

WORKING PAPER

KFG
The
Transformative
Power of Europe

WHEN EUROPEANIZATION HITS LIMITED STATEHOOD

The Western Balkans as a Test Case for the Transformative Power of Europe

Tanja A. Börzel

No. 30 | September 2011



Freie Universität



Berlin

KFG Working Paper Series

Edited by the *Kolleg-Forscherguppe* “The Transformative Power of Europe”

The KFG Working Paper Series serves to disseminate the research results of the Kolleg-Forscherguppe by making them available to a broader public. It means to enhance academic exchange as well as to strengthen and broaden existing basic research on internal and external diffusion processes in Europe and the European Union.

All KFG Working Papers are available on the KFG website at www.transformeurope.eu or can be ordered in print via email to transform-europe@fu-berlin.de.

Copyright for this issue: Tanja A. Börzel

Editorial assistance and production: Farina Ahäuser and Julia Stark

Börzel, Tanja A. 2011: When Europeanization Hits Limited Statehood. The Western Balkans as a Test Case for the Transformative Power of Europe, KFG Working Paper Series, No. 30, September 2011, Kolleg-Forscherguppe (KFG) “The Transformative Power of Europe”, Freie Universität Berlin.

ISSN 1868-6834 (Print)

ISSN 1868-7601 (Internet)

This publication has been funded by the German Research Foundation (DFG).

Freie Universität Berlin
Kolleg-Forscherguppe
“The Transformative Power of Europe:
The European Union and the Diffusion of Ideas”
Innestr. 26
14195 Berlin
Germany
Phone: +49 (0)30- 838 57033
Fax: +49 (0)30- 838 57096
transform-europe@fu-berlin.de
www.transformeurope.eu



WHEN EUROPEANIZATION HITS LIMITED STATEHOOD

THE WESTERN BALKANS AS A TEST CASE FOR THE TRANSFORMATIVE POWER OF EUROPE

Tanja A. Börzel

Abstract

The EU seeks to transform the domestic structures of the Western Balkan countries in order to foster peace, stability and prosperity in the region ridden by war and ethnic conflict. Unlike in case of the Mediterranean and Newly Independent States, the EU has even offered its South Eastern European neighbors a membership perspective. Whether the “golden carrot” is big enough, however, to draw the Western Balkans closer to Europe, is still an open question. Croatia has made sufficient progress to successfully conclude accession negotiations in the years to come. The EU rewarded domestic reforms in Macedonia and Montenegro with granting them candidate status, which Serbia is likely to receive in the near future. Albania, by contrast, appears to be more reluctant to engage in the changes necessary to get even with Macedonia and Montenegro. Bosnia Herzegovina and Kosovo, finally, are seriously lagging behind and have not even applied for membership. Can Europeanization approaches account for the differential impact of the EU in the Western Balkans? The paper argues that problems of limited statehood have seriously curbed the transformative power of the EU in the Western Balkans - despite their membership perspective. Not only has the EU exerted less pressure for adaptation on Western Balkan governments. Weak state capacities and ethnic conflicts have reduced both their willingness and capacity to implement the *acquis communautaire*. Given its lack of experience in state building, the EU is ill-equipped to address these problems. This results in a serious dilemma. On the one hand, the EU has offered the Western Balkans a membership perspective to stabilize the region and overcome problems caused by weak and contested statehood. On the other hand, it is the limited statehood of Western Balkan countries, which undermines their compliance with EU norms and rules.

The Author



Tanja A. Börzel is Professor of Political Science and holds the chair for European Integration at the Otto Suhr Institute of Political Science, Freie Universität Berlin. Her research concentrates on questions of Governance, institutional change as a result of Europeanization as well as on the diffusion of ideas and policies within and outside of the European Union. Since October 2008, she coordinates the Research College “The Transformative Power of Europe” together with Thomas Risse.

Contact: europe@zedat.fu-berlin.de

Contents

1. Introduction	5
2. Hitting its Borders: The Domestic Impact of Europe on the Western Balkans	6
2.1 <i>What Does it Take? Factors Mediating the Transformative Power of Europe</i>	6
2.2 <i>Limited Statehood and the Western Balkans: The Missing Link</i>	8
2.3 <i>Statehood and Progress towards EU Accession</i>	10
2.4 <i>The EU as a State-Builder?</i>	11
3. Conclusions	14
Literature	16

1. Introduction

Research on Europeanization and domestic change is thriving. With the borders of the European Union (EU) having moved eastwards, we have been awarded yet another real-world experiment on the domestic impact of the EU. As in case of the Central and Eastern European countries (CEE), the EU seeks to transform the domestic structures of the Western Balkan countries in order to foster peace, stability and prosperity in the region ridden by war and ethnic conflict. Unlike in case of the Mediterranean and Newly Independent States, the EU has even offered its South Eastern European neighbors a membership perspective.

Whether the “golden carrot” is big enough, however, to draw the Western Balkans closer to Europe, is still an open question. Not only is the misfit with EU demands for political and economic reforms much greater than in case of the CEE. The EU has exerted less pressure for adaptation on Western Balkan governments. Moreover, weak state capacities and ethnic conflicts have reduced both their willingness and capacity to implement the *acquis communautaire*. This paper will argue that problems of limited statehood have seriously curbed the transformative power of the EU in the Western Balkans – despite their membership perspective.

For students of Europeanization, this should not come as a surprise given the combination of high costs, limited incentives and low reform capacities. The real puzzle is why we do find Europeanization despite these unfavorable conditions and why the domestic impact of the EU has been differential. Croatia has made sufficient progress to successfully conclude accession negotiations in the years to come. The EU rewarded domestic reforms in Macedonia and Montenegro with granting them candidate status, which Serbia is likely to receive in the near future. Albania, by contrast, appears to be more reluctant to engage in the changes necessary to get even with Macedonia and Montenegro. Bosnia Herzegovina and Kosovo, finally, are seriously lagging behind and have not even applied for membership.

Can Europeanization approaches account for the differential impact of the EU in the Western Balkans? The paper will discuss to what extent the findings of the Europeanization literature travel South East. I will start by summarizing the main findings of research on “Europeanization East” focusing on factors that have limited or at least qualified the domestic impact of the EU in the ten Central and Eastern European countries that joined the EU in 2004 and 2007 (“CEE 10”). The second part of the paper will discuss whether the concepts and causal mechanisms developed in the research on “Europeanization East” to explain the domestic impact of the EU in Central and Eastern European countries need further qualification when applied to countries, such as the Western Balkans, that may lack both the willingness and the capacity of adapting to the EU. I argue that limited statehood is the main impediment for the Western Balkans on their road to Brussels. Limited statehood affects both the capacity and the willingness of countries to conform to the EU’s expectations for domestic change. Unlike the CEE, the Western Balkans have all suffered from problems of limited statehood, although in different ways. Given its lack of experience in state building, the EU is ill-equipped to address these problems. This results in a serious dilemma. On the one hand, the EU has offered the Western Balkans a membership perspective to stabilize the region and overcome problems caused by weak and contested statehood. On the other hand, it is the limited statehood of Western Balkan countries, which undermines their compliance with EU norms and rules. The paper concludes with some

general reflections on the limits of Europeanization. The EU is unlikely to deploy much transformative power in its neighborhood as long as it does not adjust its “accession tool box” to countries whose statehood is seriously limited.

2. Hitting its Borders: The Domestic Impact of Europe on the Western Balkans

With its “big bang” enlargement, the EU has sought to expand the reach of its transformative power to the new neighbors. While the CEE had made steady progress towards becoming consolidated democracies with functioning market economies, the Western Balkans remain “borderline cases of transition” (Elbasani 2012c). Albania, Macedonia, Bosnia Herzegovina and Kosovo are still only partly free and suffer from serious problems of bad governance with regard to the effectiveness and democratic legitimacy of their domestic institutions. Bad governance has not only undermined the stability, peace and prosperity of the region. It has also weakened compliance of the Western Balkan countries with the Copenhagen Criteria after the EU offered them a membership perspective in 2000. Secessionist movements, unsettled borders, ethnic tensions, deficient state capacity and/or strong clientelistic networks have severely mitigated the transformative power of the EU. We find such problems even in more consolidated states such as Croatia and Serbia. The rather unfavorable domestic scope conditions render the Western Balkans a formidable test case for Europeanization approaches with their emphasis on membership conditionality shared by policy-makers in the EU. After having miserably failed to promote, not to mention protect, human rights, rule of law and democracy in the Western Balkans, the member states played their last card and offered the war-torn countries a membership perspective. With this prospective reward for compliance with the Copenhagen Criteria, the EU has hoped to tip the balance in favour of domestic reforms and further democratization. Not surprisingly, the EU Western Balkan policy is very similar in design and content of its Eastern enlargement framework. With some exceptions, the Stabilisation and Association Process represents “little more than a repackaging of the forms of cooperation pursued by the EU with the CEE countries” (Friis/Murphy 2000).

2.1 *What Does it Take? Factors Mediating the Transformative Power of Europe*

Expectations to promote successful Europeanization through accession conditionality had been indeed high, both among politicians and academics. They started to sober quickly, though. Unlike in CEE, democratization and economic transition have proceeded only slowly, frequently stalled and in some cases even relapsed. At least students of Europeanization should have known better. Rather than puzzling over why the EU has not been able to replicate the success story of Eastern enlargement in the Western Balkans, they should have paid closer attention to the scope conditions on which the transformative power of the EU in the CEE could rely.

The Europeanization literature has identified several factors upon which the EU’s domestic impact hinges. The two most prominent are the *costs of adaptation* or *compliance* as function of the misfit between EU

requirements and domestic conditions, on the one hand, and the *external push* of the EU to comply with its requirements, mostly based on the consistent application of conditionality, on the other. Misfit and external push combine in the *pressure for adaptation* the EU exerts on a target country. Its impact is mediated by domestic factors such as veto players, norm entrepreneurs and formal or informal institutions (cf. Börzel/Risse 2003). The combination of high compliance costs due to institutional and policy misfit, significant pressure of adaptation generated by EU conditionality and weak domestic veto players largely accounts for the successful Europeanization of CEE countries in the process of their accession to the EU. Europeanization empowered reform actors within government to lock-in and push through domestic reforms (Jacoby 2006; Vachudova 2005).

Like in the CEE countries, Europeanization has empowered Western Balkan reformists and moderates over nationalist forces to introduce domestic change. By the late 1990s, the EU's willingness to withdraw support and shun the Tudjman regime has emboldened democratic opposition in Croatia. The leverage of the EU was also crucial for the democratization of the nationalist Croatian Democratic Union (HDZ), who made EU membership the primary goal after 2003 and ousted hard liners from top positions in the party leadership. Similarly, the EU's strong stance against the Milosevic regime as much as the use of coercive instruments strengthened support for the opposition forces and facilitated their electoral victory in the 2000 elections. If domestic veto players have mattered, they delayed rather than forestalled compliance with EU requirements (Schimmelfennig/Sedelmeier 2006; Börzel 2011). At the same time, domestic resistance and institutional inertia were mitigated by the confluence of domestic transformation and accession with political and economic institutions being still in flux (Héritier 2005; Elbasani 2012c).

While the rationalist mechanisms of "differential empowerment through conditionality" seemed to dominate the accession process of the ten CEE countries (Andonova 2003; Grabbe 2006; Vachudova 2005; Pridham 2005), socialization and social learning did play a role, too (Schimmelfennig/Sedelmeier 2005; Kelley 2004; Kubicek 2003). Next to financial and technical assistance, the EU also provided accession countries with legitimacy to enact domestic change. The strong domestic consensus in favor of EU membership in their "return to Europe" allowed CEE decision-makers to silence domestic veto players inside and outside government, despite the considerable costs incurred by EU policies. Moreover, the Copenhagen Criteria strongly resonated with the reform agenda of policy-makers and large parts of the societies in the CEE countries supporting political and economic transition started by the "velvet revolution" in 1989. The legitimacy of the EU generated sufficient diffuse support through the identification with Europe that often trumped cost/benefit calculations in the adoption of and adaptation to the *acquis communautaire* and balanced nationalist beliefs. It also facilitated access and influence of (trans-)national norm entrepreneurs who had little difficulties in invoking the resonance of EU requirements with domestic norms and values as to increase their acceptance and promote their internalization. While it did not forge completely new identities, EU accession reinforced the identification with Europe (Risse 2010).

In the Western Balkans, public support for EU norms and values and EU membership more broadly speaking is more fragile. While Europeanization and democratizations are clearly linked, there is public resentment whenever EU demands for compliance with the Copenhagen Criteria clash with nationalist beliefs, e.g. regarding the role of minorities and the extradition of war criminals to the International Criminal Tribunal for the Former Yugoslavia (ICTY) (Mendelski 2012; Boduszynski 2012; Stojanovic 2012). The legacies of the past resonate less with the EU's reform agenda and undermine its legitimacy (Elbasani 2012c).

Overall, rationalist and sociological institutionalist approaches are well-equipped to explain the (differential) impact of pre-accession or Enlargement Europeanization in the CEE and Western Balkan candidate countries. While domestic mediating factors played a less prominent role than in membership Europeanization, they did mitigate the domestic impact of accession, particularly beyond the legal implementation of EU policies (Börzel 2009; Elbasani 2012c).

The dominance of “differential empowerment through conditionality” has given rise to concerns about “shallow Europeanization” (Goetz 2005: 262) or “Potemkin harmonization” (Jacoby 1999) since sustainable compliance with (costly) EU policies ultimately requires internalization. While the EU introduced impressive reforms “*on paper*”, developments on the ground are “*modest to nil*” (Mungiu-Pippidi 2005: 22). The CEE countries formally adopted a massive amount of EU legislation, which, however, is often not properly applied and enforced and thus, has not changed actors’ behavior (Falkner et al. 2008; Börzel 2009). Such institutional decoupling was to be expected. Why should CEE countries invest their still scarce resources in “deep Europeanization” after the major incentive of membership was lost? Another factor that has limited the domestic impact of EU accession and accounts for its differential outcome is the limited administrative capacities of the CEE candidate countries (Schimmelfennig/Sedelmeier 2006; Noutcheva/Bechev 2008; Börzel 2009).

In the Western Balkans, history seems to repeat itself. While formal compliance with EU norms and rules is progressing, rule-consistent behavior is still scarce (cf. Elbasani 2012a). In order to explore such problems of “decoupling”, we need to go beyond formal adaptation and systematically study the implementation of domestic reforms where factors mediating the domestic impact of Europe become even more important.

2.2 *Limited Statehood and the Western Balkans: The Missing Link*

Veto players, norm entrepreneurs or formal and informal institutions affect the willingness of domestic actors to adopt EU norms and rules. Yet, empowering domestic reform coalitions is not enough if actors lack the necessary infrastructural capacities to introduce domestic change. The weak administrative capacities of the CEE candidate countries significantly limited the domestic impact of EU accession (Schimmelfennig/Sedelmeier 2006; Noutcheva/Bechev 2008; Börzel 2009). In the Western Balkans, the lack of state capacities is even more pronounced and exacerbated by the contentedness of borders and political authority. Statehood has two dimensions related to sovereignty (Risse 2011). The first dimension refers to the uncontested claim to the legitimate monopoly of force over a territory (domestic sovereignty) recognized by the international community (international sovereignty, cf. Krasner 1999). The second dimension also concerns domestic sovereignty but focuses less on the legitimate monopoly of force but the capacity (organizational, financial and cognitive resources) to make and enforce collectively binding rules in a given territory.

Like the mediating factors, statehood affects both the capacity and the willingness to respond to EU pressure for adaption. First, the legal adoption and implementation of EU norms and rules requires significant state capacity. The Copenhagen Criteria, therefore, require accession countries not only to transpose EU law into national legislation, which is less resource-intensive since staff, expertise and money can be

concentrated at the central level. They also need to have the administrative infrastructure in place to put EU laws into practice. It is at the decentralized levels of governments, where the capacity to practically apply and enforce EU policies is most wanting. The Western Balkans have engaged in significant formal domestic change – even the weakest and most contested states have legally adopted EU norms and rules, including in areas where costs are high. The issue is effective implementation and enforcement. Similar to the CEE, the Western Balkans suffer from serious problems of decoupling between formal institutional changes and prevailing informal institutions and behavioral practices. Macedonia adopted an electoral code in compliance with international standards but clientelistic strategies of attracting voters still persist (Giandominico 2012). In a similar vein, Albania has adopted a comprehensive administrative reform, which, however has done little to stop the politicization of public administration (Elbasani 2009, 2012a). In both cases corruption and clientelism have undermined the effectiveness of the formal institutional changes. Weak state capacity also accounts for the limited effectiveness of the Environmental Impact Assessment framework, where state actors are not only too weak to implement and enforce the legal framework but also involve stakeholders in environmental policy-making in Bosnia Herzegovina (Fagan 2012). Finally, it explains why (EU-induced) judicial reforms in South Eastern Europe have not made much of a difference with regard to the rule of law (Mendelski 2012). Indeed, the EU's efforts to promote democracy have been at best differential (Noutcheva/Düzgit 2012).

Limited statehood seems to be the main cause of ineffective implementation of EU-induced reforms and the decoupling between formal institutional changes and rule-inconsistent behavior. It does not only affect the capacity to comply with EU expectations for domestic change but has also implications for the willingness of incumbent elites to adopt and implement reforms in the first place. The Europeanization literature has identified misfit as the key determinant of the costs actors face in the adoption of and adaptation to EU norms and rules. Change is always costly. Introducing political and economic reforms does not only require money, staff, expertise and information. It also creates political costs for governments, which risk losing public support, or political power altogether, over imposing costly and unpopular changes. The enlargement literature has focused on the democratic quality of a regime as the main factor influencing the costs of Europeanization (cf. Schimmelfennig 2005). Differential empowerment (by conditionality) requires liberal reform coalitions, within and outside the government. Democracy also seems to matter for the Europeanization of the Western Balkans. Differential empowerment has mostly worked in Croatia and Serbia, which are the only Western Balkans ranked as free by the Freedom House Index. In both countries, EU helped to strengthen the liberal opposition, which eventually ousted the ultra-nationalist and unreformed communists in 2000 (Noutcheva/Düzgit 2012).

Human rights, democracy and the rule of law are certainly important when it comes to determining the overall misfit between EU institutional requirements for closer cooperation and membership in the Western Balkans. The lower the democratic quality of a country is, the higher the costs of adaptation, which may become prohibitive, particularly in areas relevant to political power, such as judicial reform. Yet, limited statehood may equally impose costs as the cases of Croatia and Serbia demonstrate. Both countries have sufficient state capacity to introduce political and economic reforms. Progress towards closer relations with the EU was more inhibited by their unwillingness to cooperate with the ICTY. The extradition of war criminals like Mladic or Gotovina not only implied considerable political costs for the Croatian and Serbian government, since they were considered national heroes by larger parts of the population (Boduszyński

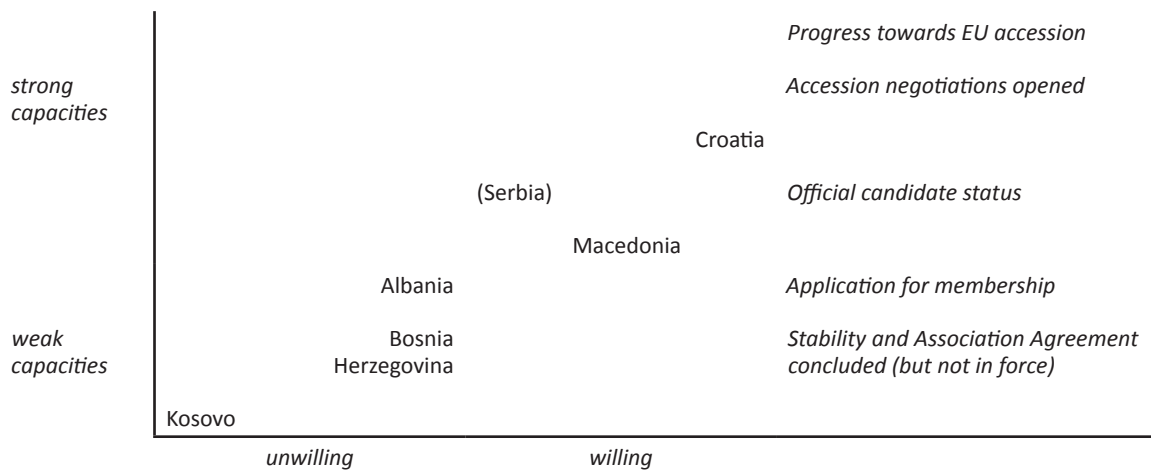
2012; Stojanovic 2012). It also impinged on the sovereign right of the two states to make autonomous decisions on issues of national interest. In a similar vein, the EU has expected Serbia to accept a serious inference with its territorial integrity by recognizing the independence of Kosovo (Stojanovic 2012). The protection of minority rights and the regional cooperation with neighbors, which both range high on the EU's agenda, is also more costly for countries, whose borders are still contested and ethnic identities continue to clash.

2.3 *Statehood and Progress towards EU Accession*

Unlike the CEE, the Western Balkan countries all face serious problems of limited statehood (Elbasani 2012b, 2008). In Kosovo and Bosnia Herzegovina, international and domestic sovereignty is externally constrained and ethnically contested, borders are unsettled and constitutional issues unresolved. Moreover, the accommodation of secessionists by power-sharing arrangements weakens the power of central government, also because the Serbs in Kosovo and Bosnia Herzegovina have no interest in strong state institutions (Biermann 2012). Albania, Macedonia and Montenegro suffer (more) from weak state capacities due to a lack of resources (staff, expertise, funds) as well as institutionally-entrenched structures of corruption and clientelism. The statehood of Croatia and Serbia, by contrast, is rather consolidated. Cooperation with the ICTY and the independence of Kosovo have impinged on the willingness rather than the capacity of Croatia and Serbia, respectively, to introduce domestic reforms required for closer relations with the EU (see below).

The different degrees of statehood correlate highly with the differential progress the Western Balkans have made in moving closer to the EU. Croatia is the poster child of the Western Balkans and closest to accession, followed by Montenegro, Macedonia and Albania, while Bosnia Herzegovina and Kosovo trail behind. Serbia is somewhat a special case because problems of statehood have impaired its willingness rather than capacity to comply with EU conditions for closer relations. The EU will have little reason to deny Serbia candidate status once it has come to terms with Kosovo's supervised independence.

Figure 1: Statehood, Capacity, Willingness and EU Relations with the Western Balkans



Source: own elaboration based on Elbasani 2012b and Elbasani 2008

In sum, consolidated statehood is a precondition for becoming a member of the EU. At the same time, limited statehood seriously mitigates the transformative power of the EU accession process by impairing both the capacity and the willingness of candidate countries to implement the *acquis communautaire*. Thus, the EU needs to promote both the consolidation of democracy and statehood.

2.4 The EU as a State-BUILDER?

While limited statehood appears to be a major impediment for the successful Europeanization of the Western Balkans, the EU appears to be ill-equipped to deal with it. The CEE accession countries suffered from weak capacities (see above) but were largely consolidated states (even after Czechoslovakia had broken up). The EU developed comprehensive programs of capacity-building to strengthen the reform capacity of the CEE candidates. The Stabilization and Association Framework provides for similar instruments for the Western Balkans (Friis/Murphy 2000). In 2000, the EU introduced CARDS (Community Assistance for Reconstruction, Development and Stabilization) as a proper program of financial assistance for the Western Balkans. The cooperation framework also provided for technical assistance by extending “twinning” and TAIEX (Technical Assistance and Information Exchange Instrument) to the CARDS recipient countries. In 2006, the Pre-Accession Assistance Instrument (IPA) replaced the various financial programs. The IPA program consists of five components, including transition assistance and institution building, cross-border cooperation and regional, human resources and rural development.

Overall the EU has put post-war reconstruction as well as institution- and capacity-building of a fully functioning state capable of formulating and enforcing sound policies first. Accordingly, the EU Western Balkan policy has focused on financial and technical assistance to formulate and enforce central government reforms necessary to implement the obligations of the Stabilisation and Association Process. Yet, there is more to state-building than the transfer of financial and technical resources. It does little to address

problems of contested statehood. The EU has been rather reluctant to engage in the settlement of territorial conflicts (Popescu 2010; Biermann 2012; but see Diez et al. 2006). Standing up against secessionism (more or less successfully; see Biermann 2012) does not necessarily prevent ethnic violence or help to reconcile ethnic enmities. The same is true for institutional arrangements of power sharing.

Conditionality can crucially influence the willingness of countries to meet EU standards and implement its obligations. After the outbreak of the Kosovo war in 1998 had made it clear that development cooperation and humanitarian aid would not be sufficient to stabilize the region and prevent violence, the EU changed its approach toward the Western Balkans. The Stability Pact for South-Eastern Europe of 1999 promised candidate status to Croatia, Macedonia, Albania, the Federal Republic of Yugoslavia (FRY) and Bosnia-Herzegovina as soon as they would meet the Copenhagen Criteria. The Commission decided to periodically assess whether the Western Balkans complied with democracy, human rights and the rule of law. Its assessment, annually published in regular reports, determined whether the EU was going to step up its cooperation providing additional incentives for political and economic reform, such as trade concessions and additional financial aid from PHARE (Programme of community aid to the countries of Central and Eastern Europe). The assistance by CARDS was also made conditional upon the recipient country's compliance with democratic principles, the rule of law, human and minority right, fundamental freedoms and the principles of international law. If the candidates had made sufficient progress in terms of political and economic reform and administrative capacity-building, they could open negotiations with the EU for a Stability and Association Agreement (SAA) as the first formal step towards accession and subsequently enter European Integration Partnerships, which were explicitly modeled on the Accession Partnerships in the Eastern enlargement process setting short and medium-term priorities for approximation. The Commission has also granted selective incentives, such as autonomous trade preferences (ATP) as a reward for specific reforms.

The cases of Croatia and Serbia confirm the findings of the Enlargement Europeanization that countries even comply with costly conditions related to issues of statehood, if EU rewards are sizeable and credible. In the end, both governments agreed to cooperate with the ICTY, although only reluctantly and not always to the full satisfaction of the EU. Macedonia has also been quite responsive to EU conditionality. The prospects of signing a Stabilization and Association Agreement helped ending the violent conflicts launched by the Albanian minority in 2001. Likewise, the insistence of the EU on free and fair elections in Macedonia as a precondition for opening membership negotiations fostered compliance with international standards within only one year – while the 2008 parliamentary elections had been criticized as violent and fraud, the 2009 local and presidential elections were praised as the best ever. Yet, conditionality combined with substantial financial and technical assistance by the EU, the Organization for Security and Cooperation in Europe (OSCE) and other international actors, which addressed the capacity problems that had undermined the effectiveness of the legal electoral framework in Macedonia. Moreover, neither conditionality nor capacity-building have been able to get at the clientelistic structures that have been undermining the willingness of political actors in Macedonia to fully comply with electoral laws held (Giandomenico 2012). For Albania, the misfit between EU conditions and domestic structures was not only exceptionally high due to the legacies of the Stalinist regime of Enver Hoxha. State capacity has also been very weak making the country strongly dependent on international assistance. Being the largest donor, the EU should yield significant leverage. Indeed, Albania has introduced substantial changes of its formal institutions, including

a complete restructuring of its public administration. Yet, the effectiveness of these reforms has remained limited. The EU rewarded Albania with signing an SAA in 2006 despite the obvious deficiencies in the functioning of the public administration, which also put the implementation of the SAA into question. The inconsistent application of conditionality may foster formal compliance but has done little to counteract the prevailing structures of clientelism and corruption resulting in a decoupling of formal institutional change and prevailing informal practices (Elbasani 2012a).

The comparison of Croatia, Serbia, Macedonia and Albania shows that sizeable and credible rewards by the EU coupled with substantial amounts of financial and technical assistance promote Europeanization in even weak states. Yet, it is precisely the weakness of states that makes the EU less likely to consistently apply conditionality. The EU has always prioritized stability over democratic change (Börzel et al. 2009). Moreover, conditionality and capacity-building are certainly powerful means to bring about formal institutional change. But they are “of little use in changing the domestic strategies of ethnic nationalism and economic clientelism” (Spendzharova/Vachudova 2012). Europeanization has remained largely shallow giving rise to formalistic, short-term and technocratic reforms rather than sustainable and transformative domestic change. In other words, the more limited the statehood of a country is, the more likely we are to find a decoupling between formal institutional changes and informal institutions and behavioral practices. This is also true for countries, whose statehood is contested and where the EU yields some coercive powers.

Neither Kosovo nor Bosnia Herzegovina is a fully sovereign state. They resemble international protectorates. While Bosnia Herzegovina is international sovereign, Kosovo lacks both international and domestic sovereignty. In both countries, external actors exercise significant authority. The EU is the largest donor and acts as an institution-builder and security-provider. It is part of the UN administration and has been in charge of setting up economic (e.g. the Banking and Payment Authority) and political institutions (e.g. law enforcement and tax collection under the European Union Rule of Law Mission in Kosovo - EULEX; cf. Papadimitriou/Petrov 2012). While this certainly facilitates formal rule transfer, coercive power is as ineffective in changing informal institutions and behavioral practices as conditionality and capacity-building. This is not only a problem of institutional fragmentation and poor coordination among different (EU) actors. None of the three instruments is ultimately able to resolve ethnic conflict. Moreover, the EU has no experience as a state-builder nor has it developed the necessary policies to become one (Papadimitriou/Petrov 2012). In order to transform a region ridden by ethnic violence and lingering conflicts, it takes more than conditionality, capacity-building and selective coercive powers.

This is not to say that the EU has not made an impact on the Western Balkans. After all, the region has not relapsed into violent conflict. While progress in political and economic transition has been limited and differential, the EU has contributed to the overall stability of the Western Balkans. At the same time, the EU’s “technocratic and capacity-related approach” (Fagan 2012) to state-building has also had some reverse effects undermining the Western Balkans attempts to build strong central state institutions and creating a national identity. While the formal adoption of power-sharing arrangements has at times resulted in administrative fragmentation weakening central state institutions, minority rights and the right to return for refugees have sometimes fuelled rather than mitigated ethnic conflict (Biermann 2012; Papadimitriou/

Petrov 2012; Fagan 2012). Likewise, focusing on the formal adoption of *acquis*-related reforms and neglecting implementation has at times helped consolidate rather than change informal institutions of corruption and clientelism (Elbasani 2008; Noutcheva/Düzgit 2012).

3. Conclusions

The selected, differential and predominantly shallow Europeanization of the Western Balkans largely confirms the findings of the literature on the CEE accession countries. The external leverage of the EU, particularly when it comes to democratic reforms, depends on a credible accession prospective, non-prohibitive compliance costs and the existence of liberal reform coalitions. The EU has helped to accelerate and lock-in domestic change in consolidating democracies like Croatia, Serbia and Macedonia by empowering liberal reform coalitions that support EU integration and that see a clear accession perspective. And like in the CEE accession countries, EU pressure for adaptation and capacity-building mostly results in formal institutional change, while it is not sufficient to transform informal institutions and behavioral practices. The experience of the Western Balkans, however, also shows that consolidated statehood is as important as democracy to make Europeanization work. Uncontested sovereignty and sufficient state capacity are indispensable to comply with the EU expectations for domestic change. For countries that lack either one or both, membership is too far a perspective to provide sizeable and credible incentives to engage in costly reforms.

Somewhat paradoxically, the EU has neither the power to induce democratization nor to build states. While it has developed a comprehensive approach for democracy promotion, the EU lacks a clear strategy for state-building in the first place. Given the limits of the EU's transformative power and the lessons learned by the US and NATO in Iraq and Afghanistan, there is no use of trying to develop one. Rather, the Commission and the member states should acknowledge that the main goal of the EU's external relations with its neighbors is promoting stability rather than change. The role of the EU in its Southern neighborhood is a case in point. The European Neighbourhood Policy (ENP) has little to do with the current Arab spring (Van Hüllen 2012). Quite on the contrary, the European Commission has acknowledged its failure in the Southern neighborhood apologizing that "Europe should have backed democrats not dictators"¹ and promising "a sea change" to the ENP.

Promoting stability might imply supporting non-democratic and corrupt regimes where it serves the economic and geo-political interests of the EU and its member states. This certainly contradicts the image of the EU as a normative power. This dilemma is most evident in the European Neighbourhood Policy since the EU's Southern and Eastern Neighbors are equally marked by bad governance (Börzel/Pamuk 2012). But it also concerns Bosnia Herzegovina, Kosovo and Albania. Due to their lower level of democracy and serious problems of limited statehood, compliance costs are considerably higher for the three countries. Governmental actors have instrumentalized EU conditionality and assistance to consolidate their own power rather than advance domestic reforms (Elbasani 2012a; cf. Vachudova 2008; Noutcheva 2009). The

1 EU Commissioner Stefan Fuele, responsible for enlargement and European Neighbourhood Policy, quoted in Saatcioglu 2010.

capacity and willingness for domestic reform is not only weaker due to contested sovereignty, weak state capacity and limited democracy. The membership prospective for Albania, Bosnia Herzegovina and Kosovo, which is already less credible due to their problems of limited statehood, is increasingly undermined by the enlargement fatigue of the EU and the reluctant use of conditionality due to fragility of state institutions caused by corruption and ethnic conflict (Börzel et al. 2008).

The inconsistent use of membership conditionality does not only mitigate the transformative power of the EU in the Western Balkans and Turkey (Tocci 2005; Ugur 1999); it damages its international credibility as a “normative power” creating a new “capacity-expectation gap” (Hill 1993; Holland 2003: 135). Why should the European Neighbourhood Countries and other countries engaged with the EU make any efforts to fulfill EU expectations for the respect of human rights, democracy, the rule of law and good governance, if the EU is neither willing to reward those, who comply, nor is capable of punishing others, who do not? The civilian power identity of the EU, which favors a “developmentalist” approach of creating the economic and social conditions for political transformation rather than pushing for rapid regime change (Baun 2007), is no excuse for an inconsistent use of its soft power.

Literature

- Andonova, Liliana B.* 2003: *Transnational Politics of the Environment. The European Union and Environmental Policy in Central and Eastern Europe*, Cambridge, Mass.: MIT Press.
- Biermann, Rafael* 2012: *Secessionism, Irredentism and EU Enlargement to the Western Balkans - Squaring the Circle?*, in: Elbasani, Arolda (ed.): *European Integration and Transformation in the Western Balkans: Europeanization or Business as Usual?*, London: Routledge.
- Baun, Michael* 2007: *Wider Europe, Transatlantic Relations and Global Governance*, in: Weber, Katja/Smith, Michael E./Baun, Michael (eds): *Governing Europe's Neighbourhood. Partners or Periphery?*, Manchester: Manchester University Press, 179-194.
- Boduszynski, Mieczyslaw P.* 2012: *The Unbearable Weight of Structure and State-Building? The Trials and Triumphs of Europeanization in Croatia*, in: Elbasani, Arolda (ed.): *European Integration and Transformation in the Western Balkans: Europeanization or Business as Usual?*, London: Routledge.
- Börzel, Tanja A.* (ed.) 2009: *Coping with Accession to the European Union. New Modes of Environmental Governance*, Houndmills: Palgrave Macmillan.
- Börzel, Tanja A.* 2011: *When Europe Hits ... Across its Borders. Europeanization and the Near Abroad*, in: *Comparative European Politics* 9/4, 394-413.
- Börzel, Tanja A./Pamuk, Yasemin* 2012: *Pathologies of Europeanization. Fighting Corruption in the Southern Caucasus*, in: *West European Politics* 35/1.
- Börzel, Tanja A./Pamuk, Yasemin/Stahn, Andreas* 2008: *One Size Fits All? How the European Union Promotes Good Governance in Its Near Abroad*, in: SFB 700 Working Paper 18.
- Börzel, Tanja A./Pamuk, Yasemin/Stahn, Andreas* 2009: *Democracy or Stability? EU and US Engagement in the Southern Caucasus*, in: Magen, Amichai/McFaul, Michael/Risse, Thomas (eds): *Promoting democracy and the rule of law: American and European Strategies*, Houndmills: Palgrave Macmillan, 150-184.
- Börzel, Tanja A./Risse, Thomas* 2003: *Conceptualising the Domestic Impact of Europe*, in: Featherstone, Kevin /Radaelli, Claudio (eds): *The Politics of Europeanisation*, Oxford: Oxford University Press, 55-78.
- Diez, Thomas/Stetter, Stephan/Albert, Matthias* 2006: *The European Union and Border Conflicts: The Transformative Power of Integration*, in: *International Organization* 60/3, 563-593.
- Elbasani, Arolda* 2008: *EU Enlargement in the Western Balkans: Strategies of Borrowing and Inventing*, in: *Journal of Southern Europe and the Balkans* 10/3, 293-307.
- Elbasani, Arolda* 2009: *EU Administrative Conditionality and Domestic Downloading. The Limits of Europeanization in Challenging Contexts*, in: KFG Working Paper Series 2, July 2009.
- Elbasani, Arolda* 2012a: *EU Conditionality and Domestic Obstacles: Slow, Hesitant and Partial Reforms in Post Communist Albania*, in: Elbasani, Arolda (ed.): *European Integration and Transformation in the Western Balkans: Europeanization or Business as Usual?*, London: Routledge.
- Elbasani, Arolda* (ed.) 2012b: *European Integration and Transformation in the Western Balkans: Europeanization or Business as Usual?*, London: Routledge.
- Elbasani, Arolda* 2012c: *Europeanization Travels to the Western Balkans: EU Enlargement, Domestic Obstacles and Institutional Change*, in: Elbasani, Arolda (ed.): *European Integration and Transformation in the Western Balkans: Europeanization or Business as Usual?*, London: Routledge.
- Fagan, Adam* 2012: *Building Environmental Governance in Potential Candidate Countries: Environmental Impact Assessment (EIA) Processes in Bosnia-Herzegovina*, in: Elbasani, Arolda (ed.): *European Integration and Transformation in the Western Balkans: Europeanization or Business as Usual?*, London: Routledge.
- Falkner, Gerda/Treib, Oliver/Holzleitner, Elisabeth* 2008: *Compliance in the Enlarged European Union. Living Rights or Dead Letters?*, Aldershot: Ashgate.

- Friis, Lykke/Murphy, Anna* 2000: 'Turbo-Charged Negotiations': The EU and the Stability Pact for South Eastern Europe, in: *Journal of European Public Policy* 7/5, 767-786.
- Giandomenico, Jessica* 2012: EU Conditionality as a Transforming Power in Macedonia: Evidence from Electoral Management, in: Elbasani, Arolda (ed.): *European Integration and Transformation in the Western Balkans: Europeanization or Business as Usual?*, London: Routledge.
- Goetz, Klaus H.* 2005: The New Member States and the EU: Responding to Europe, in: Bulmer, Simon/ Lequesne, Christian (eds.): *The Member States of the European Union*, Oxford: Oxford University Press, 254-280.
- Grabbe, Heather* 2006: *The EU's Transformative Power - Europeanization through Conditionality in Central and Eastern Europe*, Houndsmills: Palgrave.
- Héritier, Adrienne* 2005: Europeanization Research East and West: A Comparative Assessment, in: Schimmelfennig, Frank/Sedelmeier, Ulrich (eds.): *The Europeanization of Central and Eastern Europe*, Ithaca: Cornell University Press, 199-209.
- Hill, Christopher* 1993: The Capability-Expectations Gap or Conceptualising Europe's Interantional Role, in: *Journal of Common Market Studies* 31/3, 305-328.
- Holland, Martin* 2003: Complementarity and Conditionality: Evaluating Good Governance, in: Holland, Martin (ed.): *The European Union and the Third World*, London: Palgrave, 113-139.
- Jacoby, Wade* 1999: Priest and Penitent: The EU as a Force in the Domestic Politics of Eastern Europe, in: *East European Constitutional Review* 8/1-2, 62-67.
- Jacoby, Wade* 2006: Inspiration, Coalition and Substitution. External Influences on Postcommunist Transformations, in: *World Politics* 58, 623-651.
- Kelley, Judith* 2004: International Actors on the Domestic Scene: Membership Conditionality and Socialization by International Institutions, in: *International Organization* 58/3, 425-457.
- Krasner, Stephen* 1999: *Sovereignty: Organized Hypocrisy*, Princeton, NJ: Princeton University Press.
- Kubicek, Paul* (ed.) 2003: *The European Union and Democratization*, London: Routledge.
- Mendelski, Martin* 2012: Where does the European Union Make a Difference? Rule of Law Development in the Western Balkans and Beyond, in: Elbasani, Arolda (ed.): *European Integration and Transformation in the Western Balkans: Europeanization or Business as Usual?*, London: Routledge.
- Mungiu-Pippidi, Alina* 2005: EU Enlargement and Democracy Progress, in: Emerson, Michael (ed.): *Democratisation in the European Neighbourhood*, Brussels: CEPS, 15-37.
- Noutcheva, Gergana/Bechev, Dimitar* 2008: The Successful Laggards: Bulgaria and Romania's Accession to the EU, in: *East European Politics and Society* 22/1, 114-144.
- Noutcheva, Gergana/Düzgit, Senem Aydin* 2012: Lost in Europeanization: The Western Balkans and Turkey, in: *West European Politics* 35/1.
- Papadimitriou, Dimitris/Petrov, Petar* 2012: State-building without Recognition: A Critical Retrospective of the European Union's Strategy in Kosovo (1999-2010), in: Elbasani, Arolda (ed.): *European Integration and Transformation in the Western Balkans: Europeanization or Business as Usual?*, London: Routledge.
- Popescu, Nicu* 2010: *EU Foreign Policy and Post-soviet Conflicts: Stealth Intervention*, London: Routledge.
- Pridham, Geoffrey* 2005: *Designing Democracy. EU Enlargement and Regime Change in Post-Communist Europe*, Basingstoke: Palgrave Macmillan.
- Risse, Thomas* 2010: *A Community of Europeans? Transnational Identities and Public Spheres*, Ithaca, NY: Cornell University Press.
- Risse, Thomas* 2011: Governance in Areas of Limited Statehood: Introduction and Overview, in: Risse, Thomas (ed.): *Governance without a State? Policies and Politics in Areas of Limited Statehood*, New York: Columbia University Press.

- Saatcioglu, Beken* 2010: Unpacking the Compliance Puzzle. The Case of Turkey's AKP under EU Conditionality, in: KFG Working Paper Series 14, June 2010.
- Schimmelfennig, Frank* 2005: Strategic Calculations and International Socialization: Membership Incentives, Party Constellations and Sustained Compliance in Central and Eastern Europe, in: *International Organization* 4, 827-860.
- Schimmelfennig, Frank/Sedelmeier, Ulrich* 2005: The Europeanization of Central and Eastern Europe, Ithaca, NY.
- Schimmelfennig, Frank/Sedelmeier, Ulrich* 2006: Candidate Countries and Conditionality, in: Graziano, Paolo/Vink, Maarten P. (eds): *Europeanization. New Research Agendas*, Houndsmill: Palgrave Macmillan, 88-101.
- Spendzharova, Aneta/Vachudova, Milada A.* 2012: Catching up or Sliding Back? Consolidating Liberal Democracy in Bulgaria and Romania after EU Accession, in: *West European Politics*.
- Stojanovic, Jelena* 2012: EU Political Conditionality Towards Serbia: Membership Prospects vs. Domestic Constraints, in: Elbasani, Arolda (ed.): *European Integration and Transformation in the Western Balkans: Europeanization or Business as Usual?*, London: Routledge.
- Tocci, Nathalie* 2005: Europeanization in Turkey: Trigger or Anchor for Reform?, in: *South European Society & Politics* 10/1, 73-83.
- Ugur, Mehmet* 1999: *The European Union and Turkey: An Anchor/Credibility Dilemma*, Aldershot: Ashgate.
- Vachudova, Milada Anna* 2005: *Europe Undivided: Democracy, Leverage and Integration After Communism*, Oxford: Oxford University Press.
- Van Hüllen, Vera* 2012: Europeanization through Cooperation? EU Democracy Promotion in Morocco and Tunisia, in: *West European Politics* 35/1.

The Kolleg-Forschergruppe - Encouraging Academic Exchange and Intensive Research

The Kolleg-Forschergruppe (KFG) is a new funding programme launched by the German Research Foundation in 2008. It is a centrepiece of the KFG to provide a scientifically stimulating environment in which innovative research topics can be dealt with by discourse and debate within a small group of senior and junior researchers.

The Kolleg-Forschergruppe „The Transformative Power of Europe“ brings together research on European affairs in the Berlin-Brandenburg region and institutionalizes the cooperation with other universities and research institutions. It examines the role of the EU as promoter and recipient of ideas, analyzing the mechanisms and effects of internal and external diffusion processes in three research areas:

- Identity and the Public Sphere
- Compliance, Conditionality and Beyond
- Comparative Regionalism and Europe’s External Relations

KFG The
Transformative
Power of Europe

