

# Great Expectations: The EU and Domestic Political Competition in East Central Europe

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## Introduction: Domestic effects of EU enlargement

In postcommunist East Central Europe, the promise of European Union enlargement has brought with it enormous potential for political and economic integration, new freedoms to travel and to work, and many other public benefits. It has also led to improvements in ethnic minority rights, freedom of press, and anticorruption efforts. But enlargement is not without its domestic costs—and not just in the inevitable concessions during negotiations between the member and candidate countries.

The scope of EU conditionality is far larger for the East European countries than for their Mediterranean predecessors. This set of “great expectations” that the EU has of the candidate countries regarding their conformity to its laws, regulations, and norms has preempted much of the public debate over the nature of policy in the region. As a result, it has had not only the benign effect of foreclosing the basic debates over desirable regime types (democracy and its alternatives), but it has eradicated both detailed and ideological debates over many areas of public policy. It is this perception that “there is no alternative” that also underpins the rise of anti-EU politicians who substitute populism in lieu of substantial debate over ideology or policy in the new democracies of East Central Europe. In short, the demands of enlargement have both constrained responsive and accountable party competition and, as the character of enlargement became apparent, encouraged populists and demagogues.

## Technocratic competition

The first consequence of the EU's expectations, as put forth in the accession agreements and subsequent negotiations, has been that the evolution of party competition in the region has continued to be overwhelmingly constrained by Western blueprints for public policy. These blueprints, as defined by international financial organizations and regional actors, consisted first of neoliberal strategies for liberalization and marketization shepherded by the lending banks and, more recently, also of new requirements for EU entry. Both are very demanding.

In the early 1990s, the region's political elites faced a radically shrinking public budget combined with increased demands on the state. Just as the economic crises were brought under some control (in the most successful states), a new set of policy dictates kicked in—namely, fulfilling the massive accession requirements for EU entry. Among its many political and economic expectations, the EU prioritized creating a functioning, regulated, and open competitive economy; new administrative structures for the receipt of EU funds; high administrative capacity in both the old public and new private sector; a clean judiciary; and cooperative interior forces. Each state must prove a good record on everything from banking and insurance regulation to legally encoded minority rights protection, must harmonize its relevant national legislation with EU standards, and must adopt in full the eighty thousand pages of *acquis communautaire*—the existing rules, regulations, and agreements of the European Union. All of these are to be integrated by the legislature with the highest possible priority (despite the fact that the rapidly changing societies of these states also require constant legislative adaptation on every front). In addition, the European Commission has made it clear that full implementation of the *acquis*, and not just legal harmonization, must be seen to occur before membership will be contemplated. Since EU entry has long been seen not just as a public good in the region but as public necessity, the candidate countries have begun to implement EU expectations, at great budgetary and political expense.

The necessity of these reforms has forced the region's most entrepreneurial parties to develop strategies of interparty competition that allow them to appear as electorally responsive as possible while administering what is basically a set agenda of reform and compliance. In effect, the effort to plough through reform blueprints in all the core public policy areas of the modern state resembles a form of dependent development, to the point of precluding the "organic" development of accountable domestic politics, and of public debate over the substance of potential alternatives to the EU's regulatory model.

These pressures have combined with domestic party development to eliminate much of the dialogue about state policy alternatives. Party politics in East Central Europe immediately after 1989 developed overwhelmingly from within the parliamentary arena and not from grassroots constituencies. This created an unusual opportunity for politicians to frame the new political debate from the top down.<sup>1</sup> However, the spectrum of this debate has been constrained by the international and domestic consensus for neoliberal market reform and EU entry. With so few choices in public policy to be had as a result, politicians in the region had little alternative to appeals to "who they are" and their own credible skills rather than to substantive policy commitments when distinguishing themselves from their competitors. The political party systems in the region have thus offered electoral accountability but not policy accountability, since the electoral system has been capable of getting rid of parties but not, it seems, of shaping policies in critical areas of government.

East European public policy is overwhelmingly dominated by valence issues, or by issues on which all parties declare the same objectives (e.g., open and competitive markets, balanced budgets, reduced public spending, and entry into the European Union). Consequently, elites have had little competitive leeway but to dispute each other's *competence* in achieving the desired result. They compete on the parties' *modus operandi* rather than

1. For an elaborated argument regarding the impact of blueprints on emergent patterns of party competition in the region, see Abby Innes, "Party Competition in Postcommunist Europe: The Great Electoral Lottery," *Comparative Politics* 35 (October 2002): 85-104.

over substantive programmatic alternatives or ideological commitments. Given the international pressures and the reform consensus, other alternatives have not been credible over time. (And where populists have attempted reckless public spending, they have only ushered in economic crises that only further accentuated the need for reform and enhanced the leverage of the lending institutions.)

The political headache for competing parties, then, has been how to manage governance and this agenda without destroying their own popularity. The successful competitive strategies have been those of technocracy, populism, and nationalism—the last two tending to be combined. These political discourses dominate because they offer politicians maximum flexibility to look as though they are competing, even if all governments face remarkably similar state policy pressures. Where an initial pro-reform consensus existed, parties began to compete over who is the better manager and the more efficient administrator rather than over the content of public policy. Such competition was intensified in Poland and in Hungary, where transformed communist successor parties made these claims their competitive advantage.<sup>2</sup> Where the political and economic preconditions for radical reforms were terrible from the outset and have remained so, as in Romania and Bulgaria, the most obvious strategy for competing politicians has been nationalism and populism, which only furthered the opportunities for rent seeking at the expense of the public good.

As a result, highly personalized debates over corruption, personal competence, property restitution, relatively trivial disputes within political parties or with neighbouring states, and disputes over who was on which side of the barricades in the communist period prevail, while the core public policy issues that affect daily life remain opaque. This kind of politics has serious consequences for the electorate's sense of agency. As public opinion polls in this region confirm, these battles have been doing little to inspire respect for political elites, let alone promote stable parti-

2. See Anna Grzymała-Busse, *Redeeming the Communist Past* (Cambridge: Cambridge University Press, 2002).

sanship. Ironically, the assumption has been that EU enlargement will stabilize this region just as it stabilized Spain and Portugal. Yet it is worth noting that voter volatility in Eastern Europe is not only higher than it was in the Mediterranean states at the same stage but in many cases actually rising. Thus, the pressures of EU enlargement have not only precluded real debate over policy but may have indirectly led to greater electoral instability.

Perhaps most ironically, the existence of constituencies with significant leverage, together with the high levels of self-interest of the EU member states as expressed in the negotiation process, has placed even the most committed reform politicians in Eastern Europe in a quandary. The politicians who wished to get into the EU first *and* genuinely to enhance the accountability and representative qualities of their domestic political system have found that the more they have listened to their domestic interests and constituencies—a *sine qua non* of legitimate representative government—the more they risk being considered uncooperative or ill prepared in EU negotiations.

Moreover, for many countries—Romania, Bulgaria, Lithuania, Latvia, not to mention Serbia, Ukraine, Moldova, and so on—the insistence on standards that most of these countries can hardly afford to implement creates a danger that the European Union will not be seen as supportive of reform at all, but as holding party governments to account for a raft of policies that they cannot achieve. In other words, the Union may increasingly be depicted as an actor that is *deliberately* trying to add further handicaps to a region that inherited enough structural disadvantages of its own. It is also worth noting that as the economic situation in countries such as Romania remains ill reformed, their political elites find themselves torn not only between their domestic and their international constituency but also between the International Monetary Fund (IMF) and EU. The costs and scope of the Union's *acquis communautaire* are huge, requiring the buildup of state administration and its capacity to process these laws, but the IMF's overriding conditionality for the continuation of essential loans remains a *deregulated* state model and, in general, continued reductions in public spending.

## The populist challenge

A second consequence of EU enlargement for domestic political competition has been its inadvertent promulgation of populism. In the initial consensus over reform, rates of public support for EU enlargement were very high, more than 80 percent in Poland and in Hungary and more than 70 percent in the former Czechoslovakia. As the costs of negotiations became every more apparent and the benefits ever more ambiguous, however, this public consensus wavered. Support rates since the countries began accession negotiations in the mid-1990s have become volatile, dropping below 40 percent in some cases.<sup>3</sup>

Given the technocratic political competition, elites that disagreed with the reform consensus were initially few and ignored. By the late 1990s, however, the lack of real debate, and the perception that these countries were kowtowing to an exploitative EU, began to create the opportunities for more populist leaders to arise and succeed, even where populism had earlier been marginalized or discredited. Thus, in its rightward shift, Viktor Orban's Fidesz in Hungary exploited popular discontent and blamed the EU. Similarly, former Czech prime minister Vaclav Klaus, once ousted from power, turned to Euro-skepticism as a way to regain popularity, speaking out against the EU's "creeping silent unification of the continent." In Poland, finally, a fourth of the seats in the fall 2001 election have been claimed by anti-Union parties, who range from the merely skeptical to the outright antagonistic. Ironically, these are all countries in the forefront of EU candidacies—and precisely because they have done the most to hew to the EU line and accept EU demands, they have been least able to debate the future of their state.

This is not to say that the populists do not have a point, as EU enlargement is proving an increasingly costly proposition. The immediate costs of joining the Union are becoming clear: both the familiar expenses of overhauling industries and inefficient sectors of the economy, such as agriculture, and the unexpected costs that were initially unanticipated by either side. For exam-

3. *Eurobarometer* data. See also reports by the following public opinion polling agencies, which confirm the trend: IVVM, Focus, OBOP, CBOS, Szonda Ipsos.

ple, establishing border security carries with it not only the direct costs of building new infrastructure but the opportunity costs of lost trade and labor movement.<sup>4</sup> In addition, the atmosphere of the accession negotiations has not helped to build support for the EU project. Domestic critics in East Central Europe (ECE) have pointed out first-wave new member countries (Spain, Portugal, and Greece) have benefited far more than their eastern neighbors ever will. And these are the very countries that are least likely to support extending the benefits. For example, Spain receives 63 percent of the EU's structural and cohesion funds but has refused to sacrifice any of this largesse for the benefit of the new candidate countries.<sup>5</sup> At the same time, some of the older member countries, such as Germany, are seen as demanding the right to buy land in East Central Europe but refuse to reciprocate by permitting full labor mobility. In short, just as the costs of joining the EU become clearer and clearer, the benefits recede and become even more far off and uncertain.

However, even if their anger is justified, the populists do little to advance constructive debate over state policy beyond name calling and demands. The result is a potential vicious spiral, where populist elites exploit and inflame the drop in public support for the EU project, leading to further public dismay with the EU, which in turn breeds further opportunities for populist (and often instrumental) opposition to the EU enlargement. If the populations of this region actually get a direct say in the matter of membership—in the ratifying referenda in each country—they may even, given the costs of preparation, vote no.

### **The EU and the domestic state**

One major area where we can see how the public debate has been affected by the twin pressures of technocratic competition and populism has been that of state policies. Such policies con-

4. For example, Poland will have to secure its eastern border, which also happens to be a major trading area, with more than 4.4 million individual border crossings. Not only will Poland have to erect a stronger border, which is expensive in and of itself, but bear the opportunity costs of lost trade.

5. See Milada Vachudová, "The Trump Card of Domestic Politics: Bargaining over EU Enlargement," *East European Constitutional Review* 10 (spring/summer 2001): 93-97.

sist both of *what* the state does—regulation, privatization, rule of law, redistribution—and the *form* it takes—decentralization, administrative reform, civil service codes. In Eastern Europe, the EU has curtailed many practical notions of what the state can do and can become.

Though the ECE candidate states valiantly swallow the technocratic regulatory state model of the EU, it is already clear that that model is not coherent as a model of a state; nor, more to the point, is it even tenuously rooted—in its parts or as a patchwork whole—in an evolved domestic consensus (built in Western Europe through postwar party competition) about what the role of the state should be. The model—or rather muddle—of the state that emanates from the *acquis communautaire* is one of a bureaucratic labyrinth of norms and standards to regulate a competitive open market. The lobby power of existing member states' industrial sectors, moreover, has meant the strength of EU standards and regulation varies considerably from one economic sector to another—regardless of the sectoral structures and prior interests of the new member states.

As noted earlier, this dampening down of the debate is especially evident in the discussions over the main implementer and enforcer of the new regulations—the state and its administrative structures. For their part, the commissioners and EU member states insist that what they are exporting is not a “model of the state” at all (because that would be close to imperialism) but simply technical “best practice,” which happens to cover almost all areas of public policy. For Eastern Europe, however, a region in which the main approach to the state in the early 1990s was to roll it back, the elaborate patchwork of the *acquis communautaire* has nevertheless been the dominant benchmark of state-modifying legislation in the past five years. That the *acquis* is internally inconsistent—and that it requires structures (such as “devolved” and “efficient” administration for the disbursement of structural funds)—without specifying how those structures should be constituted should not be mistaken as facts that leave Eastern European states considerable room for manoeuvre.<sup>6</sup>

6. See also Jacques Rupnik, “Eastern Europe: The International Context,” *Journal of Democracy* 11:2(2000): 115-29.

Thus, from 1999 to 2002, Poland, the Czech Republic, and Slovakia have passed legislation to overhaul the civil service, regional administration, and corruption fighting measures—and the more such reforms had been delayed earlier, as in Slovakia, the more EU pressure was the main force behind their legislation.

Moreover, how do we expect the rule of law—a sense of organic ownership of the law by the people—to thrive in a region where vast swathes of the laws that they have had to adopt in recent years have been imported and where core issues of public policy are ceded to the often more powerful EU? In the summer of 2002, the EU announced that it will implement monitoring and fines for the nonimplementation of the *acquis communautaire* in the candidate countries even *before* the negotiations are closed. Compliance to EU norms and standards in Eastern Europe, therefore, is to be enforced (by many noncomplying members states) before the candidates have formally agreed to join anything. In this light, one is tempted to comment that the new Europe will get the skeptics it deserves.

## Conclusion

In the end then, the domestic costs to political competition of joining the EU may be less obvious than the expensive concessions made during the enlargement negotiations but no less significant. By indirectly tamping down on public discussions in the name of efficient and effective enlargement, the EU has encouraged both technocratic competition and its populist response. In the meantime, in Western Europe, the increasingly technocratic quality of political debate, the Left's embrace of markets, and the impenetrable transformation of the European Union are all said to be alienating voters from both their domestic and European political systems and to be causing apathy and nonvoting, in particular among the young. Politics in Western Europe, it is said, has become so technical and pragmatic—and even boring—that charismatic characters of the far Right can thrive, while only the most politically obsessive can keep a grip on their more conventional partisanship. Imagine then, how much more serious this

predicament will look in the candidate countries once (if) they are members.

In an enlarged European Union, then, these pressures are likely to continue. Given the continuation of policy demands and the complaints of second-class membership, both technocratic competition and the populist ascendancy can continue to structure domestic politics. The state, for its part, will continue to change its form to comply with EU directives—but its capacity, responsiveness, and even public legitimacy are likely to lag behind, especially in light of the political competition engendered by the enlargement.