The Europeanisation of Hungary: Institutional adjustment and the effects of European Union integration

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Abstract

This study will analyse the domestic institutional and political response of Hungary to European Union enlargement governance with the aim of assessing how sustainable Europeanisation and Democratisation are post Hungary’s accession to the European Union. European Union integration governance characterised heavily by political conditionality favoured efficiency over legitimacy in accession states. Strides to meet this efficiency, rather than strides towards legitimacy, consolidation and participation therefore dominated the Hungarian institutional response. EU accession governance towards Hungary thus represents two paradoxes: Firstly, by prioritising efficiency of meeting conditionality over legitimacy, institutional performance and implementation, Europeanisation via conditionality poses tensions with democratisation, threatening the future maintenance of both. Secondly, the domestic adaption requirements of conditionality resulted in centralised structures that blocked Europeanisation, civil society engagement and political participation, thereby limiting EU influence and contradicting norms of decentralisation. The study concludes that governance via conditionality holds poor potential for sustained Europeanisation post accession and has potentially contributed to the low political participation and backsliding of democracy in contemporary Hungary.
Introduction

On 1st January 2012 a new Hungarian constitution, heavily amended by the ruling Fidesz party and its president Viktor Orban, entered into force. Action from the European Union (EU) Commission swiftly followed. On January 17th 2012, the Commission commenced legal action against Hungary via an accelerated infringement process, claiming that, by contradicting articles 16, 127 (4) and 130 of the Treaty of the European Union (TEU), article 8 (3) of the Charter of Fundamental Rights, and article 14 of the Statute of the European System of Central Banks, ‘Hungarian legislation conflicts with EU law by putting into question the independence of the country's central bank and data protection authorities and by the measures affecting its judiciary’ (EC, 2012:1).

The anti-democratic trend of the amended constitution has been a consistent theme of political proceedings in Hungary since the two-thirds majority election victory of Fidesz in 2010. A fourth constitutional amendment, regarding limiting political advertising during election campaigns, has brought the issue of Hungary’s status as a democratic, Europeanised member state once more to the fore. A recent report by the EU’s Commission for Democracy through Law (The Venice Commission) concluded the domestic political situation in Hungary as a ‘threat for constitutional justice and for the supremacy of the basic principles’ (Venice Commission, 2013:32). The new Hungarian constitution potentially undermines fundamental EU law from multiple angles: By limiting autonomy and freedom of speech it could violate basic human rights. By reducing the influence of the constitutional court it limits checks and balances, potentially resulting in non-transparent, politicised institutions. In effect, Hungary has found itself in a political limbo, halfway between a democratic and authoritarian government.

Concerns over the state of democracy in Hungary are not new. The European Parliament (EP) made public this May a report drafted over the last 18 months (Tavares Report) by Rui Tavares and an EP committee on Civil Liberties and Justice and Home Affairs. The report analysed legislative processes over the last three years in Hungary and the effects on democracy, fundamental rights and the rule of law. Further to assessing the constitutional amendments, the report analysed over 500 changes to the law by Fidesz, which could be contradictory to human rights and other EU and international norms (Budapest Business Journal, 2013).
Prime Minister Orban has so far somewhat addressed the concerns of the EU Commission, slightly amending minor aspects of the constitution to appease the EU. However, most of these changes amount to a delay in implementation, rather than a significant change in policy. Many EU development funds to Hungary are currently suspended, due to doubts around the direction in which they are being spent, in the face of weak controls and Orban’s centralising economic tendencies.

Ultimately, sanctioning powers to backup a monitoring proposal and Commission infringement procedures are somewhat weak. More drastic action lies in the use of article 7 of the TEU, which could suspend a Member State’s voting rights should they be found to be undermining fundamental European human rights and democratic values set out in the Copenhagen Criteria. This however, would represent a failure of Europeanisation and the wider democratising mission EU enlargement encompassed.

**Framework, Methodology and Structure**

European integration has been the defining factor of Hungary’s path toward democratisation. Governance through conditionality, that is the political, institutional and ideological conditions to be fulfilled in order to achieve EU membership conditioned by the threat of withholding EU membership, was the central and most powerful leverage mechanism of the Eastern enlargement of Hungary and Central and Eastern Europe (CEE) (Schimmelfennig & Sedelmeier, 2005; Grabbe, 2006). Europeanisation, as the ‘processes of construction, diffusion and institutionalization of formal and informal rules procedures, policy paradigms, styles, ways of doing things and shared beliefs and norms’ (Radaelli, 2000:30), defines then the democratisation of Hungary and its policy and performance alignment with the EU.

Hungary had to comply with strict democratic criteria to achieve candidate status in the anticipation stage. As stated at the 1993 Copenhagen Council

Membership requires that the candidate country has 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 a the capacity to
cope with competitive pressure and market forces within the Union. Membership presupposes the candidate’s ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union’ (EU, 2003:13).

Democratisation is often conceived as a theme of or parallel process to Europeanisation. Hungary’s Europeanisation is undoubtedly also a path of democratisation. However, antithetical to some suggestions arguing Europeanisation and Democratisation as indistinguishable in a CEE context (Lippert et al, 2001), this study suggests a more complex relationship and that Europeanisation and Democratisation may not be entirely mutually inclusive. Further, evidence of a democratic deficit within the EU itself (Pridham, 2005) raises the notion that a democratic deficit could be exported into a candidate state via the enlargement process (Grabbe, 2003). In regard to candidate or NMS, this would ‘be at some cost to their democratisation or, at least, to the quality of democracies they are constructing’ (Pridham, 2005:25).

The relevance of this study is based on a decline of levels of democratic indicators in Hungary. Whilst it addresses the scope of these indicators, the study is not an in-depth assessment of the state of democracy in Hungary. To support the backsliding of democracy notion, data from The World Bank, Freedom House, and Transparency International is used. Currently, Hungary stands accused of undermining fundamental democratic and human rights norms of the EU. Interestingly however, the recent low indicators of democracy are underpinned by an excellent record of democratisation and formal compliance with the EU. Shortly before Hungary’s accession to the EU, Freedom House commented on Hungary’s democratic transition as a ‘most successful democratic transition; its speed and success has made Hungary clearly one of the most solid democracies among the post-Communist states’ (Freedom House, 2003:287). Further, Hungary was one of the standout performers of the accession phase, in terms of formal compliance and transposition (EC, 2004). Compliance improved throughout the early years of membership and Hungary’s current record of formal compliance and transposition is much higher than many of the old Member States (OMS) (EC, 2013:9-16). Despite this, under the context of formal data on Hungary’s compliance with and transposition of EU directives and legislation, Hungary would appear a model new member state (NMS).
This raises the issue of how far EU internal market scoreboards of formal compliance and transposition can inform us of the situation on the ground. This study will therefore analyse the factors contributing to the current domestic political situation in Hungary, exploring why such drastic constitutional changes have been initiated in Hungary despite sustained post-accession formal compliance with EU acquis communautaire (hereafter referred to as acquis) and democratic EU governance conditionality. Ultimately, the ‘effectiveness of any legal system is based on two principles: compliance with and implementation of the legal rules of that order’ (Bieber & Vaerini, 2004:387). Appropriate behaviour regarding the full extent of EU rules is required for true compliance. Thus, analysing actual implementation of EU law is relevant for assessing compliance. It is vital therefore to extend study past formal compliance with EU rules when assessing Europeanisation in a NMS. This study will therefore take into account levels of implementation of institutions, directives and laws when making conclusions about whether Europeanisation has been sustained well beyond accession in Hungary.

By comparing the data from sources used in this study such as The World Bank, RAND and Freedom House with the EU data on compliance and transposition, it is apparent that EU data does not accurately reflect actual democratic practice on the ground and actual levels of compliance. This calls into question then the EU’s status as a normative, democratising power and the success of its democratising mission in CEE. EU policy transfer through integration is a dynamic concept. Raedelli (2000:28-9) argues that ‘grand theories (such as neo-functionalism, neo-realism and liberal inter-governmentalism) contain elements of rigidity that obstacle the analysis of concrete policy dynamics in the EU’. The study takes a largely top-down analytical approach to the relationship between the EU and a candidate/member state. It does acknowledge however that a ‘comprehensive understanding of the relationship between the Member States and the European Union requires a systematic integration of the two dimensions’ (Borzel, 2003:1). Though the study acknowledges the importance of domestic factors, it focuses on the limitations and weaknesses Europeanisation through conditionality holds for sustaining the EU acquis and democratic conditions in an NMS post-accession. Ultimately, the study seeks to identify the effect of EU rule transfer in the context of Eastern enlargement and will therefore adopt a somewhat top down perspective.
Unintended consequences of conditionality are key for explaining the current domestic political situation in Hungary. Crucially, the rigorous demands made by an external conditionality mechanism had the unintended consequence of the strengthening of executives over parliament (Agh, 1999; Zubek, 2008; Sedelmeier, 2008). This structure has maintained and granted the current ruling Fidesz party the ability to amend the Hungarian constitution with little opposition from the Hungarian parliament. Further, EU accession has been counterproductive in that it has led to the re-centralisation of the state under EU performance pressure and coordination mechanisms (Agh, 2010a). Consequently, via centralized coordination dealing only with domestic elites, social learning and the penetration of EU norms into civil society is prevented, therefore limiting Deep Europeanisation through socialisation occurring (Nicolaides, 1999). Thus, only Shallow, rather than Deep Europeanisation has been allowed to occur (Borzel & Risse, 2006).

The following section will elaborate on these conceptions of Europeanisation and conditionality, providing a definition of Europeanisation and a contextual basis for the study. Further, the article will address the literature on Europeanisation, Democratisation and conditionality in CEE. The notions of Shallow and Deep Europeanisation are defined and the investigative aims of the study clarified further.

Section Two provides a brief history and summary of the current state of key areas of Hungary’s administration and democracy. The section charts the effects of the impact of EU integration on the Hungarian civil service, domestic political parties, civil society and on levels of corruption throughout these and other layers of Hungarian governance. The section finds a mismatch between the demands of the EU and its own competency and consistency in both its advice and standards to be met. Demands for institutional change that were not met with exact standards, models or guidelines posed a significant coordination challenge to the Hungarian administration. This ultimately led to a centralised core executive leading EU-Hungary relations, subordinating the role of parliament significantly. These structures essentially prevented the effects of Europeanisation to be felt amongst wider and civil society, thereby limiting the diffusion of EU norms and democratic practice.

Section three offers a theoretical basis with which to conceptualise the empirical findings presented in the previous section. Assessing the notion of incomplete
implementation of institutions and laws, the section finds poor potential for a sustainability of Europeanisation, whereby Europeanisation via conditionality had little cause for domestic institutional investment beyond formal compliance. Europeanisation did occur, but only in the elite core executive who were exposed to European legislature and norms. This Shallow Europeanisation has poor potential for being sustained post-accession. Drawing on recent studies by Agh (2012; 2013b), the section concludes that the weak institutionalisation of EU norms and laws has been exploited by the weak social consolidation of EU democratic norms, leading to the democratic backsliding currently occurring. Record lows of political participation in Hungary symbolise the dissatisfaction with the current democracy in Hungary, where social and political subsystems are diverging, despite Europeanisation and Democratisation paths showing a convergence, at least on the surface.

**Setting the Scene: Anticipatory and Adaptive Europeanisation**

Despite its former communist identity, Hungary showed gradual reformist and liberal tendencies from the middle of the 20th century. Coupled with a course of democratisation that was ‘quick and without serious complication’ (Stojarova et al, 2007:52), anticipatory Europeanisation (aligning to EU policies and norms based on anticipation of being made a candidate state) was particularly effective in Hungary.

Firstly, Hungary had been exposed to European political and economic models, with economic liberalisation and decentralisation occurring in the 1980s (Comissio & Marer, 1986). Secondly, a strong reformist legacy meant Hungary ‘inherited a greater degree of susceptibility to the EU resulting from their pursuit of an open economic foreign policy’ (Camyar, 2010:142). Coupled with desire for democratisation and Europeanisation (present in elites and the public due to recently escaping the shackles of communism), Hungary was susceptible to EU conditionality and the anticipation of membership. At a 1997 Luxembourg Council, Hungary ranked highest out of all the CEE candidate states, with a score of 33 out of a possible 40 points (European Council, 1997). The scores were based on assessment of readiness for a 2004 accession, amount of issues that required resolving prior to accession and the existence of issues that could prevent accession should they remain unresolved.
Adaptive Europeanisation, the accession phase in which candidate status were assured of membership should they meet EU political, institutional and normative conditions, was also highly effective in Hungary. Political conditionality, legitimised both by the external incentive of membership and the threat of withholding it, was a hugely effective tool in achieving compliance with EU laws and directives in Hungary and throughout CEE (Schimmelfennig & Sedelmeier, 2005; Dimitrova, 2005; Grabbe, 2006; Epstein & Sedelmeier, 2008). Despite the high adjustment costs of Europeanisation, domestic support for EU integration in Hungary and the perceived economic benefits membership would bring meant adaption costs were limited in a rational cost-benefit analysis (Vadchuva, 2005).

Domestically in Hungary, adaptive Europeanisation required the complete administrative, political and institutional regulatory adaption and alignment to EU standards. To ensure this, the EU used both positive and negative conditionality. We can define conditionality as a ‘set of mutual arrangements by which a government takes, or promises to take, certain policy actions, in support of which an international financial institution or other agency will provide specified amounts of financial assistance’ (Killick, 1986:6). EU conditionality was made even more effective, as it promised an even greater prize of membership along with financial assistance. To conceptualise compliance with this conditionality, this study employs the definition of compliance as a ‘state of conformity or identity between an actors behaviour and a specified rule’ (Raustida & Slaughter, 2002:539).

Along with providing financial assistance, EU conditionality was predicated on the belief that it would induce cumulative progress in a target state based on standards and norms dictated by European standards. However, conditionality was further motivated by ‘doubts about the ability of the CEE candidates to apply the acquis after accession’ (Schimmelfennig & Sedelmeier, 2005:25), which could affect the functioning of the single market.

This study compliments the literature on CEE compliance that deems compliance as relative to domestic coordination levels (Steunberg & Toshkov, 2009; Dimitrova & Toshkov, 2009) and administrative capacity (Dimitrova, 2010). Moreover, the findings of the study emphasise the notion in the literature on CEE that compliance does not necessarily mean implementation (Falkner & Treib, 2008; Falkner, 2010; Dimitrova, 2010). Compliance cannot inform us of the extent of Europeanisation as the ‘compliance perspective also starts from a
given norm... It thus focuses less on the process than on the outcome of implementation. Moreover, compliance can occur without implementation’ (Treib, 2008:4).

It is through conditionality then that Europeanisation can be conceptualised as the ‘varying impact of European integration on domestic arrangements and structures’ (Knill & Lehmkuhl, 1999:1) and a ‘process of change in national institutional and policy practices that can be attributed to European Integration’ (Goetz & Hix, 2000:61). However, Europeanisation can occur via different mechanisms and is not necessarily a top-down process of EU rule transfer. While norms, procedures and policies of Europeanisation are ‘first defined and consolidated in the making of EU decisions’ they can be incorporated via processes of ‘diffusion and institutionalization into the logic of domestic discourses, identities, political structures and public policies’ (Radaelli, 2000:30). Thus, Europeanisation is not exclusively a top-down process.

This study will adopt a definition of Europeanisation that extends beyond conceptualising Europeanisation as a top-down process and of relating only to regulatory and policy alignment. Thus, Radaelli’s (2000) definition will provide the contextual basis of Europeanisation for the study. Europeanisation must also extend to behavioural change in a candidate or member state. Europeanisation therefore incorporates not just the ‘institutionalization of formal and informal rules’, but ‘procedures, policy paradigms, styles, ways of doing things and shared beliefs and norms’ (Radaelli, 2000:30).

In so doing, we can identify two scopes of Europeanisation; Shallow and Deep (Borzel & Risse, 2006). Shallow Europeanisation refers to policy alignment and Europeanisation only on the surface, where institutions may superficially reflect EU institutions structurally, but are incompletely implemented and thus function poorly and not in line with EU standards. To identify only Shallow Europeanisation as having occurred, the study will examine for the following criteria:

- A Centralised core executive structure coordinating EU affairs
- Subordinated role of parliament
- Lack of intermediary links with civil society
- Extension of a domestic democratic deficit
- Incomplete implementation/low or intermediate functioning of institutions
• Opaque and/or politicised civil service
• High levels of corruption
• Lack of behavioural adoption from domestic elites and political parties

Deep Europeanisation refers to the diffusion of EU norms and standards beyond a core elite and through all layers of civil society and domestic institutions. This type of Europeanisation impacts on behaviour and norm adoption, where a society does not comply merely for the external benefits perceived by compliance, but through true behavioural and norm adoption. Many academics have posited that this type of social learning Europeanisation could be most effective, since candidate states incur the full cost of adaptation (Sedelmeier, 2012) and experience behavioural change to norm application (Grabbe, 2006), rather than complying to conditionality for the purpose of an external incentive. Further, through these mechanisms states have more autonomy in the creation of a rule, resulting in cognitive convergence between a candidate state and the EU (Grabbe, 2003).

The concept of Shallow Europeanisation is critical to the study, providing links between effects of EU integration and the current political climate in Hungary. The Shallow Europeanisation criteria allows us to identify and conceptualise a failure or prevention of the consolidation of democracy as the overarching unintended spin-off effect of EU integration. The creation or maintenance of a democratic deficit in Hungary via EU integration thus links the Europeanisation and Democratisation literature and applies it to the backsliding of democratic practice in Hungary identified in the study.

**Post Accession Compliance and Transposition**

Throughout the accession phase, Hungary’s compliance to EU conditionality was exemplary. Behind only Lithuania, Hungary was the second best performer in terms of the volume of directives transposed, the number of infringements brought against them and the speed and rate of transposition (EC, 2004). However, some doubts and clues to a possible lack of capacity to implement and sustain the acquis post accession are present in the Commission’s final monitoring report on Hungary before accession. ‘Hungary has continued to make progress in building up its administrative capacity to apply the acquis in most areas. However, further efforts will have to be made in particular areas’ (EC, 2003:10). Further, the
report marked a fight against corruption as a high priority, along with reform in multiple sectors where policy alignment with the EU was intermediate or low (EC, 2003). Ultimately though, Hungary’s accession was a relatively smooth process, especially in the context of the Eastern enlargement, where many states had significant problems in building capacity and achieving regulatory alignment. Hungary joined the EU on May 1st 2004.

Formally at least, doubts towards Hungary’s ability to sustain the acquis and continue excellent compliance and transposition appeared unfounded. Upon membership, Hungary’s transposition deficit (the number of directives not domestically transposed within a designated deadline) was 11%, far above the EU average of 2.2% (EC, 2004:12). This quickly improved, with Hungary’s 2005 transposition deficit at 0.7%, making Hungary one of only eleven member states to meet the EU target deficit of 1.5% (EC, 2005:10). Currently, Hungary’s transposition deficit lies at 0.5%, which equals the EU target (EC, 2013:11).

In relation to infringement proceedings brought against them, Hungary again performed much better than the majority of other Member States. With the third lowest reasoned opinion charges between 2005-07 and zero referrals to the European Court of Justice (ECJ), Hungary was the third best performer in this regard (Sedelmeier, 2008).

Despite the current concerns the EU holds over Hungary’s domestic constitutional legislation, infringement proceedings against Hungary have not increased since Fidesz gained a two-thirds supermajority in 2010. The 2011 scoreboard shows 22 open proceedings against Hungary, which marks a 7% drop in open procedures since 2007 (EC, 2011:20). However, the latest scoreboard shows 21 proceedings against Hungary remain open, suggesting a lack of concern with Fidesz to close proceedings and transpose correctly and fully open EU directives. Further, the average speed of resolving infringement cases in Hungary is 31.6 months, which is five months longer than the EU average (EC, 2013).

Formal compliance, even in the current stormy EU-Hungary relational climate, remains excellent. Given the current political situation in Hungary this suggests that formal compliance cannot inform us of the situation on the ground. Beyond formal compliance there exists an ‘implementation deficit’ (Mastenbroek, 2005:1103), where directives that the EU has been notified to have been transposed and implemented, are not correctly or fully domestically implemented. Falkner and Treib (2008) define this as a world of dead
letters, characterised by ‘politicized transposition processes and systematic application and enforcement problems’ (Falkner & Treib, 2008:293).

The Europeanisation of Hungary

Both EU accession criteria and post accession transposition of directives posed ‘exceptional coordinating challenges’ (Goetz & Wollmann, 2001:875) to the Hungarian governments throughout and beyond the accession phase. As will be highlighted in this section, ‘accession conditions and negotiations privilege a relatively small group of central government officials over other political actors’ (Grabbe, 2001:1013). Consequently, the demands of transposing the vast EU legislature produced tensions with European norms of decentralisation and democratisation. This tension was exacerbated by inconsistent and incompetent EU advice and approaches. EU accession criteria demanded rapid transposition, which in turn demanded of Hungary a centralised executive over all administrative institutions. This however, is at odds with EU norms of regional autonomy and pluralistic legislative processes norms, which were relegated under accession criteria performance.

This section will analyse the Europeanisation processes of the Hungarian civil service, domestic political parties and civil society. It will also assess the contemporary performance of these institutions, actors and sectors and link the findings to effects of EU governance through conditionality. To do so, data is sourced from think tanks and international organisation such as Transparency International (TI), Freedom House, The World Bank, The Economics Intelligence Unit (EIU) and the RAND Corporation.

Politicisation of the Civil Service

Desiring to construct a European style civil service, Hungary was the first country in CEE to approve and implement an act on the legal status of civil servants’ (Agh, 2009:6). Further, a legacy of civil service reform existed in Hungary prior to EU democratisation, with the bureaucracy exposed to western traditions and civil service professionalisation beginning in the 1960s (Ghindar, 2009).
However, due to the absolute priority of achieving EU membership in Hungary, a split occurred in the Hungarian public administration whereby processes of EU related issues were dealt with separately to domestic processes of the administration as a whole. In attempting to meet the rigorous demands and standards set by the Commission, a ‘combination of approaches involving financial incentives and maintaining staff continuity resulted in the emergence of an EU elite among civil servants in the central public administration’ (Agh & Rozsas, 2009:22). This split between domestic and EU business in the administration, along with the resulting administrative elite, ensured good coordination and compliance in EU matters pre-accession. The EU elite retained their positions despite successive changes in government and were better paid and allowed to hold office for six years, despite normal diplomatic service being four or five years (Fink-Hafner, 2005). The division between EU and domestic aspects of the administration coupled with the above factors resulted in a sustained deep fragmentation in the public administration in Hungary (Nunberg, 2001). This fragmentation would reduce administrative capacity post accession, leading to difficulties with EU compliance and transposition of directives.

Politicisation was inherent in the Hungarian civil service during and after accession, despite its early adoption of a civil service law. De-politicisation of the civil service would conflict with ruling governments’ interests of power consolidation. Successive governments of the accession phase replaced civil officials with outsiders of the public administration brought in at senior positions (Ghindar, 2009). As a result of the state-building processes brought on by European integration and a post-communist context, conditions were ‘ideal for party patronage’ (Meyer-Sahling & Veen, 2012), ensuring a continually politicised civil service. This is evidenced during the 1998-2002 Fidesz-MPP coalition government, whereby the prime-minister ‘became effectively unconstrained in the capacity to appoint senior level officials’ (Ghindar, 2009:145). These conditions and the demands of EU coordination and compliance sustained this issue, ensuring high levels of politicisation.

The final EU monitoring report on Hungary before its accession stated ‘the recruitment and promotion system in the Hungarian civil service is still not fully inline with the essential civil service principles such as equal access and competition based on merit’ (EC, 2003:12). Recent data has affirmed that these trends have continued post accession. A Meyer-Sahling and Veen (2012) study awarded Hungary an overall politicisation of the civil
service country score of 54, representing an intermediate level of civil service politicisation. However, the ‘scores are very high for the top level, while the second level below the minister is located in a grey area between politics and administration’ (Meyer-Sahling & Veen, 2012:10). Senior and elite levels of the civil service remain highly politicised therefore, actually increasing after accession, due to the pre-accession factor of prime ministerial control of appointees in this area remaining. The top two positions in the civil service ministries are currently political appointments. This ‘weakens civil service accountability and undermines professionalism and neutrality’ (Meyer-Sahling, 2009:21). The two-thirds majority won by the Fidesz party in 2010 has enabled the government full legislative control to change civil service legislation. Consequently, the checks and balances system has been ruined, with the civil service now directly dependent on the Fidesz party. The Europeanisation effects of EU integration were concentrated in the administrative and executive elite throughout the process. The resulting post-accession structure has maintained, ensuring EU norms have not spread throughout the public administration.

Civil Society & Parliament

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Table 1. Political Participation in Hungary, 2006-2012. (1-10, with 10 being best)
Source: EIU. Various Years. Economist Intelligence Unit. www.eiu.com

A Parliamentary Committee on European Community Affairs established in 1992 was largely a ‘symbolic political move, which did not evolve into an important practical role for Hungarian Parliament in managing EU affairs’ (Fink-Hafner, 2005:23). Hungarian parliament should have had a decisive role in focusing national interests of social groups and Civil Society Organisations (CSO) into EU negotiations.

This task has also turned out to be more difficult because the ECE governments have almost completely monopolized the representation of national interests and its aggregation has to resolve the problems of increasing conflicts among social groups and the growing mass of victims of the integration’ (Agh, 2001:421).
Due to the coordinative demands of transposing the mass of EU directives, the domestic legislative procedure was conducted by a centralised governmental executive. Throughout the accession phase the role of the Hungarian parliament remained limited largely to affirming government approved accession policy (Agh, 2001). The huge amount of legislature that needed to be transposed throughout the accession period resulted in a fast tracking procedure, which essentially relegated parliamentary involvement. Consequently, whilst highlighting both the EU and domestic Hungarian consensus on accession, it also demonstrates the ‘lack of awareness of the details of the legislation being passed on the part of parliamentarians’ (Grabbe, 2001:1017).

The 2002 Civil Society Strategy (modified in 2006) has helped NGOs gain influence. The strategy allows the taxpayer to contribute 1% of their personal income tax through the National Civil Fund (NCA) to an NGO or CSO. The NCA will also match this donation through state budgets and distribute them throughout NGOs and CSOs accordingly (Freedom House, 2008). However, a dependence on state financing may lead to the political capture of some NGOs with the fear that ‘NGOs and CSOs may be utilised to gain political power and recognition’ (RAND, 2010).

Currently, state funds for NGOs distributed through the NCA are shrinking, with a fivefold shrink from average annual budgets in the 2012 budget plan putting the ‘financially fragile civil sphere at serious risk’ (Freedom House, 2012). Burdens causing shrinking of the NGO sector also are extended towards all CSOs and representatives. A new 2012 law will replace the NCA with a National Fund of Cooperation. Whereas 90% of NCA delegates were made of CSO representatives, ‘under the new system, this proportion will drop to 30%, with the majority of the members chosen instead by the government’ (Freedom House, 2012). Political influence over the non-governmental and civil society sector seems to be increasing therefore. Further, a reduction in funds leads to weakening and undermining the legitimacy of NGOs and CSOs, as they have been found to partake in illegal and corrupt practice to secure more money or evade taxes (TI, 2011).

The elitist, top down structure of party organisation institutionalised by the demands of EU governance fostered weak organisational linkages with society and civil society, with low membership of parliamentary parties in Hungary compared to western societies (Agh, 2013a). This problem was exacerbated by no formally recognised role of parliament and no
publically available information on EU matters as characteristic of the consultation of EU issues in Hungary (Laffan, 2003). Civil society had little voice, with a severe lack of communication opportunities for organised interests (Agh, 1999). Fink-Hafner (2005) highlights a lack of formal participation rules that have prevented civil society actors from engaging in EU coordination structures. With little parliamentary or civil society involvement and understanding of European legislature, Europeanisation could not diffuse throughout civil society in Hungary. Thus, a lack of awareness of EU norms and policies permeated into Hungarian civil society, rather than the permeation of Europeanisation.

There has been ‘increasing evidence within the EU itself of a strengthening of executive and bureaucratic power at the cost of popular involvement’ (Pridham, 2005:3). A further paradox of enlargement and EU integration is that ‘despite successive reforms which make the EU more in keeping with the liberal democratic model of the state, the democratic deficit persists at EU level and appears to be worsening at Member State level too’ (Warleigh, 2003:2). Such an image was reflected in the Hungarian structure once integration began. This served to ‘widen the already somewhat controversial gap between elites and mass publics’ (Pridham, 2005:3), straining the legitimacy of the new democracy. Further, the distinct inability of the EU to share interests and commonalities between the OMS does not bode well for the prospects of norm consolidation in an accession state. In this manner, Grabbe (2001) argues that, via enlargement, both a domestic democratic deficit is extended and also that the EU could export its own democratic deficit into candidate states through the enlargement process.

‘Democracy is more than the sum of its institutions. A democratic political culture is also crucial for its legitimacy, smooth functioning and ultimately the sustainability of democracy’ (EIU, 2008:116). However, the socio-political exclusion of civil society fostered by domestic Hungarian approaches to EU integration has lead to current weak levels of participatory politics in Hungary and a demobilisation of civil society associations (Agh, 2010b). Democratic structuring principals were more cultural than social in Hungry, with a big-divide between left and right political parties limiting the possibility of national compromises and the possibility of a true multi-actor democracy (Agh, 2013a). Social exclusion, fostered by mass economic exclusion and unemployment created among low skilled workers in the first stage of Europeanisation and democratic transition, has thus
resulted in ‘no incentive for the proper political mobilization into the new democratic institutional framework’ (Agh, 2013b:6). A democratic political culture created by Europeanisation of Hungarian civil society has not occurred therefore. Parliament’s communicative role – informing and educating the population of accession negotiations and agreements – was hindered, due to its subordinated role under state administration in coordinating EU affairs. This role was further weakened by the low public trust in parliament that resulted from its poor performance (Agh, 2001). Poor intermediaries between parliament and civil society exacerbate this issue and prevent Europeanisation of civil society. Ultimately, the adoption of parliamentary norms and ethos could not be achieved in an accession process whereby parliament had a subordinated role, weak public communication and low capacity for negotiating or understanding EU policy.

**Europeanisation of Political Parties**

Most domestic parties were supportive of EU integration throughout the accession phase, with a widely held belief of integration as ‘beneficial for Hungarians in neighbouring countries preventing the emergence of a strong nationalist opposition to the EU’ (Enyedi, 2006:66). While policy alignment and other direct effects on party politics did appear (at least on the surface), this only constrained hard Eurosceptic and extreme parties, whilst soft Euroscepticism existed through accession and has continued post accession. As Taggart and Szcerbiak (2004) highlight, Eurosceptic ideologies can exist in parties despite a party not making it publically salient or downplaying the issue. Indirect EU influence on party organisation, policy and political structure shows how European influence on political parties was limited (Enyedi, 2006; Grabbe, 2006; Batory; 2002; Batory; 2009). Due to the complex domestic actor constellations, the EU’s impact on domestic party politics is diffused and reduced (Grabbe, 2001).

Accession did run relatively smoothly for Hungary in political terms, with EU integration a high priority issue, especially for the 1998-2002 Fidesz-MPP coalition. Despite high levels of public support for EU integration compared to domestic issues, the EU issue held little political salience throughout the accession process. Despite a majority 84% of the Hungarian public endorsing membership, less than half (45%) turned out to vote on the issue of European integration referendum (Batory, 2009).
Immediately after losing office, Viktor Orban gave public speeches on possible negative consequences of integration, criticising the EU (Grabbe, 2006), despite remaining supportive of integration overall. Criticising the EU so soon after losing office and his involvement with EU coordination shows the failure of Europeanisation mechanisms to instil behavioural norms. This ‘soft eurosceptism’ (Agh, 2003:6) of Orban and Fidesz shows a lack of European behaviour adoption that perhaps provides a hint of future policy reverting from EU alignment.

Further un-European aspects are to be found when the first period of the Orban government’s rule is analysed. Through heavily involving the Ministry of Foreign Affairs with EU coordination and increasing the prime-ministers role, Orbans approach has been termed ‘national interest Euroscepticism’ (Taggart & Szczerbiak, 2001:18). The following presidency of Prime-Minister Medgyessy saw the minister’s role drastically increase, with the prime-minister present in EU officials and member state meetings. This ‘saw an element of politicisation enter the hierarchy’ (Agh & Rozsas, 2009:24-5) of institutional and political centralisation, when EU norms and ideology implied a move toward decentralisation.

Ultimately, EU policy remained largely un-politicised by all major domestic parties throughout. Current Prime-Minister Orban was often quick to criticise the EU throughout the accession process, often opposing EU norms and comparing the rule of Brussels to that of Communist Moscow both pre and post accession (Grabbe, 2006). Despite this however, Fidesz remained largely supportive of European integration, representing a desire for the benefits EU membership brings, whilst not being truly affected by Europeanisation.

Batory (2009) highlights how both Fidesz and the socialist party’s election manifestos paid little reference to EU policy. Focus lay with domestic politics, and therefore ‘Fidesz-MPP’s rhetoric towards a domestic audience centred on its image as a staunch defender of the national interest’ (Batory, 2002:5). Pro and anti EU sentiment is insufficient in accounting for Europeanisation of political parties in Hungary therefore. Rather, the ‘behaviour of Fidesz in these debates shows the dichotomy (or continuum) or pro and anti EU attitudes is insufficient to describe the range of party positions, and parties may accept EU membership with the ambition of moulding it from within’ (Enyedi, 2006:68).
Corruption

The final EU monitoring report on Hungary before accession acknowledged that ‘corruption continues to represent a serious problem in this country and is perceived by the Hungarian population as a relatively widespread phenomena’ (EC, 2003:14).

EU integration did define an anti-corruption legal framework to match European standards. However, enforcement of anti-corruption measures are lacking. Rather than a reduction in perceived levels of corruption, studies repeatedly highlight (RAND, 2010; TI, 2011) a linear growth of corruption in Hungary continuing beyond EU accession. Interestingly, in contrast to centralised agents responsible for the coordination of EU affairs, there is in Hungary ‘no one single body created for investigation and prosecution of corruption’ (Rand, 2010:2). Consequently, perceived public sector corruption has increased in Hungary since EU membership (EIU, 2012). Anti-corruption measures have been somewhat frequently initiated, though they suffer from poor implementation and enforcement beyond the legislative stage. A 2006 law on lobbying and a 2007 New Order and Freedom comprehensive government program both operate weakly due to poor implementation and operationalization (Rand, 2010). A 2007 Anti-Corruption Coordination Board, established to convene with NGOs and CSOs and draft anti-corruption strategies is yet to go beyond an advisory role in the implementation stage (Rand, 2010).

An OSCE report on the 2010 election deemed it an overall fair, democratic process (OSCE, 2010). However, new electoral laws passed in 2011 reduced parliamentary members and increased the single member districts. This law ‘Sparked strong resistance from the opposition for its blatant gerrymandering of the new constituencies, an increase in the number of signatures required for candidacy, a shorter period for collecting these signatures, and changes in the allocation of excess and lost votes that favour the dominant party’ (Freedom House, 2012:43).

Combined with weak political culture and political participation - 6.88 and 4.44 out of a possible 10 respectively, with political participation the lowest in the region (EIU, 2012:4) - in effect, this law could considerably enhance the Fidesz stranglehold on political power in Hungary for the future. The supermajority the current Fidesz government holds could allow it to tackle corruption more effectively, though instead it has led to further state control by private interest groups (TI, 2012). A Fidesz initiated resolution, Good Governance
and the Clarity of Public Life, could address ‘existing loopholes in anticorruption legislation, but implementation lagged during the year. The designated workers groups’ activities were uncoordinated and deterred consultation with civil society, and by the end of 2012 none of the specified deadlines had been met’ (Freedom House, 2013:64).

The recent global financial and economic crisis has exacerbated the corruption situation. However, current conceptions of domestic corruption can be linked to the fact that the ‘imported institutions in the democratization-cum-Europeanization process did not work properly even before the global crisis (Agh, 2013a:58). A lack of social consolidation, caused by incomplete Europeanisation through all layers of Hungarian society and governance, has resulted in declining trust in domestic institutions and elites. Ultimately, a lack of improvement EU integration had on perceived corruption coupled with recent political developments have led to unprecedented levels of perceived corruption in Hungary. The latest Transparency International (TI) Global Corruption Barometer found highly increased levels of perceived corruption of political and administrative elite (The findings of the study, which interviewed 1000 Hungarians in 2012 found:

• 61 out of 100 Hungarians thought corruption had increased in the past two years
• Hungarians believe political parties are the most corrupt
• 8 out of ten Hungarians think that the government’s actions are partly or fully influenced by the interests of particular business circles
• 70% of Hungarians would not report a case of corruption
(Ti, 2012:1).

These levels are amongst the worst in the region. Such a high percentage of Hungarians are unwilling to report a case of corruption due to the belief of a lack of governmental concern or follow up. This highlights the lack of trust in administrative and political elites. In effect, ‘all other features of the quality of democracy have faded away, above all the social capital or the trust in political institutions and political elites’ (Agh, 2013a:57).

Political parties and actors are perceived as the most corrupt agents by Hungarian society (Rand, 2010; Ti, 2011). Such levels of corruption represent a decoupling of democratic practice with institutions, which is highlighted repeatedly in contemporary
Hungary. Fidesz’s majority allows it to appoint leaders to any institution or organisations without confirmation from opposing parties. Political autonomy of institutions is always in doubt, since Fidesz have repeatedly appointed party members or sympathisers as leaders of institutions, as a Freedom House report explains ‘In an illustration of the problem, the head of the State Audit Office (Allami Szamvevoszek, or ASZ), the ultimate institution responsible for the financial and economic oversight of the parliament and public spending, is Laszlo Domokos, who was a Fidesz lawmaker at the time of his appointment. In November 2012, ASZ presented its annual award for outstanding and exemplary performance in building the office’s professional prestige and importance to Antal Rogan, the leader of Fidesz’s parliamentary caucus’” (Freedom House, 2013:65).

Further notable instances of corrupt practice of politicians are numerous, enabled, unsurprisingly, by the Fidesz party’s two-thirds super majority. For example, Prime-Minister Viktor Orban passed legislation to reduce the number of tobacco concession licenses from around 40,000 to 5,500 in 2012 (Global Post, 2013). Almost all those who retained or were awarded licences were Fidesz members or supporters closely related to the party (Open Access, 2013). Many of the new licensees have no experience in the business, whereas families or individuals with a long history in the sector have lost their licenses. Close ties with Fidesz appear to be the key criterion. In an interview with a Hungarian Newspaper, one local council member explained how Fidesz council members made favourable treatment selections of applicants based on their relationship with Fidesz (Hungarian Spectrum, 2013). Despite the Fidesz criterion publically emerging via a leak, Orban again used the parliamentary supermajority to block public access of the data. Restricting the freedom of data and information is a central theme of EU concern of an undermining of democracy in Hungary.

**Concluding Remarks**

Ultimately, the scope of the accession agenda in CEE went well beyond that of the OMS, in that the EU possessed influence over the quality and organisation of political institutions and civil services (Grabbe, 2001). However, this influence was not matched with consistent advice and support. The EU had no clear benchmarks to measure effective implementing capacity and no formal rules to define the concept of effective implementation and
enforcement (Nicolaides, 1999). Thus, the EU was inconsistent and ineffective in shaping Hungary’s administrative and political organisation to EU standards, inspiring largely a centralised and politicised political and public administration.

While conditionality and reform pressure was intense, the EU provided no specific institutional model for civil service management, with the Commission and SIGMA instead assessing the compatibility of candidate states institutional models with European principles of public administration and the potential of these institutions to sustain European practice (Meyer-Sahling, 2009). Given the high adaption required of Europeanisation and Democratisation, unspecific democratic criteria worked against the effectiveness of the forces. EU acquis and democratic conditions were ‘vague and, on the whole, difficult to translate into practice’ (Le Gloannec & Rupnik, 2008:55). Implementation problems were to be expected of an enlargement process undertaken as the EU struggled to forge its own identity as a normative power and democratiser.

Pre-accession pressure to reform essentially ended upon accession. Very few post-accession external incentives or mechanisms to support sustainable civil service reform came from the EU after Hungary’s accession. Unsurprisingly, where external financial incentives were provided a positive record of reform was maintained. The European Social Fund (ESF) targeted training policy in CEEC civil services and a positive reform agenda has been maintained in this area in Hungary (Meyer-Sahling, 2009). Thus, analysis of the civil service in Hungary supports the thesis of incentive driven conditionality as insufficient to sustain Europeanisation post-accession, once the external incentive disappears. The halting or reversal of civil service reforms in post-accession Hungary symbolises effectively the limitations of political and institutional reforms driven by EU conditionality therefore.

Rather than institutionalisation of EU norms and appropriate behaviour, corrupt and politicised practice seems further and further concreted into Hungarian processes. Despite the rise of corruption in Hungary, it is increasingly difficult to track and prove corrupt practice, since ‘simple bilateral corrupt relationships have been evolving in the direction of more elaborated and institutionalized ones’ (Rand, 2010:3).

The accession process brought about over-centralisation in Hungary, which has lingered in institutional and political structure and organisation post EU accession. The effects of this – politics over policy, weak governance and enhanced politicisation in the
administrative elite of political parties – are a consistent theme across CEE and especially Hungary (NISPAcee, 2012).

A large failure of the integration process was the small impact it had on the domestic logic of political behaviour in Hungary (Grabbe, 2006; Enyedi, 2006; Batory; 2009). Europeanisation cannot necessarily survive successive governments (Grabbe, 2006) and with domestic political parties somewhat unaffected, sustained policy and practical alignment is doubtful. Therefore, ‘once accession was achieved, and politics reverted to “natural” antagonistic patterns, the underlying fragility of east-central European political systems was exposed’ (EIU, 2012:20). The absence of a political culture of democracy in Hungary means there is little to reinforce any democratic cracks that may appear post-accession.

Ultimately then, despite professing norms of democratisation and regionalisation, the requirements of EU conditionality instead ‘produce a set of incentives and constraints that largely excludes both sub-national actors and parliaments from the accession process, and increases the weight of central state bodies’ (Grabbe, 2001:1026). A greater parliamentary role could have facilitated better links with civil society, better framing of national interest into EU policy and created sustainable internal political harmonisation of Europeanisation. The relegation of the role and effectiveness of parliament due to accession conditions strongly correlates with limited democratisation in Hungary. The ‘reform of parliaments in new democracies has to start and end up with the reform of the responsiveness by making parliaments more sensitive to public demands as a precondition for the parliamentarization of the EU integration’ (Agh, 2001:431). The continuation of pre-accession conditions that prevented this thus limited or even inspired a backsliding of democracy in post-accession Hungary.

As the next section will highlight, this holds direct links with the state of Europeanisation in a domestic state, as only top layers of elite officials are Europeanised, with wider civil society and parliament marginalised. This surface level (shallow) Europeanisation of administration and political parties is reflected by Hungary’s adaption and integration into the EU in an institutional sense, which were characterised by incomplete and poorly functioning institutions.
Institutional Adaption to Europeanisation

The ‘operationalisation of institutions and procedures during the adaptive period of Europeanisation was guided by the specific demands of the European Union and the accession process’ (Agh & Rozsas, 2009:28). Thus, conditionality not only defined the directives and norms to which institutions and organisations should aspire to, but also their operation and structure. This was made more effective by the weak institutionalisation of policy environments in Hungary, due to its communist history (Sissenich, 2007). However, inconsistent and unspecific standards towards institutional capacity and operation limited the impact and sustainability EU induced reform possessed.

As highlighted in the previous section, administration and governance in Hungary became highly centralised in order to deal with the demands of compliance with EU accession legislature. This section will elaborate further on these issues, tracing institutional adaption to Europeanisation as coordinated through a centralised core executive. We can identify a core executive as usually a prime-minister, finance minister and non-sectoral ministers. However, this study will also use the core executive definition of the ‘complex web of institutions networks and practices surrounding the prime-minister, cabinet, cabinet committees and their official counterparts’ (Rhodes, 1995:2).

This section will delve deeper into the notion of a centralised core executive in Hungary being a direct institutional response to EU conditionality and a direct cause of current backsliding of Europeanisation and democracy. Further, it will draw links between Hungary’s centralised executive coordination structure and a limitation in levels of Europeanisation allowed to occur in Hungary. The resulting Shallow Europeanisation is hypothesised as a direct result of EU conditionality led governance and a direct cause of the democratic deficit and backsliding in Hungary. Conversely, Deep Europeanisation is hypothesised as resulting from social learning or norm adoption via non-conditioned EU governance mechanisms and possesses better prospects for sustainability.

Europeanisation of the Hungarian Core Executive

The creation of a Hungarian core executive began in 1990. The ‘constitutional amendments of 1990 reinforced prime-ministerial influence and power and the Council of Ministers
Office changed into a PMO with enforced coordination power and inter-ministerial consultations were gradually institutionalised’ (Zubek, 2008:132). However, an overhaul of the executive organisation began after 1996.

The EU-Hungary Europe Association agreement required the establishment of three institutions: the Association Council, Association Committee, and the Joint Parliamentary Committee (EC, 1994). Despite Hungarian preference to strengthen bilateral institutions (Mayhew, 1998), the EU’s ‘preference lay with the development of multilateral structures’ (Agh & Rozsas, 2009:8). In order to address coordination issues and ensure efficient management of EU coordination, the European Integration Cabinet was introduced in 1996, which marked the highest level of coordination of EU issues (Agh, 1999). The State Secretariat for Integration was established in May of the same year.

Domestic institutions have not been impenetrable to change from ruling governments in Hungary. Both the Orban and Medgyessy governments made significant alterations to executive institutions and further concentrated co-ordination centrally. Importantly, during the Orban government’s first period, two of the highest coordination structures, the EU Integration Cabinet and the EU Task Force, were abolished. This prevented policies from being implemented across sectoral lines (Nunberg, 2001), centralising the executive further and limiting the diffusion of Europeanisation.

A centralised core executive also held the most promise for good performance in regards to EU compliance and rule adoption, which was an essential factor of achieving membership. Coordination of the implementation of directives and legislatures that horizontally spanned multiple sectors required excellent coordination. To overcome this, The Ministry of Justice were granted total control of legislative planning in Hungary, ensuring incentives and monitoring toward ministers and other departments’ (Agh, 1999). This power previously lay with the Office for European Affairs and the EU Department in the Foreign Office. However, this ‘two centred structure’ was seen as ineffective, poorly coordinated and as hosting a rivalry that reduced the effectiveness of the resolution of EU affairs (Vida, 2002:59). This centralisation of the core executive could solve coordination problems and overcome the issues that diffuse and collective action resulting from the demands of EU compliance and conditionality could bring about (Zubek, 2008).
Since the accession phase was defined by a mass of formal rule adoption, ‘centralised, effective coordination of EU affairs at the national level was vital for a candidate state to support successful, qualitative and prompt adoptions to the EU’s legislation and adoption of the acquis’ (Fink-Hafner, 2005:6). Also, since in the Eastern enlargement the candidate countries had little say in EU policy and had to formally adapt institutions before contributing to discussions, high coordination led to increasing the negotiating strength of a CEE candidate state (Fink-Hafner, 2005). Consequently, the ever-increasing demands of EU integration and coordination resulted in a ‘structural dimension of centrality to the coordination and management of EU business in the Hungarian executive’ (Agh & Rozsas, 2009:15). EU compliance thus required ‘bureaucracies to establish new regulatory instances, to centralize their regulatory procures or to introduce structures of horizontal co-ordination (Bauer et al, 2007:408).

However, whilst a centralised model adhered to levels of EU compliance and reform, this adjustment is counterproductive post accession, as Agh (2010b:9) explains ‘The new member states in East Central Europe have traditionally been centralized unitary states, albeit with some democratization of macro-politics. As a paradox, even the EU accession and the post-accession period have produced a counterproductive process because it has led to the recentralization of the state under EU performance pressure.’

Implementation of Institutions and the Limitations of EU Political Conditionality

The use of positive and negative political conditionality was a very effective mechanism in achieving compliance with EU policy. However, the extent to which regulatory and policy alignment actually occurred in Hungary is far below the level to which the transposition and compliance data would suggest. As section two highlighted, when we examine the actual implementation and functioning of institutions and structures that the EU deems Europeanised, it is apparent that Europeanisation has been extremely limited in its diffusion into Hungarian institutions, political actors and civil society. This suggests that extremely limited behavioural adoption or social learning has occurred, which holds severe problems for sustainable Europeanisation.
Institutional misfit between EU institutions and CEE institutions in many respects influenced the heavily conditioned adaptational pressures applied by the EU during the Eastern enlargement. However, the goodness of fit between EU institutional models in a post-Communist CEE context is debatable and the future functioning of EU imposed institutions could be impaired therefore (Borzel & Risse, 2003). Domestic norms and processes could ultimately be incompatible with EU norms (Dimitrova & Rhinard, 2005). While domestic actors are in place to facilitate compliance, the implementation and functioning of EU imposed institutions is not assured through Europeanisation or politically conditioned integration mechanisms. EU rules created for a Western economic context may not fit with CEE actor preference, economic climate or political processes. Further, ‘from a power distributive rational choice approach, we can expect that, given a choice between different rules in implementation procedures, actors would seek to find the rule that maximises their influence’ (Dimitorova, 2010:140). Europeanisation ‘may lead to convergence in policy outcomes, but at best to clustered convergence and continuing divergence with regard to policy processes and instruments, politics and polities’ (Grabbe, 2006:65). Thus, institutions that are domestically applied according to EU conditionality may have poor potential in terms of sustaining internal Europeanisation.

The inability to specify exact horizontal capacity requirements could negatively impact the legitimacy and credibility of the EU and have implications for both rule adoption and the diffusion of Europeanisation into CEE candidate states. This issue could be exacerbated through negative conditionality, in which EU targets, such as a functioning civil service, were not set with definitive guidelines or exact standards that had to be met. Domestic political actors in Hungary were often confused about how far to Europeanise particular institutions or sectors to achieve compliance.

While EU monitoring reports preached an improvement in administrative capacity and transparent processes, ‘the union had no acquis, no common rules regarding the capacity of administrations or the administrative organisation of member states’ (Dimitrova, 2005:80).

The PHARE twinning programs in Hungary’s civil service conceptualise this issue effectively. PHARE is part of the soft encouragement measures used by the EU to provide financial and technical assistance towards implementation in Hungary. The twinning
programs sent civil servants from Member States to assist with implementation and operationalization in Hungary throughout accession. However, these twinning agents operated by their own state and cultural norms, rather than EU norms. Consequently, twinning agents were ‘concerned with standards and technical issues rather than overall institutional models or policy directions’ (Grabbe, 2003:315), since a clearly defined EU model does not exist. The opportunity for behavioural adoption, social learning and norm diffusion throughout the Hungarian civil service was essentially missed therefore, with technical issues taking precedence above operating by EU methods and to EU standards.

Unspecific external standards were matched by coordination and consistency issues within the EU itself. Despite attempts to create a general horizontal capacity criterion, definitions were inconsistent and under-defined whilst assessment of the criteria was out of reach. Further, there are ‘no EU treaty provisions regarding the design of the member states’ public administrations and no general body of European law in the public administration sphere’ (Dimitrova, 2002:180). Through Europeanisation mechanisms, the ‘consistency of the policy advice given is uncertain, as the different EU agencies and bilateral contacts could give contradictory messages about implementation of policies that were not clearly defined under the acquis’ (Grabbe, 2006:60).

The EU also exhibited lack of clarity toward implementation capacity. Implementation of EU law is the responsibility of member and candidate states, as according to Article 10 TEU (EU, 1992). Therefore, ‘member states are responsible for implementing Community Law except where the task has been expressly assigned to a Community institution or body’ (Lenaerts & Van Nuffel, 1999:392). Placing implementation as a general obligation of member or accession states is ‘frequently misread as establishing a general competence of the Member States over the implementation of EC law’ (Bieber & Vaerini, 2004:387). However, ‘This general obligation does not provide member states with clear criteria or benchmarks to develop and demonstrate effective implementation capacity. Moreover, the Community competencies are rather rudimentary in the field of administrative structures and procedures. Consequently, there is a lack of formal rules on the meaning of the concept of effective implementation and/or enforcement capacity’ (NISPAcee, 2005:71-2).
Increasing state and administrative capacity could be veiled as increasing the ability to uphold an effective democracy, but EU incentive really lay in the functioning of Hungary as a Member State and its ability to sustain the acquis and single market. Both the EU and OMS presented no model; ‘The EU itself was not sufficiently developed as a political system to set an example’ whilst the various OMS ‘represented somewhat different state traditions and looked back to different administrative practices’ (Pridham, 2005:122).

A resulting post accession problem is the extent to which institutions and directives are implemented and therefore the extent of their performance. For Agh (2013b:9), ‘the essence of the conflict is that the formal structures of institutions were established but they did not have the policy content as the really working functions’. Sustainable democratic practice is not possible without fully implemented institutions that address and include civil society actors. Improperly or incompletely implemented institutions, structures or policies could have strong negative implications for their operation and sustainability post accession. For instance, fully implemented institutions would likely bring about high de-adaptation costs to be bargained against the costs of non-compliance. However, institutions that are not properly implemented would not necessarily have to be dismantled; a ‘more cost efficient strategy – since it might remain undetected for longer – could be a decoupling between institutional practice and formal rules through their lax application’ (Sedelmeier, 2012:23). This notion frames the high compliance/low Europeanisation paradox effectively, as a directive could be notified to the Commission as fully transposed, yet the institution or law may not have been implemented on the ground fully, if at all. The relationship between good formal compliance and Europeanisation is not therefore mutual.

Sissenich (2002) describes poor implementation under the context of EU conditionality as literal transposition, whereby little adaption occurs with affected groups, whilst areas are not appropriately informed, notified or prepared. Poor implementation could be the result of insufficient domestic administrative capacity. A World Bank (2006) study found a decline in Hungary-EU coordination capacity as well as overall coordination and capacity as ‘well below the required level for advanced administrative systems’ (World Bank, 2006:9) since accession. While integration mechanisms ensured good coordination, in the case of Hungary, they have failed to implement sufficient administrative capacity to sustain the acquis. Ultimately, ‘moving from the management of the accession process to
the management of membership required a significant change of approach and the need to role out specialised European integration capacity throughout the state administration’ (World Bank, 2006:9). Conceiving of domestic incapacity in this respect represents a failure of the EU in ensuring sustained post-accession Europeanisation. Further, if we interpret politicisation as impeding effective administrative and capacity development (Pierre & Peters, 2003), then we can trace a link between unintended effects of integration (a politicised civil service and elite core executive) and constrained administrative capacity post-accession.

The external incentive governing pre-accession conditionality was the promise of EU membership. Upon achieving membership, this external incentive is of course immediately removed, though this did not reduce levels of compliance from Hungary. However, this external incentive may have been replaced, rather than removed, with ‘financial and technical support for administrative and judicial capacity building’ (Schimmelfennig & Trauner, 2009:3) providing incentive for domestic capacity building. The loss of pre-accession membership conditionality ‘Has been largely counterbalanced by the strong financial initiatives of conditioned EU funding to new member countries and by the increased linkage with the EU that has strengthened socialization mechanisms and peer pressure to conform to the norms of the European club’ (Levitz & Pop-Eleches, 2010:460).

Further, for the first three years of Hungary’s membership, the EU possessed enhanced sanctioning powers towards instances of non-compliance. Under article 27 of the Act of Accession, ‘if a new member state has failed to implement commitments undertaken in the context of the accession negotiations’ (EC, 2003:357), then the Commission may ‘adopt European regulations or decision establishing appropriate measures’ (EC, 2003:357). This power was only accessible for the first three years of Hungary’s membership. After 2008, there was no drop in the levels and rates of compliance and transposition in Hungary. Thus, the presence of this sanctioning power is unsatisfactory toward explaining sustained post-accession compliance.

Theorising Europeanisation: Shallow and Deep Europeanisation
The centralised core executive structures that characterised the pre-accession structure of Hungary were a direct institutional response to the requirements of legislative capacity and responding effectively to EU conditionality. This structure has maintained post-accession. However, these structures essentially block Europeanisation diffusing both horizontally and vertically, preventing a deep diffusion of Europeanisation into civil society. Instead, Europeanisation is focused on a small group of political elites. The very nature of integration mechanisms governed by conditionality and its focus on administrative and legislative capacity can therefore inhibit the potential for Europeanisation to diffuse in a target state. Therefore, heavily conditioned enlargement mechanisms can both be linked to a sustainable Europeanisation and Democratisation in the future.

In this manner, EU integration governed by strict conditionality has lead to incomplete Europeanisation, as there was no social consolidation of EU democratic norms (Agh, 2013a). The huge impact of the current global financial crisis in Hungary has exploited this issue and lead to declining trust in domestic elites and institutions. With no social consolidation of EU norms or Europeanisation of layers of Hungarian governance and civil society, only Shallow Europeanisation has occurred in Hungary. In this manner, parties have only fashioned a Western image for themselves, with no real behaviour adoption occurring and only a top layer of Hungarian elites reached, but not affected, by Europeanisation. Through Shallow Europeanisation, only superficial domestic change occurs, whereby norms and laws were weakly institutionalised so state and government actors would not be heavily constrained and had the opportunity for policy reversal post-accession. Through constraining the opportunity for domestic preference to be uploaded into EU policy, incentive for investment into institutions was limited, meaning deep, locked in Europeanisation was unlikely to occur (Goetz, 2005). Once accession was assured then, ‘domestic preferences could re-assert themselves, with the result that, as in Hungary, administrative and political decentralization and regionalization initiatives effectively stalled’ (Goetz, 2005:273).

Conversely, Deep Europeanisation would have permeated throughout civil society, transforming civil society, NMS parties, conceptions of membership and political party relations (Agh, 2013a). This could have led to party organisation and popular beliefs transforming and thus perhaps prevented the democratic backsliding currently exhibited in
Hungary. Key to norms penetrating a society deeply is social consolidation of said norms. This has not been achieved in Hungary, and consequently ‘social disintegration has been the main process behind the subsequent political crisis’ (Agh, 2012:3). While this social disintegration has not necessarily been the fault of the EU – Agh (2012; 2013a) regards the triple threat crisis of EU regulatory transformation, post-accession crisis and the global economic crisis as the impetus – the lack of focus on social policy and consolidation meant there was little in the way of structural reinforcements to prevent it occurring. Social policy has played a back role throughout the integration process, ‘as the monitoring reports following the progress of the candidate countries show, the concerns of the EU remained economic and political’ (Ferge & Juhasz, 2004:233).

Current levels of political participation and pro EU attitudes among society highlight the domestic deficit in Hungary. Just 17.2% of the Hungarian population thought EU membership a bad thing in 2007, with 42.8% believing membership to be neither good nor bad, and 2.6% didn’t know (Eurobarometer, various years). This number increased in the 2011 survey, with 22% of society against EU membership. These figures are compounded by a slip from 37.4% of society being pro EU in 2003, to 31.8% in 2011 (Eurobarometer, 2011).

Heavily conditioned EU criteria, which left no opportunity for domestic preference to be uploaded and integrated (Sedelmeier, 2008) had limited potential for ensuring sustained Europeanisation, since for sustainable institutional change ‘policy must be pulled in by societal actors, rather than decreed by policy makers alone’ (Jacoby, 2001:15). Deep Europeanisation has therefore been prevented, by EU governance mechanisms predicated on conditionality, domestic institutional and structural responses to these mechanisms, the lack of engagement these mechanisms had with domestic societies, and the lack of intermediary links between domestic governments and domestic civil societies these mechanisms allowed.

Thus, EU accession criteria represents a paradox: The formal compliance requirements of accession result in centralised structures that block Europeanisation, contradict EU norms of decentralisation and regionalisation and ultimately inhibit the potential of sustainable post-accession Europeanisation. For example, the accession process ‘excluded sub-state elites from processes of sub-state reform’ (Grabbe, 2001:1026). These issues are exacerbated by the limitations of the Commission’s measuring system for
compliance and transposition of EU directives. Commission data is based on notifications from a member state when a directive is domestically transposed. This is unreliable from two perspectives. Firstly, the vested interest both the EU and Hungary had in hyperbole helps explain the good compliance/poor implementation paradox. ‘Both the main sources for Europeanisation (EU institutions and candidate governments) have a vested interest in claiming the EU is the principal driver of most reforms’ (Grabbe, 2003:310). For Hungary, institutional isomorphism could be used to exaggerate levels of Europeanisation, enhancing an image of legitimacy to aid the membership cause. For the EU, advanced Europeanisation in CEE would enhance its image as a democratising power. Second, notification of compliance by a Member State does not result in any confirmation that a directive has been fully implemented in a Member State. Commission data then, ‘does not inform of the timeliness and correctness of transposition, let alone about actual enforcement’ (Mastenbroek, 2005:1104). Non-compliance, through conscious or unconscious incomplete application and enforcement, can often go undetected therefore. Consequently, the EU itself could use institutional isomorphism itself as assessment criteria. The EU’s ‘lack of comprehensive measures of compliance led it to look at similarity of institutional structures’ (Grabbe, 2006:70). Fatally for the durability of these structures post-accession, so doing does not measure the actual implementation, policy content and functioning of these institutions.

Further, the process of Europeanisation can at times be conceived as running counterproductive to Democratisation, as portrayed effectively by Pridham (2005:98)

Given that accession shifts attention very decidedly to governments and elites, one immediately observes where Europeanisation could have possible negative effects on democratisation. This question is necessary in view of the shift in the relationship between democratisation and Europeanisation that comes with moving from the first stage of pre-negotiations (when the political conditions are at the forefront) to the following stage of membership negotiations and their increasing pressures to deliver on efficiency and effectiveness by candidate countries. The danger comes thus from the bureaucratisation of relations with Brussels and the effect this might have on the domestic political process through the possible distortion of decision making at the cost of political involvement and consultation. This tendency may or may not have lasting
effects on post-Communist democratisation. Hence, the question of efficiency versus democracy is posed.

Governance by conditionality, that favoured efficiency over legitimacy, could delay or prevent true democratic consolidation therefore. European integration has certainly encompassed a democratising process for Hungary. However, as highlighted in this study, Hungary was a reformist state with economic liberalisation occurring decades before the end of Communism and a transition to democracy occurring almost immediately after. With transition in motion, democratic consolidation was the goal of EU integration. This required ‘making new democracies secure, extending their life expectancy beyond the short term, of making them immune against the threat of authoritarian regression, and of building dams against eventual reverse waves’ (Schedler, 1998:92). As this study has shown, it appears true democratic consolidation has not occurred through Europeanisation in Hungary. If so, EU integration has been a failure in its democratising and Europeanising mission in Hungary, and perhaps elsewhere in CEE.

**Concluding Remarks**

‘The inherent complexity of any system of multilevel governance puts compliance with legal rules at risk’ (Bieber & Vaerini, 2004:389). Thus, centralising domestic coordination mechanisms through a core executive was a rational response by Hungarian political actors, to ensure compliance remained high.

Integration governed by conditionality essentially inhibited the genuine mass support a domestic democracy requires to function. This was replaced instead by a ‘colonization of the administrative positions at all levels in the political system that has generated its negative consequences for the participatory democracy and its political performance’ (Agh, 2013a:53). This has led to an increasing gap between elites and public in Hungary, maintaining a democratic deficit, even beyond accession. Thus, the ‘problem of overriding concentration on the business of accession has had a systematic significance’ (Pridham, 2005:59) for the new democracy in Hungary.
The rapidity of the process of Europeanisation via conditionality had implications for future institutional performance and stability. ‘Learning effects due to specialised knowledge required for the operation of an institution’ (Sedelmeier, 2012:23) were essentially suppressed. However, with legislation rushed through by elites with little parliamentary or civil society involvement, domestic actors had little opportunity to understand or learn from development and Democratisation (Grabbe, 2006). The rapid Europeanisation of Hungary also had negative implications for sustainable democracy.

Massive change ‘coming from Europeanisation, conducted invariably at a rapid pace creates enormous governmental if not systematic overload at a time when new democracies are not yet settled or perhaps robust enough to withstand such pressures’ (Pridham, 2005:98). In this manner, Europeanisation and Democratisation could actually have been occurring in conflict, rather than as a harmonious parallel. Consequently, a ‘multi-actor democracy is too big a challenge for Hungary currently, as social and territorial actors are expected to play a larger role due to decentralisation at the regional level’ (Agh, 2013a:34).

Informal mechanisms could be more effective in directly addressing and remedying the application and enforcement problems in Hungary. Mechanisms such as financial support or social learning ‘indicate a slow but steady move toward sustainable improvement in enforcement’ (Krizsan, 2009:3). Soft policy, such as progress or structural funds that address civil society and increase state capacity could help sustain both formal transposition and transparent policy that sees laws and institutions effectively implemented and operationalized to the norms they are supposed to be built on. However the impact of these soft mechanisms could be limited as they often have less incentive to be adopted than conditioned mechanisms (Sedelmeier, 2008). EU sanctioning powers perhaps need to be more resolutely defined and applied therefore. As president Barosso admits, ‘we need a better developed set of instruments – not just the alternative between the soft power of political persuasion and the nuclear option of Article 7 of the Treaty’ (Barroso, 2012:5).

Conclusion

The Europeanisation of Hungary was extremely limited in its long-term effectiveness and sustainability. Europeanisation should ‘on the one hand encompass downloading of EU policies by states as well as uploading of national preferences to the EU level’ (Borzel,
However, Europeanisation via political conditionality essentially left no opportunity for domestic preference to be uploaded to the EU level. This top down rule transfer prevented a diffusion of EU norms spreading throughout Hungarian society, inhibited behavioural learning through institution building and led to little investment in institutions and laws established via conditionality. Domestic Hungarian concern lay with complying with the formal demands of conditionality, rather than fully implementing them on the ground. Due to this, post-accession democratic functioning has been inhibited and institutions and administration have remained highly politicised and corrupt. For Borzel & Risse (2012:193), ‘such institutional decoupling was to be expected since Deep Europeanisation requires the internalisation of EU norms and rules’.

Lack of investment and participation in political structures constrains Hungary’s ability to sustain a functioning democracy. For Agh (2013b:2), ‘the Europeanization and Democratization of the public administration and the public policy in ECE cannot be completed without the participative democracy, that is, without the participation of the large masses of the population in the new institutional structures’. However, this is prevented by the elitist top down executive structure, administrative organisation and cultural rather than social structuring principles that were established in Hungary as a response to EU integration governance. These issues create a large divide between left and right and thereby limit the potential for national compromise.

All areas of EU accession and integration governance toward Hungary essentially present a paradox, in that the EU’s efforts to ‘promote democratic development are at odds with the incentives created by the accession process, where the EU gives greater priority to efficiency over legitimacy’ (Grabbe, 2001:1029). EU concern lay with efficiency and formal compliance, rather than implementation and whether laws and directives were implemented completely. Domestic Hungarian focus reflected that of the EU, since achieving the external incentive (EU membership) seemed to only require formal compliance. Politicised, corrupt and poorly functioning institutions and administration thus characterise post-accession Hungary.

Given the scale of the democratising task Eastern enlargement comprised, the integration of CEE can in many respects be conceived as a success. However, as this study has highlighted, EU mechanisms of integration are perhaps not ideally suited to a post-
Communist transitioning democracy and, in the case of Hungary, held poor potential for sustained Europeanisation. Specifically, the intensive use of political conditionality inhibited mechanisms of sustained policy and regulatory alignment, those of social learning and behavioural adoption. However, whilst in hindsight this may appear a policy misstep from the EU, in reality, options were extremely limited. The severe institutional misfit between Hungary and the EU meant heavy adaptational pressure was a rational decision, in the interests of both the EU and Hungary.

The conditionality process ‘establishes a hierarchy of compliance with international/EU requirements the legitimacy of which depends on cognitive and behavioural change: adopting EU institutions or norms without a change in the political culture and behaviour would eventually undermine the EU from within’ (Le Gloannec & Rupnik, 2006:56).

It is through this conception that this study links the effects of conditionality and the Shallow Europeanisation concept to contemporary Hungary. Once membership had been achieved by Hungary, incentives to comply and fully implement conditions were far less attractive. Lacking a credible threat or incentive to comply, the post-accession context exploits Shallow Europeanisation and the failure of integration to achieve a change in political culture, behaviour and logic. This climate can facilitate policy and normative disalignment and the re-return to populist rule visible in contemporary Hungary. EU integration as a tool of democratising Hungary therefore failed, as conditionality isolated civil society and citizens throughout the accession phase. Democratic norms were not consolidated and a political culture of democracy not created. Once conditionality loses its legitimacy, credibility and threat of non-compliance, Europeanisation is unlikely to be sustained, as domestic institutions and political actors do not function according to EU democratic norms.

Ultimately, in a Hungarian state that was already showing de-centralisation and regionalisation norms and processes emerging before the integration process began, European integration has been counter-productive, by re-centralising the state under EU performance pressure and coordination mechanisms. This represents a further paradox of EU integration under a Hungarian context: Asymmetric EU Integration, intended to bring about de-centralisation, regionalisation, democratisation and Europeanisation essentially necessitated the opposite norms and processes to be implemented and consolidated. As the
prominent mechanism of the Europeanisation of Hungary, political conditionality can be therefore linked to the backsliding of democracy in Hungary.

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