

Bringing Europe In? The Impact of EU Conditionality on Bulgarian and Romanian Politics

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ABSTRACT

The thesis of this article is that influenced by pre-accession European Union (EU) conditionality, Bulgaria and Romania are allowing a considerable number of EU-related issues in their domestic political agendas. Ideally, this will translate into increasing awareness and harmonization with EU policy-making mechanisms in the two countries, which, in turn, will make the prospect of EU membership more achievable. From the point of view of Europeanization literature, this article makes a case that, domestically, potential membership in the EU can function as an incentive for the modernisation of the political, economic and social systems of candidate countries. The article outlines how through the mechanism of conditionality the burden of Europeanization falls on domestic elites who are pressured to speed up reforms in order to meet EU accession criteria. Identified are several levels on which Europeanization has proceeded in Bulgaria and Romania such as the economic, the ideational, and the institutional.

Introduction

The upcoming wave of EU Enlargement in 2004 is intended to comprise 10 new countries – Cypress, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, with Bulgaria and Romania still at the doorstep to the union, hopefully joining by 2007. The broader framework of my argument is the current situation of Bulgaria and Romania outside the ten country EU Enlargement planned for 2004. In this context, what can we say about the domestic politics in the two countries? Do we see further incentives to strengthen the internal reforms in order to qualify for joining as quickly as possible? Or, on

the contrary, are the two countries experiencing a negative impact of exclusion from the 2004 group of forerunners? Guenther Verheugen, the EU Commissioner for Enlargement, frequently acknowledges that Bulgaria and Romania are making progress in their bids to join the EU. Yet, only to insert the qualification that they are still some time away. Thus, it is a puzzling question for both analysts and the broader public what exactly the future 5-10 years will bring to Bulgaria and Romania in light of their aspiration to join the EU as a paramount foreign (and domestic) policy goal.

The main argument of this article runs contrary to current analyses that lagging EU candidates Bulgaria and Romania will be neglected as more and more attention is devoted to first-wave EU acceding states who will be joining the Union in 2004.¹ In fact, I will show that besides shaping the foreign policy orientation of Bulgaria and Romania in the most recent history of the two countries after the fall of the communist regimes, the momentum of EU accession negotiations has made considerable impact on the domestic political agendas in both Bulgaria and Romania. In that sense, even if the two countries are going to be nominally outside the EU for several years after the EU enlargement in 2004, they have already been anchored in a process of letting Europe in their domestic politics. Some analysts choose to focus on whether and when Bulgaria and Romania will be officially admitted in the EU (and thus granted access to the exclusive benefits of membership). However, the thesis of this article is that influenced by pre-accession EU conditionality, Bulgaria and Romania have begun letting the EU in their domestic agendas, thus making the prospect of EU membership more achievable.

The sections of the article are organized in the following logic. I will first outline some major contributions in Europeanization literature. I will then reconstruct several mechanisms of interaction between international and domestic politics and explain why, in my view, one of the most consistently used mechanisms to promote Europeanization is the top-down process of EU conditionality. After that I will focus on the roadmaps to membership provided by the EU to Bulgarian and Romanian decision-makers as evidence for the role of EU conditionality in structuring the accession process of the two countries. Next, I will identify several levels on which Europeanization has proceeded in Bulgaria and Romania such as the economic, the ideational, and the institutional. This is followed by a discussion of how through the mechanism of conditionality the burden of Europeanization falls on domestic elites who are pressured to speed up reforms and thus meet the EU accession criteria. To conclude, I will go back to my initial emphasis on the fact that Bulgarian and Romanian domestic politics are undergoing a process of significant Europeanization under the impact of EU conditionality.

Insights from Europeanization Literature

Scholars have pointed out that the importance of Europeanization and EU conditionality mechanisms for the politics of transition has not been well

investigated. For example, Frank Schimmelfennig and Ulrich Sedelmeier (2002: 500-528) call for a better coordination between the theoretical studies of the impact of international organizations, the Europeanization literature, the more theoretical literature on the transformations in the Central and East European countries (CEECs), and the mainly descriptive literature on the effect of the EU on the candidates, which is often limited to single countries and single policy areas. Howard Wiarda (2002: 485-501), too, notes that much of the literature on Eastern European democratizing transitions pays insufficient attention to local political culture—the values, beliefs, and orientations that undergrid political behavior. Hence, the need to revisit the body of transitology and consolidology scholarship about the causes and mechanisms of democratic transformations in Eastern Europe.²

Recently, there has been a significant growth of Europeanization literature. Yet, much of the debate has predominantly focused on the way in which current EU member states are being transformed by EU membership. The process of Europeanization, in this respect, is seen as a two-way interaction between the *national* and the *supranational (European)* levels. Robert Ladrech, for instance, defines Europeanization as the process in which “EC political and economic dynamics become part of the organizational logic of national politics and policy making” (Ladrech 1994: 74). Later, Claudio Radaelli extends this definition in order to account for the EU impact on the larger domestic discourse, identities, political structures and public policies. The working definition of Europeanization that he adopts refers to:

Processes of construction, diffusion, institutionalization of formal and informal rules, procedures, policy paradigms, styles, ‘ways of doing things’ and shared beliefs and norms which are first defined and consolidated in the making of EU decisions and then incorporated in the logic of domestic discourse, identities, political structures and public policies (Radaelli 2000: 3).

Notably, Radaelli clarifies the post-ontological focus of Europeanization. Essentially, this means that Europeanization is not concerned with the questions of why or how states decide to surrender aspects of their sovereignty to supranational polities—*ontological* stage of research. Instead, the focus of Europeanization research is *post-ontological*—it explores what happens *after* states join the EU and supranational institutions begun to produce their effects. In this line of thought, Leeda Demetropoulou points out that the impact of the EU on post-communist Eastern European countries with their specific politico-economic and social systems is surprisingly unexplored. However, here I will stress that differences are indeed clear and present among the post-communist candidate countries themselves, an obvious one being among the *first-wave* candidates joining the European Union in 2004 and *second-wave* candidates Bulgaria and Romania.

At this point, two different explanations can be singled out, when trying to account for developments in the Central and Eastern European EU candidate

countries and the impact of Europeanization in the two cases. One possible explanation is that reforms undertaken immediately upon the fall of communism and *indigenous* to Central European countries have persuaded EU policy-makers to start accession negotiations with favourable initial conditions countries such as Hungary, Poland and Slovenia. In this case, EU conditionality toward these countries serves as a harmonizing mechanism, bringing them in tune with EU policy-making. Notably, EU conditionality is not a mechanism that first and foremost promotes economic, social development and modernisation.

A second possible explanation is that the EU provides a blueprint for the modernisation of the political, economic and social systems of candidate countries domestically and Europeanization becomes “a series of operations leading to systemic convergence through the processes of democratisation, marketisation, stabilisation and institutional inclusion” (Demetropoulou 2002: 92). This argument is often applied to countries with unfavourable initial conditions such as Bulgaria and Romania. As one scholar has proposed, “the Union’s influence has been clearly one of coercion by linking politico-economic conditions with the coveted membership prospect” (Demetropoulou 2002: 89). However, confining conditions particularly relevant to Balkan states Bulgaria and Romania have plagued the operation of EU conditionality. To name a few, the weak administration and judiciary capabilities, as well as the underperforming economies of the two countries need to be improved in order to achieve effective and sustainable convergence with the EU. I will revisit these two explanations in the later sections of the article, after presenting my theoretical framework for the interaction between international and domestic politics and the evidence from the two countries of interest.

Missing Links between International and Domestic Politics

Before I move to a discussion of the specifics of EU conditionality as seen in Bulgarian and Romanian politics, I will present a broader picture of where conditionality stands among other linkage mechanisms between international and domestic politics. It will be useful to outline what exactly role the EU can play in facilitating or hindering the process of democratization and marketization reforms in the Central and Eastern European EU candidate countries. To preview this section, in some cases the same international environment can exert different in nature and degree effect on different post-communist countries, depending on their specific geopolitical location, current nature of transition, past history of democratic rule, or state-building processes.

Lawrence Whitehead establishes several major interaction processes between developments on the international scene and domestic developments—the so-called ‘*linkage*’ processes. Firstly, contagion is a fairly straightforward mechanism through which domestic processes in geographically neighboring nations have mutual repercussions (Whitehead 2001: 5). A key transmitting role here play the media. Whitehead makes a persuasive case that post-89 democratization can be partly explained through a contagion process Poland—

Czechoslovakia—East Germany—Hungary—Romania—Bulgaria—Slovenia—Albania—Latvia—Russia—Mongolia within a year. However, this is a fairly rough and mechanistic account that fails to capture the subtle internal dynamics that make democratization possible. What is more, this account remains blind to the major disruptions in the international system that make openings for new domestic developments in the affected countries.

To amend for these omissions, Whitehead introduces the mechanism of *control*, which refers to “deliberate acts of imposition or intervention from without ... [as well as] acts of extrication from unsuccessful entanglements [such as decolonization]” (Whitehead 2001: 11). I, for one, will side with Whitehead’s claim that:

A genuine and securely implanted democratic regime requires the positive support and involvement of a wide range of social and political groupings, support that must be sustained over a considerable period and in the face of diverse uncertainties (Whitehead 2001: 15).

Hence, my emphasis on the importance of the mechanism of *consent*, through which international processes provide support or open space for new domestic actors who endorse the causes of the international actors (Whitehead 2001: 18). In the case of post-communist EU candidates, the relevant domestic actors are civil society groups endorsing Western liberal ideology, pro-market orientated business interests, and even political actors such as new explicitly pro-EU or anti-EU political parties.

To these three dimensions of international involvement Philippe Schmitter (2001: 42) adds a fourth one – *conditionality*. According to Schmitter, the classical locus of conditionality policies had been the IMF, even if democracy was never explicitly among the conditions set by this international organization. A broader definition of conditionality refers to “the use of fulfillment of stipulated political obligations as a prerequisite for obtaining economic aid, debt relief, most-favored nation treatment, access to subsidized credit, or membership in coveted regional or global organization” (Schmitter 2001: 42). In the case of post-communist transitional countries, the most democracy and free market-enhancing aspect of conditionality policies has been the explicit requirement of the EU that only democracies and functioning market economies are eligible for membership in the Union. Let me summarize the mechanisms for interaction between the international and the domestic political process discussed so far in the following table.

Basis for action			
Number of actors	Coercion: backed by states		Voluntary: supported by private actors
	Unilateral	Control	Contagion
	<i>Multilateral</i>	Conditionality	Consent

Table 1: The ‘sub-contexts of the international context’³

Indeed, EU conditionality might turn out to play a vital role in consolidating democracy and promoting market economy in post-communist transitioning countries, but how far can it reach and what are the preconditions for it to work? I agree here with Whitehead that several assumptions should be met in order for EU conditionality to work. Firstly, domestic processes should be seen as legitimate and dominant in the country. Secondly, the nation-state should be integrated and authoritative. Thirdly, the risk of zero-sum confrontations in domestic politics should be reduced. However, unconditional faith in EU conditionality may be risky. For instance, the EU-centered nature of the accession process increases the frictions between the internal actors willing to conform and those unwilling to follow Brussels, which is potentially destabilizing in fragile states emerging from authoritarian rule such as South Eastern European EU candidates Bulgaria and Romania.

The Impact of the EU - A Case for Democratic Conditionality

Frank Schimmelfennig, Stefan Engert and Heiko Knobel (2002) have explored democratic conditionality as the main mechanism through which international organizations such as the EU induce non-member states to comply with their fundamental rules. However, we need to ask the questions how does conditionality work and when is it effective? The authors’ first point is that in the case of post-communist applicants for EU membership conditionality works through *reactive* reinforcement—the international organization reacts to the fulfillment or non-fulfillment of its conditions by granting or withholding rewards, but does not *proactively* punish or support non-compliant states. Their second claim is that the effectiveness of reactive reinforcement depends on domestic conditions in the target countries at the level of governments or state elites. Let me now provide a brief table summarizing the momentum of European Union conditionality on acceding countries.

First Step	Europe Agreements			
Second Step	Copenhagen criteria			
Third Step	Essen Pre-accession Strategy	Europe Agreements		
		PHARE Programmed		
		White Paper		
		Structured Dialogue		
Fourth Step	Agenda 2000-Reinforced Pre-accession Strategy	European Conference		
		Accession Negotiation Process		
		Accession Process	Accession Negotiations - 31 Acquis Chapters	
			Screening of the Acquis	
			Review Procedure	
		Reinforced Pre-accession strategy	Europe Agreements	
			Accession Partnerships	
Pre-accession Aid and PHARE				

Table 2: The EU and CEE – The Momentum of Conditionality⁴

In a larger frame of reference, this confirms that homogeneously democratic regional organizations such as the EU are likely to take an active stance in democratic transitions and place conditions on membership that will be associated with the application of external pressure.⁵ With respect to the effectiveness of conditionality, studies have established that countries with favorable initial conditions such as Poland, Hungary, and the Czech Republic, where adaptation costs are not big, ethnic homogeneity is significant, accompanied by traditions of democracy and capitalism, as well as peaceful international environment enter a virtuous circle and qualify for EU benefits earlier.⁶

By contrast, in countries with unfavorable initial conditions such as Bulgaria and Romania, where ethnic cleavages are significant, accompanied by a lack of strong democratic and capitalist traditions and insecure environment, conditionality works more slowly and less effectively. To place this discussion in a time frame, according to Milada Vachudova, in the period 1989-1994, the EU exerted ‘passive leverage’, or conditionality, on acceding countries—domestic reform was attractive mostly in states with favorable initial conditions.⁷ However, the period, 1995-1999 has brought an ‘active leverage’ on behalf of EU decision-makers. What is of relevance for my argument in this article is that the ‘active’ EU leverage involved *strategies reinforcing democratization and*

marketization reforms such as setting an explicit threshold level of democracy and functioning market economy before countries could qualify for membership in the Union.

The Momentum of EU Conditionality in Bulgaria and Romania

While it is rather problematic to establish the exact direction of influence between the domestic and the supranational level for current EU Member States, the study of Europeanization in candidate countries poses fewer problems in that particular respect. Here, the lines between European and national are more clearly drawn and the top-down direction of the process is easily recognizable. Whereas developments in Eastern Europe and, particularly, the prospect of eastwards enlargement have a profound effect on the internal development of the EU (i.e. the Nice Treaty and decision-making reform), the accession applicants themselves have no direct involvement in the making of the EU's *acquis communautaire*. The top-down direction of the process is also evident from the way in which accession negotiations are structured—the Commission sets criteria; the candidates strive to fulfill them, as well as from the power asymmetry between the negotiating partners. However, I will again stress that the processes of adopting the *acquis* and building the necessary institutions for its implementation are transforming the domestic politics of the candidate countries politically, economically, socially, and institutionally.

As a piece of evidence of how EU conditionality works to structure the accession process of Bulgaria and Romania, I will refer to the roadmaps to membership for the two countries, released in December 2002, following the regular reports on their progress toward accession. Decision-makers in both countries have vigorously insisted on being provided with such maps, both in order to have a sound proof of the irreversibility of the enlargement process domestically and, purely practically, have a check off list to guide the adoption of the remaining body of the *acquis communautaire*.

The European Commission's regular reports show that Bulgaria and Romania have made considerable progress towards meeting the Copenhagen criteria and in the accession negotiations themselves. By 2003, both countries have opened all of the remaining 31 *acquis* chapters.⁸ However, European Commission officials have made it clear that in order to successfully complete their preparations for accession, both countries need to increase their efforts in meeting the EU economic criteria, implementing and enforcing the *acquis communautaire*, as opposed to simply transposing it.⁹ In particular, they also need to continue the reform in the public administration and judiciary sectors.

This comes to illustrate the role of the Commission as a major source of EU conditionality for the acceding states. Looking further in the future, even after accession, the Commission, in its role as guardian of the treaties, will continue to check how the *acquis* is implemented by the new Member States, thus pushing for further Europeanization by means of the same mechanisms as those applied to

the existing Member States such as benchmarking, peer pressure, annual reporting on implementation of Community law, or launching of infringement procedures with the European Court of Justice, if necessary.

Let me now move on to the roadmaps themselves. Simply stated, they are a useful instrument which guides the accession process for Bulgaria and Romania within the reinforced strategy.¹⁰ These documents provide guidance for both the governments of the two countries and EU officials on which issues need to be tackled in the short-term, medium-term and long-term perspective. Of course, the benchmark for pre-accession assistance (and, therefore, source of conditionality) remain the Accession Partnerships. The long-awaited roadmaps have come to demonstrate that, indeed, rather than imposing a pre-given development model on all acceding countries, the EU has developed and elaborate mechanism of providing a general reform framework, strongly linked to the existing EU structures, monitoring mechanisms, and compliance incentives. Thus, the burden for the execution of reforms is placed not on the supranational level (i.e. to be carried out and supervised by EU officials) but on the very *domestic level of politics*. Therefore, the success of the accession negotiation process is strongly related to internal reforms and developments in the countries striving for membership.

The roadmaps follow the structure of the 31 accession negotiation chapters and outline the work that needs to be completed on each chapter for Bulgaria and Romania individually. It is important to note that these documents reaffirm the “inclusive and irreversible nature of the enlargement process...their purpose is to indicate the main steps that Bulgaria and Romania need to undertake to be ready for membership” (European Commission 2002a: 1). This should partly allay the fears among the broader domestic publics about neglecting Bulgaria and Romania as the ‘sluggards’ among acceding countries. The roadmaps also show that once anchored in the process of negotiations, countries are subject to the strong impact of EU conditionality, where progress toward the much desired membership is achieved by “putting into place and implementing the necessary reforms” (of course, ‘necessary’ here is defined by EU policy-makers) (European Commission 2002a: 1).

According to a number of enlargement scholars,¹¹ the main lever of EU conditionality is the provision of financial assistance, conditioned upon fulfillment of a set of criteria formulated by the EU. Indeed, as an encouragement in the case of the anticipated late joining of Bulgaria and Romania, “the Commission proposes that financial assistance to Bulgaria and Romania should be increased considerably from the date of first round of accessions, linked to progress on implementing the roadmaps and their absorptive capacity” (European Commission 2002a: 3). The main issue, however, remains the administrative and judiciary capacity of the countries to absorb effectively those funds. Hence, “additional assistance will therefore be conditional on making progress in line with the roadmaps and improving significantly capacity to manage and use funds effectively” (European Commission 2002a: 4).

Apart from the conditional provision of financial assistance, the very concrete mechanics of exercising conditionality are also bound up with monitoring on behalf of the EU. As with other acceding states, the negotiation chapters with Bulgaria and Romania can be closed only provisionally. While this can be used by governments domestically to re-open at the later stages of negotiation chapters of particular sensitivity to the domestic publics, monitoring is essentially a very useful tool to ensure compliance. As stated previously, the regular reports and the assessment of the roadmap achievements (both following the structure of the 31 negotiation chapters) allow EU officials to ensure “the implementation of the commitments [made by acceding countries] as well as progress in economic reforms” (European Commission 2002a: 5).

Levels of Europeanization in Bulgaria and Romania

Some analyses place importance on the fact that Bulgaria and Romania should not be lumped together in the same group, because the accession processes in the two countries are going at different speed and with different rate of success.¹² Such analyses pose the question, ‘do Bulgaria and Romania really belong in the same group?’ Nominally, they do. And in the context of the extremely structured EU decision-making, nominally means a lot, especially as far as EU accession negotiations are concerned. Thus, it is very likely that because the two countries have been regarded as a group from the very beginning of the accession process, they will be seen as a group and treated as such in the foreseeable future too. This, of course, should not preclude further inquiry into the individual country responses to EU conditionality and Europeanization incentives.

Let me go back to my initial emphasis on the fact that Bulgarian and Romanian domestic politics are undergoing a process of significant Europeanization and recapitulate the points that I have been making throughout this article. I will now identify several levels on which Europeanization has proceeded in Bulgaria and Romania such as the economic, the ideational, and the institutional. Clearly, one of the most popular is the *economic* argument of why conditionality works—it carries obvious prospects for economic gains. Those include not only the conditionally provided assistance funds, but also the eventual full and exclusive benefits of membership. Here Walter Mattli and Thomas Plumper’s point that “the economic benefits of enlargement unquestionably constitute a powerful force driving the demand for membership” is relevant in the case of the Bulgarian and Romanian bids for membership (Mattli and Plumper 2002: 554).

Only from EU budget financed pre-accession assistance, the two countries expect (combined) EU financing amounting to 1228 million euro for 2004, 1330 million euro for 2005, and 1432 million euro for 2006.¹³ Furthermore, backed up by EU funding, Romania started the modernization of

the train system to provide better links to major European cities, alongside a program for higher ecological standards. Bulgaria too launched a project to build pollution-reducing water treatment facilities as well as a new highway near Sofia.¹⁴ These investment projects have started even though one can hardly argue that in the first years of eventual EU membership, Bulgaria and Romania could afford to pay big shares to the EU budget.

Certainly, Europeanization also makes an impact on the *normative* discourse of transition and democratization in the two countries. Europeanization introduces frames of policy reference unique to the European Union. In line with Sandra Lavenex's argument, "an increasingly political European Union has ideational implications for domestic principles and normative contexts" (Lavenex 2001: 852). Thus, Europeanization in Bulgaria and Romania refers not only to the institutionalization of action, i.e. specific policies and policy-making mechanisms, but also to the "institutionalization of meaning" (Lavenex 2001: 853). In dealing with issues concerning minority rights, disabled people's rights, and in some cases, environmental issues, within the two countries there is a regard for and striving to live up to the EU standards, high as they may be.

Beyond the ideational layer, on the very *institutional and policy-making* level, there have been numerous studies on the changed institutional structure of acceding countries. Evident examples from Bulgaria and Romania are the burgeoning agencies and directorates managing the accession process, the creation of special ministries of European Integration, as well as the appointment of a government minister with the sole task of effectively steering the negotiations process. Here we must also mention the creation of European studies centers, policy institutions, and NGOs geared toward European Union projects—all repositories of scholarship and practical knowledge about the nuts and bolts of European policy-making. With this overview I wanted to sketch out the number of levels on which the EU is present in the domestic policy-making agendas of Bulgaria and Romania. In my opinion, this only comes to show that steadily and profoundly Europe is entering the domestic arenas of Bulgaria and Romania, thus making accession in the EU for both countries more likely in the foreseeable future.

Bringing the EU In the Country, or Bringing the Country In the EU—Who Gets Credit for Europeanization?

While the domain of EU conditionality has been somewhat mapped out by scholars, little has been said about the impact of Europeanization on rearranging and shaping the preferences of domestic actors inside the acceding states. In my view, this is a significant lapse, because the effectiveness of the overall Europeanization process is largely tied to the unique mechanism of importing European issues and ways of policy-making in the domestic political actors' agendas. As pointed out earlier, through the mechanism of conditionality, the burden of Europeanization falls exactly on domestic elites and governments who are pressured to speed up reforms and thus meet the EU accession criteria.

We need to investigate, therefore, the degree to which domestic changes have occurred in Bulgaria and Romania, having in mind both the constraints imposed by the two countries' political cultures and legacies and that fact that those very constraints have been partly tackled by the EU condition-based policies pushing for liberal marketizing reforms, as well as resolution of the institutional and judiciary pitfalls. In this respect, both Bulgaria and Romania have had a lower start compared to the group of four Visegrad countries, for example. In the early 1990s, both have been plagued by endemic economic crises and changing governments lacking the vision, will, and capabilities to undertake painful structural reforms.¹⁵

However, with the accession process well under way, domestic political actors see the positive implications of securing their country's membership in the EU and have begun a contest for the credit of domestic trust to be received upon eventual successful accession in the Union. In Bulgaria, in November 2002, the current Movement for Simeon II government faced unprecedented two non-confidence votes filed in the Parliament by its two major rivals from the center-right and center-left part of the spectrum. Both non-confidence votes were on the grounds of 'premature closure' of the Energy accession negotiation chapter, arguably against the national interest of the country.¹⁶ Similarly, in November 2002, the Romanian president was proposed the idea of early parliamentary elections that would give the future government a legitimate mandate to carry the long and painful accession negotiations with the EU to a successful end by 2007. Later, in March 2003, the Romanian opposition filed a non-confidence vote targeted mainly against an anti-corruption legislative package, adopted in line with the EU requirement of transparent and fair policy-making. Romanian opposition lawmakers were reported to perceive the new regulations as "inefficient and designed to meet economic interests of the ruling majority."¹⁷

In both Bulgaria and Romania, the fight against corruption and crime alongside the need for judiciary reform and integration of minorities in the political processes are policy priorities in light of the two countries' aspiration to join the group of ten currently acceding states (Cypress, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia) in 2007. Yet, the inability or at best, sluggishness of the current governments to tackle the problems in these areas gives to their opponents ample grounds for criticism. As it becomes evident from the Bulgarian and Romanian non-confidence votes, the very terms of the agreements and laws passed in the name of joining the EU as quickly as possible become an object of contestation within the countries. Often, the opposition accuses the government of 'betraying the national interest' and making unnecessary, even unrequested, sacrifices in order to speed up the EU accession process. Overall, in both countries, we see that negotiated conditions related to the eventual EU membership of the country resurface as issues of domestic contestation, redefining fault lines between political actors, as well as traditional approaches to policy-making.

The Flip Side - Does EU Conditionality Work for Real?

I will now come back to the two explanations proposed in the beginning of the article as to what accounts for developments in the Central and Eastern European EU candidate countries. First is the conjecture that developments in the countries themselves, rather than internationally-induced developments (i.e. the impact of EU conditionality) are the driving force of change in Central and Eastern Europe. For instance, Ivan Katchanovski (2000: 55-81) has performed a quantitative study on the cultural and historical determinants of reform in the broader group of post-communist countries, a subset of which comprises the EU candidate countries analyzed in this article. He finds out that culture, defined in terms of civil society, social capital, trust, religious and business ethics, and historical experience, indirectly affects growth by influencing economic reform policy, macroeconomic stabilization, corruption, and war. Geographic location is another country-specific factor. Jeffrey Kopstein and David Reilly (2000: 1-37) argue that geographic proximity to the EU is a significant predictor of successful integration in the EU.

Keeping in mind the findings of the studies mentioned above, an important question that emerges from this article is about the difference between the first wave Central European EU candidates and the lagging South Eastern European candidates Bulgaria and Romania. Does this difference inform a different role of the EU, and EU conditionality in specific, in the two cases? What is more, are countries located outside the geographical region of 'good performance' doomed to being inferior to countries with the 'right' geographic location? While this project cannot answer the question of what directly produces an excellent and stable EU candidate record, I have attempted to make a case for the importance of the impulses coming from the international environment to transitional countries.

My reasoning in this article is more in line with the second potential explanation of recent changes Eastern Europe, namely, that international factors can induce domestic changes in democratizing countries. The particular international actor in focus here was the European Union. There is an on-going debate whether the EU should and/or is capable of having a common foreign and security policy. I would say that the one unambiguously existing foreign policy of the EU in the past decade has been *Enlargement*. For a number of post-communist countries such as Bulgaria and Romania this may well prove to be a foreign policy bolstering the democratizing and free-market promoting changes that they are undergoing domestically.

It is beyond contestation that the Bulgarian and Romanian governments need to accelerate EU accession by concentrating on domestic reforms in the problematic sectors of rule of law, fighting corruption, and strengthening administrative capacity. The adoption of the *acquis communautaire* gained speed lately in the two countries, but internalization is lagging behind. "One joins when one is ready" is a well-known slogan of EU Enlargement. However, the EU should also consider potential negative consequences for South Eastern Europe

as a region if Romania and Bulgaria become ‘eternal candidates’ alongside Turkey. As Alina Mungiu-Pippidi has forewarned, “the stability of the region should not be taken for granted, rather, the choice for the EU is between facing recurrent crises in the Balkans and making an overall commitment to pull the Balkans out of their development trap” (Mungiu-Pippidi 2002: 30).

In sum, I have also singled out several mechanisms through which the EU has positively influenced the analyzed countries. The most salient among them in my view is *conditionality* on behalf of the EU—setting up explicit criteria for membership and regularly assessing the candidate countries on how far they are from meeting them. That said, I think that during the next decade, the region of South Eastern Europe (in light of Croatia’s recent bid to join Bulgaria and Romania by 2007) will provide the test ground for observing if EU conditionality as a mechanism works to promote and entrench democracy and market economy in credible EU candidate countries.

Endnotes

1. For example see the coverage of 2004 EU enlargement in RFE/RL, “EU: New Membership Road Map For Lagging Candidates Romania, Bulgaria,” <<http://www.rferl.org/nca/features/2002/09/12092002143603.asp>>, 20 November 2002.
2. Transitology and consolidology literature attempts to fit democratization in Eastern Europe within a unified explanation of transition from authoritarian to democratic rule. As a counterpoint, Europeanization literature refers to mechanisms, related to the EU that can account for transformations in countries within the perimeter of influence of this process.
3. Taken from Schmitter 2001, 29.
4. Taken from Demetropoulou 2002, 93.
5. For an extensive argument see Pevehouse 2001.
6. This argument has been developed by Vachudova 2001 and 2002.
7. For a discussion of the different domestic responses to EU leverage see Vachudova 2001 as well as Schimmelfennig, Engert and Knobel 2002.
8. See European Commission Regular Reports on Bulgaria and Romania, as well as the European Commission Enlargement Strategy Paper, European Commission 2002b, European Commission 2002c and European Commission 2002d, available at <<http://europa.eu.int>>.
9. For example see Southeast European Times, “Verheugen Says Romania Making EU Accession Progress, But 2003 Critical,” 21 February 2003, available at <<http://www.setimes.com>>.
10. For the context of the overall negotiations process see Demetropoulou 2002 table provided earlier.
11. See Vachudova 2001; Grabbe 2002; Pevehouse 2001.
12. See “Romania and Bulgaria—The tortoise and the Hare”, <<http://www.economist.com>>, 20 November 2002, as well as “Romania/Bulgaria: Uneasy Buddies Strive For EU Membership,”

- <<http://www.rferl.org/nca/features/2002/10/04102002172507.asp>>, 20 November 2002.
13. Based on the appendix to European Commission 2002a, available at <<http://www.europa.eu.int>>.
 14. See Southeast European Times daily bulletin for 21 January 2003 and 12 March 2003, available at <<http://www.setimes.com>>.
 15. See “A Bumpy Transition in Southeastern Europe Bulgaria and Romania”, <www.worldbank.org/transitionnewsletter/JulAugSep01/pgs19-21.htm>, 20 November 2002.
 16. The issue at stake here is the closing of two of Bulgaria’s nuclear reactors, thus undermining the position of the country as an energy center on the Balkans and raising considerably the cost of electricity domestically. Based on the coverage of Bulgarian daily news, also see Southeast European Times on 19 November 2002 available at <<http://www.setimes.com>>.
 17. Based on Romanian press agency coverage, see Mediafax Agency – Romania, <<http://www.mediafax.ro/eng/top10/topint1.shtml>>, 25 November 2002.

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