

# ALIGNING DISTRUST AND DEMOCRATIC REFORM: CONSIDERATIONS FOR THE ONGOING EU ENLARGEMENT PROCESS

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## **ABSTRACT**

As the EU enlargement process continues to move further into Central and Eastern Europe, there is a growing realization of policy measures that threaten the stability of the democratization process. While the EU has been auspicious in mandating reforms in public administration, there continues to be a lax approach in ensuring that the institutionalization of distrust is seen as a key component to the participatory mechanisms within democracy. This failure to impose these mechanisms as a conditionality measure contradicts the functional aspects of regional policy and increase the possibility of local governments units going into a relationship of disrepute with the public. This in turn fosters a paradoxical shift towards recentralization by means of decentralization. Unless future reforms require protection of the horizontal aspect of reform, EU enlargement poses the threat of sponsoring the continuation of centralized governments.

## INTRODUCTION

Democracy, as a central concept to the European Union (EU) and particularly the EU enlargement process is too often measured by the rate at which it has been accepted through formal policy regulations and not as an on-going process subject to local conditions within candidate countries. This is relevant since all current candidates are post-communist societies that are required to diffuse centralized administrative functioning. Yet, Europeanization has created what can be understood as a second pathway towards democracy, one that is validated by the level of acceptance of imposed conditions disseminated by local political parties and not in the traditional bottom up fashion.

The purpose of this paper is to identify flaws in the core aspects of democratic reform required for EU candidacy in theory and in practice. It posits the opinion that stable and coherent democratic reform can only come about by means of institutionalized distrust. This is in contrast to the transplanted administrative procedures that are meant to transfer the political trust generated in the EU, and to then have them implemented by the top level of government. However, at the level of the sovereign state, these administrative reforms are placed upon a national public that is treated as a third party to the reforms. Without any thorough involvement of the public, national governments are given carte-blanche to create democratic institutions hollow of any “reflected trustworthiness”, even in areas of “instrumental efficiency (competence, rationality, effectiveness)” (Sztompka 1997:9). As such, this paper brings into question the notions of legitimacy and validity within democratic reform.

European enlargement and its role in the transformation process of CEECs continues to be researched and analyzed extensively. Drawing from the large body of literature available, this thesis aims to consolidate the notion of institutionalized distrust as a crucial aspect to regional policy; a pre-condition to the accession process. The thesis will explore ways in which stability in democratizing CEECs is threatened by the very policies imposed to regulate transformation.

The first part of the thesis will be based on examining the well established role of EU policies as they are directed towards candidate countries and the logic upon which these policies are based within the context of transformation, particularly regional policy in the form of decentralization. As a type of administrative format, decentralization lacks specificity in how it is to be arranged and requires only a hierarchical structure for its most basic composition. The point at which decentralization becomes an issue within the EU enlargement process is when it “contributes paradoxically towards a recentralization of decisions in the hand of the central state” (Aissaoui 2007:107).

The paradoxical aspect of decentralization working in an unintended manner to recentralize the state has been covered from a number of angles. The first is the inability of decentralization to create strong institutions. It has been suggested (Branko, Hoff and Horowitz 2008) that decentralization during the period of transformation is secondary to political alteration as a way in creating strong democratic institutions. Placing less emphasis on political parties, it has also been suggested (Offe 1996) that the inability of decentralization as a key reform aspect goes beyond political alternation, and is more closely aligned with the incentives created by candidacy. Unless more identifiable social aspects are present, administrative reforms fails to produce anything beyond bureaucratic measures and most importantly, it fails in its normative role. Key to these discussions are the concepts of democracy, legitimacy, and transformation. One of the first and most obvious observations of the current EU Enlargement process is that it

aims to incorporate states that are in the process of transformation from communism to a more democratic ethos. Since democracy is being organized from the top down, the backwards approach by means of institutional transplantation (Lewis 2006) threatens to forgo fundamental aspects in such a transformation.

While incorporating these theoretical aspects within regional policy, chapter two of the thesis moves beyond the theoretical aspects and observes the often failed practical aspects of decentralization as a key policy goal for democratization. This area can be divided into two camps; integration theories that view the EU and its compliance regulations as the main source of conflict, or political party theorists who generally suggest that political party organization and path dependency play the vital role. A true measurement of the positive impact of decentralization can be taken in its ability to shift the vertical axis of policy-making accountability to a horizontal axis (Rose-Ackerman 2006). However, given that CEEC governments do little to foster an increase in the number of horizontal mechanisms, important aspects of decentralization are ignored (Maletic 2006). Yet others have suggested that the EU is not equipped to fully carry out or ensure that such implementations are made due to the way in which agenda setting for enlargement is carried out (Wiener and Diez 2004). Along with the suggested difficulty of agenda setting on the EU platform, the lack of a coherent model and non-preference for models provided, lead to further fragmentation in the process (Dimitrova 2002).

The Europeanization of public policies and administrative reform is an external pressure that places trust in the central government to curate democratic reform; based on this emphasis of trust (over that of distrust) in democratic reform, this thesis will argue “that the ongoing trend in decentralization policies is curbed at the same time by an opposite movement to recentralize” (Aissaoui 2007: 107). This move towards recentralization can be based on a number of incentives created in the relationship between the candidate state and the EU. The first incentive

is of course economic (Crawford and Lijphart 1995). More important however, is that macro level relations between political parties of the candidate countries and the EU regard citizens as a third party to the accession process (Offe 1996). This in turn, provides very little incentive for the parties in control to properly equip new organization (i.e. subsidiary governments) with mechanism of distrust that enable greater participation and involvement of the citizens (Giorgi 2006). The broadest form of these mechanisms can be seen in transparency of social organization, accountability of power and the enforcement of duties and responsibilities (Sztompka 1997). Since transplanted institutions have the ability to structure outcomes (Apinwall and Schneider 2001), it is essential that the EU works towards ensuring that these mechanisms of distrust go beyond codification to satisfy the Copenhagen criteria, and are put into action (Maletic 2006). This will only be realized when

## METHODOLOGY

Understanding the clearly outlined progress that CEECs must take during the access process, it is natural that the starting point be the role of causal structures within the process of reform. The idea is that proper explanation of change and variation at the macro level entails showing how the national level continues to influence the behaviors of the public on the micro level, and how these actions generate new macro states at a later time. This necessarily requires a shift from focusing exclusively on the macro level for relationship within a process and emphasizes how the individual assimilates the impact of macro level events and then how their combined actions serve to generate a macro-outcome (Hedstrom and Swedberg 1998:22). Observance of these causal relationships is based largely on case oriented research and makes use of “an *insufficient* but *necessary* part of [the] condition which is itself *unnecessary* but *sufficient* for the result” (INUS) (Mahoney 2008:418). This illustrates that while decentralization can be viewed as a necessary step, it is insufficient with relation to EU enlargement requirements. However, enacting certain reforms that enable distrust over trust within institutional and organizational mechanisms should be sufficient at promoting the shift from vertical to horizontal policy-making accountability but is currently treated as unnecessary. Or in logical form:

$$Y_1 = X_1 \vee (A_1 \& B_1)$$

(Y<sub>1</sub>) Coherent democratic reform based on horizontal policy-making accountability (X<sub>1</sub>) the institutionalized role of distrust over that of trust; (A<sub>1</sub>) the role of decentralization; and (B<sub>1</sub>) EU enlargement requirements based on compliance of candidate countries.

& represents the logical “and”

V represents the logical “or”

= represents sufficiency

In this structure, the combination of A and B are both necessary but insufficient, while X represents a sufficient means (enforcement of adaptive pressures by the enlargement process) but is seen as unnecessary within the enlargement process. It is important to note that the relationship of these variables is linked with realizations of the enlargement process thus far.

This thesis aims to create some considerations for the variable  $X_1$  as a necessary and sufficient application to the otherwise necessary and experienced insufficient variables of  $A_1$  and  $B_1$ . Policy applications for this would be for the EU enlargement process to go beyond leaving the principle tasks of reform to the already established central governments by pushing for more rigid requirements in the areas of the budgeting/transfer process, decentralization/deconcentration process and more calculated distributions of EU structural funds.

To better reinforce the causal structure upon which this thesis is based, case studies of Croatia and Poland will be used to single out and identify areas in which dilemmas in the democratic reform occurs. By way of the case study, the thesis will be able to identify trends or failure of decentralization and EU compliance as it currently exist to avoid disputes that otherwise could be managed by new bodies of policy. As such, processes occurring in Croatia can be linked with instances in Poland, Slovakia and Hungary (among others), while forecasting for seemingly eminent challenges facing newer candidate states.

The combined approach of these methodologies is intended to span the current body of literature that currently exist while proving that these areas of democratic deficit are not unique instances but rather, a seemingly predictable outcome of transplanted democratic structure.



Based on this position, the thesis will go on to suggest that if a more horizontal approach to policy-making accountability is to be instituted, the EU enlargement process will have to go beyond its current position of generic applications of democracy and enhance compliance on a more micro level to enable a new dimension of internal mitigation that is at once more representative and based on distrust.

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## CHAPTER - 1 EU ENLARGEMENT

How does the implementation of democratic reform by the EU enlargement process serve to hinder or assist the social mechanisms necessary for horizontal policy-making accountability within the overall transformation process in Central and Eastern European Countries (CEECs)? To what extent do these policies serve to sponsor and support the role of continued centralized government within the newer EU states and candidate countries? These questions serve as motivation for the critical assessment of Europeanization and decentralization as two of the major drivers in the political transformation of CEECs.

During post-socialist transformation in Central and Eastern European Countries (CEEC), there are three central processes that a state must undergo: democratization, marketization and creation of civil society (Haerpfer 2002: 2). It is natural that certain processes will develop faster than others, particularly that of marketization. Yet, they are symbiotic and do require a certain amount of proportionality if a relative level of stability is to be achieved. A strong civil society would have great difficulty emerging from a less than democratic context.

In the case of the majority of CEECs, the transformation is being facilitated and oftentimes sponsored by the EU and the ongoing enlargement process. The impact of enlargement on the region has been so great that, more often than not, transformation takes place largely within the context of application and candidacy status. Given the rigorous and pragmatic aspects that are a condition of the candidacy process by means of acceptance and implementation of the *acquis communautaire*, it can be argued that the candidacy process constitutes one of the more definitive aspects of transformation. Variations of trajectories in the initial outcomes of post communist transformation may be explained by several factors. “Initial conditions, timing

and sequencing of reforms, quality of policies, institutional choices, and the extent of external support provide important clues for the range of outcomes emerging in the region” (Ekiert 2003: 104). Despite these unique characteristics with regards to abilities throughout the transformation process, patterns can be identified within each country of CEE that has joined, are in the process of joining, or intending to start to the process of accession to the EU.

## 1.1 Europeanization

Realizing the unique political, economic and sociological aspects of transformation in the context of CEECs, patterns of Europeanization can be identified. Europeanization is a term that incorporates the three central processes as identified by Haerpfer, while propagating the comprehensive and orchestrated formats that Europeanization embodies. Given that it is such a broad term, it is a very difficult task to analyze it as a sum of its parts; consequently, this necessitates a more deconstructed approach that emphasizes key aspects. Of those key aspects, this thesis is most concerned with the policies regarding democracy and how they function on a theoretical and practical level.

As a condition of the ongoing EU enlargement process, Europeanization is a concept that resulted from the market, political and legal consolidation that has been taking place in Western Europe for over 60 years in its contemporary form, and officially recognized in 1993 with the signing of the Maastricht Treaty as a single economy. Understanding the exponential growth possibilities of the union by means of extension, an effort was undertaken to create a means by which new states could join (particularly those in CEE) as an asset to the union. Understanding the unique difficulties faced by CEECs in these three broad areas of transformation, it was no

longer sufficient to allow accession by adoption of the *acquis communautaire* (i.e. the body of EU law drafted and implement thus far). The importance of this is reflected in the Copenhagen criteria and shows the desire of the European Council to transplant not just the body of law thus acquired, but to also incorporate a range of new criteria that impacted all aspects of society. In order to achieve accession into the community, the Council placed emphasis not only on the market aspects of the Union but also for candidate countries “to have achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for, and protection of minorities; the existence of a functioning market economy as well as the capacity to cope with competitive pressures and market forces within the Union” (Dimitrova 2002: 176). For the purpose of this thesis however, Europeanization will be used as a term that is representative of all externally imposed regulations that are an aspect of the candidacy process.

If this understanding of the transformation within current and candidate countries is to be accepted, then it is possible to understand Europeanization as an imposition to the types of democratic reforms occurring. Within the EU enlargement process, this imposition can be seen as occurring on two levels. The first and most important level is that of the institutions that Europeanization necessitates. The second, which is mostly an extension of the first and what this thesis is concerned with, is the strength and apportionment of legitimacy and validity these impositions have on democratic reform. As Claus Offe points out (Offe 1996: 200), if institutions are successful, they perform a hegemonic function that is mostly a negative one, i.e. self-imposition. Even though such self-imposition can lead towards transparency and efficiency in process, self-impositions in democratic state should in most instances be based on popular policy and not on externally diffused measures, should the notion of sovereignty be considered relevant. Within the EU this is regulated by acceptance and adherence of complicated regulations. While the evolution of institutions can be seen as natural and mostly unavoidable aspect of societies,

the transplanting of these impositions becomes a normative issue. It is at this juncture that the notion of legitimacy can be introduced.

Can an external pressure and preference in administrative reform ever serve as a legitimate basis for an emerging democracy? As Giorgi argues, (2006) when thinking in terms of democratization as opposed to individual democratic societies, “it does not suffice to work with static models but that one needs underlying dimensions that are less fixed to historical particularities and are more universal”(Giorgi 2006, 37). Does this type of self-help to the necessary “universal dimensions” or “regulative norm” (Sedelmeier 2005:135) once internalized by democratizing societies negate the concern for sovereign determination based on historical particularities? Not if the objective is assimilation across political and economic boundaries. If, however, these universal dimensions are indeed intended for sovereign societies, then the legitimacy of expectations and outcomes are brought into question.

In democratic societies, legitimacy is often associated with the majority. “All suggestions that legitimacy is rooted in democratic political culture imply a belief that people possess mindsets, generalized predispositions to respond, deep-rooted orientations-none of which is observable in human interaction”(Di Palma 1990: 144). This statement puts forward the idea that there is no measurement or even necessary concept of legitimacy within the democratic process. Yet it should be understood that transformations, particularly those with the caveat of external impositions and time-constraints come with expectations, predispositions, mindsets and the questions of legitimacy. As Di Palma goes on to note, post-communist transitions are almost certain to be controlled from the top given the circumstance of key roles played by single parties in communist states and societies (Di Palma 1990: 148). As later case studies will illustrate, the second pathway to democracy currently relies on “transitions” from the top, much to the detriment of legitimizing democracy. While the role of a single party does not necessarily have

to be an obstacle in itself, it does place a possible constraint on the level of involvement in which the public is able to partake and influence. What then, are EU enlargement policies doing to ensure that the public attains maximum interest and influence in these administrative changes?

“Again, it is important to recall that democracy is not simply a taxonomic label but a dynamic process” (Giorgi 2006:37). As a dynamic process, expectations can only be encouraged and not expected by the use of a particular model. The enforcement of a particular model of government by enlargement seems to straddle “the fallacy of tailoring standards to fit the model architecture rather than the underlying democratic dimensions” (Giorgi 2006:36). By allowing strong central parties to implement a structure that dilutes central authority while facilitating citizen involvement along the way, the regional policy of enlargement aims to promote a more horizontal policy axis, while legitimizing the administrative reform. Does this constitute a legitimate exercise in the advancement of horizontal policy-making accountability in transformation societies, or merely ersatz democratic reform that encourages administrative reshuffling? “There is no administrative production of meaning,” (Habermas 1975: 70) and if it is indeed the longitudinal perspective of these institutional changes that are of greatest concern, emphasis should be placed not only on the functional aspects, but also the normative aspects i.e. a genuine shift from vertical to horizontal orientation. In the enlargement process which is “conducted as a bilateral ‘state-level’ negotiation, between the Commission and national governments of the candidate CEECs” (Hughes et al 2001:42), the national public is represented as a third party. The task is whether the conditions imposed by the EU and carried out by national parties are presented in a coercive or consensual manner. “Institutions depend for their viability and survival upon the knowledge and at least tacit consent of “third parties” that are not directly involved in the particular interaction the institution regulates” (Offe 1996: 208). This

brings the question full-circle; is this process seen as a legitimate one, one that is based on the consent of the public?

### **1.1.1 Conditionality and Impositions**

The demand for stability of institutions, human rights and protection of minorities was not based simply on the degree to which countries accepted these conditions, but on what were seen to be prevailing European standards regarding the specific topics. To be sure, neither democracy nor human rights bear a universal standard in administration, practice or theory. What is in fact being proposed is a conception of European ideals and their implementation as an aspect of Union membership. This Europeanization of transformation for those willing countries serves two purposes. “Imitation, both across national as well as sectoral boundaries, is a powerful device of institutional innovation...learning from successful examples is employed in order to play down the differences that may exist between sectors and countries, to create... a clarity about some evidently and easily superior solution” (Offe 1996: 216). The second purpose is for the shortening of the time frame in which it takes for candidate countries to acquire these institutions. “The copying of institutions (transplants) tries to bypass, or at any rate shorten, this period (rights, traditions, principles...) of gestation and slow maturation (Offe 1996: 217).

This transplantation of institutions for the purpose of utilizing a best-choice representative example and reform accelerating mechanisms pose a number of concerns. On the macro level, transplanted institutions are not “built on *tabula rasa*”, and more often than not, replacement “institutions are affected by the long arm of their predecessor” (Offe 1996: 217). On the micro level, consideration needs to be given to the impact these institutions will



have on the local populations. In the enlargement context, discernment of macro and micro levels can be made by associating the former as a relationship between the EU and the state, and the latter as the relationship between the government and the people.

Lijphart and Crawford (1995) suggest that the “long arm” should not necessarily be of major concern. They argue that once new democratic institutions gain vested interest, then “those institutions will develop rapidly and will have long-term consequences that overshadow past legacies. If those institutions provide incentives to economic and political liberalizers and constrain those actors who oppose the liberalization process, then the odds that the outcome will be a successful transition to liberal capitalist democracy will increase”(Lijphart and Crawford 1995:176). Of course, if the benefits of the new institutions are to be realized on the local level, then they will continue to develop in a way that is positive for participants. Yet as Putnam (1993) points out, “most institutional history moves slowly. Where institution building (and not mere constitution writing) is concerned, time is measured in decades” (Putnam et al. 1993:184). Given that the average time between application and accession between current member states is around 8.5 years, (or 10.5 for CEECs and Baltic States) accession based on conditionally can be approved within the course of very few election cycles. The significance of this short time frame compounded with the realities of party structures during the initial periods of transformation creates a fundamental dilemma in this top-down approach; little time is left for institutionalize distrust. As Milanovic et al. postulate, “firms seek durable protection from the governing party or leader when political alternation is low and, by doing so, they undermine the credibility of the state as an impartial protector of rights” (Milanovic et al. 2008:3).

A comparative look at the development of democracy in any western European society would explicitly indicate the unique conditions upon which the democratic basis was conceived and carries out over a protracted period of time. Understating that candidacy requirements are

transferred from the EU to candidate countries and implemented by political parties, has the national public been relegated to third party status in a democratic transformation? And furthermore, if the public has been given third party status in this transformation process, what establishes the balance between the electoral processes being a consensual or coercive experience? As some have argued, “for many accession countries EU membership has been a forced, economically driven rather than a civilizational choice” (Lewis 2006:164). Indeed, economic motives are realized not only by access to the single economy but also in access to structural funds that are an aspect of the accession process; between 2000 and 2006, budget allocations for structural funds totaled around 213 billion Euros (Hughes et al 2004:529).

When examining the relationship between the EU and candidate countries with regards to acceptable levels of compliance to enlargement policies, a disconnect becomes apparent in the imposition of EU related regulations on candidates and the measurement by which they are presumed to have been adopted. While many of the policies that guide the accession process may not be well suited to certain states within the CEE, the power asymmetry exhibited in this relationship should be appreciated; furthermore, the need for the national party to implement certain reforms should be examined with sensitivity towards the interest of those in power. “The absence of alternative ideological or systematic paradigms for the Central and East European candidate countries (CEECs), other than EU membership, has tended to reinforce the widespread perception of a power asymmetry in favor of the EU during the enlargement process” (Hughes et al 2004:524). This would suggest that given the limited alternatives or formal flexibility, local parties will maximize interest in those areas possible, while adhering to only the most necessary or impositions.

Given the impracticable task of measuring achievements attained within the *acquis communautaire*, the accession processes bases much of its acceptance of accordance carried out

on the notion of conditionality. The European Commission makes use of this aspect and regards it as a “gate-keeping mechanism embodying clearly identifiable and generally understood norms, rules and institutional configurations that are applied consistently and with some continuity over time” (Hughes et al 2004:525). The prospect of conditionality as a determining factor resides largely in the dangerous amount of flexibility states are able to exhibit in less formalized areas of the *acquis communautaire*, and various other requirements of the Copenhagen criteria.

Within the body of literature dealing with redistribution of policy-making accountability, there exist large volumes of literature that discuss this transformation in terms of movement from Leninist model of administrative process to institutional engineering or shifts from government to governance. “Experiences of East European countries have not only been shaped by the Leninist legacies...The contours of broad modernization processes; critical events such as past political crises, reform attempts, and institutional tinkering with the architecture of the party-state and centrally planned economy; and learning why some countries have been able to respond to the challenges and opportunities of the collapse of the Soviet empire much more effectively than other countries” (Ekiert 2003: 111). What is being described here can be defined as path dependency. “Path dependency is a mechanism of identical reproduction of institutions...not only are institutions man-made, but also men institution-made- they are socialized...Institutions generate vested interest in the own preservation” (Offe 1996:208). The fluid nature of the initial stages of democratization run the risk of own preservation not necessarily being in the interest of the general public. Even though it is very important to take into account the myriad of unique histories, social and cultural environments etc., it is equally important to realize that despite all these things, there is a single channel through which all candidate countries must pass. While each candidate country does have access to certain levels of flexibility via the more informal aspects of the *acquis communautaire* and Copenhagen criteria, enlargement is based on a pre-

fabricated framework, and it is with these generalized and particular premises that the fundamental considerations for policy adjustment within the enlargement process must be made.

“Historic path dependencies make for a high degree of evolutionary diversity and are, arguably, an obstacle to uniform Europeanization of sub-national governance in the EU (Hughes et al 2001:4). Given the small number of countries represented in the enlargement process, “the relatively short period of time that has elapsed in the post-Communist era, and the quite exceptional degree of multicollinearity that exists in the data, we are necessarily limited to the most elementary of statistical methods and the analysis can be no more than suggestive.”(Ekiert2003:92) While it may be too much of extreme position to apply the logic of cause and effect, considerable effort must be made to bridge the gap between formal and informal policy regulations and apply adaptive guideline in areas where regulation remains too flexible.

The failure of the EU enlargement process to mandate legislation that protects the participatory and democratic principles of decentralization increases the possibility of local governments units going into a relationship of disrepute with the public and in some cases may have already occurred. “Many post-communist democracies... have therefore started democratization backwards and failed to progress far beyond the forms of electoral democracy” (Lewis 2006:163). The result of this is an enhancement of vertical policy-making accountability that threatens the democratic aspects of transformation and creates the possibility of a re-centralized state; possibly instability.

#### ***1.1.1.1 Trust and Distrust***

Transformation extends beyond the confines of administrative reform or political re-organization. Especially for CEECs, there exists a fundamental reconceptualization of the state

with regards to market functions, position of government, and the level at which individuals are able to engage society. To what ends this can be achieved in a positive and productive manner will ultimately rest on the national public. If we understand participatory democracy as a type of meta-institution, then the notion of democracy as an abstract concept that is able to develop a type of meta-trust should also be basic (Sztompka 1997). But it should not be expected that codification of democratic principles within a former socialist can propagate trust in a system by virtue of it being dichotomous to the previously failed system. Mechanisms of institutionalized distrust should immediately be put to work against this simple assumption by utilizing procedural caveats to the implementation of macro level regulation on the micro level. In their most basic forms, these mechanisms can be represented by “public knowledge, open processes, government justifications, and judicial review” (Rose-Ackerman 2006:32). These representations can be viewed as adaptive measures to requirements of the *acquis* and Copenhagen criteria; as of now, they do not exist in any formal measure. “Institutionalized distrust breeds spontaneous trust most effectively as long as it remains at the level of institutionalization. This is a specification of...paradox of democracy” (Sztompka 1997:23). The institutionalization of distrust acts as a type of compromise between government and the public in power sharing within democratic societies. “It is a disincentive for the contemplated breaches of trust, as well as the corrective of the actual breaches of trust...” (Sztompka 1997:16) Understanding the third party status of the national public, and the power invested in national governments to administer reforms with attention to an external standard, the enlargement process “contributes paradoxically towards a recentralization of decisions in the hand of the central state” (Aissaoui 2007:107). Currently, there is no blue print or any enforced measure as to how decentralization should take place. It is at this juncture that the flexibility of the *acquis communautaire* and Copenhagen criteria, due to a lack of specifications and formal policy, entrust the responsibility of democratic structuring to

political parties. To what ends can this transfer of directives ensure that national governments institute a system that incorporates the paradoxical necessities of distrust to instill to harbor and eventually foster a sense of trust in the new institutions?

The history and literature on the role of the nation and more recently administration building have mostly implied a dichotomy of power and trust. However, due to the present levels of asymmetry in power during the enlargement process, the role of power becomes moot. To better facilitate the shift in focus from power to trust, it is perhaps necessary to compare the structure and guiding principles of state administration within the previously held Socialist framework and the current ongoing process within CEECs today.

In his article on transformations within the state bureaucracy in CEECs, O'Dwyer (2002) outlines and compares the key components between a Leninist type Soviet bureaucracy, and the criteria to be fulfilled within post-communist reforms of state bureaucracy. "The classic attributes of state bureaucracy aimed for in post-communist states are: professionalism, the primacy of formal rules and procedures, the separation of office and office holder and autonomy from external lobbying. In contrast to this, the Soviet model is defined as: lack of professionalism, arbitrary policy making and implementation, personalism and corruption". (O'Dwyer 2002:3). To be sure, corruption has a pervasive quality that will always guarantee its presence to varying degrees in any model; the issue here is how it is handled. While any one of these aspects within the Soviet model varied from state to state, the two most noted and researched remain arbitrary policy making and personalism. These were the outcome of political control being the principle goal (O'Dwyer 2002:4). Subordination of the individual resulted on an emphasis of individual trust that was directly related to the arbitrary methods of state retaliation. There was a relationship of power and fear that served to restructure personal identity and personal significance to collective values and identity (Eisenstadt and Roniger 1984: 295).

The egalitarian virtues embedded in the rhetoric of this bureaucracy was set in sharp distinction to the personalism that heads of state were able to dwell within while directing by impulse and arbitrary policy making.

Stating that there is confidence in institutions within the democratic framework is not to suggest that these institutions necessitate trust. It is relevant only to the extent by which it presents a dimension through which other institutions can be based and are facilitated. When decentralization is discussed, it is meant to be understood as a process in which the democratic dimension is parceled into smaller spheres for the purpose of enhanced mitigation. This can also be understood as a move from “thin electoral democracy” which exists at a macro level, to a “thickening” form of democratic institutions on the micro level. (Evans 2004: 37). If socialism presented (in practice) a dimension in which power was concentrated, then the fragmenting of the hierarchal power structure (in practice) within democracy serves to undermine it.

By inverting this most basic notion of democracy as a dimension in which ritualistic functions are preformed, we can argue that decentralization as it exist within democracy only serves to enhance an awareness of distrust and it doing so, seeks for a better way to grapple with the issue. This is due to the fact that democracy and trust are “related in an obverse fashion.” (Waitier and Markova 2004:7). What decentralization creates are not in essence, subordinate units but rather “oppositional organizations” that aim to “share the stress on the inadequacy of the institutionalized order”. (Eisenstadt and Roniger 1984: 297) If these positions were to manifest themselves in real terms, then the ability to trust would ultimately be a by-product or outcome for the majority and not an enabling aspect of the process itself. Yet what is often witnessed in democratic societies and especially in the CEECs is the creation of the new spheres without any significant ability to mitigate the vertical policy axis. A basic example of this would be the use of a national referendum to a certain policy area that makes use of second or third tier

levels of government that can effectively represent a constituency. Examples of this type of micro interactions are very limited during the candidacy process.

Manifestation of these principles by way of decentralization can take place in a number ways and on various levels. They would sever to ascribe liminal roles within the fragmented spheres of the democratic dimension, thereby allowing the oppositionary forces to mitigate a positive outcome (as far as the majority is concerned). This resulting positive outcome would of course materialize into consensual operations within these newly created spheres. When these principles are not manifested, decentralization can be perceived as a coercive measure to convolute, dilute and limit the necessary articulation of distrust. Instead, it aims for an ersatz type of trust (often fueled through populist measures) in a much larger dimension (thin form) that only serves to make the vital oppositionary process more cumbersome.



## CHAPTER 2 - DECENTRALIZATION

The process of decentralized governance is a necessary reform that is exhibiting mixed outcomes in a number of the newer EU member states, and one that is sure to pose enduring problems for current and future candidate states. The concern is not in the process itself, but the lack of supportive and stabilizing measures that are a key aspect of policy-making accountability on a horizontal level. It is a dangerous oversight that the EU currently does not require as a necessary adaptive procedure along with the otherwise comprehensive framework of reforms. If the on-going enlargement process continues to see decentralization as a vital aspect of transformation from the previous centralized institutions, then it must be more pragmatic in ensuring that measures are taken to support this reform, not simply on paper but more importantly in an active and progressive manner and by harboring mechanisms of distrust in the process.

“Regional policy is one of the most important policies for enlargement, given its financial implications for both the Union and the new members” (Hughes et al 2004:527). In the context of EU enlargement, regionalism acts as the action-formation mechanism for the advancement of democratization on the micro and macro level. In the majority of candidacy cases, it is a non-negotiable condition that seeks to counter-balance the prevailing initial conditions of centralism. The most common manifestation of regional policy has come to be decentralization. Through its implementation, the stage is set upon which transformation from a centralized state can take place by shifting policy making accountability from its vertical axis to one that is more horizontal.

## 2.1 Bilateral Negotiations and Deliberation

The idea of horizontal policy-making accountability can be attributed to many things; in the decentralization process and especially in CEE countries, it represents the necessary ability of local governments and the public to mitigate with the central government on policies in all areas of local and national interest. The horizontal aspect “holds governors are responsible to other institutions or collective actors that possess the expertise and power to control the behavior of the governors” (Berg-Schlosser 2004:13). This varies from vertical accountability in which actors are for the most part political equals. The purpose of horizontal accountability is embodied in civil society, the level of autonomy for local governments and the greater interest of the population. The major concern is that without such accountability, the state building process runs the risk of reverting back to a centralized format; the instituting of democratic reforms on the basis of trust rather than distrust in this EU-driven approach “contributes paradoxically towards a recentralization of decisions in the hand of the central state” (Aissaoui 2007:107). To some extent this claim may appear to be exaggerated, but given the retarding effects that a lack of accountability and participation can have on democracies, it is by no far stretch that such outcomes hold possibility and have been manifested, particularly within the new and inexperienced democracies of CEE.

One of the more unique aspects about the creation of second or third tier levels of government is that simple parameters can be created to measure their output from the time they are initiated. Given that the accession process is largely based on measurements of attained standards or approved levels of conditionality, the EU requires a more definitive approach in assessing advances made by local governments. Of course, the enlargement process understands that such changes take time and compromise, if only for practical purposes and not due political

or economic concerns. To compensate for this and for finding the right fit with the transplanted institutions and their new state, deliberation or rounds of negotiation work towards creating a capable end. “If there is a fit between the EU conditions and the reform consensus in CEE, successful institutionalization is more likely” (Dimitrova 2002:177). The notion of deliberativism is not a concept that is foreign to the EU; in fact, the entire candidacy process is meant to act as a deliberativism mechanism in which adaptations to impositions can be structured and restructured based on the consent of both parties. Candidacy serves to tailor the time necessary for candidate states to do what is necessary to meet the required conditions. Warleigh (2003) argues that “deliberativism offers the means by which the EU can build further authority” (Warleigh 2003: 51). Yet, it is quite possible that the notion of deliberativism has at best, been redefined for the candidacy process. Given the bilateral nature of transformation between the EU and national governments and the asymmetry of power that exist, deliberativism as a major aspect of the enlargement process seems to be more of a pretense for levels of conditionality observed rather than a constructive mechanism.

This mix of deliberativism and conditionality proves to be yet another hurdle to the transplantation of a stable democratic society. “The first reason for this is that in the case of administrative capacity, the EU does not have a strong and coherent model” (Dimitrova 2002:186). This lack of a coherent model greatly hampers any efforts to measure advancements made within candidate countries and creates a reliance on relative comparisons which serves to further exacerbate the already makeshift benchmark that conditionality represents. “The second and crucial reason is that, at least in some cases, the institution-building exercise fails to take into account the preferences of domestic political actors” (Dimitrova 2002:186). More so than the lack of a coherent example, this second reason not only inhibits political actors to approach regional policy in a way that is best understood by the state, but in many ways encourages

reforms that are advantageous to parties currently in power. In a number of EU states including Slovenia and Czech Republic, these advantageous aspects were manifested in various ways and for various reasons. There occurred an unnecessary and cumbersome level of state fragmentation that was the result of a number of conditions: self-financing regulations that created incentives for local-self-government, “opportunistic reaction by opportunistic reaction by sub-national elites to the weakness of central states in the early phase of transition,...the competition between central and local elites over distributive issues, ... and [a] democratizing counter-reaction to the overly-centralized and functionalist ‘command-administrative’ communist system (Huges et al 2001: 5-6). As O’Dwyer (2002) poignantly states after reviewing such cases in Poland, Czech Republic and Slovakia, “even if proposed with the best intentions, decentralization is a Pandora’s box in political systems where the state and party institutions are weak...politicians have shown the greatest interest in public administration reform in those areas where patronage possibilities are most conspicuous and sizable” (O’Dwyer 2002: 36).

In Poland, as well as in Croatia, there continue exist a great imbalance between public participation and top-down policy making despite Poland being a member of the EU and Croatia being very close to accession. The aspiration towards more inclusive policy making between governments and voters are being hindered by dominating centralized governments operating under the umbrella of weak institutions, and loose frameworks. During the initial stages of transformation and particularly in the candidacy stage, rhetoric was elevated over the imbuing of distrust mechanisms in the horizontal aspects of reform. It has been recognized that many of the reforms taking place within CEE candidate countries are based explicitly on EU directives for reform measures while failing to follow through on the adaptive process. It should then be seen as a necessary task for drivers of EU enlargement to push efforts that “incorporate public and interest group concerns without giving up the benefits of delegation to expert government

ministries” (Rose-Ackerman 2006: 30). However, one of the major concerns is that many of the transition countries do not have the networks in place to apply the appropriate types of pressure that garners the distribution of accountability on a horizontal axis. In fact, these national networks are largely non-existent in the candidacy stage, nor are they promoted. “Whereas in the EU, governance is produced in the interaction between actors at various levels who share power in a network or bargaining configuration, in the enlargement process governance flows from the EU to the applicants and is channeled mostly through the Commission and the Council on the EU side...”(Dimitrova 2002: 175). The second priority after initiating these reforms in administration is for the EU to ensure that these local networks at least have access to important sources of information and the abilities needed to participate in the dialogue on state building. These secondary adaptive measures based on distrust mechanisms are essential in ensuring that the reform process matures and solidifies. There are a number of ways to accomplish this in tandem with the larger scale reforms.

### **2.1.1 Poland**

The role of regional policy within the enlargement process has two major justifications, equity and efficiency (Making Sense of Subsidiarity 1993:150). In the case of Poland, application of regional policy has done very little in the way of either. As one of the 10 new CEECs and Baltic states to join the EU in 2004, Poland has become the largest beneficiary of EU Structural and Cohesion funds. In the on-going struggle to rectify the large disparities of regional

development, assuagement continues to come in the form of funds and not actual policy improvement. Until adjustments are made to the capricious manner in which administrative regions were increased, equity and efficiency will continue to beset democratization and regional policy will be a case of “formal adoption and deferred behavioral adoption” (Sissenich 2007: 77)

Poland is experiencing a situation in which weak institutions have been pervasive in muting policy-making accountability on the local level. At the on-set of its reorganization of public administration, Poland added an extra 324 new units of sub-national state administration along with the 373 elected district governments that were already in place. This served to create or reassign 50,000 positions, of which 12,496 were newly elected positions (O'Dwyer 2002: 12). Creating local government was an emergency operation due to the economic situation and the need to plant the seeds of democracy, “firstly at the local level rather than at the national level since the members of the Communist Party were still in charge of the central state apparatus” (Aissaoui 2007: 108). One of the more immediate outcomes of this was a severe shortage in human resource capabilities at recruiting qualified individuals as supportive staff for the newly created entities. While there have been many accusations from opposition and media that decentralization was used for the purpose of gerrymandering, patronage and clientalism, there exist quantified proof that the system instituted in Poland has failed to produce desired results or cater to the horizontal policy-making accountability that should be initiated through local governance.

Since the EU maintains no standard model for the regionalization of new member states, Poland's ability to multiply its preexisting structure was not challenged from the outside. Poland's compliance with this reform procedure of the EU was necessary to ensure that the EU requirement of distribution of structural funds on a decentralized network was met. As a result of many administrative areas being downsized and cut off from traditional relations of business, a

vertical relationship is returning not only in the political realm, but also the financial. A study done in the 2002 on the Silesia region of Poland (one of the wealthiest regions) highlights some worrying outcomes. Silesia's access to financial resources is fifteen to twenty times less than that of its Western European counterparts, while maintaining similar or greater requirements (Aissaoui 2007:113). To compound the issue further, the amount of aid that regional administration expects to receive in the form of transfers is consistently short by forty to sixty percent. This is leading to a rapid deterioration of infrastructure in roads, railways, hospitals, that causes regional governments to be increasingly dependant on central authorities. This is inevitably resulting in the disrepute of new autonomous entities of local-governance. Their inability to participate on any relevant measure has seen the local populations once again dependant on and loyal to larger central parties.

The symptoms of Poland's struggles are partly to blame on the increasing diversity of the enlargement process and its unwillingness to undergo fundamental reform rather than creating new policy approaches to overlay the existing ones (Maniokas 2004: 18). During previous enlargement phases, accession negotiations were being conducted with states that typically existed within an advanced democratic format, and if not, had significant experience in democratic principles. As such, mechanisms of trust were already in place and proved capable in maintaining spheres of mitigation in the policy making process. In the 2004 round of accession, the majority of the ten new member states were hardly in such a position. Coming from a centralized format, Poland immediately lacked any significant stakeholders in the transformation outside of political parties. This enables parties to pursue the process as benefactors. While Poland carried out its imposed policy reforms in a executive and not democratically-driven manner, the EU remained ambiguous by rewarding formal adoption while issuing weak

retorical criticism of the limited participation of non-governmental organized interest (Sissenich 2007: 83).

Non-governmental organized interests represent organic aspects of democratization. If it follows that democratic policy making cannot take place without the combination of public interest, government imperative and organizational effort (Rose-Ackerman 2006: 31), then it seems illogical that democratization can rest on the shoulders of a single portion. A unique aspect of many CEECs is that during the candidacy phase there existed at best, a primitive level of information networks, systematic interest articulation and organized aggregation (Sissenich 2007: 83). Once new states are accepted to the EU, their problems cease to be internal issues and become externalized within the new community. Once a part of the Union, the “decreasing possibilities of the governments to control their own agendas to control their own national policy making process” (Maniokas 2004: 34) necessitates ongoing intervention by the larger community, most often in the form of funds.

Between the years 2007 to 2013, Poland is expected to receive a total of €67 billion in EU funding for continued development in a number of sectors (Rapid 2007). EU regulations to the distributions of these funds require “close consultations between the EU Commission, the member state...and the component authorities designated by the latter at national, regional, local or other level” (Mairate and Hall 2001: 338). To what extent this money will be received with a dole mentality or an initiative to further developed economically depressed regions of the country can only be assessed by previous used of funds. While no total amount can be given to the mismanagement or even actual absorption of structural and cohesion funds in Poland, a report by the EU Court of Auditors stated that the control systems in place were ineffective (Kallas 2007: 2).



### 2.1.1.1 Croatia

Croatia presents a seemingly conflicting case in which the correlation between the negative outcomes of weak institution and political trust has had relatively minimal impact on this development. For this reason, its selection as a case study serves two purposes. Since the EU enlargement process is very standardized, study presents a relevant opportunity to discard national contextual variables and analyze the basic trends in reform patterns as they continue to exist. In this way, the components of (X<sub>1</sub>) the institutionalized role of distrust over that of trust; (A<sub>1</sub>) the role of decentralization; and (B<sub>1</sub>) EU enlargement requirements based on compliance of candidate countries. Yet, Croatia also offers an additional opportunity to observe a state whose reform and move towards accession from candidate status and been relatively swift and without any internal hindrance. While this would seem to suggest that Croatia can be viewed as a deviant case, it will in fact be argued that it is a typical case. As previously stated, the EU enlargement is mostly a standardized procedure in which compliance towards certain standards and measurements must be met if the goal is to be attained. In this setting then, Croatia is not only representative of a broader set of cases, but serves sufficiently as an exploratory role (Gerring 2008:648). Like many post-communist states in transitions, Croatia wasted little time in pursuing the parallel dual track of Europeanization and decentralization. A deeper look at how Croatia has been working to transform itself based on EU requirements proves to be indicative of the general lag in rhetorical affirmation of the *acquis* and Copenhagen criteria, and its actual implementation.

Croatia is divided into twenty counties (including the county of Zagreb and the city of Zagreb) which function as the most comprehensive local concentration and self-government units. The county is given legislative capacity along with the ability to generate own revenues.

Written into the Law on Local Self-Government and Administration are six main roles and functions:

1) to coordinate interest and to undertake activities for the purpose of uniform economic and social development of municipalities and cities within the county or of the county as a whole; 2) to coordinate standpoints of municipalities and cities on issues to be decided by the state authority bodies, or to coordinate settling of matters of common interest to be decided by the municipality and city bodies within the county; 3) to determine conditions for the area arrangement and protection in the county; 4) to coordinate development and network of the educational, cultural, medical, social, public utility and other institutions and facilities, of the infrastructure relevant to the territory of the county; 6) to establish public institutions and other legal entities for the purpose of materializing common aims shared by municipalities, cities and the country as a whole; 7) others. (Ishida, 2002)

Even though it is only the administrative portion of the Law is provided here, it is an example that reflects it in its entirety. All of the general points listed in the European Charter on Local Self-Governance; that is, a total adoption of the various aspects of Europeanization is mirrored. Similar to the case with Poland, Croatia's local self-government came about by means of rapid measures of reorganization. This has also had the similar impact of the national government's authority reflecting strongly in the tendencies of local-self government (Ishida 2000:272). The chart below reflects party affiliations of mayors and county prefects in the years 1998-1999. Given the heavy distribution of Franjo Tudjman's popular party *Hrvatska demokratska zajednica* (HDZ) that governed for over a decade, (until the death of Tudjman in 1999) and remind very influential several years after, it is difficult to argue the case of a newly implemented sphere of mitigation. Even after the party dissolved, mechanisms that remain in place still leave official appointment at the central and not local level. The position of prefect acts as an executive organ. They are elected by the local assembly which is made up of 30 to 40 persons in fixed proportion to population. Election of the prefect requires the approval of the President of the Republic; if the president disapproves, the county assembly has to elect another

perfect candidate. Since Mayors are subject to the county, any notion of the existence of an oppositionary organization remains spurious.

	T	H	H	I	H	H	S	I
	otal	DZ	SLS	DS	SS	NS	DP	ndep.
M	7	4	7	7	3	2	2	6
ayor	3	6						
P	1	1	0	0	2	0	0	1
refect	8	5						

Another important aspect of the decentralization process is financing. In 2008, IMF reports Croatia as having a GDP per capita level of \$16, 454, making it the second wealthiest of the former Yugoslavian states after Slovenia. Combining this with the fact that the separation of its counties created relatively sustainable enclaves, fiscal decentralization in Croatia was made simpler in terms of not needing to negotiate expected equalization transfers in the initial period. The ability to generate and use own revenue as required by the European Charter on Local Self-Governance is also reflected in Croatia's similar document. It is necessary that local governments be able to generate their revenues independently of the central government and then to spend that money in relation to their responsibilities and requirements of the community since it constitutes the most legitimizing aspect of local as well as national governments. In Croatia, the fiscal aspect of decentralization started in 2001. As is typical, local governments made use of general and equalization transfers from the central government while continuing their ability to

generate own resources; this was seen as the initial phase. The budgeting process at the local level serves not only to decrease dependency of local units on the national until but also to create a tangible relationship within the community. “The participation of the public not only depends on its own efforts and interest in active involvement in the monitoring local units’ performances but also on the openness of processes, and willingness of local units to integrate the public into budgetary processes( Maletic 2006: 23).” Yet as indicated by Maletic (2006), the process has never moved beyond the first phase. There is also very little insight; between the fiscal year 2001 and 2005, no financial statement of local units were published, including counties, towns and municipalities.

It is difficult to conceive of decentralization as an imposition incurred by EU application in the case of Croatia. While similar accusations of undisguised abuse can hardly be brought against it as with the case of the initial process in Poland, the parsimonious extensions of independent administrative and fiscal capacity given to the margins by the center continues to disallow to certain extents the ability of oppositionary organizations to manifest distrust as necessary. Eisenstadt and Roniger (1984) argue that in societies characterized but strong centers and autonomous elites and to which access is relatively open, oppositionary tendencies will go “beyond the existing institutional order without necessarily challenging it directly, even giving it some indirect support, by enlarging the scope of trust in society” (Eisenstadt and Roniger 1984: 295). This supports that idea that corruption continues to be an evasive aspect in conditionality. In this case, the EU continues to put the onus on the Croatian government to develop measurements and reports for the purpose of corruption. In the 2008 progress report for Croatia drafted by EU Commission staff it was noted that “corruption still remains widespread. The administrative capacity of state bodies for fighting corruption continues to be insufficient. The Committee for the Prevention of Conflict of Interest continues to be beset by problems, including

the resignation of its chairperson following corruption allegations” (Croatia Progress Report 2008: 10). To be sure, the only current conceivable threat to Croatia’s accession is a veto by Slovenia which has little to do with *acquis* conditionality.

As Maletic suggest (2006), “the main pre-conditions needed to achieve the culture of responsibility and accountability within the system are still missing” (Maletic 2006:40). Given that the initial stages of administrative reform have taken place and the “gate-keeping” mechanism of conditionality is all set to open for Croatia in 2010 (save the dispute with Slovenia), these pre-conditions have been made seemingly irrelevant. With the passive condition of local governance in Croatia and limited opportunities for horizontal policy-making accountability, these administrative reforms have become little more than filters and new channels for ongoing EU-Croatian market operations.

## CONCLUSION

The role of Europeanization and decentralization as aspects of the enlargement process are both fragile and protracted. The weak institutions that form at the beginning of this process are malleable and thereby necessitate an enhancement of impositions from the EU that will serve to bridge the gap between policy codification and policy practice. With the broad range of policy regulation within the candidacy process, there remain a number of areas that necessitates a deepening of policy requirements. These shallow areas represent adaptive measures that incorporate institutionalized distrust that allow for of sphere of mitigation between the public, organized interest and government directive. Where the enlargement process has so far failed, is following up with the adaptive measures of Europeanization that cater to a horizontal application of the decentralization process. Without these adaptive measures, the EU enlargement process runs the risk of sponsoring a recentralization of state administration within new EU member states. The role of horizontal policy-making accountability needs to assume relevance as a non-negotiable aspect on par with decentralization if the continued enlargement process is to prove successful in the future. For the future application to the EU accession process, there are three general areas that require consideration.

The first would be to work towards a new model for regionalization. Even though no blueprint could ever prove effective for such a task, fundamental prescriptions of decentralization encourage a less executive-driven approach. A starting point would be to ensure that any new administrative entities created are comprehensive to the extent that they are sustainable in population, industry and competence. The case of Poland highlights the outcome

of decentralization being burdened with the creation of superfluous administrative entities that are inherently dependant. Of course, Poland is not the only example of such actions. When Slovakia enacted deconcentration, the central administration increased the expansion of districts two-fold which had the effect of expanding territorial expansion by several thousand positions (O'Dwyer 2002: 8). Clearly, it is not the goal of decentralization to inundate the bureaucratic structure, but to assist by brining it closer to the public.

The second measure would be to require amendments be made in the legislative process that ensures public and local access to draft proposals of new policies and regulation. IN the case of Poland, regulations issued by the Ministry are still not constitutionally required to involve the public on any meaning level, give notice, or provide justification (Rose-Ackerman 2006). In other words, outlets for distrust need to be created in the form of deliberative mechanism at the local level as well as the national. Governments are set with the task of developing and carrying out approved policy options on behalf of the nation. The distrust mechanisms involved in the transparency do little to delay the process when final policy options are built on consensus. This also extends to area of budget formulation and execution. The case of Croatia illustrates the realities of counties and municipalities unwillingness to publish public budget records without external pressure to do so. The unique characteristic of many CEECs is that the public is unlikely to be familiar or comfortable with the new formats of local or national government. The responsibility is then placed on the EU to use its asymmetrical positions to further influence there deliberative aspects. While accession has proven to be a positive alternative for countries involved, it is not an entitlement and sovereignty continues to present a weaker argument with on-going expansion and expected support.

Finally, redundancy by way of the budgeting process should not be allowed to befall local governments. The ability to design and implement a budget is one of the most legitimizing

aspects of any government. It is understood that transfers will inevitably play a large role in the reforming process, even if only on an initial basis. Article 9 of the European Charter on Local Self-Governance requires that local administration be granted access to own-source revenue. Also, as stated earlier, distribution of EU structural funds operates within the decentralized framework. If the only way to ensure that this money is being given where needed is through monitoring, then perhaps it is necessary to add this component. There exist a range of models that are practical and beneficial to states undergoing transformation. Poland is an example of a transition state that was allowed to institute its own budgeting model to the detriment of the horizontal aspect of reform. As a result, party patronage plays a large role in determining budget approval for local governments. This tugging of the strings by central administration should not be allowed to make use to EU structural fund without an active monitoring of its distribution.



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