**The Europeanization of Eastern Europe: the External Incentives Model Revisited**

Frank Schimmelfennig and Ulrich Sedelmeier

**Published in *Journal of European Public Policy*, online May 2019**

**DOI:** [**https://doi.org/10.1080/13501763.2019.1617333**](https://doi.org/10.1080/13501763.2019.1617333)

**Abstract**

The External Incentives Model (EIM) was designed to explain the Europeanization of the Central and Eastern European countries (CEECs) through the EU’s accession conditionality. This article asks how relevant the model remains beyond its original context. We examine recent data and research on the EU’s impact in two additional contexts: post-accession developments in the CEECs and the Southeast European countries currently in the accession process. We find that the model generally accounts well for the variation in Europeanization across domains and countries. More specifically, the credibility of incentives stands out as a crucial condition for the success of EU conditionality. At the same time, we note omissions and limitations of the original model: first, the model works with highly abstract conditions that require contextual specification to render them more meaningful and better testable. Second, the EIM starts from generally favourable, but underspecified, background conditions.

**Keywords**

Central and Eastern Europe, conditionality, European Union, Europeanization, external incentives, Southeast Europe

**Introduction**

In 2004, the European Union (EU) admitted the first wave of Central and East European countries (CEECs). Accession to the EU completed the new member states’ long ‘return to Europe’ after the end of the Cold War. ‘Europeanization’, defined as a ‘process in which states adopt EU rules’ (Schimmelfennig and Sedelmeier 2005b: 7) accompanied their democratic and market-economic transitions. A number of studies suggested that the EU and its conditionality played an important role in successful post-communist democratization and Europeanization of public policies (e.g. Grabbe 2006; Kelley 2004; Pridham 2005; Schimmelfennig and Sedelmeier 2004, 2005a; Schimmelfennig et al. 2006; Vachudova 2005).

Fifteen years later, there are increasing doubts whether the apparent success of conditionality is sustainable and whether it can be replicated in different contexts. First, signs of democratic backsliding and non-compliance with EU legislation on the allocation of asylum-seekers in several new member states in Central and Eastern Europe (CEE) raise concerns about the sustainability of conditionality-induced Europeanization after accession. Second, the slow progress and set-backs of Europeanization in the current group of candidate countries for EU membership in Southeast Europe (SEE) question whether the EU can repeat its successful Europeanization policy in a different group of candidate countries.

How well do theories that were designed to explain why and how the Europeanization of CEE occurred and succeeded in the 2000s fare in accounting for the present limitations of the EU’s Europeanization through conditionality? The main theoretical framework that explains when EU conditionality leads to domestic change is the External Incentives Model (EIM) of Europeanization (Schimmelfennig and Sedelmeier 2004; 2005b). The EIM assumes that the EU drives Europeanization through sanctions and rewards that alter the cost-benefit calculations of governments in candidate countries and specifies under what conditions such calculations are expected to lead these governments to adopt EU rules: the size of the EU’s rewards, the determinacy of the conditions, the credibility of conditionality, and the size of the adjustment costs of compliance for target governments.

Does the explanatory power of the EIM hold beyond the original CEE enlargement context? Can it explain the recent success or failure of conditionality? To be sure, the explanatory success of the EIM does not depend on the success of the EU’s conditionality policy. For example, Europeanization scholars were sceptical regarding the robustness of Europeanization when EU conditionality weakened after accession (Schimmelfennig and Sedelmeier 2005c: 226-228; Epstein and Sedelmeier 2008; Sedelmeier 2008). What counts is whether Europeanization succeeds for the reasons specified by the model, and, conversely, whether it fails because of the theoretically expected conditions. We find that this is indeed still largely the case.

To test the explanatory power of the EIM, we draw on the empirical findings from existing studies that assess the EU’s domestic impact, complemented by recent data on political developments in Eastern Europe. We compare the pre-accession Europeanization of the CEECs with alternative contexts, characterized by variation in explanatory conditions and outcomes: the post-accession phase of the CEECs (with regard to both the *acquis* and democratization) and the pre-accession phase of the current Southeast European (SEE) candidates in the Western Balkans and Turkey (with regard to democratization only). Compared to pre-accession in CEE, the size of the EU rewards and the credibility of the threat to exclude states decline in the CEE post-accession context. Across the CEE and SEE pre-accession contexts, the size of rewards is largely the same, but the domestic adoption costs and the credibility of the promise of membership have changed.

We argue that the credibility of positive and negative incentives respectively therefore stands out as the crucial condition explaining successes in pre-accession Europeanization of the CEE candidates and their enduring post-accession compliance with the acquis. Conversely, a lack of credibility has undermined the effectiveness of pre-accession conditionality in SEE and of post-accession sanctions against democratic backsliding in CEE. In addition to these substantive findings and the concomitant refinement of the EIM, the revisiting exercise points to omissions and limitations of the original model that we return to in the conclusions. First, the model works with abstract conditions that require contextual specification to become more meaningful and better testable. Second, the EIM starts from generally favourable but underspecified background conditions.

We start by summarizing the main assumptions and propositions of the EIM and give an overview of the research design. Subsequently, we turn to the two new contexts in which we test the EIM: first, post-accession Europeanization of the new member states and, second, the pre-accession Europeanization of current candidates. For each of these contexts we establish whether the settings with regard to each of the specific explanatory conditions is favourable or unfavourable to Europeanization, and contrast the resulting expectations of the EIM with the actual outcomes. The concluding section provides a comparative assessment of the explanatory power of the EIM in these two settings.

**The External Incentives Model**

The EIM is a bargaining model, in which the key instrument of Europeanization is conditionality (Schimmelfennig and Sedelmeier 2005b: 10-12). The EU sets the adoption of its norms and rules as conditions that the target states have to fulfil in order to receive a reward. EU conditions comprise both political conditions (such as democracy and the rule of law) and regulatory conditions (pertaining to the EU’s public policies). The model accordingly distinguishes between democratic conditionality and *acquis* conditionality. Rewards range from financial and technical assistance to membership. In general, higher rewards are linked to more demanding conditions.

The governments of the target states are free to accept or reject the EU’s conditions. They accept if they perceive the benefits of the reward to be higher than the costs of compliance. The cost-benefit assessment is subject to domestic politics. The EU negotiates with governments, but governments are constrained by domestic institutional and partisan veto-players and interest group pressures. If the target government rejects, or fails to meet, the conditions, the EU typically simply withholds the reward (without applying coercive sanctions). It pays the reward if the target government fulfils the conditions.

The EIM further specifies several conditions that influence the target government’s cost-benefit calculations and hence when conditionality is more or less likely to be effective (Schimmelfennig and Sedelmeier 2005b: 12-17): the size and distance of the EU’s rewards, the determinacy of the conditions it sets for obtaining the reward, the credibility of the conditionality, and the size of the adoption costs for the target government. Yet the EIM does not qualify any of these conditions as necessary and/or sufficient.

*Rewards.* Conditionality is more likely to be effective the more sizeable the rewards, and the more they are tangible rather than distant. Membership in the EU, which entails larger financial assistance, unconditional market access, and voting power in the EU, is a bigger ‘carrot’ than association. The membership reward becomes more tangible towards the end of accession negotiations.

*Determinacy.* Target governments must know what exactly they need to do to meet the conditions and get the reward. The EU enhances determinacy by specifying the conditions clearly and by giving regular feedback. In addition, determinacy depends on the salience of specific conditions for the EU. The more clearly the EU signals that conditions are *sine qua non*, the more likely target governments are to prioritize and meet them.

*Credibility.* Conditionality suffers from time-inconsistency because target governments need to meet the conditions before they receive the reward. Credibility refers to both the credibility of the EU’s threat to withhold the reward if conditions are not met and the credibility of the EU’s promise to pay the reward once they are met. The less the EU benefits from having a target state as a member or partner and the fewer alternative options to EU membership or association this state has, the more credible is the EU’s threat. In addition, the credibility of the threat increases if the internal EU consensus on the desirability of enlargement is weak. At the same time, superior bargaining power and weaker consensus undermine the credibility of the promise. Credibility also depends on the EU’s coherence and consistency in applying conditionality. The more the EU speaks with one voice, and consistently rewards compliance over time and across target countries, the more credible its threats and promises are. Finally, ‘cross-conditionality’ – incompatible conditions set by other international actors who offer comparable rewards at lower costs – decreases the credibility of EU conditionality.

*Costs.* While the first three conditions are all in the hands of the EU and depend on how the EU uses its conditionality, the last condition cannot be directly influenced by the EU and depends on the domestic situation in target countries: the domestic costs of adopting EU rules. For any given size and speed of rewards, determinacy of conditions, and credibility of conditionality, it is the size of domestic adoption costs that determines whether target governments will meet the EU’s conditions. These costs can have various sources. First, target governments are unwilling to meet conditions if compliance might lead them to lose elections, coalition partners, and power as a result. Second, EU conditions may harm institutional or societal actors with the capacity to block their adoption (‘veto players’). Adoption costs rise with the number of negatively affected veto players. By contrast, if EU conditions and rewards are more popular among the electorate, interest groups, opposition parties, and state institutions than in the government, the government will be more likely to comply. Third, the government may be willing to meet the conditions, but lack the financial or administrative capacity and expertise to implement them.

**Research design**

We extend the application of the EIM beyond the original context of the CEE pre-accession period, first, to the CEE post-accession period and, second, to the SEE pre-accession period. This design makes a ‘dynamic comparison’ (Gerring 2007: 152-4) that combines a temporal comparison (for the CEECs) with a spatial comparison (between CEE and SEE) and a comparison across issue areas (between democratic conditionality and *acquis* conditionality; as in the original framework). For the SEE pre-accession period, we focus only on democratic conditionality, because many countries of the region either have not yet started accession negotiations or have not advanced far. We also do not include the European Neighbourhood Policy (ENP) as an additional context. ENP countries do not have an official membership perspective, and rewards are low. An, at best, weak Europeanization outcome then appears trivial. The more informative comparison is between the CEE and SEE pre-accession contexts, which both feature a membership promise. In sum, we study the most relevant and theoretically challenging additional contexts of Europeanization in Eastern Europe beyond CEE pre-accession. We expect that with the combination of spatial and temporal comparison, one or several conditions of the EIM will vary and offer us maximum leverage to draw conclusions on their causal relevance.

Table 1 shows the overall setup of the study with the five contexts (cases). It depicts the variation across cases with regard to the four explanatory conditions and the outcome (target government compliance with EU conditions). A ‘+’ sign indicates that the value of an explanatory condition is favourable, and a ‘-‘ sign that it is unfavourable. Moreover, for ‘rewards’ we distinguish between favourable (+) and highly favourable (++) values, depending on whether the reward in question is EU membership. For the outcome, ‘+’ denotes the presence, and ‘-’ the absence, of compliance.

*Table 1: General configurations of conditions in CEE and SEE accession contexts*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Rewards | Determinacy | Credibility | Costs | *Compliance* |
| CEE pre-accession (acquis) | ++ | + | + | + | + |
| CEE pre-accession (democracy) | ++ | - | + | - | + |
| CEE post-accession (acquis) | + | + | + | + | + |
| CEE post-accession (democracy) | + | + | - | - | - |
| SEE pre-accession (democracy) | ++ | + | - | - | - |

Our starting point is the evidence from the CEE pre-accession context. With regard to acquis conditionality, we found that all conditions of effective conditionality as specified in the EIM were present. So was compliance (Schimmelfennig and Sedelmeier 2005a). By contrast, we found that democratic conditionality often lacked determinacy and caused substantial political costs for CEE governments – especially in the domain of minority rights. Highly credible and sizeable (membership) rewards could overcome these adverse conditions in the end, however (Schimmelfennig et al. 2006). In the post-2004 contexts, we observe additional variation in rewards, credibility, costs – and compliance. In the following two sections we elaborate in more detail how we come to this assessment of the values for the conditions and outcomes in each case.

**CEE after accession: the new member states**

For the context of the CEECs after accession, we discuss in the two broad policy areas – the single market *acquis* and democracy – for each of the explanatory conditions whether their setting is favourable to compliance according to the EIM. We then establish the extent of compliance in each policy area and assess whether compliance – and its variation across issues and new members – is in line with the expectations of the EIM.

*Conditions of post-accession compliance*

*Rewards and credibility.* The most notable change from pre- to post-accession concerns the incentives that EU institutions can draw on to elicit compliance. Prior to accession, the EU used (conditional) rewards, most notably EU membership. After accession, EU institutions can only use negative incentives[[1]](#endnote-1) – sanctions. The sanctions vary across issue areas, but even the most sizable of these sanctions are far less costly than the pre-accession threat of withholding membership. This is precisely why the EIM leads to scepticism about the sustainability of incentive-driven pre-accession Europeanization after accession.

With regard to rewards/incentives, a key dimension in which the EIM would expect variation with regard to post-accession compliance in new member states is then across issue areas. The size of the sanctions the EU institutions can use varies across the issue areas of the acquis and democracy. Crucially, the credibility of the threat of sanctions, which depends largely on the autonomy of EU institutions in the imposition of sanctions, varies too. With regard to the rules of liberal democracy, Article 7(2) TEU entails sizeable sanctions: it allows the Council to ‘suspend certain … rights’ of a member state for ‘serious and persistent’ breaches. However, the autonomy of EU institutions in deciding on sanctions is extremely limited: the member states themselves determine by unanimity (minus one) whether such a breach has occurred. The credibility of sanctions is therefore far higher with regard to the (single market) acquis. Article 258 and 260 TFEU grant the Commission high autonomy to launch infringement procedures and to refer a member state to the Court of Justice of the EU (CJEU), which, in turn, can impose financial penalties for non-compliance. In sum, a focus on rewards and their credibility generally leads the EIM to expect a deterioration of compliance after accession. Furthermore, it would expect compliance problems to be less severe with regard to the acquis than with regard to democracy.

*Determinacy.* The determinacy of the acquis is generally less problematic than for the rules of liberal democracy. The EU’s infringement procedure, in which the Commission’s ‘Reasoned Opinion’ and adjudication by the CJEU set out the EU’s interpretation of the relevant acquis, increases the clarity of the rules. Determinacy is lower for Article 7 since the determination of what constitutes a breach of liberal democratic values is carried out by the member states through voting, rather than through legal reasoning of an autonomous institution. The Commission’s new ‘rule of law framework’ that mirrors the initial stages of the infringement procedure of Art. 258 might help in this respect, as does the recourse to non-EU bodies, such as the expert opinion of the Council of Europe’s Venice Commission. Yet neither of these processes are binding on the member states. In sum, variation in determinacy again leads the EIM to expect better compliance with the acquis (covered by Art. 258) than in the area of democracy.

*Costs.* In contrast to the explanatory conditions above, which vary primarily across issue areas, compliance costs can vary both across issue areas and new member states. Costs are generally higher with regard to the political conditions of liberal democracy than the acquis, since the former are more likely to affect the basis of a government’s hold on office (Schimmelfennig and Sedelmeier 2005c: 213).

*Post-accession compliance with the (single market) acquis*

In general, the EIM would expect a deterioration of compliance with the acquis in the CEECs after accession. In line with these expectations, we would then expect compliance of the new members as a group to lag behind the old members. Yet the actual compliance record shows that most new member states outperform most old member states; the main exception is Poland that has become a compliance laggard in the enlarged EU (Sedelmeier 2008, 2016; Börzel and Sedelmeier 2017: 203). These aggregate results are also confirmed in qualitative studies of specific policy areas (e.g. Blauberger 2009; Sedelmeier 2012; Steunenberg and Toshkov 2009; Toshkov 2008). Moreover, the positive compliance record of the new members cannot be simply attributed to a decoupling of good formal compliance and problematic practical application, as has been suggested in the area of social policy (Falkner et al. 2008). A study of the application of EU directives in different policy areas did not find evidence of generally greater problems in the new member states (Zhelyazkova et al. 2017). The very positive infringement record of the new member states clearly seems to contradict the expectations of the EIM.

Finally, although it is difficult to derive predictions from the EIM on how compliance costs should affect cross-country variation in compliance at the aggregate level of the acquis, some of the compliance patterns across countries can be plausibly explained from the perspective of the EIM. The observation that Poland is a compliance laggard, while a number of smaller new members are among the compliance leaders fits with the argument that powerful states need to care less about the reputational costs of non-compliance (Börzel et al. 2010). In sum, conditionality appears to have a more durable positive impact on compliance with regard to the acquis than would have been expected by the EIM, although some of the more specific compliance patterns across countries fit its predictions.

*Post-accession compliance with liberal democratic conditions*

There is no general and sustained deterioration of democracy in the CEE new member states, as the upper line in Figure 2 shows. However, there are cases in which backsliding clearly manifests itself in breaches of liberal democratic rules. In Hungary (since 2010) and Poland (since 2015), governments of new member states have concentrated power and undermined pluralistic democratic competition. In Romania (in 2013), the government openly defied the rule of law, albeit only temporarily.

*Figure 2: Democratic development of CEE and SEE*

 **

Note: mean of Worldwide Governance Indicators of ‘Voice and Accountability’ and ‘Rule of Law’. Left panel: ten Central and Eastern European new member states (solid line) and the Western Balkans (without Kosovo) and Turkey (dashed line). Right panel: individual SEE countries.

The EIM does not necessarily expect a general deterioration of compliance with democratic norms in the new members. The weakened incentive structure for compliance removes a constraint on backsliding, but it depends on domestic dynamics that are beyond the scope of the EIM whether governments decide that compliance is too costly. In other words, the EIM does not pertain to explanations for why certain countries backslide but not others. However, the EIM correctly predicts that once backsliding occurred in Hungary and Poland, EU institutions were unable to redress it due to the lack of credible sanctions. And while the EIM struggles to explain why the Romanian government broadly complied with the demands of the presidents of the Commission and the Council to cease its breaches of the rule of law (Sedelmeier 2014), it correctly predicts that compliance was more likely in the Romanian case than in Hungary or Poland. The Romanian government broke the rule of law to impeach a deeply unpopular president who was unlikely to win re-election in the following year. These measures were therefore hardly necessary to maintain or win office. Restoring compliance was accordingly much less costly than in Hungary or Poland. The EIM therefore correctly predicts that the influence of EU institutions on compliance decreases, the more a government’s hold on power depends on its illiberal practices (Sedelmeier 2017). Moreover, the EIM also correctly predicts that the influence of the EU in the Hungarian case is strongest with regard to those selective issues in which illiberal practices also infringed the EU acquis, which allowed the Commission to use the compliance procedures under Article 258 TFEU (Sedelmeier 2014).

In sum, post-accession compliance with democratic norms broadly confirms the expectations of the EIM. While a complete absence of non-compliance would not necessarily have been considered contrary to the model, it would have disconfirmed its explanatory power if EU institutions had been able to redress non-compliance in Hungary and Poland, despite the lack of credible sanctions and high compliance costs for the governments concerned.

Compared to the pre-accession context, the EU’s (negative) rewards for compliance are generally weaker in the post-accession period, for both the acquis and liberal democracy. The crucial difference concerns the low credibility of the threat to use sanctions after accession with regard to breaches of liberal democracy, even if they are potentially sizeable. In view of the weaker rewards, it may be surprising for the EIM that post-accession compliance with the single market acquis generally remains so good. But the broader pattern of a greater severity of compliance problems with regard to democracy than with the acquis fits well with the predictions of the EIM. A focus on credibility and domestic compliance costs explains well why compliance has been more problematic in the area of democracy, and why EU institutions have been ineffective in redressing these compliance problems in Hungary and Poland.

**SEE in pre-accession: the current candidates**

Already before completing its fifth enlargement, the EU had begun to extend its enlargement policy beyond the CEECs. In 1999, it started the stabilization and association process with the countries of the Western Balkans and promoted Turkey to ‘official candidate’ status. At the Thessaloniki European Council of 2003, the EU confirmed and reinforced the membership perspective for the Western Balkans. In 2005, the EU started accession negotiations with Croatia and Turkey. As in the previous section, we start with discussing the relevant conditions and deriving predictions, and then assess these predictions against the evidence of SEE Europeanization.

*Conditions of pre-accession compliance*

*Rewards and credibility.* As the EU promised all SEE candidates full membership, the size of the reward does not differ from CEE pre-accession. The same is true for the credibility of the EU’s threat to withhold membership in case of non-compliance. Asymmetrical interdependence works strongly in favour of the EU, and while the EU has an interest in the stability and integration of the region, this interest will keep the EU engaged, but does not create an unconditional push towards enlargement (Vachudova 2014).

If anything, the SEE countries are less relevant and attractive for the EU economies, and more dependent on external support than the CEECs, given their smaller size and lower level of economic development. Whereas the Western Balkans accounted for only 1.3 percent of EU trade, the EU share of the Western Balkans’ total trade is 73 percent.[[2]](#endnote-2) Turkey has been in a stronger position as a large and growing economy and one of the EU’s main non-EU trading partners, it still only accounts for approximately four percent of the EU’s total external trade. The EU, in turn, is Turkey’s most important trade partner, covering 42% of its total trade.[[3]](#endnote-3)

Moreover, the EU announced that it would not treat the Western Balkans as a single ‘enlargement round’, but judge every candidate on its own merit. This approach strengthened the credibility of the EU’s conditionality, as less compliant candidates cannot hope to hide behind the more compliant ones. Whereas the material asymmetries sustain a credible threat to withhold membership, the salient security problems of the Western Balkans region have led the EU to prioritize stability and peace-building at the expense of democracy promotion (Richter 2012). It has lent external legitimacy to ‘stabilitocracies’ that pose as champions of reform and guarantors of stability to the outside while adopting authoritarian policies at home (Bieber 2018; Richter and Wunsch 2019). In terms of the EIM, this practice amounts to a lack of consistency in the application of democratic conditionality that undermines the democratization pressure on Western Balkan regimes as long as they deliver stability.

Arguably, however, the credibility of the EU’s promise of membership has suffered even more in comparison with the CEE enlargement. Public support for EU enlargement in the member states has eroded over time (Toshkov et al. 2014). Turkey has been affected most strongly. According to the Eurobarometer surveys, it is the least preferred among the EU’s (potential) candidates for membership. The share of those opposed to Turkish membership has ranged between 55 and 59 percent between 2005 and 2010, and this opposition is largely independent of whether or not Turkey fulfils the EU’s conditions (Dagdeverenis 2014: 7-8). Moreover, when the EU decided to start accession negotiations with Turkey, Austria discussed, and France introduced,[[4]](#endnote-4) a national referendum on future accessions. From the point of view of candidate countries, accession referendums in member states increase the number of veto players beyond the member state governments and thus reinforce their uncertainty about eventual membership.

In addition, the EU’s institutional commitment to Turkish membership has been weaker than in the case of other candidates. First, the Negotiation Framework of 2005 declares the accession negotiations as ‘open-ended’ and includes the possibility of permanent derogations. Second, the admission of a divided Cyprus to the EU imported the Cyprus conflict into the accession process with Turkey. The EU governments sceptical about Turkey’s accession obtained an agreement to make the continuation of accession negotiations dependent on Turkey’s implementation of the Additional Protocol of the Ankara Agreement that would extend the customs union to the new member states, including Cyprus. When Turkey failed to comply, the EU reacted by partially blocking the negotiations. Around half of the negotiation chapters were frozen, mostly based on vetoes from Cyprus and France.

Even though Western Balkan countries do not face any such principled or culturally motivated opposition among mainstream member state governments and parties, particular bilateral conflicts with Western Balkan countries, which have little to do with the formal membership conditions, have inhibited the accession process. The most important example is the state name dispute between Greece and Macedonia, which had led Greece to block the start of accession negotiations from 2009. In addition, several EU member states do not recognize Kosovo, and the lack of a normalized relationship between Serbia and Kosovo also blocks Serbia’s accession.

In sum, although the size of the reward that the EU offers to the SEE candidates is very high (membership) and the same size as it was for the CEE candidates, the credibility of the EU’s promise has been lower than it was during the CEE enlargement. This reduced credibility is a result of the unfavourable public opinion towards future enlargements, the increasing threat of referendums, the lack of consensus and coherence among the member states, the existence of substantial bilateral conflicts between individual member states and the candidate countries, and the weakened institutional commitment of the Commission.

*Determinacy.* The EU has repeatedly revised its enlargement strategy and membership conditions. First, the candidates of the Western Balkans became subject to the ‘Copenhagen Plus’ criteria, which add full cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY), the implementation of peace agreements, and the resolution of bilateral disputes. Moreover, the EU has set conditions related to state-building, which according to Bieber (2011) not only suffered from a lack of clear criteria but also from a cacophony of voices from other actors involved in the peace- and institution-building process.

Second, the EU has put stronger emphasis on democracy and the rule of law in SEE than in CEE. The ‘new approach’ in EU enlargement strategy has increased both salience and precision of these criteria. EU conditions in this area are now more detailed and better operationalized (by the introduction of specific opening, interim, and closing benchmarks). The relevant negotiation chapters are opened at the beginning of the negotiations and remain open until their very end, thereby giving the candidate states a longer time to adopt and implement EU conditions and the Commission a better chance to monitor compliance. The Commission can also link the opening of other chapters to progress in the rule-of-law chapters. Moreover, the EU upgraded the economic and administrative reforms it asks from the candidates (Dimitrova 2016; Zhelyazkova et al. 2018).

Consequently, the EU’s conditionality has become (partly) more determinate, but also more demanding. Whereas higher determinacy of the conditions should improve the likelihood of successful Europeanization, more demanding conditions increase the adoption costs, thereby reducing the likelihood of successful Europeanization.

*Costs.* As in CEE, EU membership has been highly popular in SEE at the beginning of the accession process. Whereas Turkish public support for membership has significantly cooled over time, it has retained majorities in the Western Balkans overall (Toshkov et al. 2014). As in the previous enlargement, the popularity of EU accession generally lowers the domestic adoption costs and induces governments to engage in Europeanization. However, public support also reflects the credibility of the accession promise. Accordingly, public support in Turkey has decreased in line with the credibility of the process. Because of the Kosovo conflict, it also suffers in Serbia.

Political and administrative adoption costs are generally higher for current candidates than in CEE. The SEE countries have started their transition and Europeanization process from a lower level of fit. Many of them were still struggling with issues of statehood and state transformation at the start of the process; Bosnia-Herzegovina and Kosovo still are. And state capture has become more entrenched than in the CEE accession period.

Domestic adoption costs therefore create a more unfavourable setting for Europeanization in SEE than in CEE. First, the governments of the region on average need to give up more power and rent-seeking opportunities and accept more constraints in order to meet the EU’s conditions, in particular in the domain of the rule of law, in which the EU has strengthened its conditionality. Second, they need to meet the Copenhagen-Plus conditions that relate to recent ethnic conflict, concern identity-sensitive issues, and thus involve potentially high political costs for governments to comply (Freyburg and Richter 2010). Overcoming such costs requires substantial and imminent rewards (Schimmelfennig et al. 2006). Finally, political conditions, which generally create higher adoption costs, continue to dominate SEE pre-accession. In CEE, violations of political conditions had mostly ended before the accession negotiations started. By contrast, the rule of law is weak in virtually all SEE countries and continues to encumber the enlargement process well into the accession negotiations.

In sum, the EU offered the SEE candidates the same membership reward as the CEE countries. It preserved the high credibility of its threat to withhold this reward in case of non-compliance and even strengthened the determinacy of its conditions and its monitoring process. On the other hand, however, the credibility of the EU’s membership promise has weakened and political and administrative domestic adoption costs have increased in general. Based on the external incentives model, we would therefore expect Europeanization to slow down and conditionality to be less effective in the SEE than in the CEE.

*Pre-accession compliance with democratic norms in the Western Balkans and Turkey*

How has the Europeanization of the current candidates proceeded and what do the outcomes tell us about the fit of the external incentives model? The left panel in Figure 2 shows the democratic trajectory of the region as a whole (Western Balkans and Turkey) in comparison with CEE. All indicators show an increase in the initial years of the period. The membership perspective accorded to SEE in 1999 clearly boosted democratic development, which continued to improve until 2009, when stagnation set in. Indications of backsliding emerge from 2014. Moreover, the SEE region has gradually advanced toward EU membership while remaining at a significantly lower level of democratic consolidation than the CEE region. This is an indication of the diminished consistency of EU democratic conditionality. For a better assessment, we need to disaggregate the SEE trajectory by SEE country, however (right panel of Figure 2)

First, the data confirm that the EU has been largely consistent in rewarding the countries of the region for their progress. Croatia, the only SEE country to obtain accession since 2007, clearly comes out top-of-the-league. Serbia and Montenegro, the two Western Balkan countries currently in accession negotiations, rank behind Croatia but ahead of the other Western Balkan countries. When Turkey started accession negotiations in 2005, its democratic performance was better than that of the Western Balkan countries except Croatia. Thus, the credibility problems that EU conditionality has in the region do not stem from inconsistency.

Yet EU accession conditionality has not been able to induce sufficient and sustainable progress in the political development of its candidate countries. That Bosnia-Herzegovina and Kosovo have remained at the bottom of the league testifies to the failure of EU conditionality in state-building (Bieber 2011). The cases of failure are clearly overdetermined, combining distant and uncertain rewards with particularly high domestic adaptation costs owing to powerful internal (and external) veto players and low state capacity.

As argued above, Turkey and Macedonia are the two countries whose membership perspective has become least credible over time. The effects can be seen in the trajectories of the two countries’ liberal-democratic performance. Initial progress gave way to regression when it became clear that the EU would not reward their efforts in the near future.

In Turkey, a combination of external incentives and reduced political costs triggered the initial reforms, which earned Turkey the start of the accession negotiations (Kubicek 2011; Müftüler-Bac 2005; Schimmelfennig et al. 2006). The official candidate status of 1999 raised the credibility of Turkey’s membership perspective; the electoral victory of the AKP brought a party to power that had a strong self-interest in constraining and reforming the Kemalist state. After 2005, perceptions of EU double standards gained ground in Turkey, the political consensus behind the reform process broke down, and the Turkish government reoriented its international relations away from the EU (Kubicek 2011). Whereas the process of Europeanization has not completely halted after 2005, it has been limited to selective policy areas, driven by the government’s domestic political interest (e.g. Yilmaz and Soyaltin 2014) or socialization and anticipatory compliance in policy networks (Aydin and Kirisci 2013; Bürgin and Asikoglu 2017). Since 2010, however, a process of ‘de-Europeanization’ has become dominant (Yilmaz 2016). The Turkish case shows most clearly how the decrease in the credibility of the EU’s conditional membership promise has resulted in a decrease of the EU’s influence on the country’s general political development.

Macedonia has been an early and eager ‘Europeanizer’ in the Western Balkans. After its membership application in 2004 and obtaining candidate status in 2005, Macedonia engaged in high legislative activity to bring its institutions and policies in line with the EU, earning the country a series of recommendations by the European Commission to start accession negotiations, only to be vetoed by Greece. Since 2010, Macedonia’s rule adoption has slowed down, interrupted by a short period of heightened activity when the High Level Accession Dialogue appeared to be able to overcome the name dispute in 2012/13. During the same time, the Macedonian government of Nikola Gruevski stepped up state capture, revealed in the ‘wiretapping scandal’ of 2015 and causing prolonged political crisis. The resolution of the name dispute in 2019 should increase the credibility of the membership reward.

Finally, the EU is still able to elicit compliance with its demands, even if they involve high political costs, as long as it offers important and imminent intermediate rewards in return. In the case of Croatia, for instance, when the EU made the start of accession negotiations specifically dependent on the arrest of suspected war criminal General Gotovina, Croatia cooperated with the ICTY (Schimmelfennig 2008). When the closing of accession negotiations approached, the Croatian government demonstrated resolve in the fight against corruption by arresting former Prime Minister Sanader (from the same political party) in December 2010 (Noutcheva and Aydin-Düzgit 2012). The EU has now created many ‘windows for leverage’ (O’Brennan 2014), from the start of association negotiations to the decisions on closing benchmarks for individual negotiation chapters. These ‘micro-conditionalities’ have, indeed, helped to move the integration processes forward incrementally – especially in the cases of Croatia and Serbia, which were not durably blocked by bilateral conflicts with the member states. In the same vein, the EU has sought to compensate the distant and uncertain reward of membership with a series of smaller, sectoral agreements that would commit the Western Balkan countries to specific policy rules in return for short-term rewards in areas such as energy and border policy and visa liberalization (Renner and Trauner 2009; Trauner 2009).

In sum, the major difference between CEE and SEE enlargement is the combination of higher adoption costs with a lower credibility of the EU’s conditionality. Not only did the SEE countries start from a greater distance from EU standards and faced additional prerequisites of accession, but they were also given a more distant and uncertain membership perspective. This discrepancy slowed down Europeanization in the entire region, especially in those countries that suffered from weak statehood and were entangled in bilateral conflicts with a member state.

**Conclusions**

This article revisited the EIM, first developed in the CEE pre-accession period, by applying it to two new empirical contexts: CEE post-accession and SEE pre-accession. In the CEE pre-accession period, the EIM explains Europeanization with favourable conditions. Rewards were high and credible, domestic adoption costs moderate, and in the few cases, in which political costs were high (such as minority rights in the Baltic countries), they were overcome by even higher imminent rewards. In the two post-Eastern enlargement contexts we have examined in this article, the setting of some conditions has changed (see Table 1 above).

In the CEE post-accession period, conditions vary significantly between the market acquis and the EU’s liberal democratic norms. The defiant stance of the EU’s ‘illiberal democracies’ vis-à-vis EU institutions fits the prediction of the EIM based on the low credibility of sanctions and high domestic costs – and in spite of a potentially significant loss of membership rewards if sanctions were actually applied. By contrast, higher credibility of sanctions for non-compliance and lower compliance costs are more conducive to compliance with the single market acquis.

In the CEE and SEE pre-accession contexts, the EU offers the same (high) rewards, but their credibility has diminished significantly. As predicted by the EIM, compliance has suffered overall. Moreover, it has varied across time and countries in line with variation in the credibility of EU rewards.

The comparative evidence thus highlights the central importance of credibility. Credibility is the only condition showing full correspondence with the pattern of compliance. Even if incentives (rewards and sanctions) are strong in principle, they fail to affect compliance if they lack credibility. In addition, highly credible incentives have proven capable of overcoming considerable domestic costs in the pre-accession periods. The decline of credibility is the most important factor in the decline of the Europeanization effects of the EU’s enlargement policy.

Our comparative analysis suggests that even as the power of EU conditionality has waned, the EIM continues to account plausibly for the conditions of Europeanization of new member states and candidate countries. Beyond this general finding, the comparison has singled out credibility as the key condition of compliance. Furthermore, our comparison shows that the abstract concepts of the EIM mask significant particularities in the regional and institutional contexts. Whereas the concept of ‘rewards’ travels easily from CEE to SEE pre-accession, it acquires a different meaning in the post-accession phase (absence of sanctions), and whereas the lacking credibility of the threat is the main impediment for effective post-accession democratic conditionality, SEE pre-accession conditionality is mainly affected by the credibility of the promise. Above all, the relevant ‘domestic adoption costs’ vary strongly in kind across the selected cases (such as administrative capacity in the case of acquis conditionality, authoritarian control of the state in the case of democratic conditionality, and ‘identity costs’ in the Baltics and the Western Balkans). Across all contexts, however, political elites balance (more or less) credible external incentives against domestic costs of compliance in making decisions on compliance.

Moreover, it is clear in hindsight that the EIM is based on background conditions that appeared taken for granted at the time it was developed. The CEE pre-accession was characterized by a benign geopolitical environment and a favourable domestic environment in both the old and the prospective member states. The EU and its enlargement were not fundamentally contested either internationally or domestically. In this context, it seemed adequate to conceive of Europeanization as a top-down process based on the calculation and manipulation of costs of benefits. These background conditions have obviously changed, owing to the domestic politicization of the EU in the member states, the prevalence of identity politics and the geopolitical competition for influence in the East of Europe. Whereas these developments ultimately translate into a diminished credibility of EU incentives and higher domestic adoption costs in the target countries, they require theorists of Europeanization to start from a broader analysis of its domestic and international context.

**Notes**

**Acknowledgments**

For comments on previous versions, we thank participants in the Europeanization Revisited workshop at the European University Institute, Florence, in June 2017 and three reviewers for JEPP.

**Disclosure statement**

No potential conflict of interest was reported by the author.

**Notes on contributor**

*Frank Schimmelfennig* is professor of European politics at ETH Zurich, Switzerland, Center for Comparative and International Studies. *Ulrich Sedelmeier* is associate professor in International Relations at the London School of Economics and Political Science.

**References**

Aydin, U. and Kirisci, K. (2013) ‘With or Without the EU: Europeanisation of Asylum and Competition Policies in Turkey’, *South European Society and Politics* 18(3): 375-395.

Bieber, F. (2011) ‘Building Impossible States? State-building Strategies and EU Membership in the Western Balkans’, *Europe-Asia Studies* 63(10): 1783-1802.

Bieber, F. (2018) ‘Patterns of competitive authoritarianism in the Western Balkans’, *East European Politics* 34(3): 337-354.

Blauberger, M. (2009) ‘Compliance with rules of negative integration: European state aid control in the new member states’, *Journal of European Public Policy* 16(7): 1030-1046.

Börzel, T.A., Hofmann, T., Panke, D., and Sprungk, C. (2010) ‘Obstinate and Inefficient: Why Member States Do Not Comply With European Law’, Comparative Political Studies 43(11): 1363-1390.

Börzel, T.A. and Sedelmeier, U. (2017) ‘Larger and More Law-Abiding? The Impact of Enlargement on Compliance in the European Union’, *Journal of European Public Policy* 24(2): 197-215.

Bürgin, A. and Asikoglu, D. (2017) ‘Turkey’s New Asylum Law: a Case of EU Influence’, *Journal of Balkan and Near Eastern Studies* 19(2): 121-135.

Dagdeverenis, D. (2014) EU Public Opinion and Turkey’s Membership (Bridging Europe, EU-Turkey Dialogue Initiative Working Paper 2), available at <http://www.bridgingeurope.net/uploads/8/1/7/1/8171506/working_paper_on_eu_public_opinion_on_turkey_dagdeverenis_august.pdf>.

Dimitrova, A. (2016) The EU’s Evolving Enlargement Strategies. Does Tougher Conditionality Open the Door for Further Enlargement? (MAXCAP Working Paper 30), available at <http://userpage.fu-berlin.de/kfgeu/maxcap/system/files/maxcap_wp_30.pdf>.

Epstein, R. and Sedelmeier, U. (2008) ‘Beyond conditionality: international institutions in postcommunist Europe after enlargement’, *Journal of European Public Policy 15*(6): 795-805.

Falkner, G., Treib, O. and Holzleithner, E. (2008) *Compliance in the Enlarged European Union: Living Rights or Dead Letters?* Aldershot: Ashgate.

Freyburg, T. and Richter, S. (2010) ‘National identity matters: the limited impact of EU political conditionality on the Western Balkans’, *Journal of European Public Policy* 17(2): 263-281.

Gerring, J. (2007) *Case Study Research. Principles and Practices*. Cambridge: Cambridge University Press.

Grabbe, H. (2006) *The EU's Transformative Power: Europeanization through Conditionality in Central and Eastern Europe.* Basingstoke: Palgrave.

Kelley, J.G. (2004) *Ethnic Politics in Europe: The Power of Norms and Incentives.* Princeton, NJ: Princeton University Press.

Kubicek, P. (2011) ‘Political Conditionality and European Union’s cultivation of Turkish democracy’, *Democratization* 18(4): 910-931.

Müftüler-Bac, M. (2005) Turkey’s Political Reforms and the Impact of the European Union, *South European Society and Politics* 10(1): 17-31.

Noutcheva, G. and Aydin-Düzgit, S. (2012) ‘Lost in Europeanisation: The Western Balkans and Turkey’, *West European Politics* 35(1): 59-78.

O’Brennan, J. (2014) ‘On the Slow Train to Nowhere? The European Union, “Enlargement Fatigue”, and the Western Balkans, *European Foreign Affairs Review* 19(2): 221-241.

Pridham, G. (2005) *Designing Democracy. Eu Enlargement and Regime Change in Post-Communist Europe*. Basingstoke: Palgrave.

Renner, S. and Trauner, F. (2009) ‘Creeping EU Membership in Southeast Europe: The Dynamics of EU Rule Transfer to the Western Balkans’, *European Integration* 31(4): 449-465.

Richter, S. (2012) ‘Two at one blow? The EU and its quest for security and democracy by political conditionality in the Western Balkans’, *Democratization* 19(3): 507-534.

Richter, S. and Wunsch, N. (2019) Money, power, glory: The linkages between EU conditionality and state capture in the Western Balkans, *Journal of European Public Policy*, online first, 17 February 2019 https://doi.org/10.1080/13501763.2019.1578815

Schimmelfennig, F. (2008) ‘EU Political Conditionality After the 2004 Enlargement: Consistency and Effectiveness’, *Journal of European Public Policy* 15(6): 918-937.

Schimmelfennig, F., Engert, S. and Knobel, H. (2006) *International Socialization in Europe. European Organizations, Political Conditionality and Democratic Change.* Basingstoke: Palgrave Macmillan.

Schimmelfennig, F, and Sedelmeier, U. (2004) ‘Governance by Conditionality: EU Rule Transfer to the Candidate Countries of Central and Eastern Europe’, *Journal of European Public Policy* 11(4): 661-79.

Schimmelfennig, F. and Sedelmeier, U. (Eds.) (2005a) *The Europeanization of Central and Eastern Europe*. Ithaca: Cornell University Press.

Schimmelfennig, F. and Sedelmeier, U. (Eds.) (2005b) ‘Introduction: Conceptualizing the Europeanization of Central and Eastern Europe’, in Schimmelfennig, F. and Sedelmeier U. (eds.), *The Europeanization of Central and Eastern Europe*. Ithaca: Cornell University Press, 1-28.

Schimmelfennig, F. and Sedelmeier, U. (Eds.) (2005c) ‘Conclusions: The Impact of the EU on the Accession Countries’, in Schimmelfennig, F. and Sedelmeier U. (eds.), *The Europeanization of Central and Eastern Europe*. Ithaca: Cornell University Press, 210-228.

Sedelmeier, U. (2008) ‘After conditionality: Post-accession compliance with EU law in East Central Europe’, *Journal of European Public Policy 15*(6): 806-825.

Sedelmeier, U. (2012) ‘Is Europeanization through conditionality sustainable? Lock-in of institutional change after EU accession’, *West European Politics* 35:1 (2012): 20-38.

Sedelmeier, U. (2014) ‘Anchoring Democracy from Above? The European Union and Democratic Backsliding in Hungary and Romania after Accession’, *Journal of Common Market Studies* 52(1), 105-121.

Sedelmeier, U. (2016) ‘Compliance after Conditionality: Why Are the European Union’s New Member States So Good?’, (MAXCAP Working Paper No. 22), available at http://userpage.fu-berlin.de/kfgeu/maxcap/system/files/maxcap\_wp\_22.pdf

Sedelmeier, U. (2017) ‘Political safeguards against democratic backsliding in the EU: the limits of material sanctions and the scope of social pressure’, *Journal of European Public Policy* 24(3): 337-351.

Steunenberg, B. and Toshkov, D. (2009) ‘Comparing transposition in the 27 member states of the EU: the impact of discretion and legal fit’, *Journal of European Public Policy* 16(7): 951-970.

Toshkov, D. (2008) ‘Embracing European law - Compliance with EU directives in Central and Eastern Europe’, *European Union Politics* 9(3): 379-402.

Toshkov, D., Kortenska, E., Dimitrova, A. and Fagan, A. (2014) The ‘Old’ and the ‘New’ Europeans: Analyses of Public Opinion on EU Enlargement in Review (MAXCAP Working Paper 2), available at <http://userpage.fu-berlin.de/kfgeu/maxcap/system/files/maxcap_wp_02.pdf>.

Trauner, F. (2009) ‘From Membership Conditionality to Policy Conditionality: EU External Governance in South Eastern Europe’, *Journal of European Public Policy* 16(5): 774-790.

Vachudova, M. (2005) *Europe Undivided: Democracy, Leverage, and Integration since 1989*. Oxford: Oxford University Press.

Vachudova, M. (2014) ‘EU Leverage and National Interests in the Western Balkans: The Puzzles of Enlargement Ten Years On’, *Journal of Common Market Studies* 52(1): 122-138.

Yilmaz, G. (2016) ‘From Europeanization to De-Europeanization: The Europeanization Process of Turkey in 1999-2014’, *Journal of Contemporary European Studies* 24(1): 86-100.

Yilmaz, G. and Soyaltin, D. (2014) ‘Zooming into the “Domestic” in Europeanization: Promotion of Fight against Corruption and Minority Rights in Turkey’, *Journal of Balkan and Near Eastern Studies* 16(1): 11-29.

Zhelyazkova, A., Damjanovski, I., Nechev, Z. and Schimmelfennig, F. (2018) ‘European Union Conditionality in the Western Balkans: External Incentives and Europeanisation’, in Dzankic, J., Keil, S. and Kmezic, M. (eds.) *The Europeanisation of the Western Balkans. A Failure of EU Conditionality?* Springer, 15-37.

Zhelyazkova, A., Kaya, C., and Schrama, R. (2017) ‘Notified and substantive compliance with EU law in enlarged Europe: evidence from four policy areas’, *Journal of European Public Policy* 24(2): 216-238.

1. Possible exceptions are the conditions to qualify for Eurozone membership, as well as the link that some member states have made between progress in fighting corruption and Schengen membership (which requires a unanimous decision of its members), although it is not a formal EU position. [↑](#endnote-ref-1)
2. See <http://ec.europa.eu/trade/policy/countries-and-regions/regions/western-balkans/> (accessed 5 May 2019). [↑](#endnote-ref-2)
3. <https://webgate.ec.europa.eu/isdb_results/factsheets/country/details_turkey_en.pdf> (accessed 5 May 2019). [↑](#endnote-ref-3)
4. A referendum is necessary unless the National Assembly and the Senate, meeting as the Congress of the French Parliament, endorse accession with a 3/5 majority. [↑](#endnote-ref-4)