This problem has been little remarked upon, partly because major parties across CEE largely agree on meeting the requirements for joining the EU (see Taggart and Szczerbiak 2001). There is little political capital to be gained by criticizing the lack of parliamentary involvement. But in a longer-term perspective, the marginalization of the legislature has implications for the democratic deficit problem. It runs against the EU's advocacy of stable democratic institutions and the development of capable law-makers, but parallels the problems in the EU itself. The EU's own 'democratic deficit' is well known, and the marginalization of legislatures within the EU's existing political system is one of the reasons why the European Parliament was created. Yet the EU is in danger of exporting aspects of its own democratic deficit to CEE through the accession process.

The emergence of a core accession team in the executive

The accession process is based on bilateral, state-level negotiations between the EU and the national élites of the applicant countries. The main interlocutors with Brussels are the chief negotiators and their teams, and a relatively small number of ministers and key officials in charge of accession preparations. This small and tightly knit (if sometimes fractious) group of people is answerable

for progress or lack of it in meeting the accession conditions. Although the applicants have found different solutions to the organizational challenges of conducting negotiations (Lippert *et al.* 2001), the EU's demands for managerial competence and central co-ordination favour a concentration of efforts on a small team. This further encourages the trend towards a 'core executive', which was already emerging owing to other domestic factors (Goetz and Wollmann 2001; Brusis and Dimitrov 2001; Zubek 2001). The executive also has an important co-ordinating role with departments or units in other ministries. The chief negotiator and his office prepare the information requested by the Commission for its reports on readiness, for example, and a central body has to co-ordinate the work programmes for other ministries and departments to fulfil the annual 'national programme for the adoption of the *acquis*'. The EU also requires tight financial control, including a well-documented paper-trail to follow its aid money, which again favours central control of aid dispersal.

In organizing policy co-ordination for the preparation and conduct of negotiations, there are two general strategies: either entrust the ministry of foreign affairs with this function, or create a special body outside. Among the candidates that started negotiations in 1998, the Czech Republic, Estonia and Hungary have chosen the first strategy, with the foreign minister (or the deputy foreign minister in the Czech case) leading the negotiating delegation, while in Poland (until recently) and Slovenia the chief negotiator has a special office and role, which tends to give more influence to the prime minister and the Cabinet than to the foreign minister (Verheijen 1998). The accession preparations team is further privileged in terms of staff and other resources. Where EU accession is the primary foreign policy goal, governments are willing to devote considerable resources to the EU part of the central administration. This reinforces the tendency towards the emergence of islands of excellence, where staff working on EU issues have better training and technical expertise. Higher quality staff can be attracted to these areas, because the work is interesting, political attention is high, and there is the prospect of going to work in Brussels after accession. This is not just the case for the negotiating team and central co-ordinating bodies, but also for the EU units within individual ministries.

Yet there are tensions between the incentives that the accession process provides. Against the centralizing tendency runs the requirement for effective implementation and enforcement of the legislation at lower levels of the state administration once it is passed into national law. Since its Opinions on readiness in 1997, the Commission has laid increasing stress on developing the administrative capacity to ensure effective implementation, often working alongside the efforts of other external actors such as the Organization for Economic Co-operation and Development (OECD) and the World Bank to encourage the development of a better-trained and better-managed public administration. However, the EU has no clear and ready benchmarks to measure effective implementing capacity (Nicolaidis 1999). This is partly

because the EU does not have competence over the administrative structures and procedures of current member states. Consequently, it lacks any formal rules on the meaning of the concept of effective implementation and/or enforcement. This uncertainty about implementation makes it difficult for the EU to shape particular institutional solutions across the board. However, as the front-runner candidates approach the end of negotiations, EU officials (particularly those from the Commission) are likely to pay increasing attention to implementation procedures, which may lead to greater attention and resources to other parts of the public administration. It may also encourage the EU to start formulating more detailed institutional preferences.

Centre–regional relations

The EU requires the creation of subnational institutions to administer its regional aid funds after accession, although the Union is ambiguous about whether these should be governmental or purely administrative. The EU has also advocated greater decentralization and regional development in what had been strongly centralized states under communism. The combination of these two incentives – including the prospect of large regional transfers after accession – has provoked some large-scale decentralizing measures across CEE, including the creation of new subnational units in most countries.

However, the outcomes vary considerably between countries (Hughes *et al.*, forthcoming), particularly because the EU has no clear model of regionalism to present, with diversity marking the arrangements in the member states. Although the EU clearly has considerable influence over sub-state reform, there are questions about the EU's capacity to realize all of its detailed institutional preferences (Brusis 2001). In the case of Hungary, for example, the ruling FIDESZ-MPP party has used EU demands for a 'strong' regional capacity to support a statist conception for regional administration at the expense of a multi-sector 'partnership' model (Fowler 2001). Moreover, although EU influence is clearly the stimulus for many reforms of regional administration, the accession process has consistently excluded sub-state élites from processes of sub-state reform (Hughes *et al.*, forthcoming). Implementation is an issue in centre–regional relations as well as for the central executive. For example, in its 1999 Regular Reports, the Commission criticized the lack of subnational implementation and enforcement of the EU rules and policies agreed to in bilateral negotiations with national governments. Yet, it has not produced a set of criteria on which to measure implementation at subnational level.

HOW EU INFLUENCE WORKS: MECHANISMS OF EUROPEANIZATION

EU accession involves many different processes that effect some degree of institutional and policy transformation in CEE. The most important mechanism is the EU's gate-keeping role in determining when each candidate can

progress to the next stage towards accession. However, there are many other measures that directly or indirectly shape institutional reform and increase the organizational capacity of CEE public sectors. This section investigates the mechanisms used instrumentally by the EU to effect change through conditionality and the accession process, grouping them into five categories:

- Gate-keeping: access to negotiations and further stages in the accession process
- Benchmarking and monitoring
- Models: provision of legislative and institutional templates
- Money: aid and technical assistance
- Advice and twinning.

Gate-keeping: access to negotiations and further stages in the accession process

The EU's most powerful conditionality tool is access to different stages in the accession process, particularly achieving candidate status and starting negotiations. Aid, trade and other benefits can also be used to promote domestic policy changes, but they have not had such direct and evident consequences as progress towards membership. It has taken a decade for the EU to evolve an explicit use of conditionality in a gate-keeping role, where hurdles in the accession process are related to meeting specific conditions. For several years after the conditions were first set in 1993, it was not clear exactly which elements of the political and economic conditions had to be fulfilled for an applicant to be admitted to which benefits. By the time of the Luxembourg 1997 and Helsinki 1999 European Councils, a rough progression had emerged of stages in the accession process:

- Privileged trade access and additional aid.
- Signing and implementing an enhanced form of association agreement (Europe Agreements for the current candidates, Stabilization and Association Agreements for south-eastern European non-applicants).
- Opening of negotiations (explicitly dependent on meeting the democracy and human rights conditions since 1999).
- Opening and closing of the thirty-one chapters.
- Signing of an accession treaty.
- Ratification of the accession treaty by national parliaments and the European Parliament.
- Entry as a full member.

Although access to negotiations and other stages in the accession process is the EU's most powerful political tool for enforcing compliance, it is not a precise instrument that can target complex changes in institutional frameworks.

Rather, it is a blunt weapon that has to be used judiciously for priority areas only. Its main value is as a shock tactic, to embarrass applicant governments into making dramatic changes owing to the domestic repercussions of failing to meet a major foreign policy goal. This results in 'shaming', whereby governments are embarrassed into complying with EU requirements by the international and domestic press coverage and political pressure.

Criticisms made in EU reports can have a powerful impact on domestic debates about public policy and the government's political fortunes. Conversely, gaining international approval is an important way of legitimizing political choices in the post-communist context. The EU has also made exceptional criticisms of undemocratic practices in particular countries in *démarches*,² i.e. public criticisms that are intended to embarrass CEE governments into making particular institutional or policy changes. *Démarches* are a form of 'nuclear weapon' that is only used for very serious breaches of the conditions, such as human or minority rights abuses. The first explicit use of conditionality to exclude a country occurred in 1997, when Slovakia was not allowed to join the first round of negotiations, as the only candidate judged not to meet the democracy criteria. The EU's disapprobation was expressed in several *démarches* which had an impact on the Slovak elections in autumn 1998, when the government of Prime Minister Vladimir Meciar was voted out (Bútorová 1998). Following the change of government in 1998, Slovakia was allowed into EU negotiations in 2000.

Exclusion is a risky tactic, because the EU's own credibility is at stake: it can effect change only if it is credible that the applicant's failure to meet one of the conditions is the reason behind the exclusion from the next stage of the accession process, not any other political or economic motivations. Moreover, it is risky because the CEE government may not respond by complying with EU demands, but instead use the tactic of blaming the EU for unfair discrimination and appealing to national pride – as Meciar did. As Schimmelfennig (2001) points out, this process of 'socializing' CEE countries into international norms happens through 'reactive reinforcement' rather than active conditionality: 'internalization is rewarded but a failure to internalize the community rules is not punished beyond withholding the reward' (p. 2). The sanction only works if governments and political élites as a whole are committed to EU accession. In other words, the conditionality only works as a carrot, not as a stick.

These factors make it difficult for the EU to use exclusion and gate-keeping to shape aspects of governance that tend to require sustained and consistent pressure at a deeper level within national administrations. Moreover, given the risks involved, it is not worth using this major weapon except for high political issues, and governance only becomes one of them when it involves evidently undemocratic practices and abuse of human rights. However, EU actors can use the threat of exclusion or the prospect of slowing progress to encourage particular changes in governance structures.

Benchmarking and monitoring

The EU has more specific conditionality instruments beyond gate-keeping. As a consequence of the salience of EU accession in CEE political debates, the EU can influence policy and institutional development through ranking the applicants' overall progress, benchmarking in particular policy areas, and providing examples of best practice that the applicants seek to emulate. A key mechanism for this part of conditionality is the cycle of 'Accession Partnerships' and 'Regular Reports' published by the European Commission on how prepared each CEE applicant is in different fields. Conditionality for aid and other benefits is based on implementing the Accession Partnerships issued to each applicant since 1998. These documents provide a direct lever on policy-making in CEE by setting out a list of policy 'priorities' that have to be implemented within the year or in the medium term (defined as five years). The European Commission then reports on the applicants' progress in meeting each priority in the autumn of the year, and publishes revised Accession Partnerships for the following year. In relation to governance, the most important aspects are the Commission's assessments of administrative capacity and institutional ability to implement and enforce the *acquis*, and to distribute and manage funds. However, the goals are often vague, citing a need for 'increasing capacity' or 'improving training', rather than stating detailed institutional preferences. For example, on data protection for the internal market *acquis*, Bulgaria was told to 'adopt national legislation and establish a monitoring body' in 1999, while candidates are often asked to 'prepare a national strategy' in a particular area, with no further details on what it should contain or what the features of particular institutions should be.

The Commission's Regular Reports are used by the European Council to decide whether to admit each country to further stages in the accession process, so they could be a powerful tool. The imposition of specific tasks for Bulgaria (on nuclear power) and Romania (on economic reform and state orphanages) before they could join negotiations in 2000 was an innovative move for the EU in making an explicit linkage between a benefit and specific tasks for applicants, and it may herald the start of more targeted use of conditionality. However, the language used in the Regular Reports is usually general and often vague – like that in the Accession Partnerships – and the assessments jump from description to prescription without a detailed analysis of the problems and how to overcome them.

Models: provision of legislative and institutional templates

Legal transposition of the *acquis* and harmonization with EU laws are essential to becoming a member state, and they have so far been the central focus of the accession process and preparations by the candidates. Legislative gaps and institutional weaknesses are also identified by the screening process that took place with each applicant prior to negotiations on the thirty-one negotiating

'chapters'. The EU promotes both the strengthening of existing institutions and the establishment of new ones.

The most detailed guide to the EU's preferences on public administrations has been provided in an informal working document produced by the Commission in September 2000 (and subsequently updated), which sets out the main administrative structures required for implementing the *acquis*. The document describes the institutions required to implement the various chapters of the *acquis*, their functions, and the characteristics they must have to fulfil those functions. It covers not only areas outside the *acquis*, but also others which the Commission considers necessary for its effective implementation. For example, the document lists the 'common elements' among member states' varying labour market institutions. This document's status is indicative of the EU's uncertainty about how far to go in providing detailed institutional preferences. It remains an unofficial paper, 'for information purposes only', and explicitly states that 'it should not be construed as committing the European Commission'. This reluctance demonstrates the political sensitivity of defining specific administrative models in areas where member states' administrations remain so diverse. It shows up how the policies for CEE after 1989 were originally designed for economic transition, not political. It also reflects the EU's general desire to retain flexibility in deciding when a country is ready to join. The Commission cannot pre-judge the Council's view on what might be acceptable or unacceptable in a prospective member state. However, Commission actors can communicate their preferences informally to different parts of the public administration in CEE.

Money: aid and technical assistance

The EU is the largest external source of aid for CEE, providing funds administered by the European Commission and also bilateral programmes from individual member states. The 'Phare'³ aid programme covers the ten countries that have applied for membership. In institution-building – to which 30 per cent of the funds are committed – the Phare programme's emphasis is on developing the applicants' capacity to implement EU legislation and prepare for participation in EU policies. The main method is secondment of officials from member states. Support is also available to public authorities and non-governmental organizations to help fulfil the requirements of the Copenhagen political condition on democratic institutions.

EU aid – both current receipts and the prospect of future transfers – has a direct impact in creating new governance structures because of the EU's insistence that particular administrative units and procedures be created to receive transfers. From 2000 to 2006, the EU is also transferring funds to CEE from its common agricultural policy budget (500 million euro per year) and Structural Funds (1 billion euro annually). After they join, new members will be eligible for considerable additional funds from the Structural Funds and agriculture budgets. The pre-accession funds – called ISPA and SAPARD – are

intended to develop their institutional capacity to handle such large transfers and increase their familiarity with EU procedures, both at national and regional levels.

Advice and twinning

The EU has provided a wide range of policy advice to CEE through the technical assistance offered by the Phare programme, and through the twinning programme that started in 1999. 'Twinning' is aimed at helping CEE countries to adapt their administrative and democratic institutions to comply with membership requirements by learning from member state experiences of framing the legislation and building the organizational capacity necessary to implement the *acquis*. It involves the secondment of officials from EU member states to work in CEE ministries and other parts of public administration; only civil servants can be seconded, not independent consultants. It is paid for by the Phare programme, and managed by the European Commission. CEE governments put forward twinning projects in areas where they would like assistance from member state officials. These proposals are subject to approval by the Commission and member states bid for the contracts to supply the officials, either individually or in consortia.

Because twinning projects use civil servants and focus on implementation, most 'Pre-Accession Advisers' (the title of the twinning agents) are concerned with standards and technical issues rather than overall institutional models or policy direction. The advice and expertise offered by the twinning agents are not controlled centrally by the EU, so the impact on CEE public administrations is likely to be diffuse rather than reflecting any consistent European model. Indeed, one of the main principles of the twinning programme is the recognition that the present member states implement the EU's legislation by different means. The advice offered on how to transform institutions is somewhat random in that it depends on the experience and assumptions of the individual pre-accession adviser, which are in turn influenced by his or her nationality and background.

CONSTRAINTS ON EU INFLUENCE: DIFFUSION AND INTERACTION

The previous section has demonstrated that the EU has powerful mechanisms to shape institutional development and policy-making in CEE. But how (and how far) have the routes of influence analysed above driven change in governance patterns? It is difficult to say at this point, given the dynamic nature of the process, the wide range of potential effects, and the fact that accession has not yet happened. The EU has no specific test of institutional change or compliance with its requirements, and it is difficult to see how an identifiably 'European' influence on institutional change could be detected. However, it is clear that there remain persistent differences between executives

in CEE, and there is little evidence of convergence towards a standard model of governance (Goetz and Wollmann 2001). These differences persist despite a similar pressure on all the countries studied, namely the impact of EU accession conditions. This outcome parallels the limited convergence that has happened in EU member states (Goetz 2000); indeed, it is the continuing diversity of member states' governance patterns which inhibits the emergence of a detailed agenda for CEE. This section identifies two central factors in the accession process that limit EU influence: the diffusion of influence resulting from the way in which EU accession conditionality operates; and the interaction between Europeanization and other processes of change, driven externally and internally.

Diffusion of influence

The EU's influence is diffuse, even as the front-runner candidates enter the final stage of negotiations, and the extent to which the EU has definitely effected change varies across institutions and policy areas as well as countries. Partly, this is because EU demands on CEE are not just a set of conditions to receive defined benefits, but an evolving process that is highly politicized on both sides. It is also the result of the EU's harmonization logic, rather than a development logic that might be more appropriate in post-communist CEE. The diffusion of EU influence results from the characteristics of the conditionality, as well as the specifics of the accession process presented above. The first cause of diffusion is the EU's own lack of institutional templates, because of its limited role in the governance of its current member states. The EU has developed an iterated and often ambiguous conditionality for CEE, and it has moved into many areas of governance relatively late. The main institution involved in conditionality – the European Commission – has lacked the expertise and personnel to promote the development and functioning of CEE political institutions in detail.

There is an uncertain linkage between fulfilling particular tasks and receiving particular benefits. The connection with rewards is much less clear than in other forms of international conditionality – for example, that used by the international financial institutions. The three Copenhagen conditions for accession are themselves very general and vague. The detailed criteria that constitute complying with them have been spelled out by the EU incompletely and over a long time-period, from 1993 – when the conditions were set – to the end of negotiations, expected in 2002–03. The impact of the conditionality is blunted by the uncertainty involved in determining the tasks to be undertaken, the standards to be met, and the administrative structures required. The EU does not set out clear yardsticks to measure progress, and often no clear sequencing of necessary reforms either. Until 1998, when the first Accession Partnership was issued, the EU did not provide a clear ranking to guide allocation of CEE resources, either human or financial, in trying to meet the Copenhagen conditions.

The timing of costs and benefits also diffuses influence. The ultimate reward of accession is far removed from the moment at which adaptation costs are incurred, so conditionality is a blunt instrument when it comes to persuading countries to change particular practices. There are, of course, intermediate rewards, such as aid and trade liberalization. But in the end, accession is tied to overall readiness, and membership benefits are not disaggregated to reward partial readiness. Since the accession reward comes in one big step – and at the end of a very long and highly politicized process – CEE policy-makers may believe that there is time to make up deficiencies closer to the accession date. It is, thus, difficult to use EU membership conditionality as a scalpel to sculpt institutions and policies during the accession process; rather, it is a mallet that can be used only at certain points in the process to enforce a few conditions at a time.

There is also a lack of transparency about how much progress has been made and what the standards of compliance are. The requirements are complex, and they are often not amenable to quantitative targets that show explicitly the extent to which they have been fulfilled. The EU does not have clear benchmarks to show progress, although it is now working towards producing them in some areas. Moreover, there are inconsistencies within the EU's advice to applicants. The most obvious example with regard to governance is the EU's stress on regionalization and democratization. These produce tensions: decentralization versus control and efficiency, and democratic legitimacy versus fast and full implementation of the *acquis*. Various EU actors appear to demand and approve subsidiarity, subnational government autonomy, and also pluralistic decision-making. But then specific EU requirements produce a set of incentives and constraints that largely excludes both subnational actors and parliaments from the accession process, and increase the weight of central state bodies.

Finally, the actor constellations involved are very complex. Different parts of the EU – both its institutions and member states – give different advice and signals, and different actors even in the same institution do as well (e.g. individual directorates-general within the European Commission put stress on different tasks). Twinning has added to the complexity of actor constellations: at any one time, CEE policy-makers may be dealing with pre-accession advisers from national administrations, Commission officials, national experts from the Council, and civil servants and politicians from individual member states. It is hardly surprising that they are often unsure exactly what the EU's requirements are. On the EU side, the accession process is largely managed by the Commission, which operates the five mechanisms discussed above, under the direction and approval of the Council of Ministers. Commission officials write the Accession Partnerships and Regular Reports, manage Phare and other aid programmes, and provide day-to-day advice on how to meet the accession conditions. However, in areas of particular political sensitivity, the Council has set up its own mechanisms. For example, in 1998, it created a working group to establish the accession *acquis* in the area of justice and home affairs.

The Council, the European Parliament and individual member states all have direct contact with applicants, and each has a veto over the accessions. Beyond the institutions, the individuals representing different parts of the EU who have contact with the applicant countries all take their own preconceptions and assumptions with them. These views vary because they come from such diverse actors as national civil servants (the twinning agents) to parliamentarians (under the joint committees) to trade union officials and employers' organizations (sent by the Economic and Social Committee). Each institution presents its own point of view on how a future EU member state should behave – and these views are often diverse and sometimes contradictory. As discussed above, the advice provided under the twinning programme is not centrally directed, and there is little co-ordination of the various missions, fact-finding groups, task-forces and joint committees acting in the name of the accession process. Finally, even within the most central institution – the Commission itself – numerous directorates-general are involved in the enlargement process, and they have particular interests and policy preferences when advising and presenting demands to the applicants. In particular, markedly different policy paradigms underlie the interpretation of the accession requirements that are presented by different parts of the Commission (Sedelmeier 2001).

Interaction with other internally and externally driven processes of change

The interaction between EU-driven change and other dynamics is central in determining the extent and direction of Europeanization. There is evidence of instrumental use of EU requirements to justify institutional solutions and policy choices in CEE, but its extent depends on endogenous processes of change. Similarly, synergy and conflict with exogenous pressures are important mitigating factors for Europeanization processes. Is the EU a dominant force for change or just one among several? This depends greatly on the area in question, and there is a difference between CEE rhetoric on EU influence and the actual impact in the longer term.

How consistent and compatible are the different external sources of advice? The EU's advice is specifically designed to promote particular aspects of governance that are directly relevant to membership, rather than taking a holistic view of how administrations should develop; for example, the EU does not prescribe particular models of civil service reform. By contrast, the OECD (through its SIGMA programme) and the World Bank have been more active in providing specific advice on developing public administration more generally. Tensions can emerge where there are different logics lying behind general development of administrative capacity and the specific demands of EU membership (Nunberg 2000). After all, the EU's focus in each area is limited to the functions that need to be standardized to EU norms, not a complete blueprint for the public administration.

Domestic change also matters in governance. Pressures from the EU tend to reinforce endogenous pressures for a 'core executive' to emerge, but they interact with domestic debates about the role of different branches of government and the role of subnational and regional government. The process of 'EU-ization' becomes an integral part of the domestic political ground, not just another external pressure among many. The interaction between EU pressures and domestic processes can be seen clearly in centre–regional relations as well, where there is 'triadic engagement' between the EU, national governments and subnational administration (Hughes *et al.* forthcoming). As Fowler (2001) demonstrates in the case of Hungary, an appeal to 'Europe' is a constant feature of the domestic debate about sub-state reform. All sides and all political parties make this appeal, yet the EU is a confusing model, as CEE actors can point to the very different examples of sub-state governance in EU member states to support their positions. The EU's own diversity undermines its effort to export a single model of governance, and the accession process itself presents conflicting demands. This provides ammunition for different sides in domestic political battles.

CONCLUSIONS: EXPORTING THE DEMOCRATIC DEFICIT?

The EU has enormous potential influence in CEE: every government in every applicant state claims that membership is its first foreign policy priority. In addition to its magnetic attraction, the EU has specific routes of influence through which it can shape political choices: gate-keeping, benchmarking, models, money and advice. Yet the substantive outcomes in CEE are diverse. Why? This article has suggested two main reasons why the EU does not use its full potential to shape outcomes effectively: the diffusion of its influence – partly owing to the diversity of its current member states – and the interaction of Europeanization with other processes of change.

What is the EU's impact on governance in CEE? The CEE countries are still in a state of transition, and their governance structures have not yet reached a stable form, so we can only draw interim conclusions about how Europeanization processes are shaping governance, and to what extent the EU will be responsible for the outcomes as opposed to other exogenous and endogenous influences. However, a brief overview of EU conditionality and the accession process reveals three broad aspects of governance which the EU accession process affects directly. One is the relationship between the executive branch of government and the legislature, where the accession process favours a concentration of resources and power in the executive while the legislature is marginalized. The second is the structure of the executive itself, where the accession process encourages the emergence of a strong, central team to manage the accession process, reinforcing the tendency towards a 'core executive'. The final aspect is the role of central versus regional government, where the accession process provides incentives for the creation of new regional

bodies while consistently excluding sub-state élites from processes of sub-state reform.

Each of these aspects of governance presents a different face of the same paradox: the EU's efforts to promote democratic development are at odds with the incentives created by the accession process, where the EU gives priority to efficiency over legitimacy. In particular, the stability of democratic institutions is one of the three general conditions for accession, and the EU has promoted the involvement of political institutions beyond the executive to implement and enforce the *acquis*. Yet, at the same time, the incentives and constraints created by the accession process support the emergence of a core national executive at the expense of other branches and levels of government. The conditionality is based on implementing a vast array of legislation and procedural rules in order to comply with EU standards, which in turn depend on reporting from the centre. In addition, although the EU constantly promotes administrative capacity for implementation and enforcement, it rarely prescribes how to do this in terms of precise institutional solutions.

The whole accession process has an 'executive bias' because of the structure of negotiations and the fact that EU actors mostly see the process of adopting EU norms as an administrative exercise. This exacerbates statist tendencies in CEE and may erode public support and involvement in European integration. Negotiations between bureaucracies do not necessarily contribute to the development of shared values as a basis for new governance structures. This has implications for the future behaviour of the applicants as member states: Europeanization is frequently used as a means of legitimizing institutional frameworks in CEE, but the administrative bias of the accession process impedes the development of a wide debate on governance in applicant countries. EU approbation can be used to legitimate political choices between models of governance, but does it really reinforce democracy in CEE? Looking into the longer term, how might the shortcomings of the accession process affect debates about democratic accountability? How will it affect CEE views of the EU's own democratic deficit once they are member states? The danger for democracy in the enlarged Union is that only the top layer of central state officials will have become 'Europeanized', while the public remains excluded from European integration – reducing the prospects for a pan-European *demos* to emerge and exacerbating the democratic deficit.

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NOTES

- 1 *Acquis communautaire* is the term used to refer to all the real and potential rights and obligations of the EU system and its institutional framework; for a discussion of the accession *acquis*, see Grabbe 1999.
- 2 *Démarches* are serious public criticisms, issued as part of EU foreign policy after unanimous intergovernmental agreement between the member states.
- 3 'Phare' stands for 'Poland and Hungary Assistance for the Reconstruction of the Economy', but the programme has been extended to cover all ten applicants for membership plus several former Yugoslav republics and Albania.

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