Executive Summary:
Over the past three years, MAXCAP has analyzed the internal and external integration capacity of the European Union (EU) in relation to the 2004 and 2007 enlargements. Internal integration capacity refers to the capacity of the EU to integrate new member states into its political, legal, and economic system, adapt decision-making in its institutions and absorb the societal consequences of enlargement. External integration capacity, in turn, denotes the capacity of the EU to integrate non-member states by supporting the reforms needed for membership, assisting candidates in aligning their institutions and policies with those of the EU and by promoting stability in its neighbourhood.

Overall, MAXCAP's findings on the EU's integration capacity convey a differentiated picture:

To start with the good news, the EU has proven highly capable of integrating the new members into its decision- and policy-making system. Despite initial concerns by both academics and policy-makers, enlargement has not impaired the functioning of the EU – the speed of decision-making has increased, and more rather than less legislation is being adopted; the accession of 12 new member states has not led to a deterioration of compliance with and implementation of EU law; nor has it led to a greater use of soft law and differentiated integration in the long run.

We also find that enlargement has had positive effects for the 2004-2007 entrants: democracy, governance capacity, and economic welfare have improved on average all over Central and Eastern Europe since the mid-1990s. Overall, the combination of accession conditionality and assistance has produced beneficial economic and political effects in Central and Eastern European (CEE) countries. With regard to their economic integration, the EU had developed an elaborate toolbox to anticipate and alleviate the potential large-scale negative consequences of rule transfer in the pre-accession period. Whereas the gap between old and new member states has
narrowed, it has not closed, however.

By contrast, EU external policies without a membership perspective do not produce any systematic democratic or good governance effects. Deep economic integration without concomitant political integration and the employment of a regime to anticipate and alleviate the potential large-scale negative consequences of rule transfer is even likely to harm neighbouring countries. Accession conditionality helped strengthen democracy and governance capacity; membership, by contrast, has not been able to lock in these improvements, which raises questions regarding the sustainability of changes induced by the EU. Further, post-accession development assistance in the form of cohesion funds increases divergence of prosperous and backward regions within the new member states.

As credible accession conditionality is crucial for the EU's external integration capacity, the deep and wide-spread public opposition to future EU enlargement is a cause of major concern. The roots of this opposition are to be found in citizens’ experience with enlargement as a process about which they have not been informed or consulted. While voice has been a major issue for citizens in the older member states, in newer member states and candidate states the EU's legitimacy depends on its ability to deliver economic growth and better governance. Another factor that undermines the EU's credibility is the bilateral dimension of the EU's enlargement process, which gives veto players the opportunity to block negotiations.

In the neighbourhood countries and some of the current candidates, rent-seeking and often authoritarian elites weaken the EU's external integration capacity.

To address these challenges, our research calls for an open dialogue based on shared European values and principles in the member states, for developing more effective and more flexible post-accession instruments to prevent democratic backsliding among its member states and for developing more effective post-accession strategies to overcome persistent intra-state asymmetries. With regard to candidate and neighbourhood countries, our findings call for adjusting the EU's rule of law promotion, and for strengthening civil society organizations. The current enlargement strategy of the EU, emphasizing reform in fundamental areas, is, hence, on the right track. However, the exclusive focus on civil service reform and judiciary independence might not be sufficient for creating the institutional conditions of efficient rule transfer. Strengthening the administrative capacity of the state requires the involvement of strong economic players who have stakes in the predictability of the bureaucratic bureaucracy and the judiciary. Finally, with regard to its Eastern neighbourhood, the EU should develop mechanisms to anticipate and alleviate negative consequences of rule transfer as trade liberalization and regulatory alignment expand to the Eastern Partnership (EaP) countries.

Project Context and Objectives:
The 'big bang enlargement' of the EU has nurtured vivid debates among both academics and practitioners about the consequences of 'an ever larger Union' for the EU's integration capacity. The research project MAXCAP started with a critical analysis of the effects of the 2004-2007 enlargement on stability, democracy, and prosperity of candidate countries, on the one hand, and the EU's institutions, on the other. We then investigated how the EU can maximize its integration capacity for current and future enlargements. Adopting an interdisciplinary and mixed methods approach that combines desk research, in-depth interviews, and Q-methodology, MAXCAP's objectives were to

a) explain structural effects of enlargement and the European Neighbourhood Policy (ENP)

MAXCAP's findings on the political integration capacity of the EU are mixed at best. Whereas democracy and governance effectiveness have improved overall in Eastern Europe, the countries of Central Europe, Southeast Europe, and Post-Soviet Europe have been moving on distinct paths and unable to catch up with the old member states. We confirm that EU accession conditionality has been the single most important mode of political integration. This also holds for current candidates despite more unfavorable conditions regarding lower EU attractiveness and higher domestic adjustment costs, on the one hand, and the continuous lack of a political acquis, on the other. The 'new approach' with its focus on the rule of law and judicial reform, which the EU introduced to its enlargement policy after the most recent accessions of Bulgaria, Romania, and Croatia, appears to work but produced some unintended consequences. For instance, new, relatively autonomous bodies tasked with training and regulating the activities of judges may unintentionally enable new forms of political manipulation to occur and reinforce conservative practices that serve to undermine the reputation of the judiciary.

The implications of our findings for the EaP are less ambiguous – unless the EU offers membership, it will not produce any systematic effects on democracy and governance effectiveness in its neighbouring countries. At the same time, our findings qualify the importance of membership for the EU's political integration capacity in two respects. On the one hand, the EU's capacity to improve democracy and governance effectiveness weakens once candidate countries become members. Some of the CEE members have experienced democratic backsliding after joining the EU. Whereas membership is certainly more beneficial to democracy and
governance effectiveness than leaving countries ‘out in the cold’, it tends to have a negative effect in comparison with pre-accession incentives. On the other hand, EU conditionality can promote democratic and effective governance even in the absence of a membership perspective. However, the EU has to be consistent in rewarding progress and sanctioning the lack thereof. Moreover, visa liberalization and market access have to empower domestic reform coalitions. Thus, a membership perspective for countries with EU aspirations and pro-reform coalitions, such as Ukraine, Moldova, and Georgia, would not only be more effective in supporting and locking in good governance reforms. It would also strengthen the legitimacy of the EU in demanding far-reaching reforms with a high level of domestic costs. At the same time, from an internal integration capacity perspective, providing a membership perspective is not a realistic option for the Union.

Regarding the EU’s economic integration capacity, our findings are equally ambivalent. The EU has created opportunities for trade, investment, and regulatory improvement but at the same time exposed the weaker economies of the East to market pressures on non-competitive industries and backward regions: The successful transfer of EU rules has had a positive effect on Foreign Direct Investment (FDI) and labor productivity. As a combined effect of improved institutional conditions and the changing investment strategies of the largest European multinational firms, the strongest economies of Eastern and Central Europe have converged to the core countries at the level of the structure of their production and export. However, in the absence of post-accession policies that could address the developmental problems of the Eastern new members in a European context, economic convergence is based primarily on the availability of cheap, highly skilled labor. This prevents any considerable convergence to the core countries at the level of consumption. Moreover, enlargement contributed to rising regional disparities within the new member states. The EU’s post-accession financial assistance is used for investment projects in already more prosperous regions. Further, they may be undermining the financial capacities of the local governments and have strengthened the central authorities.

b) inquire into the relationship between widening and deepening of the EU

Before the Eastern enlargement, politicians and experts raised concerns that enlargement would have a negative impact on the EU’s decision-making and policies. Such concerns have focused mainly on two aspects of the EU’s integration capacity: first, the effectiveness and efficiency of the EU’s decision-making processes, and second, the EU’s ability to ensure a reliable implementation of agreed policies and legal obligations across the member states. The key findings of our research provide ground for optimism about the relationship between enlargement and the EU’s internal integration capacity. Enlargement has neither diminished the EU’s decision-making capacity, nor has it led to deficient implementation of EU policies.

Our research suggests that enlargement has had a rather limited impact on legislative production. Analyzing expert-based policy positions of member states in EU negotiations and voting data in the Council, we argue that enlargement has possibly added a new dimension of contestation in EU legislative decision-making. However, such new conflicts concern a relatively small share of negotiations in few issue areas such as environmental policy.

Regarding decision-making in the EU’s institutions, we find that enlargement has not impaired the functioning of the EU either. The new member states have largely integrated themselves into existing coalitions across the EU. CEE states have exhibited distinct policy preferences as a group (e.g. the Visegrád four) in very few policy areas such as environmental or asylum policy. The new member states have not lastingly contributed to more differentiation in EU law. They have quickly converged towards ‘normal’ levels of exemptions and opt-outs – especially when compared to the benchmark of the Southern member states, which are most similar in wealth and capacity to the Eastern members or even to the United Kingdom or Denmark. Finally, Eastern enlargement has not led to a deterioration of compliance with EU law. To the contrary, the new member states have on average a better transposition record than both the old member states and the new member states of earlier enlargement rounds. Moreover, efficient transposition does not come at the price of weak implementation. Except for the area of social policy, the new member states do not lag behind the old member states in practical implementation.

The good performance in the Eastern enlargement round is surprising for the main compliance theories. Our research explains the surprisingly good performance of the post-communist new members with two effects of the EU’s pre-accession conditionality. On the one hand, conditionality put pressure on candidate countries to strengthen specific institutional capacities to implement EU law, which can compensate for otherwise weaker general administrative capacities. On the other hand, conditionality in the enlargement process socialized the candidate countries into considering good compliance appropriate behavior for EU members. Pro-EU governments in the new members therefore care more about their compliance record than in the older member states. These findings suggest that while there is ground for optimism, such positive effects should not be taken for granted as they depend on how lasting such institutional and socialization effects would be in the current climate in the EU.
c) Identify the social limits to the EU's integration capacity related to citizens' perceptions of the last and future enlargement

MAXCAP took stock of public opinion survey data and analyses and combined these with an original analysis of citizens' discourses in six countries to find out what arguments and perceptions underpin support and opposition to enlargement in the old, recent and new member states. The overview of public opinion analyses showed that public support for enlargement has been going down. In 2008, more people thought that EU enlargement has strengthened rather than weakened the EU and the majority of EU citizens had a net positive assessment of the overall impact of the Eastern enlargement. In 2012, a majority of the European population expressed opposition towards future enlargements of the EU and this negative trend has remained stable since. To find the motivation and arguments behind the opposition – and also support for enlargement – we analyzed discourses among citizens based on original primary data collected by the MAXCAP team in 2014. Our findings shed new light on public opinion results:

First, when there is support for enlargement, found in idealistic discourses in The Netherlands and Poland, it is based not only on enlargement's perceived utility for citizens or countries, but on idealistic motivation, stressing common European values. Second, in older member states, rejection of enlargement is motivated by skepticism about the economic benefits of enlargement. Next to the perceived economic threat from CEE migrants, a strong theme in The Netherlands, there is also – and this is new – a perception that citizens have not been consulted about enlargement, which is a clear and separate factor motivating citizens' skepticism. Third, bridging arguments that can be found in different discourses across member states vary in their support for enlargement. Some groups of discourses approve of enlargement only if it would bring better governance and happen according to objective criteria. Fourth, only in one country, Germany, do we find a clear realization by some citizens of the positive link between enlargement and Europe's strengthened global role. Security and stability arguments, albeit focusing on the situation in the Balkans, can be found in Bulgarian discourses among respondents who favor future enlargement as a tool for overcoming old conflicts in Southeast Europe.

Citizens in most countries support enlargement as a rule-driven, objective process that brings improvements in institutions and governance. If the accession process were to be speeded up for other reasons (geopolitics), this could bring citizens' approval to even lower levels. Similarly, citizens in candidate states unite around expectations that if and when their countries join, the EU would bring not only some material benefits – above all jobs – but also better governance and impartial, impersonal institutions. These expectations seem to confirm that the current enlargement strategy of the EU, emphasizing reform in fundamental areas, is on the right track.

It is clear that some opposition to enlargement will remain in all the countries we have covered. Some gains can be made, however, if important steps and national positions were debated domestically long before accession treaties are up for ratification. This would ensure that ratification would have reasonable chance of success and possible challenges to enlargement in national referenda, especially in the oldest member states could be overcome. It would also make the EU's enlargement strategy more credible and in this way support conditionality in candidate states.

d) Study the factors affecting the EU's credibility in current enlargement negotiations

Our research focused on the EU enlargement strategy, which we defined as how the EU manages the enlargement process both multilaterally and bilaterally. MAXCAP compared the different negotiation strategies and explained the changes in these strategies used by the EU, particularly the Commission, and some member states' attitudes towards various candidate states since 1997.

We find that individual member states' vetoes and bilateral relations between some member states and the current candidates constrain the current EU enlargement strategy to a greater extent than during the Eastern enlargement. One of the key lessons of the latter has been the importance of addressing difficult issues as early as possible. The EU's experience with its inability to ensure compliance with EU judicial rules and fundamental rights in some of the new members led to a change in the enlargement strategy in 2011. Accordingly, the European Commission adopted a new strategy where Chapters 23 and 24 would be opened at the start of the negotiations with the caveat that they would not be closed until the negotiations' very end. However, problems arose with the implementation of this enlargement strategy change – a multilateral policy – due to a member state's veto (Cyprus) on the opening of these Chapters for Turkey – a bilateral policy – impacting the credibility of the EU's enlargement strategy. Due to certain member states' preferences, the Commission's strategy changes could not be put into practice. Similarly, individual member states' vetoes on current candidates, such as Macedonia, played a role in reducing the EU's effectiveness as an anchor for political transformation.

Moreover, we find that negotiations with some candidates do not proceed smoothly despite the Commission's recommendations of
opening chapters and/or opening negotiations, precisely because some member states blocked them in the Council. A comparison of the accession negotiation process of respectively Bulgaria and Turkey with the EU provided empirical evidence of the combination of accession conditionality, bilateral, and multilateral effects. While multilateral aspects, including major aspects of conditionality, have been applied in a largely objective manner, bilateral aspects of the negotiations have proved to be a major obstacle to the objectivity of the process and have undermined the EU's credibility and diminished the effects of conditionality. The Greek veto on the opening of accession negotiations with the former Yugoslav Republic of Macedonia (FYROM), the French veto on opening five chapters as well as the Greek and Cyprus’ veto of six chapters in the Turkish negotiations were cases in point.

Our findings underline that the EU's external scope conditions affecting current enlargement negotiations are different compared to the previous round of enlargement. Further, the domestic conditions in the current candidate countries are also signicantly different both in terms of their economic and political levels of preparedness.

e) examine modes of political and economic integration in the context of enlargement and the ENP

MAXCAP found a sharp contrast between the EU integration strategy of the CEE economies and the strategy of extending the rules of EU markets to the neighbourhood countries. The Commission was aware of the potential negative developmental consequences of rule transfer, and it also knew that some of the economic and political consequences of a potential mismanagement of economic integration might spill over to the EU insiders in the form of costs or lost potential gains. Still, while in the CEE countries it has employed an elaborate regime to anticipate and alleviate the potential large-scale negative consequences of rule transfer; it did not undertake similar precautionary measures in the Eastern neighbourhood. Moreover, the mode of post-accession development assistance became a factor of increasing territorial disparities within the CEE countries.

Our research also found support for the validity of the expectation of the EU that in the Western Balkans (WB) the strengthening of state bureaucracy and the judiciary is a necessary precondition for starting to transfer and implement the more specic rules of the EU market. However, the exclusive focus on civil service reform and judiciary independence might not be sufficient for creating the institutional conditions of efficient rule transfer. More specifically, we found that some change in the composition of economic players is necessary for changing the administrative capacity of the state. It alters the ‘demand side’ for state reform; and it brings into the economy new strong players who have stakes in the predictability of the bureaucratic bureaucracy and the judiciary.

The importance of the role played by non-state actors was corroborated by our exploration of the modes of political integration. The EU has been most successful in perpetuating political change and preventing backsliding when its pressure and persuasion from above met with domestic mobilization from below. The EU has been slow in living up to its declared goal of upgrading the role of non-state actors though. In the WB as well as in the EaP countries, non-state actors without specialized knowledge were often excluded in the interest of compliance expediency. International donors’ funding focuses on a small handful of well-funded civil society organization ‘clients’ located in urban centers whilst grassroots organizations with better links to local communities struggle to survive. Our research has further underlined the need to turn away from a state-centered approach of furthering economic and political change and build broad and strong coalitions to promote and protect the rule of law in candidate and neighbourhood countries.

Summing up, MAXCAP identifies three sets of findings on the state of EU integration capacity: First, internal integration capacity has proven strong at the institutional and policy level of the EU. Second, and at the same time, political and economic cohesion and convergence at the level of member states (and beyond) have been more limited and unbalanced. Third, external integration capacity has weakened.

Project Results:
WP1 – THE TRANSFORMATIVE POWER OF EUROPE: STRUCTURAL EFFECTS ON NEW MEMBERS, CANDIDATES, AND NEIGHBOURS

Introduction

The main aim of Work Package 1 (WP1) was to assess the external integration capacity of the EU. First, we evaluated to what extent the enlargement of the EU has been a success in political, economic, and social terms for the new member states in Central and Eastern Europe. Second, we analyzed how the EU accession process has driven domestic changes we observed in the potential candidate countries of the WB. Third, we explored how the transformative power of the EU worked in the non-enlargement context in the neighbourhood countries covered by the ENP.

Our findings on the political integration capacity of the EU are differential. EU conditionality has helped improve democracy and
government effectiveness in new members, current and potential candidates and even the neighbourhood countries. At the same time, the EU's political capacity weakens after candidates become members. Moreover, EU conditionality is only effective if it is consistently applied and empowers domestic reform coalitions.

The EU's economic integration capacity has had equally ambivalent effects. While wealth has overall improved over time, wealth levels have not significantly converged either between old and new member states or between candidate countries and neighbourhood countries.

Overall, the findings of WP1 demonstrate that the EU's transformative power can have both positive and negative structural effects on new members, candidates, and neighbours depending on certain scope conditions identified by our research.

Work undertaken

The political research strand of WP1 examined to what extent the EU's 2004-2007 enlargement has been a success in political terms for the new member states. More specifically, we assessed the EU's external integration capacity with regard to changes in democracy and governance capacity in the new member states, the current and potential candidates in the WB and Turkey, and the ENC. We used a descriptive and inferential statistical analysis based on quantitative indicators of 'good governance' to explore the differences among the three groups of states and to examine to what extent and under which conditions the EU has been able to lock in democratic and governance-related reforms. In particular, we used the Worldwide Governance Indicators (WGI), provided annually by the World Bank, to assess the quality of democracy and governance in the three groups of states (Börzel 2014). As a second step, we analyzed how the modes of political integration identified together with WP5 (Börzel 2015, 2016) account for differences among the three groups in terms of democratic and effective governance, particularly with regard to EU conditionality (Börzel/Schimmelfennig 2017). Finally, to identify the obstacles the EU faces when confronted with a deterioration of democracy in (new) member states, we reviewed the scope and limit of the instruments at the EU's disposal (Sedelmeier 2014) and collected data on the positions of the political groups in the European Parliament (EP) in recent cases of 'democratic backsliding' (Sedelmeier 2016b). We used fuzzy-set Qualitative Comparative Analysis (fsQCA) in order to understand how different dimensions of actors’ party political orientation affect their preferences for or against using material sanctions and shaming illiberal governments in the member states.

In addition, we explored the unintended consequences of EU conditionality focusing on (potential) candidates. We used an innovation approach of applying Albert O. Hirschman's model of (negative) unintended consequences and unrealized effects to the EU's transformative power regarding EU candidates in the WB and Turkey in the area of rule of law. In particular, we explored to what extent the conditionality-based EU-induced institutional change has strengthened rule of law and locked in reforms of the judiciary in the (potential) candidate countries (Fagan et al. 2015; Fagan 2016).

The socio-economic research strand of WP1 explored the effects of regulatory integration on some key dimensions of economic and social development in the new EU member states in the context of the Eastern enlargement of the EU. To analyze the effects of institutional and policy transfer on economic and social convergence, we created a unique database that allows for a quantitative analysis of progress towards EU requirements in 17 strategic policy fields on a yearly basis during the 7-10 years from the starting of accession negotiations until their closing. In doing so, we relied on standardized yearly evaluations of the EU's monitoring agents prepared in 18 countries from Central and Eastern Europe and the WB. This innovative approach differed from both the theoretically oriented economic studies, which failed to explore the multidimensional effects of EU integration, and political studies based on descriptive methods that do not allow for causal inference and generalizations. The database covers the evolution of EU-conform institutional developments in all the key horizontal areas, like the evolution of the judiciary and the state bureaucracy. It also extends to all the major policy areas linked to regional market-making which refer to institutional arenas that help to uphold the free movement of goods, services or capital, or to key areas such as enforcement of EU-conform environmental or food safety regulations (Bruszt/Lundstedt 2016).

We also investigated the effects of the EU's economic integration on the Eastern member states by studying the promotion of FDI and Cohesion Policy. Regarding FDI, first we sought to identify how the EU used the conditionality of accession to speed up the process of opening the Eastern European markets to foreign investors. To this end, we analyzed the country opinions prepared by the Commission in 1997 and the subsequent annual Progress Reports as well. Second, by drawing on time series data on FDI stock from the early 1990s onwards, we aimed to explore both the over time sectoral and territorial trends in foreign investments in the Eastern members. As for the Cohesion Policy, on the one hand we identified the latest changes in the main objectives of the policy by reviewing official documents, secondary sources and by relying on a limited number of expert interviews. On the other hand, we also highlighted the main
determinants of the regional distribution of EU funds in the Eastern members. We collected expenditure data at the NUTS 3 level for the 2007-2013 period, and applied Ordinary Least Squares (OLS) regressions for the estimations. Finally, we also assessed whether in Eastern Europe local government debt is associated with local government success at securing EU funds. We compiled a unique, comprehensive dataset of the EU-funded projects of which beneficiaries were Polish (2007-2013 funding period) and Hungarian (2004-2006 and 2007-2013 funding periods) local governments and employed hierarchical logistic and hierarchical linear regressions to test the hypothesis (Medve-Bálint/Bohle 2016b).

Findings

The effects of the political integration capacity of the EU are mixed at best. Whereas democracy and governance effectiveness have improved overall in Eastern Europe, the countries of Central Europe, Southeast Europe, and Post-Soviet Europe have been moving on distinct paths and unable to catch up with the old member states. We confirm that EU accession conditionality has been the single most important mode of political integration. This also holds for current candidates despite more unfavorable conditions regarding lower EU attractiveness and higher domestic adjustment costs, on the one hand, and the continuous lack of a political acquis, on the other. The ‘new approach’ with its focus on the rule of law and judicial reform, which the EU introduced to its enlargement policy after the most recent accessions of Bulgaria, Romania, and Croatia appears to work – despite some unintended consequences we found. New, relatively autonomous bodies tasked with training and regulating the activities of judges may unintentionally enable new forms of political manipulation to occur and reinforce conservative practices that serve to undermine the reputation of the judiciary (Fagan et al. 2015; Börzel/Schimmelfennig 2017; Fagan 2016). In Turkey, EU conditionality suffers from weakened credibility after the accession process has slowed down resulting in democratic backsliding and rollback of progressive judicial reforms. The case of Turkey highlights the interconnectedness of EU-induced institutional reforms and the overall pace of enlargement negotiations (Müftüler-Baç 2016).

The implications of our findings for the EaP are clear – unless the EU offers membership, it will not produce any systematic effects on democracy and governance effectiveness in its neighbouring countries (Börzel/Schimmelfennig 2017).

At the same time, our findings qualify the importance of membership for the EU’s political integration capacity in two respects. On the one hand, the EU’s capacity to improve democracy and governance effectiveness weakens once candidate countries become members. Some of the Eastern members have experienced democratic backsliding after joining the EU (Börzel/Schimmelfennig 2017). Whereas membership is certainly more beneficial to democracy and governance effectiveness than leaving countries ‘out in the cold’, it tends to have a negative effect in comparison with pre-accession incentives. Accession conditionality derived its credibility from clear legal foundations, an apolitical, technocratic assessment mechanism, and tangible incentives. The current Article 7 sanctions are not sufficiently credible because of the near-unanimity requirement in the European Council and party-politically motivated protection of illiberal governments in the EP (Sedelmeier 2014, 2016b). Whether the newly established rule of law mechanism will be effective remains to be seen (Sedelmeier 2017).

On the other hand, EU conditionality can promote democratic and effective governance even in the absence of a membership perspective. However, the EU has to be consistent in rewarding progress and sanctioning the lack thereof. Moreover, visa liberalization and market access have to empower domestic reform coalitions. Thus, a membership perspective for countries with EU aspirations and pro-reform coalitions, such as Ukraine, Moldova, and Georgia, would not only be more effective in supporting and locking in good governance reforms. It would also strengthen the legitimacy of the EU in demanding such costly changes (Börzel/Schimmelfennig 2017; Börzel/Lebanidze 2015; Börzel/Lebanidze under review).

The effects of the EU’s economic integration capacity are equally ambivalent. The EU has created opportunities for trade, investment, and regulatory improvement but at the same time exposed the weaker economies of the East to market pressures on non-competitive industries and backward regions. Unlike other regional integration regimes, the integration strategy of the EU cared at least about the major potential negative developmental effects of extending its rules to the much weaker economies. We found, however, that this did not include any consideration of the potential longer term developmental effects of market integration (Bruszt/Langbein 2015).

In general, we found that comprehensive implementation of the institutional requirements had significant effects on growth in these countries. Somewhat surprisingly, convergence to EU requirements of an efficient judiciary, we found, increases the chances of social convergence. The successful transfer of EU rules has also had a positive effect on FDI and labor productivity.

As a combined effect of improved institutional conditions and the changing investment strategies of the largest European
multinational firms, the strongest economies of Eastern and Central Europe have converged to the core countries at the level of the structure of their production and export. However, in the absence of post-accession policies that could address in an encompassing way the developmental problems of the Eastern new members in a European context, economic convergence is based primarily on the availability of cheap, highly skilled labor and this prevents any considerable convergence to the core countries at the level of consumption (Bruszt/Vukov 2015).

At the same time, enlargement contributed to rising regional disparities within the new member states. Although both FDI and the funds from the Cohesion Policy have contributed to overall economic growth, FDI has been spatially divisive in that its territorial distribution has reinforced existing regional disparities. In the same vein, while funds from the Cohesion Policy have represented an important source of external developmental assistance for the Eastern members, these resources have been secured mostly by the relatively prosperous regions. This is contradictory to the original policy objectives that aim at lowering territorial inequality across the EU and within member states. Moreover, centralized fund management systems have sidelined the local and regional actors in the decision-making and implementation of the programs. In addition, drawing on the case of Hungary and Poland, we have found strong evidence for a positive link between local government indebtedness and local government success at EU-funded projects. In this respect, the Cohesion Policy seems to indirectly undermine local government finances in Eastern Europe (Medve-Bálint/Bohle 2016b).

WP2 – EFFECTIVE DECISION-MAKING, DIFFERENTIAL INTEGRATION AND IMPLEMENTATION IN AN ENLARGED EU

Introduction

The main aim of Work Package 2 (WP2) was to assess the internal integration capacity of the EU – the EU's ability to absorb new members without diminishing the efficiency of its decision-making system and the effectiveness and coherence of its legal framework. First, we evaluated to what extent enlargement has affected the EU's decision-making process: Has the increasing number of member states and diversity of preferences reduced the volume and speed of legislative outputs? Second, we analyzed whether enlargement has affected the EU's legal system. Has the increasing heterogeneity of membership led to a weakening of the EU's legal system through an increased use of soft law, differential integration, or non-compliance with EU law? Third, we investigated specifically whether the new member states have successfully integrated into the EU's legal system by effectively implementing and complying with EU law. Fourth, we explored whether differential integration provides a model for integrating current candidates and neighbourhood countries.

Our findings are generally highly positive about the EU's ability to function effectively after enlargement. A widening of membership has not diminished the EU's internal integration capacity, not even after the Eastern enlargement for which such concerns were particularly salient. Our research provides evidence that the integration of new member states from Central and Eastern Europe has not undermined the EU's capacity to adopt and implement EU law. Overall, the findings of WP2 demonstrate that the EU's political and legal systems have not suffered from enlargement, but such a positive outcome depends on an effective preparation of enlargement through a consistent application of a well-designed pre-accession conditionality.

Work undertaken

The first research strand of WP2 evaluated the impact of enlargement on the EU's decision-making capacity. More specifically, we analyzed whether the Eastern enlargement has affected the amount of legislation agreed upon, how long it takes to agree on legislation, and whether it has added new lines of conflict to EU negotiations (Toshkov 2017). We collected new data on the number and types of legal acts produced by the EU (1994-2014) and on the time span between the proposal and adoption of legislative acts (1994-2012). We used a descriptive and inferential statistical analysis to assess the effect of enlargement on legislative output and legislative duration. At the same time, we noted that it is unlikely that the effect of enlargement on decision-making can be disentangled from other changes in the EU's institutions, social and political environments. Instead, we can only derive more reliable conclusions with regard to the combined impact of enlargement and the other factors on EU negotiations.

We then conducted a detailed analysis of existing expert surveys on policy positions of member states in EU negotiations and voting data in the Council of Ministers to reconstruct the patterns of alignment and conflict in the Council after the 2004 enlargement. This analysis allowed us to gain an insight into how the new member states fit into these patterns; whether they increase polarization and generate an East-West cleavage in EU negotiations. We also analyzed voting data to infer whether dissenting votes and conflict in the Council of Ministers increased after enlargement.
The second research strand of WP2 aimed to establish empirically whether enlargement has led to a weakening of the EU's legal system in three dimensions: a greater use of soft law, more differentiated integration, and an increase in non-compliance with the EU. To assess whether enlargement has led to a greater use of soft law to the detriment of binding hard law, we collected data regarding all non-binding EU legislation (EU recommendations, resolutions, opinions, and guidelines) adopted by the EU between 1958 and 2013. We then compared this data-set with binding EU laws to address the question whether the ratio of soft law has increased over time, and more specifically, to investigate whether the EU's membership expansions have affected the amount of discretion granted to member states through the use of soft law (Zhelyazkova et al. 2015: 7-19). To assess whether enlargement has led to an increase in differentiated integration we analyzed data on the development of differentiated integration over time. We focused specifically on explaining differentiation produced by accession treaties in order to test the hypothesis that while enlargement has been a key source of differentiated integration, accession-based exemptions and discrimination against new members can be expected to be temporary and short-term (Zhelyazkova et al. 2015: 19-29). Finally, in order to assess the impact of enlargement on (non)compliance with EU law, we have collected data on infringement decisions in the enlarged EU between 2010-2015 in order to update our existing database. Controlling for a range of other factors that affect the development of (detected) infringements in the EU, these data allow us to assess whether enlargement has affected compliance with EU law across the different enlargement rounds (Zhelyazkova et al. 2015: 29-36; Börzel/Sedelmeier 2016).

Drawing on this last component of the WP2's second research strand, the third research strand focused in depth on the impact of the EU's Eastern enlargement on compliance in the enlarged EU. We used regression analysis of compliance of the new member states across the different enlargement rounds to test whether the surprisingly good compliance record of the new member states that joined in 2004 and 2007 can be related to the use of pre-accession conditionality for this enlargement round (Börzel/Sedelmeier 2016). We then identified more specific explanations for how conditionality can affect compliance in new member states after accession has been achieved. We explored these hypotheses in a fuzzy-set Qualitative Comparative Analysis of compliance in the enlarged EU after 2004 (Sedelmeier 2016a). Moreover, we assessed whether the good compliance record of the Eastern new member states might be the result of a gap between good formal transposition and more serious, but undetected, compliance problems with regard to practical application in the new member states. We coded various expert evaluation reports and conformity studies in 27 member states regarding EU directives from four policy areas: Internal Market and Services, Environment, Social Policy, and Justice and Home Affairs. We then compared these data on member states' performance on practical implementation with standard indicators of compliance (timely transposition and infringements pursued by the Commission) in order to establish whether there is systematic variation between old member states and the new Eastern members (Zhelyazkova et al. 2016).

The fourth strand of WP2 explored whether differential integration provides a model for integrating current candidates and neighbourhood countries. Our work here investigated the patterns of integration between the EU and the selected current candidates (Turkey and Serbia as case studies), and neighbourhood countries (Ukraine). We aimed to uncover the patterns of differentiated integration for Turkey, Serbia, and Ukraine that result from the priorities negotiated between the EU and these countries in terms of harmonizing and implementing EU legislation. We then assessed whether it is possible to identify a path of integration of non-members through such differentiated integration that enables the EU to expand its functional rules prior to, or in lieu of, accession, maximizing the EU's integration capacity (Müftüler-Baç/Luetgert 2016).

Findings

The EU's political and legal systems have not suffered from enlargement. We find that the integration of new member states from Central and Eastern Europe has not undermined the EU's capacity to adopt and implement EU law. These findings suggest that while there is much ground for optimism about the relationship between enlargement and the functioning of the EU, such positive effects should not be taken for granted as they depend on the appropriate design and use of conditionality.

The accession of the new members has not made it more difficult to take decisions in the EU. The EU now adopts on average fewer legal acts of a certain type (e.g. regulations), but also more of other types than before (e.g. Commission directives). The duration of decision-making is now shorter for acts under the ordinary legislative procedure, but not much different for others. Eastern enlargement has also not increased the extent of conflict in EU negotiations: Policy areas in which the new members have distinct policy preferences from the old members, such as environmental or asylum policy, only concern a relatively small share of negotiations. Enlargement, thus, has not compromised the EU's decision-making capacity, let alone caused gridlock (Toshkov 2017).

Enlargement has not weakened the EU's legal system either (Zhelyazkova et al. 2015). First, larger and more diverse membership has
not led to an increased use of non-binding soft law at the expense of hard, binding legislation. While the overall share of soft law measures has increased over time, these instruments mainly complement existing EU law, rather than substituting for binding legislation. Instead, the use of complementary soft measures indicates a further strengthening of the EU's legal order over time (Zhelyazkova et al. 2015: 7-19). Second, although enlargement has induced a greater use of differentiated integration — where legislation is not uniformly binding on the entire membership — such differentiation has only been temporary. The new member states from Central and Eastern Europe have not lastingly contributed to more differentiation in EU law. They have quickly converged towards normal levels of exemptions and opt-outs — especially when compared to the Southern member states, which are most similar in wealth and capacity to the Eastern members (Zhelyazkova et al. 2015: 19-29). Third, the new members have not increased problems with the national implementation of EU law. On the contrary, non-compliance in the enlarged EU has decreased. Out of the four enlargement rounds, only in the Southern enlargement of the 1980s has compliance of the new members been worse than in the old members (Zhelyazkova et al. 2015: 29-36; Börzel/Sedelmeier 2016). Overall, enlargement has thus not been detrimental to the functioning of the EU; it may even have had a positive effect.

Especially compliance with EU law in the new Eastern member states has been surprisingly good (Börzel/Sedelmeier 2016; Sedelmeier 2016a). Our research suggests that this good performance is not simply limited to formal legal aspects of implementing EU law (that can be more easily monitored) but much worse when it comes to practical application of EU law on the ground (which is much more difficult to detect). Discrepancies in legal and practical implementation are not more serious in the CEE member states, with the exception of the area of social policy, which should therefore not be overstated (Zhelyazkova et al. 2016). Instead, their good compliance record can be attributed to two results of the EU's pre-accession conditionality that continue to affect their compliance after having joined the EU (Sedelmeier 2016a). On the one hand, conditionality put pressure on candidate countries to strengthen specific capacities to implement EU law, which can compensate for otherwise weaker general administrative capacities. On the other hand, the conditionality process socialized the candidate countries into considering good compliance appropriate behavior for good community members. Pro-EU governments in the new members therefore care more about their compliance record than in the older member states.

Patterns of differentiated integration between the EU and different candidate countries and neighbours allow the EU to extend its rules without accession. Our analysis of the EU's integration strategies for its enlargement and neighbourhood policy allowed us to identify a path of integration with the non-members of the EU. The patterns of differentiated integration for Turkey, Serbia, and Ukraine enable the EU to expand the functional reach of its rules not only prior to, but also instead of, accession. Our findings indicated that these different patterns of integration allow the EU to maximize its integration capacity while going beyond classical and traditional forms of accession (Müftüler-Baç/Luetgert 2016).

WP3 – CITIZEN’S PERCEPTIONS OF, ATTITUDES TOWARDS AND DISCOURSES ON ENLARGEMENT

Introduction

The main aim of Work Package 3 (WP3) was to address the question: “Will the European Union be able to enlarge again in the future and absorb new members in the face of apparent opposition from its citizens?” In this Work Package we dealt with the problems of understanding the structure of citizen attitudes and perceptions of EU enlargement and the possible ways to influence these attitudes and perceptions. First, we took stock of existing public opinion survey data and analyses. Second, two large-scale analyses were conducted using Eurobarometer data: one that identified which factors fuel skepticism towards Turkish membership among EU citizens, and another one seeking to uncover the factors that determine public opinion on enlargement across all 28 EU member states. Third, we conducted an original analysis of citizens’ discourses in six countries – Bulgaria, FYROM, Germany, The Netherlands, Poland, and Serbia – to find out what arguments and perceptions underpin support/opposition to enlargement in the old, in the new member states and in candidate countries. Finally, we compared citizens’ discourses in Serbia with elite discourses as captured by media (newspapers) in the same country and period, seeking to establish to what extent these differ in content and scope.

The findings from these various analyses provide a nuanced answer to the main question and suggest that it will be difficult to sustain the credibility of enlargement in the face of deep and wide-spread public opposition to future EU expansion. Given the negative trends in public support for enlargement among EU citizens, we argue that to proceed with enlargement, EU institutions and member state elites need to gain a deeper understanding of the conditions under which citizens may accept and approve the accession of new member states. Therefore, we investigated the motivations behind citizens’ negative attitudes to enlargement in order to identify conditions under which citizens might accept future enlargements. Specifically, we have identified discourses and arguments that could play a bridging role by connecting citizens in old and new member states and citizens of candidate states. Importantly, some bridging
discourses across Europe can be used to facilitate future enlargements, yet there are also sets of bridging discourses that unite opponents of enlargement across member states.

It is clear that there is no universal way to communicate enlargement to citizens and that hard opposition to enlargement among some citizens will continue to exist in all the countries we have covered and the EU as a whole. Some gains in support can be made, however, in communicating better about enlargement to the public and national parliaments. Important steps in the process and national positions should be debated domestically long before accession treaties are up for ratification. This would ensure that ratification would have a reasonable chance of success and that possible challenges to enlargement in national referenda could be overcome. Better communication would also make the EU’s enlargement strategy more credible and in this way support the effectiveness of EU conditionality.

Work undertaken

The overview of public opinion analyses which we took as a starting point showed that public support for enlargement had been going down since 2004. Toshkov et al. (2014) provided a descriptive overview of public opinion trends and a synthesis of analyses of public opinion in the EU with regard to enlargement.

The analysis of Eurobarometer trend-series data by Dimitrov et al. (2015a) sought to identify the most important factors that shape citizen attitudes to EU enlargement across all EU28 member states. Dimitrov et al. (2015a) conducted statistical analyses of the Eurobarometer surveys from 2006 to 2012, using the methodology of classification trees, and revealed the individual-level factors defining public support for enlargement.

The analysis by Hatipoglu et al. (2014) aimed to establish why some candidates, such as Turkey, generate more opposition than others. They conducted multi-level analyses of Eurobarometer survey data of 2006 supplemented with country-level economic and political indicators from various sources to identify the determinants of public opinion towards Turkey’s accession.

In the third part of WP3, we conducted an original analysis of citizens’ discourses in six countries of interest: two old member states: Germany and The Netherlands, two recent members: Bulgaria and Poland, and two candidate states: FYROM and Serbia. Following extensive fieldwork and subsequent analyses, we identified 21 distinctive citizens’ discourses on enlargement. The content of these discourses: the arguments, emotional responses, perceptions, dispositions, and motivations they express – put both support and opposition to enlargement in a new light.

The research was based on Q-methodology, a reconstructive methodology in which interpretation of qualitative results is constrained by statistical analysis. Q-methodology, in contrast to traditional public opinion surveys, does not use pre-defined questions, but allows citizens to define the domain – in this case EU enlargement – in their own terms. The research design involved two stages of fieldwork with different sets of respondents, analysis, factor analysis, and interpretation. To ensure that all country teams observed the same protocol for both stages of the research, a training seminar was organized where all participants could familiarize themselves with the main principles of the method and the main steps to be followed in working with respondents.

The research methodology combined focus groups and individual interviews with a statistical, analytical approach to produce a set of factors, or discourses, for each country. While the results of the Q-method analysis are not statistically representative of the whole population, they illustrate, elaborate, and clarify the attitudes expressed in mass surveys. Altogether, a total of 241 citizens participated in 24 focus groups in different locations followed by a second stage of individual interviews of about 40 citizens per country. We conducted a total of 276 individual face-to-face interviews (including pilot interviews) in 65 different locations across the six countries (Figures 1 and 2, Annex I). A broad variety of respondents were selected for each of the two stages, ensuring that different social and educational backgrounds, gender, age, and locations were represented in the discourses. The focus group discussions as well as the interviews were conducted in the respective national languages and later translated with minimal editing for working and publishing purposes. The collected so-called ‘Q sorts’ were then analyzed by means of factor analysis for every country. The final sets of factors are generalizations of points of view, narratives or, as referred to above, discourses (for details on the method see Dimitrova/Kortenska 2015; Dimitrova et al. 2015).

Finally, we made a comparison between discourses among citizens and the statements of elites, based on content analyses of domestic media in Serbia and making use of our findings on discourses among citizens. This analysis allowed us to establish whether and to what extent citizens’ and elite discourses on enlargement differ (Kortenska et al. 2016).
Uniting the findings of the various parts of this Work Package and the findings of Work Package 4, two policy papers were produced that clarified the limitations to enlargement created by citizens’ perceptions of past and future enlargements (Kortenska 2016; Dimitrova 2016).

Findings

A first key finding about public opinion trends is that, as of 2008, more people thought that EU enlargement has strengthened rather than weakened the EU. Altogether, the majority of EU citizens had a net positive assessment of the overall impact of the Eastern enlargement. Yet this weak positive assessment concealed a considerable dissatisfaction in many of the old member states. In the absence of representative public opinion data on this question after 2008, we can only speculate how public opinion has changed since, but it is rather unlikely that positive evaluations have increased, in light of recent disagreement between many of the Eastern European member states and the rest of the EU on asylum policy.

As of 2012, a majority of the European population expressed opposition towards future enlargements of the EU and this negative trend has remained stable since. Based on the most recent representative survey from 2015 (Standard Eurobarometer 83, fieldwork from May 2015), 49% declared that they are against ‘Further enlargement of the EU to include other countries in future years’, 39% were in favor, and 12% expressed no opinion. A majority (more than 50% of all survey respondents) were against further enlargement in Belgium, the Czech Republic, Denmark, Germany, Greece, France, Italy, Luxembourg, The Netherlands, Austria, Finland, and the UK (12 countries). In addition, in Cyprus and Portugal there was net opposition (but without a majority).

In line with the general overview of Toshkov et al. (2014), Dimitrov et al. (2015a) found that there has been a steady trend for negative attitudes. According to this original analysis, there are country-specific causes of polarization of opinions on enlargement, often rooted in the ‘pragmatic aspects of social life’. Dimitrov et al. (2015a) found that membership status and domestic political contexts were of paramount importance as factors affecting citizens’ attitudes, a finding which is in line with the findings of Hatipoglu et al. (2014).

Hatipoglu et al. (2014) tested the influence of national political contexts on individuals’ attitudes towards Turkey. They found two country-level factors affecting the level of turco-skepticism in EU member states. The first is the share of Turkish migrants among the population and the second is the ideological orientation of governments. The latter mediates and amplifies individual orientations towards Turkey. Thus, varying levels of opposition to Turkish membership across member states can be attributed to an interplay of individual and country-level factors, including government ideology.

The findings from the discourse analyses in the six countries (overview in Annex 1) shed light on the motivations and arguments behind 1/support and 2/opposition to enlargement and identify some new arguments and responses and the connections between them (Dimitrova/Kortenska 2017; Dimitrova et al. 2015).

First, some support for enlargement can be found in several countries, old and more recent member states. Specifically, there is clear support for past and future enlargements in idealistic discourses in The Netherlands and Poland that emphasize common European values. There is also a group of discourses positive to enlargement that stress utilitarian motivations, mostly in new member and candidate states (Bulgaria, Serbia, FYROM). A German discourse supportive of enlargement stresses its positive effects for the EU’s global role. The positive link between the EU’s global role and enlargement is stressed only by this single German discourse, although geopolitical motivation for supporting enlargement can be also found among respondents in Bulgaria who link it with stability and security in the Balkans.

Second, in all countries there are discourses showing that citizens might approve enlargement, but under certain conditions. Citizens indicate they might approve enlargement if it was conducted in an objective manner, led to improvements in governance and economic convergence. For citizens of older member states, the main conditions are more consultation with them and an objective, gradual, rule-based process. Citizens in candidate states unite around expectations that if and when their countries join, the EU would bring not only some material benefits – above all jobs – but also better governance and impartial, impersonal institutions. Last but not least, in some countries citizens link their approval to specific geopolitical issues (e.g. Serbia and Kosovo) (Dimitrova et al. 2015).

Third, criticism of past enlargements is motivated by a (perceived) economic threat in the old member states. Discourses evaluating enlargement negatively in The Netherlands highlight the effects of labor mobility on jobs. In several other discourses, rejection of enlargement is coupled with rejection of European integration as a whole and motivated by skepticism about economic benefits or
‘overregulation’ (The Netherlands, Germany, Serbia, Poland). Completely skeptical and negative discourses are relatively few in number, but they reject both enlargement and European integration as a whole.

Other citizens who are critical of enlargement also express strong dissatisfaction that they have not been consulted in the process. For some discourses, notably in Germany and The Netherlands, being skeptical about enlargement is linked to lack of information and consultation rather than to a complete rejection. Some negative responses also stem from critical attitudes to the European project as such, demanding improvement of the EU's functioning, institutions, and economic performance.

Bridging arguments, connecting specific country discourses across the six countries vary in their support for enlargement. Next to the group of positive discourses focusing on values, there are also bridging discourses skeptical of future enlargement and European integration, which can undoubtedly be mobilized by opponents of enlargement. Turkey is an especially disputed case, evoking different responses from citizens than candidate and aspirant countries from the WB.

In conclusion, more research is needed to identify the percentage of the population that subscribe to each of our discourses per country. A follow-up survey could identify the strengths of each discourse. Another important avenue of inquiry should seek to establish the ways in which the politically-relevant opinions of people – part of different discourses on EU enlargement and integration – can be influenced (if at all), for example, with different policy frames, emotional or normative appeals vs. rational argumentation and fact provision. Another venue for a future research agenda is the investigation and comparison of perceptions and attitudes among the public and those among political elites in the domestic arena.

WP4 – DESIGNING THE ENLARGEMENT PROCESS: STRATEGIES AND NEGOTIATIONS PAST AND PRESENT

Introduction

The main aim of Work Package 4 (WP4) was to assess the credibility of the EU's strategy in enlargement negotiations and identify factors that affect the dynamics of enlargement negotiations. First, we evaluated the EU's enlargement process in terms of its multiple dimensions – multilateral and bilateral: To what extent do member states influence and stall the negotiations process? Second, we analyzed whether the EU's enlargement strategy results from rational bargains in a limited information environment: Has the role of the member states as veto players led to a weakening of the EU's effectiveness in its enlargement strategy? Third, we investigated specifically whether external or internal scope conditions shape the EU's enlargement strategy towards the candidates.

Our findings indicated that the EU manages the enlargement process both multilaterally and bilaterally. The EU's screening process of the candidates' ability to meet EU rules, the opening benchmarks for chapters, the sequencing of the chapters to be opened, and the monitoring of the candidates' implementation of the EU acquis are the multilateral aspects of the EU enlargement strategy. Yet, an equally important role in this strategy is played by the member states, especially by those relying on their bilateral vetoes to promote their own national interests regarding the candidates.

Overall, the findings of WP4 demonstrate that the EU's credibility and its enlargement strategies towards the previous round of candidates and the current candidates have been shaped by the EU's external scope conditions, the changing geopolitical environment, and by the candidates' internal scope conditions, their levels of preparedness as well as bilateral member states' preferences. In addition, the role of limited information, in terms of candidates' ability to adopt EU rules and the costs of adaptation for both parties, influenced the pace and nature of the negotiations.

Work undertaken

In line with the key objectives of WP4, we conducted the following research. First, we compared the different negotiation strategies and explained the changes in these strategies used by the EU, particularly the Commission, and some member states' attitudes towards various candidate states since 1997. Second, we assessed the different strategies towards all candidates in a game theoretical analysis and the role of limited information in these Bayesian games. Third, we identified the external and domestic scope conditions in terms of shaping the EU's effectiveness in its enlargement strategy.

In the first strand of research under WP4, we conducted a comparative analysis of the Bulgarian and Turkish accession negotiations. To do so, we compared the two countries in terms of the historical evolution of their place in the EU enlargement process. Secondly, we
conducted a comparative political analysis of the Turkish and the Bulgarian ability to fulfill the EU's political criteria, and compared their respective positions with regards to EU political conditionality to understand their different paths of accession. Thirdly, we looked at the unfolding of the accession negotiations and the role of individual member states as veto players – specifically in the Turkish case (Müftüler-Baç/Çiçek 2015). In particular, when we compared the EU's accession negotiations process with one country that joined the EU in 2007 – Bulgaria – and another current candidate whose negotiations are still underway since 2005 – Turkey – significant differences arose with regards to the member state vetoes (Müftüler-Baç/Çiçek 2015).

In terms of our methodology, we conducted a detailed analysis of the EU's Progress Reports on Bulgaria and Turkey, and used Freedom House Reports and Polity data to assess their political levels of preparedness for EU accession. We also traced the various steps of their accession negotiations, in particular the screening process, the opening of chapters, their sequence, and the opening benchmarks. We were able to use the EU's Progress Reports, the Turkish and Bulgarian official negotiations positions as well as EU officials’ declarations as our main data. We focused specifically on explaining the differences between Turkey and Bulgaria by testing the following propositions; whether the differences between Bulgaria and Turkey in their respective abilities to meet the EU's political criteria lie at the heart of their relative success to accede to the EU or whether the key difference in the accession negotiations for Turkey and Bulgaria is primarily an outcome of the EU member states’ positions and their respective material interests. Our analysis focused on these key differences in the Bulgarian and Turkish levels of preparedness of membership as well as on the pace and nature of their accession negotiations from a comparative perspective (Müftüler-Bac/Cicek 2015; Dimitrov et al. 2015b).

The second strand of our work undertaken under WP4 aimed to build a game theoretical model of the EU's accession negotiations. In order to do so, we constructed a Bayesian game, modeling the role of individual member states’ vetoes and the role of the bilateral relations between member states and the current candidates. This second component of the work undertaken evaluated two different design alternatives that the EU has employed to conduct accession negotiations with candidate countries. Up until 2011, the negotiations were conducted chapter-by-chapter starting with the easy chapters; but since 2012 the EU has switched to a design that begins with the difficult chapters. The key difference here is that under the new strategy, Chapters 23 and 24 will remain open until the very end of the negotiations. In this research strand, we modeled the negotiations as a Bayesian game with two possible designs and payoff structures. First, we investigated whether the EU supports the candidates with regard to the difficult chapters, while the candidate handles the easy ones on their own (we called this ‘equilibrium type 1’); or whether the EU supports the candidate with regard to the easy chapters while the difficult ones are handled with the candidate's own resources (we called this 'equilibrium type 2'). We hypothesized that the EU's payoffs are the highest in an equilibrium type 2 while the candidate's payoffs are highest in an equilibrium type 1.

Our investigation of the EU enlargement strategy from a Bayesian game theoretical perspective uncovered the role of limited information in the negotiations process. As the EU, member states, and candidates reveal information about their preferences over the adoption of the EU acquis, the role of misrepresenting one's preferences or relying on a specific sequencing of the opening of chapters emerged as tools with which the parties managed accession games (Müftüler-Baç/Kibris 2015).

The third strand of the work undertaken for WP4 involved an investigation of the external and internal scope conditions for EU enlargement. The levels of domestic preparedness in the candidate countries (political and economic) shaped the effectiveness of the EU's enlargement strategies as they determined the domestic costs of adaptation (Müftüler-Baç 2015b). The negotiations with Turkey, in particular, presented a different case with regards to both the previous round of negotiations as well as the EU's experience in the WB. Turkey's size, economic capabilities, and political differences created a substantially different playing field, impacting the EU's effectiveness (Müftüler-Baç 2016).

Findings

The EU's effectiveness in its enlargement strategy is shaped by its credibility as a negotiating partner, and the most significant aspect of its credibility are the perceptions of its objectiveness towards all the candidates. This is one of the key findings of the research conducted under WP4. This is why, when one member state uses its veto power to block negotiations, this leads to increased lack of trust in the negotiations process on part of the negotiating candidates. One of the most important findings in our investigation of enlargement strategies was to devise a method of analysis for the EU's negotiation strategy with a significant impact on the EU's credibility (Müftüler-Baç 2015b; Dimitrova 2016). The divergence of the Turkish and Bulgarian cases indicates the role of political considerations as key inputs shaping accession negotiations. Similarly, the rational choices made by some member states in the EU's negotiation process – such as the Greek veto on FYROM or Cyprus's multiple vetoes on Turkey's chapters – illustrated the previously understudied aspects of EU enlargement. This was an important result serving the overall project framework (Müftüler-Baç/Çiçek
A key difference in the current enlargement round is the importance of the bilateral relations between member states and the current candidates. An important finding of our research under WP4 concerns the role of individual member states’ vetoes and the role of the bilateral relations between some member states and the current candidates, which turned out to be one of the key differences in the current enlargement round (Müftüler-Baç/Kibris 2015). For example, our findings indicated that alternative tools adopted by the European Commission, such as the launch of the High Level Accession Dialogue (HLAD) for FYROM, are a successful attempt to provide new impetus to the reform process of a candidate country in a situation where a member state blocked the opening of accession negotiations.

The scope conditions for EU enlargement differ both externally and internally with the current enlargement round. Our findings with regards to the current enlargement process that includes the WB and Turkey is that the EU’s external scope conditions are different compared to the previous round of enlargement, and the domestic scope conditions in the candidate countries are also significantly different both in terms of their economic and political levels of preparedness (Müftüler-Baç 2015b). The extent to which tougher conditionality leads to a more effective EU enlargement strategy was investigated in depth. Our findings indicate mixed results shaped by the domestic receptiveness of the candidate countries (Dimitrova 2016).

Further, our findings suggest that with some candidates for EU accession, negotiations did not proceed smoothly despite the Commission’s recommendations of opening chapters, precisely because some member states blocked these in the Council. The comparison of Bulgarian and Turkish negotiations provided empirical evidence on the multilateral aspects of the negotiations – largely objective – and the bilateral aspects of the negotiations, acting as the main obstacle. The Greek veto on the opening of accession negotiations with FYROM, the French veto on opening five chapters, and the Greek Cyprus’ veto of six chapters in the Turkish negotiations were cases in point.

The implications of our findings for the enlargement negotiations strategy are that the bilateral aspects of the negotiations process harm the EU’s credibility as a negotiations partner, decreasing the candidates’ own commitment to adopt costly reforms. However, since the EU accession process has bilateral and multilateral components, the Commission might find itself facing a difficult task of communicating these components to the candidate countries. Our game theoretical model shows that the accession negotiations can provide the EU with valuable information about the potential of candidates to adapt to the EU without disrupting integration and the functioning of the Union. It also reveals that the new negotiation design, in which Chapters 23 and 24 would be opened at the start of the negotiations, has a higher information carrying capacity compared to the previous design, in which negotiations started with a much easier chapter. Nonetheless, we must emphasize that, along with more information, the new design also carries the risk of alienating candidates at the very beginning of the negotiations and thereby can take away from the EU an important tool with which it can induce reform in candidate countries. Consequently, a candidate tailored negotiation strategy might be a better alternative to a one-for-all design.

WP5 – MODES OF POLITICAL AND ECONOMIC INTEGRATION IN THE CONTEXT OF ENLARGEMENT AND THE NEIGHBOURHOOD

Introduction

Work Package 5 (WP5) had two main aims: To investigate the modes of integration through which the EU has tried to support state-building and fighting corruption and organized crime in new members, candidates, and neighbours; and, to examine the evolution of modes of integration through which the EU has tried to mitigate competitive asymmetries between the different parts of Europe and to further the sustainability of EU market rules after accession.

We explored the evolution of the modes of political integration with a specific focus on the mixture of various instruments used in the new member states, in the WB, and in the neighbourhood countries. We also analyzed the evolution of EU modes of economic integration since the Eastern enlargement, comparing the EU modes of integration in the new member states in the East with the old member states in the South of Europe (cohesion countries) and in the neighbourhood countries.

The EU’s modes of political integration have evolved through an incremental process of ‘learning by doing’ rather than a great master plan. While the EU has been reluctant and inconsistent in applying conditionality, reinforcement by reward remains the linchpin of its efforts to induce political change. The EU has been most successful in propelling political change and preventing backsliding when its
pressure and persuasion from above met with domestic mobilization from below. The EU has been slow in living up to its declared goal of upgrading the role of non-state actors though. While every ‘new’ approach in the Enlargement and Neighbourhood Policy creates new funding instruments and dialogue targeted at non-state actors, their actual involvement in the formulation and implementation of domestic reforms remains limited and varies considerably across countries.

The most interesting finding of our research on the modes of economic integration was the sharp contrast between the EU's integration strategy of the CEE economies and the strategy of extending the rules of EU markets to the neighbourhood countries. We show that differences in political and economic interdependencies between the EU and the two Eastern peripheries explain the variation in integration strategies. Similar to the EU mode of political integration, the mode of post-accession development assistance in the new member states could not considerably strengthen subnational public and private actors either and this is why the spending of EU development assistance became a factor of increasing territorial disparities within these countries.

Work undertaken

The political research strand of WP5 examined the evolution of the specific instruments and their mixes in the accession process of new member states, the accession countries and the neighbourhood countries. It has also explored the state building efforts of the EU in the new member states and candidate countries as well as evaluated the functioning of the Cooperation and Verification Mechanism (CVM) in Bulgaria and Romania. In the framework of this research we have also studied post-accession conditionality in the form of the CVM and have examined EU strategies to improve judicial independence in the WB. The work in this strand was based on in-depth analyses of the CVM reports and interviews with domestic experts and practitioners as well as with EU representatives (Dimitrov et al. 2016; Sedelmeier/Lacatus 2016).

We have developed an analytical framework for the mapping of the political modes of integration and their application across time and across three groups of countries: past candidates and new members, current and potential candidates, and Eastern neighbours (Börzel 2015; Börzel/Schimmelfennig 2017). The mapping drew on a comprehensive review of the general literature as well as the findings of four separate input papers. It zoomed in on two areas important to the EU's attempts to strengthen the political integration capacity of past candidates and new members (Dimitrova 2015), current and potential candidates (Fagan/Sircar 2015; Müftüler-Baç 2015a), and the EaP countries (Börzel 2015). Based on the in-depth analysis of the strategic cases of Romania and Bulgaria, we have analyzed the effectiveness and limitations of political integration in CEE member states (Dimitrova 2015). Finally, we have explored the EU strategies used to lock in reform of the judiciary in the (potential) candidate countries (Fagan et al. 2015).

The economic research strand of WP5 has focused on the examination of the strategies the EU has used to monitor and sanction the transfer and the implementation of EU-conform economic institutions in the new member states, the candidate countries, and the neighbourhood countries, and simultaneously to anticipate and alleviate potential large-scale negative developmental consequences of rule transfer. The work in this strand was based on a comprehensive literature review on the EU modes of economic integration; interviews with policy-makers and officials involved in EU management of economic integration and case studies at the level of two manufacturing sectors.

We have prepared an analytical framework for the comparative study of differences in the modes of economic integration (Bruszt/Vukov 2015; Bruszt/Langbein 2015). Based on interviews with EU and domestic level policy-makers and the analysis of EU policy documents, we have analyzed the factors that could account for the deployment by the EU of comprehensive mechanisms to anticipate and alleviate the potential negative consequences of economic integration (Bruszt/Langbein 2015). Based on these works and the exploratory research in ENP countries, we have contrasted the strategies of economic integration used by the EU in the CEE member states and in the neighbourhood countries (Bruszt/Langbein 2017). Finally, we have explored the strategies used by the EU to mitigate developmental disparities in the post-accession CEE countries (Medve-Bálint/Bohle 2016a, 2016b).

Findings

While the EU has been reluctant and inconsistent in applying conditionality, reinforcement by reward remains the linchpin of its efforts to induce political change. The incentive mechanisms have become, however, more differentiated, prioritizing certain sectors, such as the rule of law, and introducing intermediate steps and benchmarks. At the same time, conditionality is not only flanked by but also increasingly embedded in assistance and dialogue. Technical and financial assistance has become more long-term and linked to supporting specific reforms, which are conditional for moving forward with association and accession. Political dialogue has become more multi-tiered. Both modes are more open to the involvement of non-state actors, facilitating their role in monitoring reform
progress. Incorporating non-state actors in capacity-building and socialization processes also renders conditionality more effective by broadening its potential for differential empowerment. The EU has been most successful in propelling political change and preventing backsliding when its pressure and persuasion from above meets domestic mobilization from below. The EU has been slow in living up to its declared goal of upgrading the role of non-state actors though. While every ‘new’ approach in the Enlargement and Neighbourhood Policy creates new funding instruments and dialogue targeted at non-state actors, their actual involvement in the formulation and dialogue targeted at non-state actors, their actual involvement in the formulation and implementation of domestic reforms remains limited and varies considerably across countries (Börzel 2015, 2016; Dimitrova 2015; Fagan et al. 2015).

The main findings of the research on the CVM in Bulgaria and Romania show a mixed picture. The CVM has not led to noticeable improvement in levels of corruption, the fight against organized crime, or reform of the judiciary. It mainly registered the resistance against the reforms and its goals and it might even have legitimized token reforms that do not lead to concrete results. From this perspective, continuing the CVM would be meaningful only if its effectiveness drastically improved (Dimitrov et al. 2016). At the same time, the CVM seems to have had most success in eliciting compliance with its recommendations when it focused on domestic institution-building. The CVM's impact has been primarily through constraining reversals of earlier achievements than as the source of major reforms. The CVM's impact relies heavily on the perceived legitimacy of the EU and its interventions in the two countries concerned (Sedelmeier/Lacatus 2016).

The research on the EU’s strategies for state-building and the rule of law in the WB found that even in outside cases, where accession negotiations have not started, the new approach has underlined the priority of reforming judicial independence in anticipation for future accession. Irrespective of the pace and status of association or accession, there were observable gaps between institutions on paper and practices on the ground: There was a significant amount of backsliding.

The most interesting finding of our research on the modes of economic integration was the sharp contrast that we found between the EU's integration strategy regarding the CEE economies and the strategy of extending the rules of EU markets to the neighbourhood countries. In the context of the Eastern enlargement the Commission was aware of the potential negative developmental consequences of rule transfer. It also knew that some of the economic and political consequences of a potential mismanagement of economic integration might spill over to the EU insiders in the form of costs or lost potential gains due to strong political and economic interdependencies with the prospective members. Consequently, in the CEE countries the Commission has employed an elaborate regime to anticipate and alleviate the potential large-scale negative consequences of rule transfer. However, it did not undertake similar precautionary measures in the Eastern neighbourhood and has so far clearly sought to externalize the developmental consequences of integration due to a considerably lower level of perceived political and economic interdependence (Bruszt/Langbein 2017).

Our research found support for the validity of the expectation of the EU that in the WB the strengthening of state bureaucracy and the judiciary is a necessary precondition for starting to transfer and implement the more specific rules of the EU market. However, the econometric analysis we have done using sequence analysis of progress in meeting EU demands in the various institutional fields has shown that the exclusive focus on civil service reform and judiciary independence might not be a sufficient condition for creating the institutional conditions of efficient rule transfer. More specifically, some change in the composition of economic players is a necessary condition of changing the efficiency of the state. Implementation of the institutional conditions of the free movement of goods, we found, yields improvement in the administrative capacity of the state as it alters the ‘demand side’ for state reform; it brings into the economy new strong players who have stakes in the predictability of the state bureaucracy and the judiciary. Also, the arrival of new economic players might alter the revenue bases of state incumbents and it might make them more interested in increasing the quality of state institutions (Bruszt/Lundstedt 2016).

The most important weakness of the mode of economic integration in the new member states is that after accession the EU discontinues the use of the elaborate mechanisms that have helped in the pre-accession period to identify and manage the potential large-scale negative developmental consequences of implementing the rules of the single European market. Coping with the developmental consequences of EU rules becomes primarily a domestic business. The vulnerabilities of CEE economies to fluctuations in the single market are high and large sections of the societies in the CEE countries could not benefit from economic integration. Economic nationalism is rewarded in the absence of the mechanisms that have helped in the pre-accession period to make the common rules of the EU a common good: Domestic actors in the new member states have stronger incentives to bend the rules of the regional market and state incumbents have strong incentives to blame ‘the bureaucrats in Brussels’ and present themselves as defenders of national sovereignty. Although the EU spends considerably more in the post-accession period on alleviating developmental disparities, the say of the Commission in the spending of these moneys is much more limited than it was in the case of the pre-accession assistance. In the new member states, the developmental transfer from the EU increases intra-state developmental
disparities (Medve-Bálint/Bohle 2016b).

SYNTHESIS: WP6 – LESSONS, LIMITS AND PROSPECTS FOR ENLARGEMENT

Introduction

What defines and influences the EU’s ‘integration capacity’? How strong has the EU’s integration capacity been in the recent enlargement rounds? And which lessons can we learn from recent enlargements for maintaining and improving the EU’s capacity to integrate non-members? The main goal of Work Package 6 (WP6) was to develop a common framework for MAXCAP and bring together its findings.

We distinguish between the internal and external integration capacity of the EU. Internal integration capacity refers to the capacity of the EU to integrate new member states into its political, legal, and economic system, to avoid disruption, and to further cohesion in the EU. External integration capacity refers to impact of the EU on non-member states by strengthening their ability to become members, by aligning their institutions and policies with those of the EU and by promoting stability in its neighbourhood.

We find, first of all, that internal integration capacity has proven strong at the organizational level of the EU. Enlargements have not disrupted the political and legal system of the EU. New member states have integrated well into the decision-making and implementation procedures of the Union, and they have generally not weakened the EU’s internal cohesion or capacity for reform. At the same time, the political and economic cohesion and convergence between old and new member states has remained limited and unbalanced. Whereas democracy, governance capacity, and economic strength of the new member states have improved during the accession process and approximated the standards of the old member states, they have not been able to fully catch up. Moreover, the EU’s capacity to improve the new member states’ political and economic progress has partly weakened after accession. Finally, the EU’s external integration capacity is now weaker than it was during the recent enlargement rounds. Both the EU and the current non-members are less ‘credible’ enlargement partners. New policies and instruments have so far proven unable to bridge the credibility gap.

Work undertaken

Starting from the policy debate about the EU’s ‘absorption’ or ‘integration capacity’, which erupted after the 2004 enlargement and in connection with the 2005 decision to conclude the accession negotiations with Bulgaria and Romania, and the European Commission’s attempt to take up this debate in its 2006-2007 enlargement strategy, we developed a concept and model of ‘integration capacity’ (Schimmelfennig 2014).

We define integration capacity broadly as the ability of the EU to enlarge. We distinguish between the EU’s internal and external integration capacity. Internal integration capacity refers to the EU as an organization: How capable is it of integrating new member states into its political, economic, and legal system? How well can it avoid disruptions in its ability to make effective policies, maintain cohesion, ensure public support, and pursue further institutional reform and integration? External integration capacity refers to the non-member and new member states of the EU. How well are states prepared for meeting the requirements of membership, such as democracy, governance capacity, or functioning market economies, and how capable is the EU of helping non-members and new members to meet these requirements? Assuming that demand for integration is strong, given the high extent of security and economic interdependencies on the continent, it depends on the EU’s internal and external integration capacity whether this demand can actually be met. In answering these questions about integration capacity, WP6 did not conduct any research on its own but sought to bring together the findings of the other Work Packages.

Findings

The internal integration capacity of the EU has proven strong so far. According to our findings, the EU’s new member states have not disrupted the EU as an organization. In general, they integrated themselves successfully into the EU’s political, economic, and legal systems. There is no evidence that Eastern enlargement has led to institutional gridlock and loss of decision-making capacity. New member states have mostly joined existing coalitions of the member states. In a few policy areas, they appear to have distinct preferences from the older member states but they are rarely in a position to act as a cohesive group, let alone tip the balance in EU decision-making (Toshkov 2017). Despite their more assertive role in the refugee crisis, the new member states have not been the main drivers in the EU’s manifold crises.
Nor has Eastern enlargement led to a deterioration of compliance with EU law. To the contrary, the CEE new member states have on average a better compliance record than both the old member states and the new member states in earlier enlargement rounds. This fact is best explained by the legacy of accession conditionality (Börzel/Sedelmeier 2016). In the accession period, the new member states developed the administrative structures and capacities to process EU rules quickly and effectively – and these structures and capacities have continued to operate in the post-accession period. Moreover, efficient transposition does not come at the price of weak practical application of EU law on the ground. In general, there is no evidence that the new member states lag behind the old member states in this respect (Zhelyazkova et al. 2016).

Finally, what about ‘differentiated integration’, the exemptions that member states have from EU treaties and legislation? Whereas it is normal for new member states to start with a rather high level of differentiated integration, resulting from the transitional arrangements negotiated in the accession treaties, they have started to converge towards normal levels of differentiated integration within a few years after accession in the EU – especially when compared to the Southern member states, which are most similar in wealth and capacity to the Eastern members (Schimmelfennig/Winzen 2017). In addition, few new member states have negotiated new opt-outs from the treaties concluded since their accession. The main remaining dividing line is between euro area countries and non-euro area countries – as among the old member states.

We conclude that there is no identifiable need for reforms to enhance the internal integration capacity of the EU given the successful integration of the new member states into the EU's institutions. The effective internal integration capacity of the new member states depends, however, on the capacity of the EU and its new member states to consolidate democracy, governance capacity, and economic progress.

The political and economic integration capacity of the EU has been strong under conditions of accession conditionality and assistance. Democracy, governance capacity, and wealth have progressed overall in Eastern Europe during the transition period. The EU has generally helped to promote democratic consolidation and governance effectiveness and created opportunities for trade, investment, and regulatory improvement. Yet the sub-regions of Central Europe, Southeast Europe, and Post-Soviet Europe have been moving on distinct paths and unable to fully catch up with the old member states. This is not too surprising, since European integration has not leveled different historical legacies and trajectories of political and economic development among the old member states of Western Europe either.

EU accession conditionality has been the single most important and influential mode of political integration. It has had a positive impact on the political development of candidate countries – and a stronger impact than all other arrangements and contexts of integration (Börzel/Schimmelfennig 2017). This still holds for current candidates. The 'new approach' of the EU's enlargement strategy with its focus on the rule of law and judicial reform, which the EU introduced after the most recent accessions of Bulgaria, Romania, and Croatia, appears to work. At the same time, we found some unintended consequences. New, relatively autonomous bodies tasked with training and regulating the activities of judges may unintentionally enable new forms of political manipulation and reinforce conservative practices that serve to undermine the reputation of the judiciary (Fagan 2016). In addition, the 'new approach' still relies strongly on the old top-down, intergovernmental channel of accession conditionality.

In the accession countries and new member states, alignment with EU rules has increased chances of economic convergence. It has had a positive impact on FDI and labor productivity. As a combined effect of improved institutional conditions and the changing investment strategies of the largest European multinational firms, the strongest economies of Eastern and Central Europe have converged to the core countries at the level of the structure of their production and export. Moreover, the EU has provided pre-accession assistance to facilitate economic adaptation (Bruszt/Vukov 2015; Bruszt/Langbein 2015).

We conclude that accession conditionality and capacity-building are and remain the cornerstone of the EU's external integration capacity.

The EU's political and economic integration capacity is limited in the absence of a membership perspective and in the post-accession phase. The EU's external integration capacity is generally weak unless it offers non-member states membership. EU accession, of which the regulatory integration with the EU internal market was an important part, increased economic and political interdependence between the accession countries and the EU insiders. The latter were forced to prevent the marginalization and destabilization of weaker economies in East and Central Europe. The EU, and in particular the European Commission, developed capacities and tools to anticipate and alleviate major negative developmental consequences of rule transfer during the Eastern enlargement (Bruszt/Langbein
In the context of partnership and association agreements, the EU does not produce any systematic effects on the political development of its neighbouring countries. The same is true for economic integration under the initial ENP, which allowed governments to pick and choose the extent and areas of integration. The comprehensive free trade regime of the EaP is likely to deepen the economic integration of non-member states with the EU. Yet, since this policy is not accompanied by precautionary measures to anticipate and alleviate large-scale negative consequences of rule transfer, as in the case of the accession countries, it risks exposing the partnership countries to rising market pressures without cushioning the negative effects (Bruszt/Langbein 2017).

We also find that the EU's capacity to improve democracy and governance effectiveness weakens once candidate countries become members. The EU's instruments for safeguarding liberal democracy among its member states – such as the Article 7 sanctions, the Commission's infringement proceedings, and a host of soft and informal political influence measures – have proven impractical or ineffective in promoting the improvement or preventing the deterioration of good governance in several new member states (Sedelmeier 2016b).

The CVM, a post-accession instrument to promote judicial reform and help the fight against corruption and organized crime in Bulgaria and Romania, has been useful but of limited effect. Our research suggests that its impact has been most noticeable when preventing or reducing assaults on existing institutional achievements. Moreover, it provided a platform for committed domestic actors to instigate domestic debate and exert pressure for reforms (Sedelmeier/Lacatus 2016). At the same time, the institutional focus of the CVM is insufficient to address problems, such as corruption, which are deeply rooted in society (Dimitrov et al. 2016).

With regard to economic integration, there are no post-accession policies that could further address the developmental problems of the Eastern new members. Economic convergence is based primarily on the availability of cheap, highly skilled labor. This prevents any considerable convergence to the core countries at the level of consumption (Bruszt/Vukov 2015). In addition, while the EU's cohesion funds have contributed to the new members’ wealth, they also increased the gap between more and less advanced regions as well as the gap between the central state and local governments. This has resulted in part from the increasing focus of Cohesion Policy on efficient spending and the co-financing requirements (Medve-Bálint/Bohle 2016b).

Last but not least, we find that weak public support for enlargement endangers the internal and external integration capacity of the EU. Public opinion in the member states has become increasingly unfavorable to future enlargements of the EU. Negative public opinion in the EU member states is a major limiting factor of any future enlargement. It constrains member state governments and EU institutions in offering a membership perspective to neighbouring countries and reduces the credibility of the integration promises already made – in particular, if accession and association treaties become subject to referendums. As a result, non-member states cannot be sure to join even if they comply with the accession conditions (Dimitrova 2016). This uncertainty diminishes the non-members’ readiness to engage in reform.

Our analysis of public enlargement discourse reveals a more nuanced and optimistic picture than public opinion surveys. There are a number of enabling discourses that politicians in favor of enlargement can use to communicate with citizens. A large group of discourses contain arguments suggesting that citizens would accept enlargement if it was objective, rule-driven, and transparent. The emphasis on impersonal and non-corrupt institutions emerges when citizens define their own expectations from enlargement in the discourse analyses (Dimitrova/Kortenska 2017; Kortenska 2016).

**POLICY RECOMMENDATIONS**

MAXCAP's findings have important implication for policy reform. To maintain its strong internal integration capacity and strengthen its external integration capacity, the EU should:

**Increase political and economic integration capacity.**

- Ensure that the focus of current pre-accession measures is not exclusively on professionalizing judges and recruitment and training, at the expense of paying insufficient attention to democratic accountability; ensure the structural inclusion of reform-minded civil society organizations in post-accession tools aimed at monitoring rule of law enforcement. Avoid measures that undermine the legitimacy of the CVM – such as the questionable issue-linkage with Schengen accession that some member states made to attach material incentives to the CVM.
- Increase the efficiency of pre-accession policies to foster inclusive development: Facilitate the development and monitoring of impact assessments that help the candidates to identify potential negative economic and social consequences of compliance with the internal market acquis at the level of sectors and territorial units. Include a broad range of state and non-state actors from the candidate countries (e.g. business associations, trade unions) when assessing the economic and social costs of integration with the internal market and remedial measures.

- Develop more effective and more flexible instruments for preventing democratic backsliding among its member states: Combine the codification of a democracy and good governance acquis beyond the general principles listed in the Treaty, impartial assessment (e.g. by the Venice Commission or the European Court of Justice), and a range of limited, preferably financial sanctions to be decided by a qualified majority.

- Develop more effective strategies to overcome persistent intra-state asymmetries in member states: Redirect the EU’s structural and regional policies to create better preconditions for investments and growth in more backward regions. This would imply a reduction of co-financing requirements and a revival of the decentralization agenda.

- Signal to the EaP countries that they have a general accession perspective – even if it is distant; be consistent in rewarding progress and sanctioning the lack thereof. Develop mechanisms to anticipate and alleviate negative consequences of rules transfer as trade liberalization and regulatory alignment expand to the EaP countries.

Increase the effectiveness of the enlargement design.

- Increase its credibility with the negotiating candidates – this might require increased financial commitment, clear dates, and deadlines.

- Engage in a more transparent communications process – especially with regards to the main actors among the EU member states which block progress.

- Enhance its engagement with pro-EU actors in the candidates – this would strengthen the hands of the reformists in the candidate countries, making it easier to engage with EU rules and prepare the countries for future accession.

Make citizens aware of the strong internal integration capacity and take measures to maintain it.

- Concerns about the effectiveness of the EU’s decision-making system and about reliable implementation of EU law in new members should not be used as arguments against further EU enlargement as there is little evidence of a negative effect.

- Public opinion should be exposed to the facts about the lacking evidence for a negative impact of the Eastern enlargement on the functioning of the EU, given the wide discrepancy between facts and widespread concerns.

- To maintain the effectiveness of decision-making following enlargement, far-reaching institutional reform is not only unnecessary; instead such reforms themselves risk to contribute to legislative delays and gridlock.

- To avoid a negative impact of enlargement on compliance in new members after accession, the EU has to invest in the appropriate design and consistent use of conditionality.

- The EU should continue to emphasize the importance of domestic institutions that ensure the correct practical application of EU law on the ground (but do so in old and new member states alike).

Change the communication strategy with regard to enlargement.

- Anticipate public objections and questions regarding future enlargements. EU institutions and member state elites need to gain a deeper understanding of the conditions under which citizens may approve the accession of new member states.

- Open up the public debate and engage with citizens, especially in the older member states, to alleviate the objections and doubts of citizens who feel they have not been consulted on enlargement. Consultations and parliamentary debates should take place during
enlargement negotiations and not only at the stage of ratification of Accession Treaties. Discussing the membership of Serbia, Montenegro or even Turkey with citizens does not have to be a losing proposition because of the downward trend in public opinion. As our analysis shows, there are a number of possible lines of justification and understanding what enlargement has been and should be about.

- Stress values, shared community, clear rules, and good governance. Framing enlargement in terms of shared values and European identity will resonate with some citizens in various member states who disagree with enlargement on purely utilitarian or geopolitical grounds. A commitment to an enlargement process based on clear rules and the fulfilment of objective criteria will resonate with citizens in various member states and in candidate countries. Similarly, candidate states expect enlargement to contribute to improved governance and reformed institutions.

LIST OF RELEVANT PUBLICATIONS


Enlargement Strategy’, MAXCAP Deliverable 4.2.


Potential Impact:
see attachment

List of Websites:
www.maxcap-project.eu

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Related documents

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