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Compliance in the EU enlargement process: The limits of conditionality

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Abstract

In this article we analyze the effectiveness of EU conditionality. Viewing accession negotiations as a bargaining game, we find incentives to defect exist if the final date of accession is known, but conditions for cooperation prevail if the date is not known. Therefore we find that regardless of domestic conditions, EU conditionality is not equally effective throughout the period of preparation of a candidate for accession. Its effectiveness decreases sharply when the accession date is set and at that stage, as empirical evidence shows, the EU accepts the candidate's state of reforms as sufficient. This can lead to potential problems with the transposition of EU directives just before and after accession. Our empirical overview shows that by means of breaking the process of enlargement into multiple stages and attaching conditions to the attaining every stage, the EU has aimed to prevent candidates from abandoning reform efforts by increasing their uncertainty about the final date of accession.

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1. Introduction

In the last decade, enlarging the European Union has become an almost continuous process. The last stage of the 2004 enlargement with Central and Eastern European states(1) has been completed with the accession of Bulgaria and Romania in 2007. Despite signs of enlargement fatigue, the success of the European project continues to exert a magnetic pull on the Union's neighbours.(2)

If the Union manages to overcome its internal divisions on constitutional reform and negative public reaction to enlargement, it has a unique chance to induce democratic and regulatory reforms in the hopeful candidate states waiting at its door. The most important instrument for reform, which has gained prominence during the last enlargement to date, is conditionality. In this paper, we aim to address a question crucial for the success and credibility of future enlargements, namely, when is conditionality effective?

If and when EU enlargement is to continue, the Union will need effective conditionality in order to get new candidates to reach a level of accession preparation to ensure the undisturbed functioning of the internal market and the Union's decision making and multi-level system of governance. But does EU conditionality always work? Can the EU induce reforms in all potential candidate states; create an endless push for modernization, liberalization of economies and democratization? This article argues that EU conditionality has an expiration date, in other words that it works only when certain conditions are satisfied.

In this paper we focus on the effectiveness of European Union *enlargement* conditionality and its multiple reform and *acqui*s related objectives. Conditionality in general, as used in development assistance by international organizations, has been defined as the practice of allocating aid resources to be used consistently with a set of previously agreed objectives.(3) If the recipient country does not follow these objectives or the conditions linked to them, the donor can stop the flow of resources (World Bank, 2005). In the European Union, conditionality developed from a minor policy tool used in agreements with third countries, to the main pillar of EU enlargement governance and a successful tool of EU foreign policy (Smith, 2003). It is distinct from the conditionality employed by the World Bank and the IMF, as the benefits which countries receive are not only financial, but are linked to EU membership (see Dimitrova, 2005; Dimitrova and Pridham, 2004; Schimmelfennig and Sedelmeier, 2005a, b). Direct transfers under the EU assistance programs such as PHARE are complemented by symbolic gains in stature, stability or even increases in foreign direct investment (FDI) in anticipation of improved economic climate upon joining the Union.(4)

We define EU enlargement conditionality as an exchange between the EU and a candidate country in which the EU offers the candidate a (realistic) prospect of EU membership, if the candidate implements a wide range of (EU driven) domestic reforms. The so called carrot and stick approach of conditionality involves the withdrawal of the benefits of accession and halting or slowing down the process, if candidate states' governments fail to progress with reforms. The EU's justification for requiring reforms is that it views itself as a club with specific rules, requiring adaptation to key features of the existing membership: a stable democratic regime obeying the rule of law and supporting a well-functioning market economy, capable of implementing the rules of the club, that is, the *acquis communautaire*.(5)

Responding to a candidate's application with the opening of accession negotiations and through the negotiations themselves, the EU creates an expectation that the applicant country will, at some yet unknown moment, join as long as it has satisfied the conditions of membership. The perceived benefits of EU membership, whether they are related to economic development, national security, or political stability, form the driving force for domestic reforms in the applicant countries. Clearly, the candidate country's governing elites need to be convinced that, at some point in time, the country will join the Union, otherwise there is little reason to continue with difficult domestic changes.(6)

In this bargaining process over EU membership, there are incentives for cheating. The government of the candidate country, on the one hand, faced with potential domestic opposition to reform or declining popularity in case of unpopular measures might be tempted to postpone some reforms or comply only in a symbolic way, thereby decreasing domestic costs. Once this deviation from the agreement is detected, the Union may decide to postpone further negotiations or stop enlargement. On the other hand, the EU may prefer to have a stable and democratic neighbouring country, but may not be inclined to grant it full membership. It may therefore stimulate the candidate to introduce various reforms without granting it the 'reward' of EU membership. The decision on entry could, in principle, be delayed or even postponed for many years. In this context, the risk of breaking off the negotiations is high, while the prospect of EU membership or substantial domestic reform is low (see also Steunenberg, 2002).

To secure enlargement, the EU could commit itself by setting the date of accession of the candidate country. The question is what effect such an action would have on the reform efforts of the candidate. To answer this question, we analyze the conditions under which accession negotiations support continuing reforms based on the prospect of EU membership. These negotiations are taken as a game with an infinite number of rounds in which both parties assess the commitment of the other in terms of their actions. Based on our analysis, we show that conditionality is most effective when the one-time benefits of deviating from the agreement are relatively small and EU membership provides substantial benefits to both the EU and the candidate. In addition, the effectiveness of conditionality is eroded the moment the EU announces the date of accession. From that moment on, compliance has to be based on other mechanisms than conditionality.

In order to develop the arguments regarding effectiveness of conditionality, we have structured the article as follows: We first discuss the current literature on conditionality with regard to EU enlargement. The next section presents our theoretical arguments. The last part of the paper explores empirical evidence of how conditionality has been employed and develops potential indicators for measuring the scope of effectiveness of EU conditionality in the last enlargement.

2. Conditionality and the European Union ⬆

The remarkable increase in the use of conditionality by the European Union in the late 1990s and early 2000, has been matched by a explosion of studies discussing its impact on a variety of countries, policy areas and institutional settings (Schmitter, 1995; Grabbe, 1999, 2001, 2003; Mattli and Plümper, 2002; Plümper *et al.*, 2003; Schimmelfennig and Sedelmeier 2004, 2005a, b; Vachudova, 2001, 2005). This interest has been fuelled by the apparent success of EU conditionality and its expanding scope. In previous enlargements, taking on the EU's rules and regulations, the *acquis*, has been considered more or less sufficient to join. By contrast, in the process of enlarging to the East, the EU has moved from the *acquis* toward a wider set of reform and transformation targets, defined first in the well known Copenhagen criteria from 1993 (Dimitrova, 2004: 8-9).

An additional administrative criterion was introduced by the Madrid European Council in December 1995, requiring substantial administrative reforms in the candidates (Dimitrova, 2002). Increasing further the scope of conditions, the European Commission added a number of areas such as human rights or nuclear safety in which the Union itself does not have competences or common rules. These have been so numerous that it is possible to claim that a new enlargement method has been developed (Maniokas, 2004) and a separate 'enlargement *acquis*' has emerged including requirements for horizontal administrative reform, regionalization, reform of the judiciary, ethnic minorities' rights, border treaties (friendship and cooperation treaties), safety of nuclear power plants and so on.

Having established the unprecedented scale and breadth of EU conditionality and its central part in enlargement governance (Grabbe, 1999, 2001, Dimitrova 2002), research in this area has moved on to trying to understand how it affects rule adoption in candidates.

A number of explanations for the mechanism underlying the apparent success of conditionality are based on rationalist concepts and frameworks. Vachudova (2001) and Moravcsik and Vachudova (2003: 44) have referred to Keohane and Nye's (1977) asymmetric interdependence concept to explain the working of conditionality as a form of concession in the bargaining of enlargement negotiations. The applicant countries have, according to them, accepted the costs of adaptation seeing them as lower than the costs of exclusion from the EU club and its benefits. For this reason, these countries engage in further membership negotiations. According to Plümper *et al.* (2003), this also means that only national governments that clearly perceive the expected benefits from enlargement apply for membership and engage in negotiations with the EU.

Schimmelfennig *et al.* (2003) develop further a bargaining framework focused on the idea of 'reinforcement by reward'. They suggest that the strategy of reinforcement by reward makes the EU withhold rewards in the form of institutional ties and financial assistance if a target government fails to comply with democratic conditions. Political actors calculate that the rewards are higher than the costs of adoption and therefore they comply (2003: 297). Schimmelfennig *et al* test this material incentives framework against an alternative explanation, a social influence mechanism, on cases of non compliant states in the area of human rights: Slovakia under Meciar, Turkey and Latvia. They find that domestic governments' cost benefit calculations were crucial for compliance.

Schimmelfennig et al's framework is a step forward from the generalized explanation offered by Moravcsik and Vachudova, but it does not distinguish specific features of conditionality that might influence bargaining outcomes. Similarly, Mattli and Plümper (2002) and Plümper *et al.* (2003) focus on the incentives within the domestic political arena of the applicant country to understand the effectiveness of conditionality. Mattli and Plümper (2002) show, that the 'demand' for EU membership is related to a country's regime type and its willingness to implement economic reforms. With regard to regime types, they claim that if a country has a more democratic regime, the national political leaders have a greater incentive to push for reforms which would align their country with the rules and institutions of the EU. Plümper *et al.* (2003) analyze the interactions between the applicant country and the EU, using an incomplete information model in which the time needed to agree on reforms domestically is taken as an indicator of compliance. Their focus on domestic reform speed, however, misses the point of EU conditionality which is increasingly used not only to prepare countries for the EU in a strict sense, but to help them transform their economies and politics – a process which does take some time. Furthermore, it does not provide much insight into conditionality.

Schimmelfennig and Sedelmeier (2005a) propose an external incentives model explaining the effects of conditionality by suggesting that governments would adopt EU rules if the benefits of EU rewards exceed the domestic adoption costs. They expect the cost benefit balance would depend on four sets of factors. These are the determinacy of conditions, the size and speed of rewards, the credibility of threats and promises and the size of adoption costs (2005a: 12-3). The test of this model on the comparative cases of the new EU member states suggests that the success of the external incentives model differs depending on the type of conditionality, *acquis* conditionality working better than democratic conditionality (2005b: 212-5) The empirical analyses in Schimmelfennig and Sedelmeier's edited volume found credibility of conditionality and the size of adoption costs to be the key variables influencing compliance. In its conclusions, the authors single out credibility and the size of EU rewards versus domestic adoption costs as key determinants of conditionality. In terms of credibility the

opening of negotiations with some states increases the credibility of rewards for all the candidates, as it demonstrates the EU is willing to conclude negotiations (2005b: 215). The credibility of the threat of exclusion from membership also decreases as accession progress (Dimitrova, 2005).

Schimmelfennig and Sedelmeier's study also finds that credibility is linked to the consistency of allocation of rewards, in other words the level of priority the EU accord to the fulfillment of its conditions in comparison with other considerations, for example security. Internal EU conflict about conditionality and cross-conditionality may also damage the credibility of conditionality awards (2005a: 13-14).

While these studies have increased considerably our understanding of how conditionality achieves its goals, they can be elaborated further by returning to the game theoretical roots of the bargaining theories used by many of their authors. This article aims to do so by offering a systematic and formal model of conditionality predicting the range of effectiveness of this tool for future candidates for accession.

3. The compliance game ⬆

In order to understand conditionality, we propose to focus on both the government of the applicant country and the EU. In this way, we differ from Plümper *et al.* (2003) who focus on the groups within the applicant state's domestic political arena to explain whether a state will pursue domestic reforms.

The negotiations between the EU and the government of the candidate country can be represented by a two-person game in which both players have the option to continue pursuing cooperation or to give up enlargement. The option of giving up is realistic as the EU may not want to allow in yet another member state, while the applicant state's government may change its position and focus on preserving sovereignty. The 'game form' reflecting this interaction, including the events resulting from strategy pairs, but without an evaluation of these events, is presented in Table 1.

The strategies available to both players are as follows. The EU may aim to expand its jurisdiction and widen the internal market, stimulate and stabilize democratic transformations, or increase its international influence. It is willing to accept a new member as long as it introduces sufficient domestic changes so that the Union can reasonably expect that it would be capable of implementing the *acquis communautaire* and functioning inside its multi-level governance system. Depending on the efforts made by the applicant, the behavioral options to the EU are either support or oppose its accession.

<div align="center">Table 1</div>

The applicant strives for EU membership since it perceives a range of benefits from it. These benefits could be economic, related to the internal market, or political, related to democratic stability and freedom. In addition, the applicant may also use the EU to implement a 'reform' strategy domestically in order to facilitate modernization and reform of domestic institutions or policies. Based on the conditions set out by the EU, the government of the applicant country has two options, either to implement institutional reforms as proposed by the EU or pursue a purely domestic agenda. Whether conditionality works and enlargement will take place thus critically depends on the efforts made in both the applicant country and the EU.

Based on these available strategies, the interactions between the EU and the applicant may lead to four distinct outcomes. First, when both the applicant and the EU work together, the government in the applicant country will implement reforms sufficient to become a member of the Union. This situation is labeled 'reformed membership' and leads to enlargement. The second possibility is that the applicant is not prepared to carry out the reforms demanded by the EU, and the EU is not really willing to support the candidate in its reform process. This outcome will lead to no enlargement, no reform. The third outcome is that the EU supports the applicant and maintains the applicant's prospect of EU membership although the applicant does not introduce the required domestic reforms. This is the situation of 'unreformed' membership. The fourth and last outcome is based on the EU's refusal to accept the candidate, while the applicant carries out various reforms. In this case, the applicant changes its domestic institutions and policy in a way that is favorable to the EU and becomes a 'reformed satellite' of the

Union.

The question is how the EU and the applicant rank these outcomes in terms of payoffs. With regard to the gains of EU membership and enlargement, it seems reasonable to assume that they are of variable sum. Both players may gain from cooperation otherwise none would be interested in pursuing these negotiations and ultimately enlargement. The net-benefits of enlargement to the EU and the applicant will be denoted as c. We realize that there will be costs involved as well, stemming from the introduction of potentially unpopular measures in the applicant country. Similarly, there are costs for the EU: preparation to accept a new member, adjustment of decision making structures and accommodating a new actor at the negotiations table. Furthermore, heads of state and government within the EU might be faced with domestic opposition against further enlargement and the possibility of deadlock or watering down of European integration, which may reduce the overall benefits of negotiation. Taken together with the perceived benefits of membership, the net-result will be some payoff equal to c. If the EU does not support the applicant's reform process and accession, or the applicant does no longer want to pursue EU membership, the payoff will be equal to d. The most beneficial outcome to the applicant would be a situation of unreformed membership, that is, acceding to the EU without bearing the costs of reform. Similarly, the EU may benefit most from a situation in which the applicant introduces reforms (for example adjusting customs tariffs, aligning its regulatory framework with the Union's) without acceding to the EU. This would allow the EU to gain access to the applicant's market, without having to accommodate one more participant in decision making or incur political costs by adjusting to a new member. The other side of each of these outcomes is that the other player does not prefer it: unreformed membership is not an option to the EU, while the position of a reformed satellite is not preferred by the government of the applicant. Although the magnitude of the payoffs may differ between the applicant and the EU, the payoffs to both players rank in the same way, that is, b ('bonanza') > c ('cooperation') > d ('defection') > s ('sitting duck').(7)

Based on this payoff structure, the game is a Prisoners' Dilemma game. Assuming both players know that the game will only be played once, an agreement between the EU and the applicant about the conditions that could lead to EU membership is not self-enforcing. Both players have a dominant strategy: while the EU prefers 'delaying' to 'supporting', the applicant prefers 'halting' to 'continuing' the EU driven reforms. As a consequence, the one-shot Nash equilibrium consists of delaying the process toward EU membership and halting reforms leading to no enlargement. At the same time, having 'no enlargement' makes both players worse off than if they had both worked along as part of the accession process.

A one-shot game, however, does not reflect the negotiations between the EU and the applicant in the period before a date of accession is determined. The applicant needs to negotiate becoming a candidate first and then continue negotiating on the various aspects of the *acquis communautaire* and the enlargement *acquis* built around the Copenhagen criteria. For instance, in the case of Turkey, while the country submitted its application for membership in June 1987, it took more than ten years before the EU granted it candidate status in December 1999 (see Table 3). Since the negotiations between the EU and the candidate can continue indefinitely and a date of accession may not be set at all, we focus on repeated games with an indeterminate time horizon to explore further the effectiveness of conditionality.

4. The accession negotiations: candidacy without a fixed date ⬆

The accession talks between the EU and a candidate country are better characterized as a series of negotiations between the players over the extent to which the applicant, at any given stage of its preparation, satisfies the conditions set by the Union and the extent to which the Union is willing to continue supporting the applicant's candidacy. At any round of the game, there is a positive and constant probability that the game will be played for a next round. This probability, the structure of the game and the payoffs to players are common knowledge. The stream of payoffs, when both players collaborate and do not deviate from their agreement to prepare for enlargement, is

$$[1] \quad C = c + cw + cw^2 + \ldots + cw^n + \ldots = \frac{c}{1-w}$$

with c as the payoff related to cooperation, and w as the discount factor, $0 < w < 1$. The discount factor, which we see as independent from the accession dynamics, reflects the way in which players perceive future payoffs. A large discount factor means that future payoffs are still highly valued by players, representing an important share of the total flow of payoffs. Conversely, a small discount factor means that the total flow of payoffs is mainly affected by benefits received by players at present.

The question is whether one of the players has an incentive to deviate from a cooperative strategy? If, for instance, the EU maintains its support for accession of the applicant, while the applicant does not introduce the required reforms at period n, it will get

$$D = c + cw + cw^2 + \ldots + cw^{n-1} + bw^n + dw^{n+1} + dw^{n+2} + \ldots$$

with b as the one-time bonus the applicant enjoys since it keeps its prospect on membership without carrying out domestic reforms. In the subsequent rounds of the game, the applicant will be punished by the EU and receives payoff d, which is based on the one-shot Nash equilibrium strategy. We assume that once defection is detected, the player will be punished by the other in the subsequent rounds (the so-called grim strategy). We will discuss relaxing this assumption later, since there may be alternative strategies able to support cooperation.

It would be unprofitable for a player to cheat on the agreement, if the benefits of working together along the path of accession exceed those of cheating. Once discovered by the other party, cheating will be punished by a defection leading to a breakdown of the agreement. In other words, as long as the stream of payoffs related to cooperative behavior is larger than the one based on defection (that is, $C \geq D$), a player does not have an incentive to defect. This makes the agreement between the EU and the applicant *incentive compatible*. An incentive compatible agreement secures the mutual cooperation during the negotiations phase, which makes conditionality effective. The EU is willing to support the applicant's candidacy, while the applicant is prepared to introduce various reforms in order to satisfy the demands of the Union.

What are the determining factors of an incentive compatible agreement? Consider that one of the players decides to cheat. The moment a player decides to deviate, his or her stream of remaining payoffs is:

$$[2] \quad D = b + dw + dw^2 + \ldots + dw^n + \ldots = b + d\,\frac{w}{1-w}$$

The agreement is incentive compatible if $C = D$. Combining equations [1] and [2], we get:

$$\frac{c}{1-w} \geq b + d\,\frac{w}{1-w}$$

which equals (see, for instance, Binmore, 1992: 357-60):

$$[3] \quad w \geq \frac{b-c}{b-d}$$

The numerator, $(b - c)$, is the additional payoff for breaking the agreement. The denominator, $(b - d)$, is the difference between the payoff of breaking and the remaining payoff of the one-shot Nash equilibrium strategy. Since $(b - d) = (b - c) + (c - d)$, it can also be interpreted as the sum of the net-payoff of breaking and the net-payoff of keeping the agreement (Hovi, 1998: 95).

Equation [3] sheds more light on the conditions for the success of conditionality, which are related to the discount factor (left hand side) and the distribution of the relative or net benefits to the players (right hand side).

First, the *discount factor*, w, in the left hand side of the equation, needs to be sufficiently large in order to have

collaboration. A large discount factor means that both players evaluate the continuing collaboration rather positively, which is reflected by a relatively long time horizon. In other words, both players must be rather patient. Impatience by one of the players would translate in a rather low discount factor, which makes an incentive compatible agreement unlikely. Impatience may lead to defection and the halting of the negotiations, which makes conditionality ineffective.

Second, given a certain value of the discount factor, the right hand side of the equation becomes smaller increasing the likelihood of stable cooperation if the one-time *benefits of breaking the agreement* by either the applicant or the EU – that is, the value of *b* – are relatively small compared to the benefits of collaboration – that is, the values of *c* for both players. It might be particularly relevant for the EU to monitor the magnitude of *b* in the applicant country. Especially in case of a domestic crisis or forthcoming national elections, the one-time benefits of defection may increase for the candidate government, thus decreasing the prospects of long term cooperation and effective conditionality.

Third, the right hand side of the equation also becomes smaller if the *benefits of collaboration* between the applicant and the EU – the values of *c* for both players – are substantially larger than those of giving up the possibility of enlargement – that is, the value of *d*.(8)

The relationships between various payoffs to the players, that is, the values of *b*, *c*, and *d*, can be presented in a different way by rearranging the terms in equation [3]. As shown by Hovi (1998: 95), equation [3] can be rewritten as:

$$[4] \quad (c - d) \geq \frac{1 - w}{w}(b - c)$$

which, in addition to our earlier observations, shows that the difference between the payoffs of collaboration and defection – that is, the difference between *c* and *d* – should be sufficiently large. For conditionality to work, the EU has to make sure that compared to the costs of domestic reform the applicant has sufficient net benefits to maintain its relationship with the Union. In this respect, the creation of special EU support programs for applicant countries, such as PHARE(9), later ISPA(10) and SAPARD(11), has helped to keep the candidate countries interested in EU membership and, more importantly, to maintain conditionality. They provide financial support for accession preparation and thus increase the benefits of repeated play even if accession is not yet in sight. These programs and other forms of EU support to the candidates are related to the magnitude of (*c* – *d*).

The analysis so far is based on the strategy of endless punishment of a deviating player (the grim strategy). This is a rather severe way of punishing the other player, which may be unnecessary to induce cooperation. The Union or the applicant does not need to give up the prospect of enlargement when a defection of the initial agreement is detected. Other strategies might lead to cooperation as well. The critical condition is that the discounted stream of payoffs resulting from playing the game cooperatively should be equal or higher than the payoffs from defection, that is, *C* = *D*. In other words, if the defecting player is punished in a sufficient number of rounds to eliminate his or her gain from breaking the agreement, both players have an incentive to keep to their cooperative strategy (Shubik, 1970: 189; Osborne and Rubinstein, 1994: 146). This means that many alternative strategies may exist that hold a credible threat to the other player and can support cooperation.

5. Fixing the date of accession ⬆

Returning to the reality of enlargement, we can claim that the moment the EU announces a date for accession, this act converts the accession negotiations from an infinite into a finite game. The number of times the game will be played becomes common knowledge, and both players know exactly how many rounds there will be.

The outcome of such a repeated game is the same as the one-shot game if information is complete. While one may expect that the EU will build a reputation as 'supportive' to enlargement and the candidate will be 'reformist' in order to profit from the benefits of enlargement, this intuition is not supported by the logic of backward induction.

Once the players have reached the last round of the game, the situation is exactly the same as in the one-shot compliance game in Table 1. At the last round, the EU will no longer support the candidate's process toward membership while the candidate will halt its domestic reform efforts. Based on this decision, which can be foreseen in the previous rounds, both players will defect from the cooperative solution of enlargement in preceding rounds. The uncooperative solution of 'delaying the process toward EU membership' and 'halting reform', which cannot be punished by either player in the last period of the game, is, in fact, rolled back to the first period. It causes both players to defect in all periods of this finite repeated game.(12)

One way of 'dealing' with this situation would be for the EU to give up its goal of reforms in the candidate country and accept the candidate's current domestic situation as sufficient for EU membership. The EU's strategy of supporting the candidate turns into a *dominant* strategy from which it will not deviate. In terms of the payoffs in Table 1, it means that for the EU $c > b$ and $s > d$. The payoff structure to the candidate may remain the same, that is, $b > c > d > s$. In equilibrium the candidate halts its reforms, while the EU supports the candidate's last step toward membership. This behavior has two implications. First, conditionality loses its effectiveness the moment a date of accession is set. The candidate anticipates its membership and its government will no longer be willing to continue with domestic reforms. Second, announcing the date of accession only makes sense at the very last moment when the EU is confident that the candidate has completed he necessary reforms. At this stage, unless other mechanisms are used, the candidate may no longer work on transposing parts of the *acquis communautaire*.

The next question is whether there are possibilities to compensate for the diminishing effectiveness of conditionality in the last stage of the accession negotiations. Any kind of safeguard clause used by the EU will provide for the possibility of excluding a state from all or some of the benefits of membership in case of incomplete reforms. In the case of the eight new members from Central and Eastern Europe, the EU kept the possibility of temporarily excluding the candidate from parts of the *acquis communautaire*—and thus from full membership—if compliance problems occurred.(13) For Bulgaria and Romania, the safety clauses and monitoring are meant to be even more severe, including both safeguard clauses allowing postponing accession with one year (not used) and safeguard measures excluding certain policy areas from the common EU jurisdiction. According to the Commission, "the Accession Treaty for Bulgaria and Romania provides for further safety nets to address potential accession related difficulties". These measures included "safeguard measures, transitional measures, financial corrections of EU funds and a cooperation and verification mechanism for the judiciary and the fight against corruption.[…]. The following three safeguards can be invoked up to 3 years after accession:

- a general economic safeguard clause (Article 36);
- a specific internal market safeguard clause (Article 37); and
- a specific justice and home affairs safeguard clause (Article 38)"

(European Commission, 2006). In Justice and Home Affairs, for example, the activation of a safeguard measure could lead to suspension of certain rights of the countries under the EU laws and standards. In the last stages of the Bulgarian and Romanian negotiations, the option of postponed membership and safeguard clauses were frequently referred to as a way to keep the momentum of reforms. In May 2005, for example, the European Commission required fast and decisive improvements in Romania's competition and state aids policy. The EU Commissioner on competition policy, Nelly Kroes, suggested that without further changes Romania "may leave the Commission with no other choice than to propose postponing its EU membership".(14)

The use of such safeguards expands the strategies available to the EU and the candidate. The compliance game as presented Table 1 has to be expanded with at least one additional strategy which involves punishing a defecting player. The EU may withhold membership to the candidate, while the candidate reverses some of the EU favored reforms. The new game, which includes such additional 'punishment' strategies, is presented in Table 2. These changes make a difference, as the introduction of 'punishment' strategies may lead to 'partial' compliance in a finite game (Powell, 1991: 1306-8; Hovi, 1998: 98-9). Compliance is 'partial' since it does not apply to all rounds of the game.

Table 2

Assume that this game is played only for two rounds, which is known to both players. Playing the cooperative strategy of implementing reforms while the EU supports the candidate in its process toward membership is not a Nash equilibrium. The game has two equilibriums: the first consist of both players defecting, which means that the EU delays the candidate's membership, while the candidate does not introduce the reforms proposed by the EU. The second equilibrium is that both play their punishment strategy. These equilibriums indicate that additional safeguards cannot impose compliance in the last round of the game, since this round is equivalent to a one-shot game. However, it is possible to have cooperation between the EU and the candidate in the preceding round using the following strategy: play *C* in the first round and if the other player also does, play *D* in the second round. In all other circumstances play *P*.

Playing *CC* in the first round and *DD* in the second is an equilibrium: if the EU follows this strategy it obtains a payoff of 2 in the first round and 1 in the second adding together to a payoff of 3. If its defects, it will receive a payoff of 3 in the first round and -1 in the second one, leading to a total payoff of 2. In other words, cooperating in the first round and defecting in the second is the best reply of the EU if the candidate is using the same strategy. Based on the symmetry of the payoffs, a similar result can be established for the candidate. Moreover, since playing *DD* in the second round is a Nash equilibrium, the proposed strategy is also subgame perfect.

A crucial condition for the emergence of partial compliance is that the one-time benefits of defecting are sufficiently reduced by the punishment strategy. As the example in Table 2 shows, the overall payoffs of playing *DP* or any of the other combinations must be smaller than those of playing *CD*. Only if one player is able of imposing substantial costs on the other party (such as suspension of financial support from the structural funds mentioned in the Commission safeguard measures for Bulgaria and Romania discussed above), will the 'punishment' strategy help in securing compliance. However, the tools the EU has at its disposal as punishments are limited (for example, the above mentioned safeguard clauses) and cannot compare to its regular compliance mechanisms for member states. The EU has an incentive to keep the period between announcing the date of enlargement and the actual accession as short as possible. Furthermore, although the possibility of punishment may postpone the unwanted behavior of halting reforms, it cannot fully prevent it. In the last round, the EU and the candidate will deviate from the 'cooperative solution'. The EU will limit its support for accession and focus on ratification, while the candidate will slow down reforms. With the end of the negotiations in sight, the EU enlargement conditionality becomes ineffective.

6. The limits of conditionality ⬆

The analysis above leads to a number of hypotheses on whether an applicant country will comply with the EU's conditions for membership. We make a distinction between the period in which the date of accession has not yet been set and the period after this date is set.

In the context of an indeterminate time horizon, the effectiveness of conditionality (through maintaining an incentive compatible agreement) depends on three determining factors. First, it is particularly important that the perceived gains to the candidate of the cooperation with the EU are substantially larger than the benefits of maintaining an 'independent' state outside the EU. These benefits should be apparent during the process of domestic reform so that the applicant still has an incentive to be interested in EU membership. Second, the relative magnitude of one-time benefits of breaking the negotiations must be small. This requires a continuous awareness especially on the side of the EU to monitor these benefits in periods of domestic crisis or forthcoming national elections. If the benefits of breaking off negotiations have somehow substantially increased(15), it makes sense to offer additional and temporary benefits to an applicant state to prevent the difference between these gains and the gains of cooperation with the EU growing too much. A difference that is too large may make the agreement no longer self enforcing. Third, both parties should be patient, that is, have a rather long time horizon in which they expect to receive mutually positive benefits. Impatience may erode the self enforcing nature of the agreement and make conditionality ineffective.

The moment the date of entry is set, the assumption of an indeterminate time horizon no longer holds. The infinite game between the EU and the candidate converts into a finite or perhaps a one-shot game in which cooperation is difficult to maintain. Conditionality, which has been associated with the mutual cooperation between the EU and

the applicant country, will no longer be an effective tool of reform. One implication is that a candidate's performance with regard to implementing the *acquis communautaire* may be negatively affected by the intervening period between signing the accession treaty and the moment of actual membership. Another implication is that the EU needs to use another mechanism to induce compliance with remaining conditions and reforms, as cooperation resulting from infinitely repeated play is no longer effective.

Following our analysis, we can formulate, in a rather informal way, a number of hypotheses on the effectiveness of conditionality and the extent to which candidate countries absorb the conditions laid down by the EU.(16) These hypotheses are:

1. If the date of accession is not fixed, EU conditionality will be effective if membership brings relatively substantial positive gains, the one-time benefits of breaking with the EU are relatively small, and the applicant is patient with regard to the progress of the negotiations;
2. When the date of accession is set, the EU will no longer focus on conditionality, and the candidate will slow down the implementation of domestic reforms required by the EU;
3. The EU will keep the period between announcing the date of accession and the actual accession as short as possible.

In next section, we will explore whether empirical evidence exists supporting these hypotheses.

More specifically, we will focus on the limits of conditionality related to the changes between infinite and finite games. As the negotiations progress, the announcement of the accession date is expected to have a substantial impact on conditionality, turning it from an effective into an ineffective tool. We hope to illustrate this and some related points with evidence of the use of conditionality by the European Commission and the performance of countries in Central and Eastern Europe which recently became EU member states.

In the empirical part we will not deal further with the conditions supporting conditionality in negotiations with an indeterminate time horizon. As indicated, conditionality is expected to be effective as long as applicants perceive sufficient positive gains from further negotiations relative to the benefits of defection or breaking with the EU. With regard to the ten countries in Central and Eastern Europe, which applied for EU membership in the mid-1990s, these benefits are clearly positive so that negotiations started and conditionality played a role. For other neighboring countries, which did not apply, this is not the case. At the same time, it is also not clear whether a country's negative assessment of benefits and perceived costs, the EU's unwillingness to accept an application, or both have led to this outcome. This opaque (self) selection process, which leads to the making of an application, makes researching the first hypothesis difficult.

7. Developments in EU conditionality ⬆

As is well known by now, it was in the last two EU enlargement rounds with ten countries from Central and Eastern Europe and Cyprus and Malta that the EU introduced for the first time explicit accession criteria (the Copenhagen criteria). The various stages in this process are summarized in Table 3.

<div align="center">Table 3</div>

A first observation that can be made on the basis of this table is that enlargement has become a multiple step process. The breaking of the enlargement process into stages is an important innovation relevant to our model. In past enlargements, there would be relatively fewer stages. The typical enlargement cycle would consist of the issuing of Commission Opinion on the readiness of the candidate, the opening of negotiations, the closing of negotiations, treaty signing and ratification, then accession. By contrast, the last enlargement process has been organized as a multiple step process structured around intermediary points at every one of which accession can still be stopped. Every one of the multiple sub-stages of the enlargement process has conditions attached to it. Passing each of these stages, however, does not increase the promise of acceptance. This could be illustrated with the case of Turkey, which received candidate status in 1999, but negotiations started in October 2005. Croatia, similarly, had a (much smaller) delay in starting negotiations, meant to begin in 2005, but in fact starting in

October 2005 when the Council concluded that the remaining conditions for starting negotiations had been met. In general, a country aims first to be accepted as a candidate by the EU, then to start negotiations and so on. This ensures the candidate stays on the path of reform and increases uncertainty regarding the end and the date of accession.

The first hypothesis, which we formulated above, concerns the period between the announcement of the date of accession and the actual accession. Since the announcement of this date affects conditionality, we expected that the EU will keep this period as short as possible. Despite repeated calls and demands for a final date, the CEE applicants received a date more or less at the end of their negotiations, in December 2002 and could accede in May 2004. For Bulgaria and Romania, the decision to join the Union on 1 January 2007 was taken in December 2004 and the Treaty of Accession was signed in April 2005. The period between announcing accession and the actual entry of a candidate is thus about two years. The politically risky process of ratification of the treaties of accession by 15 member states (in the case of the first eight) and by 25 (in the case of Bulgaria and Romania) does not allow for a much shorter period between signing of the accession treaty and actual accession.

As discussed above, knowing that the end is in sight reduces the effectiveness of conditionality. This brings us to the second hypothesis we developed. Once accession is announced, we expect that the EU will no longer rely on conditionality as a tool of inducing domestic reform. In addition, the candidate will slow down its domestic reforms, as far as these are driven by EU enlargement conditionality. This expectation is reinforced by the fact that between the announcement of a date of accession and accession no further negotiations take place. The negotiations on the various chapters of the *acquis* are formally closed, and the Commission only monitors the progress of the candidate during this period. The infinite repeated game of the accession negotiations is converted into basically a one-shot game in which conditionality, as indicated, is ineffective. Let's focus first on the EU-side of this hypothesis related to the proposed conditions.

The characteristics of the conditions the EU sets, the reform demands, the degree of intensity and salience of conditions vary from year to year and from country to country. EU enlargement conditionality is not based on a single or several related conditions (for example, economic reform, liberalization, and human rights), but is multi faceted and diverse, in fact consists of multiple sub-conditionalities. These are organized around the EU's Copenhagen criteria and later additions such as the Madrid administrative capacity criterion (Dimitrova, 2002). Remarkably, not all of these conditions matter equally for accession. The European Commission developed the practice of singling out, in their yearly evaluation reports, several reform conditions which are of the greatest significance for a country's progress. Thus we have a hierarchy of salience of conditions. Furthermore, though in much previous writing on this topic it has been assumed that pressure from the EU is a constant across candidates, this is not really the case. Some candidates have been pressed more than others and on a wider range of issues. Thus the intensity of conditionality varies from country to country. This is shown in <u>Table 4</u>, which summarizes key conditions set by the Commission by enlargement years.

<center>Table 4</center>

First, we made an inventory of the total number of conditions used by the Commission in the regular reports. We counted 34 different conditions covering most areas of the *acquis communautaire* and the enlargement *acquis*.(17) A condition is regarded as sufficiently dealt with by a candidate if it is not mentioned in one of the subsequent years. Secondly, we counted the number of conditions for each candidate separately for each year and calculated the ratio between this number and the actual number of conditions. Based on this, the table presents the proportion of conditions highlighted for a given candidate in a given year compared to all conditions used by the Commission. Following our hypothesis, we expect that, in the case of the eight candidate countries from Central and Eastern Europe (EU-8), the use of conditionality would drop in 2003, the moment the date of accession was in sight. For Bulgaria and Romania, this drop is expected in 2004.

The data in <u>Table 4</u> indicates that on average and for each year an applicant needed to satisfy about 24% of the conditions set out during the accession process. The highest number of conditions is found in the initial stages of the enlargement process (before the start of the negotiations on the various chapters of the *acquis*). The moment the negotiations start, the candidates are faced with 38% of all conditions. This percentage dropped to 9% for both

the EU-8 in 2003 and 2% for Bulgaria and Romania in 2004, the year in which the date of accession was known. If we look at the ten CEE candidates individually, the largest drop in intensity of conditionality for all of them is witnessed in 2003 and 2004 respectively, except for Estonia (in 2000) and Hungary (in 2001). This decrease is in line with our expectation that the EU no longer relies on conditionality when accession comes into sight. An alternative explanation for this drop in conditionality would be that the Commission cannot credibly recommend the admission of new members to the Council of Ministers and the European Parliament if it increases the number of conditions at the very end of the proposed negotiations period. However, this alternative explanation of the drop in conditions, as presented in Table 4, also implies that conditionality becomes ineffective the moment a decision on the accession date is made.

The other expectation following from same hypothesis refers to the behavior of the candidate, which is expected to slow down its reform in view of accession. This slowing down is a result of the reduced effectiveness of conditionality. In other words, conditionality has reached its expiration date.

Finding evidence for this hypothesis is more complicated. First, few studies exist linking specific conditions with a candidate's performance. Previous research by Dimitrova (2002) on administrative reform suggests that states considered as forerunners based on Commission rankings as well as public statements, tended to do less in their administrative reform than states which were more uncertain in their prospects of accession. The Czech Republic, for example, made little move to comply with EU's condition on introducing civil service legislation, since it was highly unlikely that the Union would leave this country out of the enlargement process (Dimitrova, 2005: 87). This resistance to reform is also reflected in the Czech transposition ranking in the EU's scoreboards after it became a member state. These rankings can be found in Table 5.

Table 5

Focusing on the internal market, the scoreboard of the European Commission (2004) provides information on how the new member states perform with regard to the transposition of these directives directly after their accession. These scores are interesting since they mainly show the results of these member states' performance before accession and before control mechanisms for existing member states start to work (such as the threat of infringement procedures). It shows the number of directives the new member states did not yet notify to have transposed and did not yet fully transpose.(18)

Based on the two available indicators, a compliance index has been constructed. This index suggests that especially the Czech Republic, Slovakia and Latvia lagged behind in implementing the internal market *acquis*. The Czech Republic's performance can be explained by the low intensity of EU conditionality combined with the slow pace of administrative reform noted above. The Slovak and Latvian cases, however, are cases of high conditionality pressure. Moreover, the negotiations with Slovakia, Latvia and Lithuania started in February 2000 (see Table 3), which was two years later than the other new member states. Conditionality may have worked for two years, but with the announcement of membership in December 2002, their reforms and implementation of the *acquis* may have slowed down. The exception to this trend of slowing down is Lithuania, which suggests the importance of domestic factors such as mechanisms for coordination of EU related policies. This points to a complication arising when interpreting the ranking in Table 5, making it clear that the performance of the new member states is only partly affected by conditionality. Other factors, such as administrative capacity and domestic incentives to push for change, play an important role. More specifically, administrative capacity to handle EU legislation and implement domestic changes is an important mediating factor. A next step would be to open the black box of the state and identify domestic variables such as reform of the EU coordination system or centralization of the core executive (Zubek, 2005) that play a role in compliance.

8. Conclusions ⬆

This article has brought the effectiveness of EU conditionality in the last and future enlargement rounds in the spotlight. Building on an increasing number of studies emphasizing the importance of conditionality in the preparation of candidate states for the complex demands of the EU's multi-level system of governance and internal market, we have asked the question, is conditionality always equally effective or does it have an

expiration date? To answer this, we presented the enlargement negotiations as a bargaining process over EU membership. The game theoretical analysis above showed that, there are incentives for cheating in this bargaining process. The government of the candidate country, on the one hand, faced with the costs of reforms and potentially declining popularity, might be tempted, in order to decrease domestic costs, to postpone reforms or comply only symbolically with the EU conditions. Once such a deviation from the agreement is detected, the Union may decide to postpone further negotiations and stop the enlargement process. The EU, on the other hand, may prefer to have a stable and democratic neighbouring country, but may not be inclined to grant it full membership. It may therefore stimulate the candidate to introduce various reforms without granting it the 'reward' of EU membership. A decision on entry could, in principle, be delayed or even postponed for many years. In this context, the risk of breaking off the negotiations is high, while the prospect of EU membership or substantial domestic reform is low.

In order to secure enlargement, the EU could commit itself by setting the date of accession of the candidate. However, this action will completely erode the effectiveness of conditionality, since the candidate will no longer push for domestic reforms under the threat of of postponing or even stopping the accession negotiations process.

The empirical part of this paper showed that, in line with our expectations, the EU does not commit with a 'hard' date for accession until the process of negotiations is over and the accession treaty is signed. The period between signing and accession is determined by ratification considerations, but is kept short, as conditionality cannot be expected to work in this period and compliance with EU rules can be ensured once a state is in and the possibility of European Court of Justice (ECJ) sanctions exists. Furthermore, the EU's awareness of the ineffectiveness of conditionality, once accession is announced, is illustrated with the substantial reduction in conditions when accession comes into sight. The expected impact on the candidate's behavior, slowing down of reform, is more difficult to establish, since it also depends on other, domestic factors, including administrative capacity. The case of the Czech Republic stands out since a low intensity of the EU conditionality combined with a slow pace of administrative reform has led to a rather low compliance with the internal market *acquis*.

In contrast to recent studies on conditionality such as the collection edited by Schimmelfennig and Sedelmeier (2005a), this paper focuses exclusively on conditionality and not on the domestic arena and shows that regardless of domestic circumstances, the effects of conditionality vary in time, depending on how close a state may be to accession. We have also shown that EU conditionality varies in intensity even though most existing case studies have assumed to be constant. These findings have implications for future enlargements (for example with Turkey) in which we can expect an even more drawn out process with more stages and less willingness from the EU to commit to a date. The scope of conditions which is very broad should also be considered – while they aim to induce reforms in a wide area of policies and institutions, their very number may lead to a decrease in credibility. In this respect singling out several conditions seems a more successful strategy. Last but not least our analysis has shown that in order to reap the benefits of enlargement, both the EU and applicants must be patient and take a long term perspective considering the benefits of enlargement.

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Endnotes ⭱

(1) These were the Czech republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia and Cyprus and Malta.

(2) Current 'official' candidates are Croatia and Turkey, both have started negotiations for membership. The Republic of Macedonia is hoping to be recognized as an official candidate and start negotiations in 2007. A number of other states from the Western Balkans have expressed a strong interest to join the EU and so has the Ukraine. The list of potential candidates is extended as far as Georgia and Moldova.

(3) The World Bank and IMF have been using conditionality for several decades and have been debating and evaluating the effectiveness of conditionality practices in recent years. This paper deals only with EU conditionality, which we see as sufficiently distinct to merit special attention.

(4) Crucially, we assume that EU conditionality applied in the context of enlargement is different from the same policy applied when enlargement is not on the table at all. In the context of non enlargement related EU assistance programs, actors may not perceive their losses in any other but monetary terms and may be likely to respond as much to EU demands as to any other donor, while in the context of enlargement, we assume that actors have more to lose than direct monetary benefits.

(5) As formulated in the EU's well known Copenhagen (enlargement) criteria of 1993.

(6) An important question we do not address here is whether the EU has, over the last ten years, introduced sufficient internal reforms to maintain or improve the efficiency of its decision making process in anticipation of enlargement. See König and Brauninger (2000, 2004) and Steunenberg (2001, 2002) for a discussion of these problems.

(7) We note that these payoffs may have different values over time, as an enlargement round progresses. For example, the EU may have an increased stake in an applicant joining after 10 years of progress reports, debates and rhetorical action. We still expect that these changes would not affect the preference *ranking* since the benefits of having a reformed satellite would also have increased.

(8) In any event, the right hand side of the equation has to be smaller than 1 as the discount factor, w, varies between 0 and 1. This is ensured if $b > c > d$, which equals our assumption about the payoff structure of the game.

(9) This acronym stands for Poland, Hungary, Assistance for Restructuring (in French), as it was originally created in 1989 to assist Poland and Hungary. Came to cover all CEE candidates later and became the main financial instrument of the Commission's pre-accession strategy in 1997. TACIS (Technical Aid to the Commonwealth of Independent States), CIS (Commonwealth of Independent States).

(10) The Instrument for Structural Policies for Pre-Accession (ISPA) provided additional financial support in the areas of transport and the environment.

(11) The Special Accession Programme for Agricultural and Rural Development (SAPARD) supported actions in agriculture and rural development in the candidate countries and assisted implementation of the acquis under the Common Agricultural Policy (CAP).

(12) One variation of this game is to indicate that players do not know for sure when the game is going to end. They do know that the game is of a finite type and thus will end after some periods. This modification, which only affects the likelihood of ending the game, does not change the outcome. Since players do know that the game ends

after some known number of rounds, it will lead to defection in each period of the game. Whether the game may possibly end at the next round, before the last round is reached, does not change the basic game-theoretical logic (see Myerson, 1991: 309-10; Hovi, 1998: 92).

(13) Safeguard clauses were specified in the Treaty of Accession.

(14) Cited in the Dutch national newspaper *NRC Handelsblad*, 13 May 2005.

(15) For example, if a nationalist leader gains ground in the electoral struggle by appealing to electorate with promises of stopping enlargement and the reforms demanded by the EU.

(16) In this paper we focus on hypotheses related to the applicant country, as we, for the moment, assume that enlargement involves sufficient benefits to the EU and its current member states. It is also possible to further analyze the gains to the EU and formulate hypotheses underlining the magnitude of these benefits.

(17) We also clustered these conditions into 22 main categories and performed the same analysis, as some of the conditions overlap. Although the number of conditions per country now differs, we found the same patterns as reported in the text.

(18) A limitation of this data is that the numbers were provided by the new member states themselves. Later scoreboards show that some new member states substantially improved their performance. This is, in our view, due to the regular control mechanisms in the Union for existing member states. Recent data from the Secretariat General of the European Commission shows that shortly after their accession Romania is lagging behind (having not yet notified 252 directives, which is the worst performance for all member states) while Bulgaria is performing relatively well (with a backlog of 45 directives, which is comparable to the current performance of France). This could be related to the higher intensity of conditionality in the case of Bulgaria as shown in Table 4 (see http://ec.europa.eu/community_law/eulaw/index_en.htm for this data with the reference date of 8 March 2007).

Table 1

The compliance game

		Applicant	
		Continue with EU imposed reforms	Halt EU imposed reforms
EU	Support process toward EU membership	*(c, c)* Reformed membership	*(s, b)* Unreformed membership
	Delay process toward EU membership	*(b, s)* Reformed satellite	*(d, d)* No enlargement

Key: (x, y) = (payoff EU, payoff applicant)

Table 2

The extended compliance game

		Candidate		
		Continue with EU imposed reforms (C)	Halt EU imposed reforms (D)	Reverse EU imposed reforms (P)
EU	Support process toward EU membership (C)	(2, 2)	(0, 3)	(-2, 0)
	Delay process toward EU membership (D)	(3, 0)	(1, 1)	(-1, 0)
	Halt EU membership (P)	(0, -2)	(0, -1)	(-1, -1)

Key: (x, y) = (payoff EU, payoff applicant)

Table 3

Stages of the enlargement process

States	Association Agreements	Application	Commission opinion	Start of negotiations	End of negotiations	Signing of Accession Treaty	Accession
Bulgaria	March 1993; 1 February 1995 (into force)	December 1995	July 1997	February 2000	17 December 2004	25 April 2005	1 January 2007
Croatia	October 2001*	21 February 2003	20 April 2004	N/A**	N/A	N/A	N/A
Cyprus	December 1972; Protocol 1987	3 July 1990	30 June 1993	30 March 1998	December 2002	16 April 2003	1 May 2004
Czech Republic	December 1991 with Czechoslovakia; October 1993	January 1996	July 1997	March 1998	December 2002	16 April 2003	1 May 2004
Estonia	12 June 1995; 1 February 1998 (into force)	November 1995	15 July 1997	March 1998	December 2002	16 April 2003	1 May 2004
Hungary	December 1991; 1 February 1994 (into force)	March 1994	July 1997	30 March 1998	December 2002	16 April 2003	1 May 2004
Latvia	June 1995; February 1998	October 1995	July 1997	February 2000	December 2002	16 April 2003	1 May 2004
Lithuania	12 June 1995; 1 February 1998 (into force)	8 December 1995	July 1997	15 February 2000	13 December 2002	16 April 2003	1 May 2004
Malta	1971 (into force)	16 July 1990; October 1996 freezes application; re-activated 1998	July 1997	February 2000	December 2002	16 April 2003	1 May 2004
Poland	December 1991	April 1994	July 1997	March 1998	December 2002	16 April 2003	1 May 2004
Romania	February 1993; February 1995 (into force)	22 June 1995	July 1997	15 February 2000	14 December 2004	25 April 2005	1 January 2007
Slovakia	December 1991 with Czechoslovakia; October 1993	June 1995	July 1997	February 2000	December 2002	16 April 2003	1 May 2004
Slovenia	June 1996	January 1996	July 1997	March 1998	December 2002	16 April 2003	1 May 2004
				Candidate status			

Turkey	12 September 1963 Additional Protocol from 23 November 1970	June 1987	20 December 1989	December 1999, Projected start 3 October 2005	N/A	N/A	N/A

* Stabilization and Association Agreement

** Planned for the 17th of March 2005, but delayed by the European Council decision from the 16th of March 2005 (http://news.amnesty.org/index/ENGEUR640012005; reference 13.05.2005)

Sources:

General: Accession treaty Series no. 32 (2004). http://www.europa.eu.int/comm/enlargement (references 13.05.2005); Conclusions of Copenhagen European Council (December 2002); Nugent (2004: 276-7); Baun (2000: xi).

Table 4

The intensity of EU conditionality

candidate	1997	1998	1999	2000	2001	2002	2003	mean 97-03	2004
Slovenia	0.35	0.26	0.18	0.12	0.09	0.09	0.03	0.16	
Hungary	0.29	0.26	0.21	0.18	0.09	0.09	0.06	0.17	
Estonia	0.26	0.24	0.24	0.15	0.12	0.09	0.09	0.17	
Czech Republic	0.32	0.21	0.21	0.18	0.18	0.15	0.09	0.19	
Lithuania	0.38	0.32	0.26	0.21	0.15	0.12	0.06	0.21	
Poland	0.35	0.32	0.32	0.29	0.26	0.18	0.15	0.27	
Slovakia	0.47	0.44	0.35	0.26	0.21	0.15	0.09	0.28	
Latvia	0.47	0.44	0.41	0.38	0.32	0.24	0.12	0.34	
Bulgaria	0.41	0.41	0.35	0.29	0.26	0.26	0.21	0.31	0.09
Romania	0.47	0.41	0.41	0.35	0.32	0.26	0.15	0.34	0.06
average EU-8	0.36	0.31	0.27	0.22	0.18	0.14	0.09	0.22	
average CEEC's	0.38	0.33	0.29	0.24	0.20	0.16	0.11	0.24	0.02

Source: own compilation based on the European Commission's Regular Reports at http://ec.europa.eu/enlargement/archives/key_documents/reports_2005_en.htm (consulted at 25 May 2005)

Table 5

Compliance to the internal market acquis: Notification and transposition of EC directives in the EU-8

	Directives not yet notified		Directives not fully transposed		Compliance index
Lithuania	12	0.8%	18	1.2%	**1.83**
Slovenia	87	5.7%	27	1.8%	**1.11**
Poland	60	3.9%	257	16.8%	0.49
Estonia	127	8.3%	124	8.1%	0.38
Hungary	168	11.0%	38	2.6%	0.33
Latvia	290	19.0%	70	4.6%	**-0.90**
Slovakia	193	12.6%	426	27.9%	**-1.37**
Czech Republic	360	23.6%	163	10.7%	**-1.89**
average EU-8	**162**	**10.6%**	**140**	**9.2%**	