

More Catholic than the Pope? EU integration and the Europeanization of developmental state capacities in Eastern Europe

Visnja Vukov
Department of Political and Social Sciences
Universitat Pompeu Fabra
visnja.vukov@upf.edu

Abstract

Ever since the launching of the Single Market, European integration has implied the restructuring of developmental state capacities, taking away the capacities for traditional development strategies based on protecting domestic markets and promoting national champions, and instead offering EU development funds for disadvantaged regions. While for the old member states this state restructuring came about primarily through the creation of supranational sanctioning mechanisms as well as supranational development funds, in case of the East European new members, state restructuring represented deep transformation of developmental capacities at the national level. As the East European countries started the process of adjustment to the EU legislation already prior to the accession, a distinctive feature of Eastern enlargement has been the building up of national institutions for monitoring the compliance of public policies with the EU acquis, resulting in a deep Europeanization of national development instruments such as state aids. Furthermore, through its financial assistance for economic restructuring and institution building, the EU strengthened East European state capacities to forge developmental alliances with multinational corporations. The transnationalized development capacities of East European states contributed to the emergence of transnationalized, FDI-based economies, which in a path-dependent way locked-in state transformation. While the effects of political Europeanization waned, with a number of new member states experiencing democratic backsliding, the Europeanization of economic state capacities appears to have a long-lasting effect even after the EU accession.

Keywords: Eastern Europe, economic development, Europeanization, state aid, state capacity