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The Other Side of European Integration: Effects of EU Accession Process on the non EU-regulated Policy Areas in Central and Eastern Europe. The Case of Bulgaria

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Abstract

Based on the case of the recent EU entrant Bulgaria, this paper investigates the effects of the accession process and the procedures it involves on the way policy priorities are set in the candidate countries. It establishes an EU-invoked twist in the way politicians define what the key problems to address are. The fact that the EU regulates certain policy areas and leaves others on the discretion of the national governments has an un-intended negative effect on the attention paid to non-EU regulated areas which risk non-reform, and on the quality of democratic governance and policy making.

Keywords: *European integration; Central and Eastern Europe; rule transfer; policy making; side effects of EU accession*

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1. Introduction

In Sir Arthur Conan Doyle's story "The Adventure of Silver Blaze" Sherlock Holmes asks himself why the dog was not barking that night when the crime was committed in the house of the dog's owner. The answer of this question proves to be the key to the crime mystery (it was the owner of the dog who committed the crime!). Similarly to Mr. Holmes' bewilderment, a puzzling counterfactual question lies in the core of this study: why no substantial reforms have taken place in policy areas like education in recent years in Bulgaria, despite the common popular and expert's perception that this is a sphere in desperate need for profound visionary reforms. And why, at the same time, policy areas like ecology – an area about which Bulgarian citizens show little concern - are being reformed, re-regulated, and the budgetary resources allocated to them have multiplied in recent years? What causes this distortion in the logical policy-making chain that consists of 'problem identification – public and expert pressure for policy intervention – identification of policy measures – reform implementation'? Only when relating this puzzling question to the fact that six years ago Bulgaria entered the European Union (EU) accession process, one could get closer to solving this policy-making mystery.

This paper aims to identify the relation between the intensive EU rules, regulations and *acquis*-transfer that takes place in certain policy areas during the EU accession process, and the non-reforms in other policy areas. The starting hypothesis is that the failure of many accession countries' governments to seriously deal with the problems in the non-EU regulated policy areas is a perverse effect of the accession process itself. The effects of the accession process and the procedures it involves on the way policy priorities are being articulated on the nation-state level is studied here. Do we observe a twist in the way politicians define what the key problems they need to address are? If 'domestic policy problems' start being named by the European accession agenda, do the non-regulated policy areas automatically become 'problem-free areas' in the eyes of the politicians? This research shows that the fact that EU harmonizes certain policy areas and leaves others on the discretion of the national governments has a perverse effect on the non-EU regulated areas. There are hardly any 'technical spillovers' and 'soft Europeaniza-

tion' taking place in the non-EU regulated areas. Rather, they remain abandoned, unreformed and anachronistic, even in the case that there is strong domestic demand for their reform.

Although this research is based on the case of Bulgaria, it develops a model for establishing the presence of this reverse effect of EU accession, which can be applied to further country-cases of the last enlargement wave, and of the further enlargements. We expect that the effect observed here is common to the post-communist triple transition countries (Offe 1991). The simultaneity of the triple transition that these countries were going through in the 90s – self-determination (nationhood), the democratic institutions building (constitutional order) and the 'normal politics' (economic liberalization, and political representation) - was already unique and unprecedented. And yet a fourth dimension was to be added to it - the process of European integration, which involved partial renouncement of sovereignty to a supranational governance level. This study aims to show that when exercised in 'triple transition countries', the process of European integration can have a perverse effect on the quality of democratic governance and policy making.

This research naturally places itself within the growing literature on the specificities of the last enlargement wave in Central and Eastern Europe (CEE). Authors like Schimmelfennig and Sedelmeier (2002, 2004, 2005), Dimitrova (2002), Dimitrova and Rhinard (2005), Andonova (2005), Grabbe, (2002) and Vachudova (2001, 2005) have developed in recent years nuanced and rich theoretical frameworks for the understanding of the transformative power and of EU in CEE and the mechanisms of EU rule transfer. The literature however strangely misses the chance to look at EU enlargement from yet another perspective: how does the changing nature of policy making in an 'EU accession regime' influence the policy making in spheres that are not directly regulated by the EU? How does the 'external conditionality rule' alter the value systems, loyalties and incentive structure of accession countries' politicians? Does the emergence of a new center (EU and its institutions) change the way 'public interest' is being defined by the accession countries' governments? These are the questions that form the center of this study.

2. Placing the research into the EU-enlargement studies context

In the last decade, a new key question has emerged in the field of EU-studies, around which a growing in volume and richness body of literature emerges: “How European integration affects the accession countries of the most recent EU enlargement wave?” The body of literature that analyzes the effects of EU accession on the candidate -member countries is asking the question how the external influences and conditionality rules imposed by the EU throughout the accession process interact with domestic conditions to produce domestic change, adjustment, reform and institution building (Schimmelfennig 2004; Schimmelfennig and Sedelmeier 2002, 2004; Dimitrova 2002; Andonova 2005, Grabbe 2002); how is compliance with the EU rules achieved (Vachudova 2005); how socialization and learning takes place; what is the role of the ‘misfit’ of policy standards between member countries and accession countries (Börzel and Risse 2000).

“The effectiveness of EU’s active leverage stems from its passive leverage – from the benefits of membership (and the cost of exclusion)” (Vachudova 2005:259) The threat of withdrawal of the membership prospect assures compliance by the candidate states. The author observes that the credibility of the future membership influences societies and political elites to take such decisions and policies that firmly put the states on the path to liberal democracy. Vachudova (2005) identifies three mechanisms that encourage post-communist EU accession countries to comply with the extremely complex and massive requirements that are put on them through the accession preparation process: conditionality, credible commitment, and influence on domestic groups.

In their concluding chapter to a book dedicated to the study of the external incentives model of EU-governance in CEE, Schimmelfennig and Sedelmeier (2005) summarize the distinct features of the process. They distinguish two phases of conditionality developed by EU in respect to CEE states - democratic conditionality which is predominantly used in the first stage of EU membership preparation, and *acquis* conditionality which is enforced as CEE countries enter the full membership preparation process. They define the membership negotiations as a process of massive rule transfer that

triggers compliance on behalf of the future member states by the promised reward of EU membership. Moreover, they show that enlargement, and the *acquis* adoption requirement that the process entails, are the main conditions for effective EU rule export to the region. In the absence of the EU conditionality and the EU membership promise, ruling elites would not necessarily adopt EU rules where their adoption is costly or inconvenient. Schimmelfennig and Sedelmeier emphasize that any study of the post-communist transition in CEE that does not include the impact of the EU integration process, would be incomplete and provide a distorted picture of the way transition is happening. An important contribution is the recognition that EU rule in CEE differs from the 'network governance' that is characteristic for the way the European community functions internally. In CEE the EU rule is rather hierarchic, vertical, and involves command and control and steering. A top-down nature of rule transfer in the enlargement process is described as its key feature.

An important effect of the EU external governance in CEE is its impact on institution building. Dimitrova (2002) defines institution building as the central pillar of the EU strategy towards candidate states of the last wave of enlargement, as working institutions are a necessity for the successful implementation of the *acquis*. Dimitrova argues that the overwhelming accession conditionality of the EU leaves little space for domestic actors to exercise their vetoes, and warns that the institutions that are being created through "EU rule import" might not take deep root if the domestic preferences do not converge towards reform and if the ideas underpinning the rules are not clear enough to suggest an easily adoptable institutional model.

The growing literature on the specificities of 'enlargement East' strangely fails however to look at the wider effects of EU-conditionality on policy making in non-EU regulated policy areas. It is precisely this issue that this study is focusing on.

There is yet another stream of literature that has been developed far away from the subject of European studies, but that bears some relevance to my research. In the last decade scholars concerned with economic development in transition countries, with ethics of governance and corruption, have developed the concept of 'state cap-

ture' (Hellman, Jones and Kaufmann 2000). The term refers to "the capacity of firms to shape and affect the formation of the basic rules of the game (i.e. laws, regulations, and decrees) through private payments to public officials and politicians" (Hellman et. al. 2000:2). The phenomena is being observed in many transition economies, where captor-firms obtain from public officials rent-seeking opportunities, that generate private benefits for them, such as higher profits, sales growth, etc. Hellman et. al. show that the social costs of state capture for all other firms in the transition economies can be considerable, as the negative externalities for non-captor firms in high capture economies are significant. "Moreover, the success of captor firms in securing individualized protection for their property rights appears to weaken overall progress in strengthening the security of property rights for all other firms" (Helman et. al. 2000:5).

As we progress through this study, we will inquire whether we could speak of a kind of 'benevolent state-capture effect' of the European integration on policy-making in countries of the most recent EU enlargement wave.

And finally, Thomas Diez (1999) argues that the way we conceptualize the European Union is not an innocent act – different discursive approaches to the new 'political creature' bring to the fore different parts of its characteristics, and thus determine our perception of what the EU is. An insight that should raise my cautiousness when I propose a re-conceptualization of the EU enlargement effects on the CEE countries in transition.

3. Research design

For the purpose of this study, the research is limited to the single case of Bulgaria - a post-communist transition country, which is still in the EU accession process, and is characterized by relatively weak governance and a rather large 'misfit' (Boerzel and Risse 2000) between European standards and domestic practices in most policy areas. Although it is obvious that a larger number of country-based cases would have strengthened the reliability of the conclusions that will be drawn here, time pressure and data availability

prevented us from extending the research to other countries – something that remains an agenda for the future. What is done here is the development of a research design that could serve as a 'template' for further research on the perverse effects of EU accession in the CEE transition countries. An attempt to conceptualize the findings in a way that makes them a basis for further region-wide comparative research is also undertaken.

We propose a grid in which one could place every policy-making area in order to describe whether each of them is subject to weak or strong EU pressure for reforms and weak or strong domestic pressure for reforms. Most interesting are the cases where there is a discrepancy between the EU and domestic pressure for reforms. In this paper we look at education and ecology in Bulgaria in the period after the start of the EU accession process, to the present day. We look at the policies of the Bulgarian governments towards these two policy areas since the start of the accession process. In other words, different aspects of government intervention in them – legislative, regulatory, and financial, are analyzed. We attempt to establish how much these policy areas has been a priority during this period by comparing the level of reforms that each of the sectors has undergone and the level of state funding allocated to it. At the same time, we account for how high the pressure for reform was, and what were the sources of this pressure – was it the EU institutions, or the domestic citizens and expert community. Analyzing this data allows us to conclude what - in the context of EU accession - drives policy prioritization and innovation: is it the pressure for reforms that is being exercised by the institutions of the EU, or it is the domestic voters' demand and domestic experts identification of policy problems and policy solutions.

	Strong EU pressure for reforms	Weak or no EU pressure for reforms
Strong local demand for reforms	Justice and home Affairs	Education
Weak or no local demand for reforms	Ecology	Culture

Education and ecology policy areas are tested here on:

- 1) how high reforms in the given policy are at the EU accession negotiations agenda
- 2) how much reforms are seen as necessary by the local citizens/voters
- 3) how much legislative and re-regulatory work affecting these policy areas was going on in the accession negotiations period
- 4) how much the state budget allocated for these policy areas was being increased/decreased
- 5) how much there was a change in the patterns of government financing for the two policy areas

The hypothesis that is being tested is that in the context of EU-accession negotiations in CEE countries, the priorities that are on the EU agenda become the domestic priorities as well. Domestically formulated policy priorities – be it by popular or expert consensus - do not matter any more, they are overshadowed by the totality of the EU-integration meta-agenda. As a result, key policy areas (like education for example) that fall outside the focus of EU-attention because of the very nature of the evolution of the Union, fall out of the attention of domestic governments as well, which gravely affects society as a whole, and the development of concrete policy areas and the country as a whole.

If the data collected shows a clear correlation between EU-priorities and domestic reforms, while showing discrepancy between domestically formulated priorities (opinion polls, expert analysis) and reforms, we will be getting closer to proving the hypothesis, or otherwise disproving it. Identifying a clear correlation between EU-pressures for reforms and actual reforms that are taking place however is still not convincingly showing a causal relationship. This is why we use interviews with experts and policy-makers in the two policy areas, in order to add the ‘insider’s point of view’ on what was and is today driving the reforms in the areas that the interviewees were observing or actually reforming while being part of recent governments.

In the center of this research there is a single case study. Several qualitative research methods are used - document analysis (new legislation, budgets, EC accession progress reports and other relevant documents), opinion polls, expert analysis and semi-structured interviews. If analysis of legislative acts, documents and opinion polls show correlation between EU pressure for reforms and actual reforms and policy attention, interviews are used in order to establish whether a causal relationship exists between them as well.

4. The Policymaking Distortion Puzzle

This chapter reviews the empirical data collected for this study, and tests the research hypothesis that the failure of many accession countries' governments to seriously deal with the problems in the non-EU regulated policy areas is a perverse effect of the accession process itself.

4.1 The Education Policy Puzzle

An opinion poll conducted by Alpha research agency in March 2002 shows that 67 % of Bulgarians perceive education as one of the highest priorities for the country. When asked "Which are, according to your opinion, the highest priorities for Bulgaria today?", Bulgarians outline seven top priorities. Economic development, successful fighting of crime and health reform come first with 96%, 92% and 82 % of the answers respectively. Political stabilization and improvement of the education system are seen as equally important (68% and 67 %). Last in the top priorities list, according to the poll, are the Euro-integration of Bulgaria and the NATO membership. Asked to name those priorities that are "second-rank", and "not so important", Euro-integration and NATO membership come up first.

A poll conducted in December 2002 by Alpha Research shows the criticism of Bulgarians towards the achievements of the government in the field of education. When asked to assess the policy of the government in ten different policy areas, education is put at the very bottom of government achievements, equal only to culture (9% sat-

isfaction with the policies in each of the two areas). Only the criticism of government policies in the field of healthcare and fighting unemployment and poverty (80 % and 77 % correspondingly) is higher than the criticism of the education policy (76% critical attitude). When asked to name the five top priority policy areas to which the limited state resources should be directed, Bulgarians (Alpha Research, December 2002) rank education fourth in the top priorities list, preceded only by fighting unemployment (72%), healthcare (70%), and crime (58%).

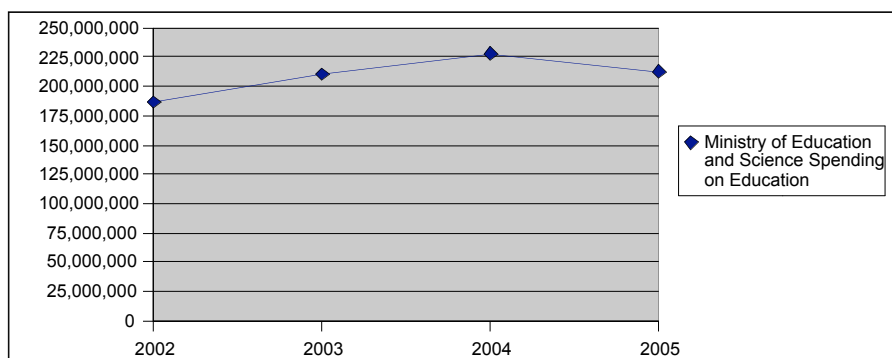
When asked to name the five problems that most of all affect their family and them personally (Alpha Research, December 2004), problems in education come as a second concern, just after street crime and burglaries. When asked which areas require accelerated reforms (Alpha Research, March 2005) Bulgarians point out Education as fourth in the list of top priorities (out of eleven), with 40% of the answers, preceded only by the healthcare system (68%), judiciary system reform (57%), and interior affairs and fighting crime (55%).

A TNS-BBSS Gallup survey of the public opinion on education (March 2006) confirms the tendency outlined in the above cited surveys. When asked to assess whether education in Bulgaria develops positively or degrades, 52% say that education is in decline and worsening, while only 8% think that it is developing positively. When asked to identify with one of the two opinions: “Despite problems, the Bulgarian educational system is good enough, but needs higher levels of state financing” or “Bulgarian primary and secondary education needs a profound and total reform, because of the new needs of today” 25% identify with first, and 45% identify with the second statement. This makes a majority that think that the education system needs either more government investment, or profound reforms, i.e. needs more government attention.

Looking at this data, one would expect that at the beginning of the 21st century education would be amongst the highest priorities of Bulgarian governments: that the state budget finances allocated to it would grow, twinned by visionary reforms that fix the deficiencies of the education system and offer a clear perspective for its development.

According to a study of the Center for Economic Development however (2005), Bulgaria has the lowest ratio in Europe of primary education spending as a percentage of GDP: 0,6 in 1999 and 0,7 in 2001, and is at the bottom of spending ratio for the secondary education (1.2 in 1999 and 1.7 in 2001). According to data offered by the Ministry of Education and Science (IME website 2006), spending on education is fluctuating around the 210 million BGN level in the period 2002 – 2005, with marginal ups and downs, but no growth. (Figure 1)

Figure 1: Ministry of Education and Science spending on education, BGN



Data source: Institute for Market Economies

The government spending levels indicate that education has failed to become a priority for the government in recent years. Can it be that the visionary reform of the education system that was outlined as an urgent need in the opinion polls has taken place through optimization of the schooling system, while funding levels remained unchanged? The legislative activities in education deny this presumption. Most of the legislative acts that address individual aspects of the education system have been adopted before the public concern with education reform became a top priority for Bulgarian citizens (something that happened around the turn of the century), and have not been producing the change that is needed. The Law on People's Education was adopted in 1991, and was subsequently amended several times. According to the Center for Legislative Initiatives (CLI) analysis of the legislative framework of secondary education (2005), the reasons why the law was amended so often

were the absence of a clear vision about where education should go. Law amendments were not sufficiently thought through, and the frequent change of ministerial teams, as well as the lack of interest of the government and parliament in the real needs of society as concerns education contributed to messy legislation-making.

The Law on Level of Education, the Educational Minimum and the Teaching Plan was adopted in 1999 and aimed at regulating the teaching plans according to which education is being conducted. The law however lead to double legislation in certain areas which deepened the problems rather than clearing the issues it addressed (CLI 2005). The Law on Professional Education and Teaching, adopted in 1999, addressed issues concerning the organization, the institutions, the governance and financing of the professional education system. A sophisticated law, it did not however create an adequate system that would address the needs of the labour market. Today, key problems like the optimization of the schools network stay unaddressed, which has lead to chaotic and fragmented actions of reorganization and closing of schools throughout the country (Panayotov 2005).

In sum, the legislative acts concerning the educational system that have been adopted in recent years (most of them prior to 2000, the year when, according to an educational expert interviewee a popular consensus on the need for profound reform of the educational system emerged, and incidentally, the year of start of the EU membership negotiations for Bulgaria) do not show an effort on behalf of the government for a visionary reform in education. Rather, the partial legislative acts and sub-acts have complicated, if not worsened the situation of education. According to an educational expert interviewee, “the one and only profound change in the field of education took place in the beginning of the 1990s, when the ideological fundament inherited from the communist times was taken out of the educational programs and new textbooks were produced”.

Several expert analyses (CLI, 2005; Panayotov, I, 2005; CED, 2005) underline the reform deficiency in the field of primary and secondary education in Bulgaria. “In fact the only sphere in which hardly any reforms were taking place was the educational system of Bulgaria.” (CED, 2005:1)

So here is the educational policy puzzle: why is it that despite the striking consensus among society and education experts alike that primary and secondary education in Bulgaria is in a deep crisis -

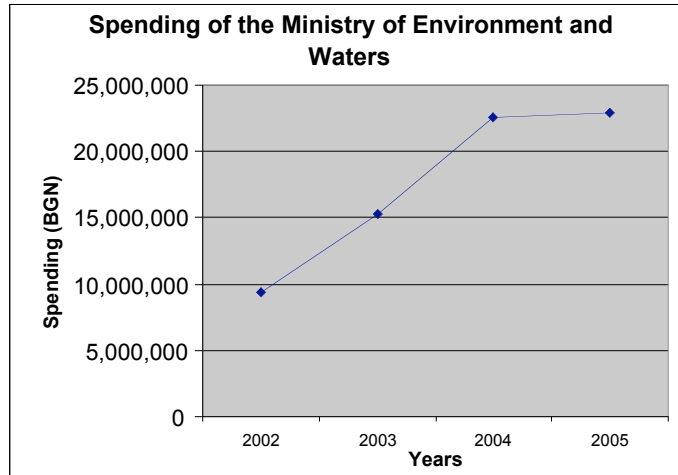
and in need of profound reforms that should concern all aspects of the educational system (its financing, minimal standards, teachers' qualification and so on) - only marginal attention has been paid to this policy field by all of the Bulgarian governments in recent years? Why is it that despite the fact that the per capita resources allocated to education are comparatively very low, they have not been increased? Can the difficult economic situation of the country and the lack of resources be blamed for this? And where was governments' attention going instead?

4.2 The Environmental Policy Puzzle

According to an Alpha Research opinion poll (December 2002), ecology fails to rate amongst the five highest priority policy areas for Bulgarian citizens. While education ranks fourth, ecology takes the seventh of ten positions, thus occupying the low end of the people's perception of where governments should put efforts on order to better the life of citizens. Further polls conducted by Alpha Research (September 1999, February 2001, February 2003, December 2004, September 2005, April 2006) continuously put ecology at the bottom of public concern, with percentages varying between 5 and 20, depending on how the question was formulated, and whether the questions was open or closed.

If politicians were being elected in order to respond to the public concerns and demands of their fellow citizens, one would expect that ecology would not be a priority area for Bulgarian governments in recent years. And yet, if growth of budget allocated to certain policy area and the number of legislative changes concerning it is an indicator for the prioritization of the policy areas, and a signal of reforms that are taking place, one could conclude that ecology has become a concern and a priority area for several Bulgarian governments in a row. The data available for the period since 2002 shows that the absolute spending of the Bulgarian Ministry of Ecology and Waters has been rising steadily. (Figure 2)

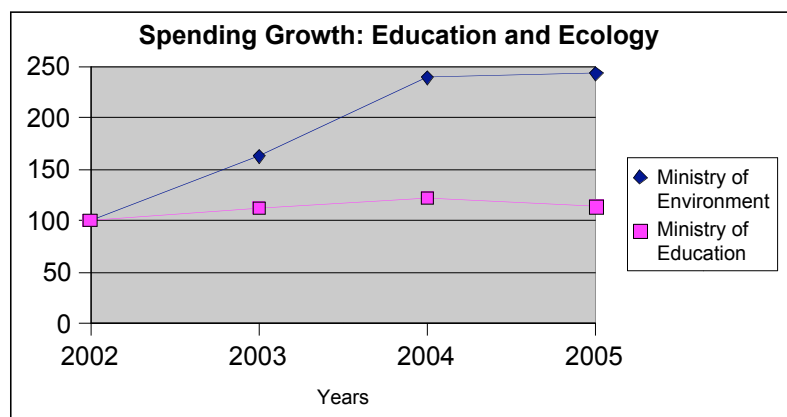
Figure 2: Ministry of Environment and Waters spending, BGN



Data source: Institute for Market Economies

The comparison of the growth of spending in the two policy areas discussed so far is telling. The government spending on education, which since 1999/2000 has clearly become a first-rank priority for the citizens of Bulgaria, and a shared concern of educational experts alike, is hardly growing, whereas the spending for ecology – a subject of little concern for Bulgarians in the same period, is growing at a substantial rate (Figure 3).

Figure 3: Spending growth (%), Education and Ecology compared



Data source: Institute for Market Economies

Unlike the case of education, most of the legislative acts concerning ecology in Bulgaria were adopted in the years after 2000. Their number significantly exceeds the number of legislative acts in the field of education. In 2002 the Law for Protection of Environment has been adopted, the Law on Biological Diversity has been voted in 2002, Law on Hunting and Game Protection in 2000, Law on fishing and aquacultures in 2001, Medicinal Plants Act in 2000, Law on Protection Against the Harmful Impact of Chemical Substances and Preparations in 2000, and each of these laws has been amended several times thereafter (including the Clean Air Act in 2000, 2001 and 2003). A number of government strategies addressing particular environmental issues were adopted (e.g. Bulgarian HCFC Phase-out strategy, 2003), and public awareness raising campaigns were conducted by the government. Five regulative acts were adopted in the period, concerning the structure and functions of the Ministry of Environment (1999, amended 2006), the structure and functions of the Executive Environmental Agency (2000, amended 2002, 2003, 2004, 2005 and 2006), the structure and activities of the Enterprise in charge of managing activities on environmental protection (2003), the structure and activities of the Regional Environmental Inspectorates (2004) and concerning the structure and activities of the Directorates on Water Basins (2002). A network of country-wide Ecology Information Centers was established in 2001, a High Expert Commission on Ecology at the Minister of Ecology and Waters was constituted in 2004, Expert Committees on Ecology were established at the Regional Ecology Inspectorates in 2004, and a public register of the experts entitled to offer ecological assessments was created in 2003. A complex set of Regulations – over hundred and fifty of them - concerning the quality of air, waste management, water quality, nature protection, industrial pollution and waste management, chemicals and GMO, as well as noise were adopted in the years after 2000 (see Ministry of Environment and Waters web site).

This brief review of the government legislative, regulatory and public awareness raising activities in the years since 2000, twinned with the data on the growth of the state budget allocations for ecology allow us to see that ecology has become a definite priority for the Bulgarian government in recent years. One can only wonder how policy area prioritization within subsequent Bulgarian governments is taking place, given that - if we accept Hanna Pitkin's defi-

inition (1967) of political representation, to represent means to “make present again”, i.e. to make citizens' concerns and perspectives “present” in the public policy-making processes. What we have observed here is a major distortion of the logic of representation: being amongst the highest concerns for the population and experts, education is not becoming a government priority, whereas ecology – a policy area that is hardly a concern for Bulgarian citizens (despite the state-supported awareness-raising campaigns) - is becoming a clear government priority. Where could the cause of this policy making distortion lie? Is it that Bulgaria was approaching an ecological catastrophe, and although the population did not care, the government took responsible action? This is definitely not the case: with the early transition deindustrialization of the country and the environment protection measures that the country started implementing already in the 1990s, at the turn of the twentieth century the environmental situation in Bulgaria was actually improving (European Environment Agency, 1998:186, 215, 254, 258).

4.3 EU Accession as a Key Explanatory Variable for the Policy-making Distortion Puzzle

What seems a more viable explanation of the policy-making distortion is the effect of the EU accession negotiations on the way policy areas are being prioritized by the government. Bulgaria entered the EU accession negotiations in January 2000 – a process that can only metaphorically be called ‘negotiations’, as for the last wave of enlargement candidate-member states, EU accession was a rather asymmetrical process of policies adoption, driven by the EU acquis conditionality. As Heritier (2005: 207) has put it, the process of Eastern enlargement is a ‘one way street’, i.e. the states that aspire membership are not invited to take part in shaping the policies of the Union. It is a ‘take it all or leave it at all’ type of game.

As a future EU member, Bulgaria had to adopt a massive number of acquis, regulations and standards in most policy areas. The different level of regulation by the EU of different policy areas - the fact that in policy areas like ecology or justice and home affairs the acquis-adoption and reform demand is very high, whereas policy areas like education and culture are defined as areas of exclusive competence of the member states, puts a different volume of demands on different policy areas in accession countries. And as EU membership be-

comes a political meta-aim number one for these countries, all state efforts and resource are put in force in order to satisfy the demands of the EU institutions, and to 'deserve' the so much desired membership.

A brief review of the *acquis* requirements and the attention paid to each of the policy areas discussed here in the Commission monitoring reports will give us a clear idea of the different level of pressure exercised by the EU on different policy areas along the accession negotiations process.

The environment policy *acquis* consists of over 200 major legal acts that concern the horizontal legislation, quality of air and water, waste management, nature protection, industrial pollution control and risk management, chemicals and GMO, and noise and forestry. Compliance with the *acquis* requires significant investment, and a strong and well-trained administration at national and domestic level.

Education, like training and culture, is a policy area left to the competence of the Member States. The only positive integration tools developed by the EU in these areas are funding programs like Leonardo da Vinci, Socrates, Erasmus, with the aim to assist collaboration amongst member states. The requirement put on the member states in these areas is to show that they have a sufficient implementing capacity, in order to ensure appropriate financial management of the education, training and culture programs.

The monitoring reports are the tool of the Commission to exercise pressures for compliance and timely alignment with the EU *acquis*. The Roadmap for Bulgaria and Romania of 2002 (Commission of the European Communities 2002) provides a long list of concrete measures to be taken by the Bulgarian government and institutions concerning ecology in short-, mid-, and long-term. The notes on education are much more concise: the main concern expressed is that Bulgaria should improve its financial management capacity as regards participation in the EU educational programs, as well as provide adequate provisions for the education of migrants' children. Like all of the Commission Monitoring Reports preceding it, the 2003 Regular Report (Commission of the European Communities 2003) offers a long and detailed critical review of the institutional achievements and current problems in ecology, as well as an agenda for reforms. In contrast, as concerns education, the only recommendation of the report is that provisions need to be secured for the

education of the children of migrants in Bulgaria (a persistent criticism that is not highly relevant for Bulgaria, which is not yet an immigrant country...).

The October 2004 regular report (Commission of the European Communities 2004) presses for further government investment in ecology, in order to allow for successful alignment with the EU acquis, adoption of legislation, and the creation of new implementation structures. The report names individual areas within the environment policy sphere where more measures need to be adopted. The conclusions of the 2004 regular report regarding Education is very similar: no problems are expected in complying with the requirements in the field, and indeed good progress and achievements are reported.

The following April 2005 report on the negotiation results (Commission of the European Communities 2005a) accounts for the achievements in each policy area i.e. in each negotiating chapter concerning the alignment with EU acquis and regulations. The part on Education consists of one line: "Bulgaria and Romania will take over and implement the acquis under this chapter as to the date of accession". The report on Chapter 22 (Environment) is four pages long, accounts in details about the already achieved and lists a series of concerns.

The October 2005 monitoring report (Commission of the European Communities 2005b) does not mention education, while it concentrates on several problematic areas in ecology. Areas of concern remain concrete issues like the integrated pollution prevention and control, implementation of waste management legislation and horizontal ecological legislation.

And finally, the May 2006 monitoring report mentions ecology with the requirement to improve the horizontal legislation, water quality, integrated pollution control, etc. Education is not a concern for this report.

The above shows clearly: since the beginning the EU accession negotiations (2000), Bulgaria has been a subject of persistent pressure for concrete reforms, acquis implementation, growing budget allocations, and achievement of standards in one of the policy areas described here (ecology), whereas only a marginal pressure has been exercised in the other - education.

Could this strong correlation between the priority given by the EU institutions to certain policy areas and the state budget spending on

them be a coincidence? Or is it a sign that in Bulgaria the EU accession process has brought with itself the replacement of the domestic priorities with those articulated by the EU?

To answer these questions, we should look beyond budget data, as it is not the sole sign of prioritization by the state. In the ‘triple transition’ context, the volume of strategizing efforts and reforms in certain policy areas is another indicator of whether a policy area is prioritized or not. What we have found out so far is that there is a clear correlation between the resources and reform efforts that are being put by the Bulgarian government in different policy areas and the fact that the EU has or has not developed *acquis* in these policy areas. Regardless of the popular public opinion that defines investment and reform in particular policy areas as an urgent need, the government spending and reform effort goes with the policy areas where there is a pressure to adopt *acquis* and achieve certain EU standards that would allow Bulgaria to become member of the EU.

4.4 An EU-Accession Perverse Effect?

The correlation discovered so far does not however give us a convincing enough reason to conclude that there is a causal relationship, i.e. that the EU accession requirements while fostering development and reform in some policy areas, backfire and produce a perverse effect of neglect in those areas where there are no EU *acquis*. To discover whether such causal relationship existed, we interviewed policy makers that have been part of the high level government administration, as well as experts that have observed throughout the years the policy making in each of the four policy areas. The aim was to find out was how far their knowledge of the policy making processes would confirm my hypothesis that indeed within the EU accession process the policy priorities of the EU became policy priorities of the Bulgarian governments, and as a result the non-EU regulated policy areas remained abandoned, unreformed, and anachronistic.

The interviews overwhelmingly confirmed the hypothesis that throughout the accession process, the policy areas where there is EU *acquis* and demands for reform, automatically become priority of the Bulgarian government, whereas the rest of the policy areas remain neglected second-rank priorities.

Virtually all interviewees agreed that since the start of the EU accession negotiations in Bulgaria the demands imposed by the negotiations process became ‘The Driving Force’ of any reforms that have been carried through. When asked if he thinks that the priorities of the EU affect the domestic priorities, AB answered: “But we do not have other priorities! We do not have a capacity to develop such!” VG explained the ‘lightness’ of the EU standards ‘internalization’ by the political elite with the fact that in the transition period, EU and NATO membership have become uncontested highest priority mega-goals for the country. In areas where pressures for reforms are high, such as justice and home affairs, reforms are inspired by Europe, aimed at the ‘European standard’ – however illusive the concept, and by the accession process itself that involves intensified communication with European experts [DS interview]. MD also agreed that to a large extent education has been marginalized by policy makers in recent years because of the lack of EU minimal standards and *acquis* in this field, and because of the domestic lever ‘EU accession determined policy making environment’ that is defined by the *acquis* adoption requirement.

Moreover, the interviewees saw that the myth of the ‘European demand’, ‘European pressure’ and ‘European standards’ have been used to legitimize any reform actions, regardless whether they are really demanded by the EU or not. RG pointed this ‘effect’ as important sign of the shift in policy making prioritization in favour of the ‘European demand’. DS pointed out that although in the field of justice and home affairs there is EU pressure to achieve certain standards of law enforcement, there is no one prescribed model, and the expectation is that Bulgaria would discover the most appropriate institutional arrangement for its judicial system. Despite of that fact however, Bulgarian politicians and other policy makers created the “myth of the European standards”, with which every reform is legitimized. The same was noted by the educational expert interviewed [MD]: “As much as any reforms strategies are being introduced, they are always legitimized with ‘the European standards’. But there are no such standards in education. If there were such, reforms would have been easier.”

A particularly interesting observation was made by RG, who noted that different parts of the administration, even within the same Ministry, were working at different speeds and with different efficiency depending on whether they were dealing with EU integration

issues, or were part of the ‘regular business’ of the administration. In the ministry where she was deputy-minister, far more attention was paid to the few little areas where there was something to regulate in order to ‘close the chapter’ in comparison to any other part of the activities of the same Ministry. The administration miraculously worked well when it came to fulfilling the EU requirements – expert committees were being formed, documents prepared, discussed, sent, revised, etc., while the same ministry did close to nothing in all other areas of its regular activity. There was no one to set strategy for action, aims, priorities, goals and deadlines for this ‘business as usual’ part of activities of the administration.

VG noted a similar phenomenon: with the start of the EU integration process, and the formation of euro-integration departments within the individual ministries, these new departments become more important than the others. The best trained specialists were transferred to the new units, which weakened the rest of the administration apparatus.

There are several possible explanations of the twisting effect of EU accession on the policy making and policy prioritization in the ‘acceding’ country. Interviewees spoke about the lack of ability of the state to formulate its own priorities. VG saw a total lack of policy making capacity in the Ministry of education for example. He pointed out that not only EU, but the International Monetary Fund (IMF) also leaves behind education and culture: the two most important foreign factors for the internal policy making in the country are both not interested in education and culture... DS pointed out that there was a lack of a center that would be able to offer a clear vision for a profound and total reform of the judicial institutions. AB was convinced that there is a policy-making deficiency and lack of administrative capacity throughout the government administration. The administration is asked to elaborate policies, but it does not have capacity to do that. This is why, he thought, politicians and the administration alike easily internalize the priorities of EU, but also of IMF for example, and make them our own government’s priorities. AP pointed out that the Commission has stated in several of its monitoring reports on the progress of Bulgaria towards EU accession that except of the areas where EU policies exist, Bulgaria lacks mechanisms for policy development and implementation (European Commission 2005 Comprehensive Monitoring Report on Bulgaria).

The burden with the massive law transfer and requirements that take away the limited administrative capacity of the state was another explanation offered. MD pointed out that the alignment with the EU acquis and regulation ‘sucks’ social energy, and there is little energy left in the government for systematic approach to non-EU related problems.

But can we not expect that the EU-driven modernization on some policy area will sooner or later produce spillovers to the non-regulated policy areas? RG saw such spillovers only on the level of rhetoric. In most policy areas the predominant rhetoric has become “Europe-flavoured”, but not much more is happening where there is in fact pressure to ‘Europeanize’... AB saw only market-driven spillovers, e.g. the pressure of the Employers’ Union for changes in the school curriculum which would produce the specialists that economy today needs.

To conclude, the interviewees overwhelmingly recognized the existence of a perverse effect of the EU accession requirement on the policy making and prioritization of the Bulgarian government. They agree that the distortion caused by it affects negatively the non-EU regulated policy areas. They pointed out however one dangerous political consequence of this ‘perverse effect’, namely the erosion of trust in the domestic policy maker’s capacities. As AP reminded me, the Eurobarometer data in recent years persistently shows an ‘authority gap’ - Bulgarians highly trust the EU institutions, and distrust the national institutions.

We therefore have convincing indications that the correlation discovered in the data between the levels of prioritization, reform, and funding of certain policy areas and the levels of pressure for reforms exercised by the EU within the accession negotiations process, is not a coincidence. There is a causal relationship – more pressure for reforms coming from the EU makes certain policies a priority for Bulgarian government, on the expense of those areas that are of no concern of the European Union.

Conclusion: EU – The Benevolent State Captor

The EU enlargement literature agrees that the acquis conditionality exercised by the EU is having a transformative power in the CEE states that aspire EU membership: it triggers institution building,

policy reform and innovation, and the achievement of common European standards in those policy areas where the EU has assumed competence for common policies enforcement. In EU-regulated policy areas, governments set strategic goals and plans for the achievement of those, propose new legislation that is being adopted by parliaments, set up new institutions and allocate state budgets that are growing in size each year. However, based on empirical research of the case of Bulgaria, this study has shown that as EU integration becomes meta-objective for the EU-candidates, and the demands imposed by the accession process become overwhelming, the policy prioritization by the future member states' governments gets perverted. The requirements set by the accession negotiations become internalized by domestic politicians as equivalent of the policy problems their countries face. The negative side-effect of this substitution is that policy areas where EU has no competence and does not set requirements for reform, become neglected by national governments, with consequences that are sometimes harshly damaging for society.

Several factors have been identified that explain why this policy prioritization shift and the resulting neglect of the non-EU regulated policy areas take place.

First of all, EU membership was seen by most transition countries in CEE Europe as uncontested political objective number one – an act that would decisively define the geopolitical belonging of these countries, would crone their transition efforts, and would secure their growing prosperity. Ninety percent of the accession negotiations, however, take place not between the Candidate State and the Commission but within the country. This is how EU membership as a geopolitical and foreign policy priority number one is silently transformed into a set of EU-required national level policies that bear highest priority internally.

Secondly, the administrative burden of the *acquis* adoption requirement on the accession countries is so big that it sucks the expertise and implementation capacity of the government institutions and the administration and little energy is left for the formulation of priorities and policies beyond those already spelled out by the EU. In the course of the accession negotiations, each new member state had to translate 90000 pages of *acquis*, and to implement them into their national legislation. The state administration started working on two speeds with the EU-departments of Ministries taking the

best prepared experts and workers, leaving the rest of the administration to cope with the human resource that is left available after the EU-accession related tasks are allocated.

Thirdly, as the interviews conducted for this research have shown, the administration of Bulgaria – a ‘triple transition’ candidate country - did not manage to transform itself and professionalize prior to the beginning of the accession process. Its capacity to formulate own needs and policies stayed rather low, and the little that was there was put on hold by the more important goal of achieving EU membership.

The perverse effect of the EU accession negotiations process on the policy prioritization and policy making in CEE is a phenomenon with significant consequences.

First of all, as a result of the distorted policy making ‘accession mode’ important policy areas like education are being neglected, which leads to deterioration of the quality of the education offered to Bulgaria’s children. The impact of the growing number of children that do not go to school and the worsening standards of education received by those who do attend on economic development and social cohesion is devastating.

Secondly, the easy replacement of domestic mechanisms for policy prioritization with the adoption of ready-made EU policy prescriptions erodes the popular trust in domestic policy – makers’ capacities. European institutions become significantly better trusted than domestic ones, a fact that signals disappointment with the domestic political elites, governments, and their administration.

Thirdly, the accession process erodes democratic institutions. Jakoby (2004: 4) cites telling figures that are typical for all the accession countries, including Bulgaria: “In Hungary in June 1999 parliamentary session, of the 180 laws passed, 152 were not subject to any debate simply because they were part of the EU *acquis communautaire*.” Democracy ‘accession mode’ seems to accept the degradation of key institutional pillars of the democratic system to technical units stamping decisions taken elsewhere

Last but not least, the very principle of political representation gets distorted: voters elect politicians with the hope that they will be addressing their concerns and finding solutions to the problems that press them, whereas once elected, politicians start responding exclusively to the concerns of the EC Commissars. This ‘capturing’

of the policy-making agenda in the CEE accession countries by the EU regulative agenda, although invited and welcomed, bears similarities with the state-capture phenomenon. As in the classical state-capture case, in an EU accession environment, the responsiveness of the government to the interests of the citizens is being distorted, as the government puts them aside for the benefit of a non-elected actor. The difference is that in the classical state capture case the captor is bribing the government to secure policies that are in his personal interest, whereas the EU imposes rules that should be of the interest of the future member state citizens'. Still, as concerns the CEE accession countries, the negative side effect of the state capture remains present, and, we have labelled EU 'a benevolent state captor'.

What is the significance of this accession-triggered policy-making distortion? After all, once the last two CEE countries become members of the EU, this policy making distortion would disappear, together with the significantly diminished demands for common EU rule adoption. The significance of the effect discovered in this research is highly relevant for those countries that are still in the line for EU membership. It would probably even be more significant in the case of Macedonia, Croatia, Serbia, Albania or even Turkey than it was for Bulgaria, as the negotiations with these countries are expected to take longer than they have taken in the case of Bulgaria and the rest of the countries of the most recent wave of enlargement. If the observed policy distortion in the field of education lasted for the seven years of Bulgaria's accession negotiations, the effect of a twice or three times as long policymaking distortion that would let education in these countries fall lower in government's priorities could be even more harmful. Its degree of harm would depend on the administrative capacities developed by these countries prior to the start of the accession process.

This research has several limitations. Analyzing a single case study is not an ideal research design. It would be interesting to develop the study, comparing data on Romania (most similar case to Bulgaria), Hungary (a CEE country with one of the firmest democratic policymaking traditions prior to the start of the EU accession negotiations), and Albania (a country that it not yet set on the EU-membership track). Comparing these three additional country-cases would strengthen the reliability of my conclusions and would allow for a more nuanced understanding of the 'benevolent state captor'

effect of the European integration process in CEE. Adding further policy areas where EU and domestic demand for reforms go in dissonance would strengthen the study.

A comparative study on the topic would allow for theoretical enrichment of the definition of the policy effect discovered here. How will achieving EU membership affect the policy innovation capacities of the new member states? Will the political representation distortion be undone? How do different CEE accession countries react to the benevolent state capturing effect of the accession process? What are the factors that determine the degree to which a neglect of non-EU regulated policy areas is taking place?

Still, this study has already opened a new venue for research of one aspect of Euro-integration that has been overlooked by scholars till now. It is a necessary contribution to the body of literature that explores the conditionality determined transformative power of Europe in CEE (Schimmelfennig 2004; Schimmelfennig and Sedelmeier 2002; 2004; Jakoby 2004; Dimitrova 2002; Andonova 2005; Grabbe 2002; Vachudova 2005). It describes a harmful side-effect of the accession process on policy making in the candidate states – the other side of all the positive social transformation effects, already thoroughly studied in the literature on ‘Europeanization East’. The claim put forward here is that we could not obtain a satisfactory understanding of the complexity of the EU-driven East European transformation, without studying its shady sides as well.

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