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Veröffentlichungsversion / Published Version Zeitschriftenartikel / journal article

Empfohlene Zitierung / Suggested Citation:

Lavdas, K. A., Kotroyannos, D., & Tzagkarakis, S. I. (2017). From authoritarianism to Europeanization? Paths to a contestable European future in Greece and Poland. *European Quarterly of Political Attitudes and Mentalities*, 6(2), 101-115. https://nbn-resolving.org/urn:nbn:de:0168-ssoar-51770-3

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ISSN 2285 - 4916 ISSN-L 2285 - 4916

From Authoritarianism to Europeanization? Paths to a Contestable European Future in Greece and Poland

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Date of submission: January 27th, 2017

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Date of acceptance: April 18th, 2017

Abstract

The paper aims to explore Europeanization paths, outcomes and prospects in Greece and Poland, focusing on comparative interactions between regime transformation, interest politics and accession processes. The interactions in question involve (a) influences of politics, institutional traditions and interests on the formation of the applicant states' European strategy and (b) interactions between processes of integration and organized interests and domestic political contestation. Interactions work in the context of more general Europeanization processes, which concern adaptation, adjustment, impact and feedback, beginning in anticipation of membership and expanding to more synchronized if still asymmetrical developments during later stages of full membership. Different paths from authoritarianism to democracy have combined with different Europeanization processes to result in partial divergence in Europeanization outcomes.

Keywords: Europeanization, enlargement, authoritarianism, comparative accession politics, interest groups



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Copyright @ 2017, Kostas A. Lavdas, Dimitris Kotroyannos and Stylianos I. Tzagkarakis European Quarterly of Political Attitudes and Mentalities - EQPAM, Volume 6, No.2, April 2017, pp. 101-115. ISSN 2285 – 4916 ISSN–L 2285 – 4916

1. Introduction

ISSN-L 2285 - 4916

Situating Greece and Poland in a comparative perspective that explores the links between domestic politics, accession processes, and Europeanization, this paper explicates different Europeanization paths in two significant cases of the Southern and the Eastern enlargement. It focuses on interactions between regime transformation, interest politics and accession processes. The interactions in question involve (a) influences of politics, institutional traditions and interests on the formation of the applicant states' European strategy and (b) interactions between processes of integration and organized interests and domestic contestation. Interactions work in the context of more general Europeanization processes, which concern adaptation, adjustment, impact and feedback, beginning in anticipation of membership and expanding to more synchronized if still asymmetrical developments during later stages of full membership.

In this paper, Europeanization is conceived as a *non-teleological process*, which involves a combination of contingent choices, path dependency and critical interactions between different and often asymmetrical national contexts, the domestic politics of which mediate the forms and the effects of Europeanization (Lavdas, 1997). Especially since the Copenhagen European Council in 1993, the EU had been expected to use its soft power and normative projection to attract and – through economic and political conditionality – help reshape the political economies of former Eastern European states, thereby interacting and possibly transforming the original, national strategies of accession. In this process, the extent to which the alleged misfit/mismatch between a state's features and the EU (Börzel and Risse, 2000) acquired a greater relevance. Europeanization is therefore best approached as a *long-term process* which includes early phases of interaction between applicant member states and EC/EU institutions and processes. We suggest that one of the main aims of Europeanization analysis would be to specify conditions that facilitate or hinder the empowerment of domestic actors, including interest groups.

Looking at groups of national contexts provides us with a promising start, provided that we do not necessarily start from the geographically or culturally 'obvious' groupings: for example, depending on the particular focus and the research question, looking at 'Southern Europe' might be a promising start or it might be seriously misleading. In what follows, the comparative perspective will involve a different grouping of cases and the aim will be to explore interactions between domestic interest politics and the process of Europeanization trying to avoid projecting backwards issues and fields of debates of the last couple of decades. This is particularly important when asking questions such as 'why join the EC?' or 'what were the main factors defining a state's European strategy' (see below for an attempt to define the latter). For example, issues of redistribution – which have been important for some time and are obviously crucial in determining the formation of European strategies by states which hope to be the beneficiaries of structural aid – are of little import when attempting to explain Ireland's accession (1973) or Greece's early (1960s) attempts at associate and full membership.

2. Interest Politics, EC/EU Accession and Europeanization

Turning to interest politics and their interactions with Europeanization, we can single out three distinct hypotheses. According to Lieber (1970; 1974), the *neofunctionalist hypothesis* leads us to expect that interest group involvement will enhance the prospects of integration, while what he calls 'the interest group hypothesis' would lead us to expect that interest group involvement will politicize the issues and decrease the chances of integration. The problem, however, is that to make sense of the heuristic possibilities of this we need to differentiate between interest groups. First, because of the obvious point that only *some* interest groups' involvement may politicize the issues; others may still prefer behind-the-scenes operation. Second,

because the extent to which certain types of group involvement may enhance integration prospects, will depend on the groups' capacities for consensus-building. The top-down creation of political consensus (or the failure to build or maintain that consensus) marked several critical moments in the history of integration. In fact, a number of important issues in the politics of *polyarchies* actually seem to be consensual precisely because they have remained excluded from political contestation (cf. Mann, 1970).

Politicking may be lively while ignoring the important issues. Even in political systems which have been associated with a political culture that encourages politicization and heated debate, the big questions often are the subject of elite consensus (see, e.g., Kolodziej, 1987). We suggest that we need to differentiate between interest groups in terms of 'consensus-makers', 'consensus-enforcers', 'consensus-followers' and 'consensus-opposers'. The latter group, however, may – depending on the perception of interests, the predominant relations with its environment, political culture and the structures of the political system – either challenge elite consensus on an issue aiming to kill the issue or represent at the level of institutional interest politics the opposers while at the same time channelling this opposition in an institutionalized, predictable way.

Accordingly, a third hypothesis (which we may call *the consensus hypothesis*) on the relation between interest groups and integration would follow these lines: interest group involvement may decrease the chances of integration if consensus-opposers are able to win over combined support from consensus-followers and from the public, provided that consensus-opposers do not perform the function of channelling and institutionalizing opposition. In other words, the consensus hypothesis shifts the focus to the area of consensus building and suggests that, for interest groups to be able to play anti-integrationist roles, the top-down consensus building mechanisms (Mann, 1970) of contemporary polyarchies need to be seriously challenged and disrupted (**Table 1**).

Table 1. Hypotheses on Interest Group Involvement and Integration

able 1. Hypotheses on interest Group involvement and integration						
HYPOTHESIS	'Neofunctionalist'	'Interest Group'	'Consensus'			
IMPACT ON INTEGRATION	Probably Enhance Integrative Chances	Probably Politicize And Thereby Decrease Integrative Chances	Enhance Or Decrease Chances Depending on Relations with Consensus-Building Actors and Mechanisms			

The process and outcome of accession politics will depend on (a) the formation of a European strategy, (b) the consolidation of that strategy within the ruling bloc, (c) the effective handling of opposition to the basic parameters of the European strategy (d) the degree of commitment on the part of consensus-makers and consensus-enforcers, and (e) the structural features of the political system (opportunities, veto points etc.) which affect the ways in which actors engage in politics. For example, Traxler has suggested that, in the case of Austria, the implementation of the EEC Treaty by the Six in the early 1960s put pressure on the social and political forces to decide a strategy of adaptation. The "corporatist modernizing coalition concentrated much of its activity on seeking a closer association with the EC and on overcoming domestic protectionist resistance to such an association" (Traxler, 1992: 198).

The formation and subsequent consolidation of a European strategy involves considering a number of parameters, including the pre-established economic and trading patterns of the state in question, the

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major geostrategic concerns of the political elites and the perceived interests of business elites. Of course, as Vogel (1978) and others have shown, there is nothing automatic or natural about the ways in which business elites form their views about their interests: these views take shape in interaction with associations, organizations, political structures and so on. Table 2 presents an overview of the basic parameters of accession politics. The impact of regime change (from authoritarianism to democracy) has been significant in most cases of enlargement since the 1980s. To consider the cases of Spain and Portugal in a comparative perspective, one would need to take into account an additional parameter that is clearly beyond the scope of this paper: agricultural exports and the position of Italy and France.

3. The Background: Accession Politics and Interests in the First Enlargement

The first enlargement, which led to the accession of the UK, Ireland and Denmark to the EC in 1973, provided the background of institutional and political experience against which took place the Mediterranean enlargement of the 1980s, the Northern enlargement of the mid-1990s and the Eastern enlargements that followed. In the first enlargement, pre-existing *bilateral trade links* played critical roles for Ireland and Denmark, as they did for Greece in the 1960s (for a comparison see Lavdas, 1997 and the literature and sources used therein). In the context of the first enlargement, *business associations* played four major roles in EC accession politics: they consulted with governments; they consulted with European institutions; they interacted with their members aiming to mediate between different views; and they actively assisted governments and other forces in persuading public opinion that EC membership was a desirable objective. In short, different sections of organized business interests played the roles of consensus-makers, consensus-enforcers as well as consensus-followers.

Table 2. Parameters of accession politics in different enlargement waves

	SECURITY		BUSINESS		BILATERAL
DENMARK	Weak (tradition neutrality)	of	Strong: makers	Consensus-	Moderate (with UK)
IRELAND	Moderate		Moderate: followers	Consensus-	Strong (with UK)
GREECE	Strong		Moderate: followers with	Consensus- n divisions	Strong (with BRD / France)
POLAND	Strong		Weak: followers	Consensus-	Moderate (with UK / BRD)

If we turn briefly to the British case, we note that the government in consultation with peak business associations undertook the task of giving British capitalism a new sense of direction (van der Pijl, 1984). The Confederation of British Industry (CBI), since its formation from a merger of the Federation of British Industries (FBI), the British Employers' Confederation and the National Association of British Manufacturers in 1965, regarded EC affairs as an integral part of its activities. Within the CBI, the two main blocs of opposition to Europe (the shipbuilding industry and the smaller firms) proved unable to win the argument: the shipbuilders gradually developed various and often more qualified views vis-à-vis Europe, while the CBI's Smaller Firms Council ultimately voted in favour of entry. Trying to reassure small firms and to help them adapt to the European market was a major preoccupation of the CBI for much of the 1960s and 1970s (see Kitzinger, 1973: 260-261; Horne, 1973; Lieber, 1970; Goodrich, 1975). The FBI

(subsequently the CBI) undertook the dual task of advocating EC entry to their own members and to the British public: overall, they played a significant role in the context of the Macmillan government's decision to apply in 1961 and later during negotiations in the early 1970s. Kitzinger reports that the CBI was "in almost daily contact" with the UK delegation in Brussels and its supporting personnel in the Foreign Office in London as well as with the Department of Trade and Industry. At the same time, the CBI maintained an active presence in Brussels and in a number of Continental capitals and sought to be "at least as well informed as the Foreign Office", claiming that its views were given "at least as much weight as those of British negotiators in Brussels" (Kitzinger, 1973: 263).

The role of government-business relations in this context should be assessed against a background of public attitudes that appeared to be fluid and allowed for a great room for elite maneuver over policy (Goodrich, 1975). While the CBI concentrated on persuading membership and on issues of publicity, continuous contacts between the government and industrial leaders helped define the issue of membership (Lieber, 1970: 97-98).

The role of business associations as consensus-makers and consensus-enforcers (taking part in decision-making, influencing their members and helping shape public opinion on EC membership) was even more pronounced in the Irish and particularly the Danish cases. In the Irish case, London's initiative on EFTA provoked some debate over the European issue in Ireland because of British involvement and British tariff concessions to Denmark (1959). Ireland had difficulties with the British plans on the free trade area because they only concerned industrial products, excluding agriculture. Despite this, concern in business and political circles that the Republic would be left isolated managed to provoke debate about the possible benefits of closer links with Europe. The fear of isolation had been strengthened by the Swedish plan in 1958 for an economic association of the UK, Denmark, Sweden, Norway, Finland, Austria and Portugal. Ireland 'appears to have been neither consulted nor invited to join' (Hederman, 1983: 60).

The emerging consensus on EEC membership was based mainly on both Fianna Fail and Fine Gael being in favour of membership against a background of pro-EC business views. EEC membership was viewed as a stimulus for the Irish economy as well as an opportunity for export diversification and lessening of trade dependence on the UK (Coombes, 1983).

The interactions between structures, elite consensus and business interests were paramount in Denmark. Traditions of neutrality and the decision-making mechanisms of a successful concertatist system combined to create difficulties for the European issue despite strong business support for EC entry. The issue proved to be unusually divisive both because of the significant political chords that it touched and because of the way in which it was handled. As Fitzmaurice has argued, the attempt to avoid conflict over crucial choices of foreign policy has meant that decisions have been postponed as much as possible, and final choices have often been taken "more by a process of elimination - the absence of viable alternatives - than out of evident preference" (Fitzmaurice, 1981: 134). The system of concertation at elite level appeared to had left space for the development of opposition at grass-roots level, with the anti-EEC movement acquiring more strength than in Ireland (but less than in Norway) and exposing gaps in elite-citizen communication.

The decision to follow the UK in EFTA was a difficult choice but the emerging consensus (supported particularly by the Conservatives) was to follow London. The link with the British application also prevailed in 1967, when the Danes followed the UK in applying for EEC membership only to be disappointed by the second French veto. The link was defended by the Social Democrats, while the Socialist Peoples' Party (SF) argued against membership suggesting, like Irish Labour, that it would be detrimental to both domestic economic policies and Danish neutrality. Attempts since the 1950s to move

towards export-led growth and shift from the export of unfinished goods to high-quality manufactured goods proved successful in helping Denmark establish comparative advantages in selected niches in export markets. This allowed Denmark to pursue a strategy of adjustment rather than resistance when confronted with challenges in world markets (Katzenstein, 1985). As in Austria, corporatist collective bargaining proved flexible enough in the 1950s and the 1960s to reinforce rather than impede adjustment. Against this background, the main factor that triggered the application for EEC entry was the British decision.

4. The Greek Case: From Association to Accession

The Greek case invites us to pay particular attention to two focal points: first, the implications of an early Association Agreement; second, the interactions between Europeanization and the politics of business interests, in particular the development and consolidation of the peak-level business association, the Confederation of Greek Industries (SEV). In contrast to the Danish and Irish cases, the very development of SEV since the late 1950s cannot be studied in isolation from the organization's interactions with the European issue. The SEV's role in post-war and post-civil war Greek political economy has been defined through an interactive structuration process and the roles played by the European issue and EC negotiations provided stimuli (a) for redefinition of the role and public perception of business interests and (b) for the Federation's organizational development (for a detailed account see Lavdas, 1997).

According to the European Commission, the Association Agreement between Greece and the European Community in 1962 was "the first and most wide-ranging contractual arrangement of its kind undertaken by the Community" (Bull. EC, 2-1976 Supplement: point 19). The Association Agreement was the outcome of a series of efforts aiming to anchor Greece's political economy in the evolving European institutional framework. These efforts constituted a European strategy, pursued by a number of political and economic forces. Strategies are relatively coherent fields of debate concentrating upon links between tactical steps and long-term objectives about the evolution of a political system and its patterns of policy, support and legitimacy (Gamble, 1990; Lavdas, 1997).

Greece's economy in the 1950s was closely linked to West Germany and, to a lesser degree, France. The government's approach was seen in Greek domestic debate as wavering between the EEC and the EFTA solutions, and the Centre at one point accused Karamanlis of wavering too much and delaying a clear gesture of preference for the EEC solution which would be the right solution for the country (Pateras, 1984: 70, 20-24). In view of Erhard's initial preference for a version of the free trade area scenario, the fact that Karamanlis was reported as working in close cooperation with the German government and Erhard (Pateras, 1984: 24-25) may indicate that the Greek government's waverings were mainly due to the anticipation of the line taken by the country's most important trading partner, Germany, although further research is needed to clarify the Greek government's view at the time. It is certainly the case that, whatever weight the German decision might have had for the Greek approach, Greece was also considering its approach to the free trade area as being contingent also on the outcome of the negotiations on the precise characteristics of that area, as can be seen from the joint Greek-Irish-Turkish statement at the critical OEEC Paris meeting in 1957. Even apart from the failure to change the agenda in a direction that would favour countries at a less advanced stage of development, the Greek government could not have seriously considered joining EFTA in the final form taken by the latter in the EFTA convention talks in 1959, because the consequence of that would leave Greece outside a group to which Greece's major trading partners belonged and which (unlike the EFTA) had a policy of common external tariffs for non-members. At the same time, the background factor which prompted the clarification of the German position, i.e. the first Berlin crisis in the late 1958, functioned also as a direct political factor for the Greek government and its foreign policy commitments.

In domestic Greek politics, the strategy of selective modernization of the right-wing (ERE) governments under Karamanlis launched a programme based on infrastructural investment and a series of incentives to induce private capital to invest, strong government and a special role for the prime minister, while pursuing a special diplomatic and military relationship with France.

It is not an exaggeration to argue that the association with and eventual membership of the European Community did at least as much in terms of modernization of business interests intermediation as it did in terms of industrial structures modernization. The European issue provided powerful stimuli for business interests both as concerns lobbying and with regard to broader publicity endeavours. Generally in terms of communication with its environment, organized business in Greece before the 1960s resembled the features described by Ehrmann in his classic study of French business in the 1950s: a secretive mentality shunning all efforts to create a positive image partly because of the conviction that the relatively late process of industrialization and of the development of a business culture in the country had resulted in a lack of public appreciation of business role and accomplishment (Ehrmann, 1957: 207-217). The association regime transformed both the expectations from and the endeavours of business associability. In a series of efforts to enhance its institutional position and role, the SEV became active in the context of the association regime in five main areas of strategic interest to both the SEV as an organization and the general preference framework of businesses vis-a-vis the state (Lavdas, 1997).

4.1 The road to full membership after regime change

The Karamanlis government after 1974 sought to minimize structural uncertainty by retaining as much as possible of the pre-authoritarian institutional apparatus of economic decision-making and interest intermediation. The organizational structures of labour and capital interest intermediation and the basic institutional parameters of the Greek policy pattern survived the process of regime transition. But the government was also keen to shift the power balance against those in the business circles who had identified with the dictatorship, and to use this opportunity to increase control of the economy. The trade press of the period and business associations' own publications and communications convey the view that business interests found themselves in a politically difficult position in 1974.

National security considerations in a narrower sense and foreign policy concerns were also significant, particularly the concern over the deterioration of Greek-Turkish relations and the perceived unwillingness of the US and NATO to play a proactive role in the context of the dispute over Cyprus (Kourvetaris and Dobratz, 1987: 112). Karamanlis, who embarked on a substantial military modernization programme after 1974, considered EC membership as a deterrent against perceived Turkish expansionism. As he put at the time of the regime change, apart from the economic and social prospects, Greece "could also consolidate its national security, for EC membership could relieve it once and for all of the ever-present nightmare of contemporary Greece - the risk of local war - which in the past has compelled it to seek strong protectors, to the detriment of its independence. The Europeanization of Greece, properly understood, could become the Nation's new Great Idea" (quoted in Tsakaloyannis, 1983: 122).

Relations with France and West Germany proved critical in securing accession to the EC at a relatively early stage post-1974 (e.g., Jenkins, 1989: 170). The wish of the Greek government for accession negotiations was first expressed to the French and German governments in September 1974. Having secured French and German support, and after the first post-authoritarian elections took place, the government in Athens stated publicly in November that the country intended to apply for full EC membership in the near future. The Greek

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government had given clear indications that quick accession was almost the primary objective from the Greek perspective (Bull. EC 11-1974, point 90).

It would be logical to expect that the various business associations would have problems with this line, as it would imply that fine points and subtle issues in the negotiations would not be dealt with thoroughly, but was not prepared to raise objections to the process. On the contrary, the SEV was openly supportive of the Greek application at an early stage, while most other (regional and sectoral) associations refrained from expressing public concerns.

To sum up, the formation of the European strategy went through the re-evaluation of the contours of public-private relations in Greece; in turn, the implications of the strategy helped redefine the contours of that relation. Consequently, the process of European integration had a significant impact on domestic public-private relations well before Greece's accession to the European Community in 1981. Interactions between business associability and the EC date back to the late 1950s when the Greek government sought to consult on and explore different policy options in view of the coming into force of the Rome Treaty and the first tariff cuts implemented by the Six. The impact of the decision to apply for immediate full EC membership after 1974 and of the subsequent negotiations was complex for organized business interests. In terms of the factors and conditions which influence the role and capacity of business associability, the SEV attempted to manipulate the issue of EC membership in order to increase its influence and expand its capacities. It is only from this perspective that we can explain the Confederation's decision in 1974-75 to throw its weight behind Karamanlis' strategy of immediate EC membership.

This perspective explains also why, despite tensions in government-business relations in 1974-76, caused by the relative strengthening of the public sector under the Karamanlis government, state interference did not result in widespread politicization of business activity and business positions. By 1979, the European issue had played a dual role. On the one hand, the Confederation increased its policy-related contributions and strengthened its authority, thereby moving away from the initial, defensive approach to a more assertive perspective. On the other hand, the Confederation's decision to back the government in its quest for immediate EC membership risked alienating a large number of businesses. To the extent that the combination of these aspects indicated the need to strengthen links with businesses and expand coverage, the PASOK years (in the 1980s) provided powerful challenges and stimuli for business associability. In fact, and despite some ideological arguments to the contrary, the PASOK years – paradoxically - proved critical for the efforts to reinvigorate business associability (see Lavdas, 1997).

5. Poland: From Socialist Authoritarianism to Europeanization

Poland's accession strategy was predicated on a combination of economic and security-related concerns. As with other states of former Eastern Europe's command economies, the conditionality applied in the course of EU negotiations was largely the result of the Copenhagen criteria set out in 1993. In general, Europeanization is strongly associated with democratization and modernization processes while leads to an extended administrative restructuring process.

The first years after the regime change of 1989 were marked by political turbulence, the result of a relatively difficult democratic transition. The first necessary amendments which focused on dismantling the communist constitutional system and establishing liberal democratic political institutions, created a semi-presidential regime with strong presidential authority. Although there are several other classifications and labels that try to explain its functional characteristics (see Crawford, 1996), semi-presidentialism describes better the Polish system. As it is well known, semi-presidentialism is a popular form of government in post-

soviet states but it bears the risk of intra-executive conflicts for the control of executive branch between the president and the prime minister and the cabinet (Sedelius and Mashtaler, 2013). Consequently, the conflicts that can occur in this kind of regime could decelerate Europeanization processes. Several scholars have divided semi-presidential regimes into premier-presidential, in which authority to dismiss the cabinet rests with the parliament, and president-parliamentary, in which the prime minister and the cabinet are subjected both to parliamentary and presidential confidence, and within this categorization Poland should be placed in premier-presidential subsystems (Sedelius and Mashtaler, 2013; Shugart, 2005).

Until 1997, a transitory constitution (the "Small Constitution") was in effect, consisting of a dual executive and legislative institutional framework. However, the overlapping competencies between the cabinet ministers and the president did not facilitate political stability but rather generated several political conflicts (Jablonski, 2000). For instance, the political crisis between Prime Minister Waldemar Pawlak and President Lech Walesa in 1993 is a significant indication of the structural difficulties of the semi-presidential system that slowed down the processes of Europeanization which can be achieved only through political stability as a precondition for the implementation of the necessary reforms. It should be noted though that while there were significant political predicaments and constraints, all governments from 1993 until the EU accession, conceptualized European integration as the basic parameter beyond the old regime and towards further democratization. Moreover, the commitment to the EU integration was more intensely precipitated after 2001 when Leszek Miller became Prime Minister and exploited market reforms and EU accession procedures (Freire and Cierco, 2007).

Since the second half of the 1990s Polish governments implemented reforms in crucial fields such as regional policy, which clearly indicate that they strongly followed the reliance that they actively comprise and institutionally can become part of the EU family. However, the pace of several reform initiatives proved relatively slow as a result of existing obstacles. Focusing on regional policy reforms which are on the basis of the EU policy adaptation, several studies agree that while there were difficulties in achieving the predefined goals, crucial steps towards regional policy reforms have been made under the EU influence, that otherwise they would had not been implemented without it (Scherpereel, 2010).

In fact, one of the crucial steps towards Europeanization was the adoption of a new constitution in 1997 which aimed at strengthening democratic institutions and developing a modern rule of law. Although this step promoted democracy and transparency, corruption proved resilient. In economic terms, the reforms followed the paths of system liberalization and further EU integration. Thus, governments during this period implemented a wide range of privatizations, measures towards economic rationalization of the public sector, measures for low inflation maintenance and labor market deregulation, as a tool of boosting competitiveness (Hasselmann, 2006; Schmidt, 2006).

It is true that in the early 1990s there was a small degree of Europeanization in Poland's institution framework and one of the basic steps towards this objective was realized in 1996 by the introduction of the Committee for European Integration which was the supervisor of law approximization to EU law and the main cooperative mechanism with the EC (Stawarska, 1999). In 1998 task forces dealing with particular policy areas were introduced through the Inter Ministerial Team for the Preparation of Negotiation for EU accession. At the same time, experts on EU issues were disproportionally allocated in favor of the central state sector while their absence in local administration played a negative role in decentralization. Additionally, the sectors in which restructuring was extremely difficult include agriculture, mining and steal industry, where it was necessary to both achieve efficiency along with limited production capacity and a smaller workforce. As a result, the implemented reforms had a negative economic impact on farmers and miners but the overall public support of integration had not been significantly changed (Stawarska 1999).

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Another crucial initiative was the Agenda 2000: Poland was set to start negotiations in March 1998, being considered as a democratic country with stable institutions and a market economy. But at the same time there were significant problems with the major-state enterprises and the agricultural sector which needed substantial overhaul. Under these circumstances the EU introduced the Accession Partnership which was a new instrument including forms of aid from the EU and definite obligations along with implementation schedule to candidates. This instrument served as a pressure mechanism to Poland in order to intensively continue to follow the EU directives as regards the implementation of the necessary reforms (Mayhew, 1997). Additionally, since 1998 PHARE funds supported institution building (30%) and investments (70%) together with the National Fund for institution building established by Polish government. This period was also abounded by warning reports about the enormous costs of Eastern enlargement and the failures to generate the funds to businesses and micro-economy, proposing as an alternative the modification of community policies (Stawarska, 1999).

Reforms towards achievement of EU integration have offered Poland a wide range of policy tools that can be used for achieving economic competitiveness while dealing with significant threats such as illegal migration and drug trafficking. On the other hand, political instability due to the extended corruption as well as media and judiciary limited independence, comprise significant democratization and Europeanization obstacles. Thus, the level of clientelism and corruption is high and there is relatively problematic cooperation among sector actors and discrepancies between legal adjustment and institutional adaptation (Paraskevopoulos and Leonardi, 2004).

Despite several obstacles towards the Europeanization process, Poland after EU accession has gradually succeeded to build democratic institutions that provide political stability and consequently, implement the required reforms in order to create a stable economic environment. But these positive elements do not indicate that the social and economic problems in Poland have been completely resolved (Sobják, 2014). Contrarily, Poland needs to further converge its economy with the EU average, more intensively promote social cohesion, reduce corruption, improve the links between central and regional authorities and assist civil society activation in order to be strenuously included in policy making.

6. Europeanization, Crisis and Divergence

Prior to full membership, the interactions between national political economies and European integration resemble a number of familiar interactions between international (and transnational) factors and domestic structures; the main particularity being in the EU processes and quasi-coercive capacities associated with conditionality. If we bracket conditionality for a moment, the general type of interaction evident in accession politics has been a significant theme in both comparative politics and international relations literatures. The analysis of the domestic sources of foreign policy (Rosenau, 1967; Rosenau, 1973), including foreign economic policy, has been matched by explorations of the international stimuli affecting domestic politics (Gourevitch, 1986), in recognition of the essentially circular character of causality in international-domestic interactions (Gourevitch, 1978). Accordingly, the analysis of interactions between domestic interest politics and the EC / EU has to tackle both aspects: the degree of influence over state choices on Europe exercised by domestic interests, and the impact of Europeanization on the evolution of government-business relations. After achieving full membership, these processes evolve in conjunction with developments in the structures of multilevel governance in the EC/EU (Marks et al., 1996).

It would appear that, in assessing the roles of interests, a combination of the neofunctionalist hypothesis and the consensus hypothesis makes more sense than the interest group hypothesis. Interest

politics interact with other important parameters, especially pre-existing trade links and dominant geostrategic considerations, aspirations or anxieties. But because governments and businesses are ultimately bound in a relationship of reciprocity by some of the most profound characteristics of the socioeconomic systems in which they are embedded, and because of the top-down nature of consensus-building mechanisms in these systems, the role of interest politics is particularly significant. The extent to which it is decisive will be an empirical issue, depending on parameters such as the ones which were discussed briefly above.

Both Greece and Poland faced significant adaptational pressures towards achieving Europeanization and they share some common elements but distinctive paths towards this objective. Greece has not yet completely resolved the incompatible with the EU rules, statist tradition and faces relevant consequences (corruption, ineffective public sector). Similarly, in Poland clientelism, corruption, ineffective sectorial cooperation, legal adjustment and institutional adaptation discrepancies along with the dominant role of political parties in policy making, set extensive constrains in Europeanization processes. Furthermore, regionalization which comprises one of the main premises for further Europeanization and democratization can be characterized as relatively problematic in both cases. While Greece, in order to increase regionalization, has introduced new and relatively strong sub-national tiers, clientelism and the absence of responsibilities clarification increased the necessity for technocratic intervention. On the other hand, in Poland such tiers are non-existent (Paraskevopoulos and Leonardi, 2004). Furthermore, in administrative adjustment. Poland has followed the Greek paradigm which included devolution and decentralization but, although decentralization has been achieved in a satisfactory proportion, there is lack of coordination between national and sub-national actors and levels of government as a consequence of competencies under-allocation (Paraskevopoulos and Leonardi, 2004). Moreover, expertise involvement in policy-making through think tanks and NGO's is limited in both cases as the civil society is extremely weak and mainly replaced by political parties in policy making procedures. Additionally, in both countries the level of private sector involvement is low as regards Public-Private Partnerships and social capital endowments. This trend sets constrains for future private investments and limits the capacity of public investments.

The financial and fiscal crisis since 2008-2009 and the national responses constitute an exciting field (Lavdas, Litsas and Skiadas, 2013). Being outside the Eurozone, Poland did not encounter the same challenges when faced with the financial crisis that spilled over from the US to Europe in 2008-2009. But in a South European comparative perspective, Greece stands out as a particularly reform-resistant system, on a continuum with Greece at one end, Spain and Italy somewhere in the middle, and Portugal at the other end. Obviously the nature of the crisis was a factor in itself; despite commonalities, there were important differences among peripheral Eurozone members. For example, public debt in Portugal was much lower than in Greece or Italy – but public debt was low in Spain too. Yet when faced with the financial and fiscal crisis after 2009, the contrast between Greece and Portugal was impressive.

Far-left parties inspired by Greece's Syriza or Spain's Podemos do not appear to be making any inroads into support for the traditional center-right and center-left parties in opinion polls. Mass clientelism led Greek parties to systematically over-promise, and voters to over-expect, which led to grievances, anger and sanctions when these promises had to be betrayed. In Portugal, by contrast, much looser connections with unions, a smaller reliance on clientelistic linkages and the smaller membership of parties resulted in fewer obstacles to implementing austerity reforms, allowing for extensive pro-retrenchment compromises. In Portugal, the biggest union has traditionally been tied to the Communist party, which has been systematically excluded from office, and therefore could not reward its ally. Portuguese parties have agreed on a number of fiscal retrenchment measures at the onset of the crisis, even if more adversarial patterns

emerged after a new right-wing coalition came to power. As a result, existing patterns of party competition have persisted throughout the crisis in Portugal: as Freire et al. (2014) have shown in an excellent comparative paper, Portuguese parties did not undergo the electoral collapse of their Greek counterparts. In contrast to Portugal, the Greek party system has been reshaped: collapse of the traditional mainstream parties and the rise of a radical party on the far left (Syriza) and a neo-Nazi party on the extreme right (Golden Dawn).

7. Conclusion

In economics, contestability is a feature of a market structure that allows for entry and exit at any given time-period. A contestable market typically only consists of a few businesses, but doesn't prevent any new firms from entering the market. In political theory and political analysis, contestability refers primarily to the lack of a fixed, permanent and – at the same time – universally attributed and accepted meaning. A concept is "contestable" when we can claim "that some feature or property of the concept makes it polysemantic, and that the concept contains some internal conflict of ideas"; and it is this fact that provides the "essentially contested concept" with its inherent potential for generating dispute (https://en.wikipedia.org/wiki/Essentially_contested_concept) Enter Connolly (1974), who famously turned 'essential contestability' of political concepts to a major feature of political theory.

Today more than at any given time in the past few decades, the future of Europeanization – and of the EU itself – is 'essentially contestable'. Although there is already a substantial literature that investigates regressions in Europeanization (thus safeguarding the future and maybe also the prestige of the field), the question about the next steps remains an open one. In this context, exploring the background of cases focusing on pertinent and relevant variables (such as interest politics and regime changes) without necessarily trying to remain focused on today's explicit questions and concerns may be a worthwhile approach. As cases of Europeanization, Greece and Poland present similarities as well as differences. When it comes to interest politics and Europeanization, the interest-group hypothesis is particularly germane to the Greek case, while a combination of the neofunctionlist and the consensus hypotheses may help illuminate the Polish case. In Greece and to a lesser extent Poland, the dominant role of parties, high levels of corruption and clientelism are crucial. However, political-institutional traditions are different and so is the role of business associations, and these factors combined help shape distinctive paths to Europeanization. Adversarial politics and often violent mobilization became a leading feature of fiscal retrenchment reforms in Greece – as was the case in the 1990s when disjoined corporatism combined with vigorous resistance from the Left made reform difficult (Lavdas, 1997). In Poland there is relatively weak resistance to formal changes but the implementation of EU principles encounter significant difficulties due to low levels of cooperative culture and civil society and high party domination and clientelism. Cooperative mechanisms in Poland between the central state agencies and the regional and local agencies need to be improved in order to increase both effectiveness and transparency at local, regional and central level.

Although mismatch/misfit would appear to be stronger in Poland, coming out of a communist-authoritarian regime, the country's lack of exposure to the challenge of Eurozone membership combined with a relatively more consensual policy-making style in the recent past, led to less dramatic results when the financial and economic crisis hit after 2008. Overall, EU membership in Poland signified the consolidation of a new, liberal – capitalist democratic regime. In Greece, the EC/EU became a stimulus for the strengthening of business interests even before full membership but adversarial politics combined with populism resulted in a reform-resistant system. Apparent backsliding on democracy (Keating, 2016) has

recently given birth to a developing field of debate on 'illiberal democracy' (Zakaria, 1997) with reference also to Poland. And, although this *genre* has been associated with quasi-authoritarianisms of the Right, Greece's populist Left-Nationalist coalition government (Syriza-ANEL) may also be a candidate for inclusion in this infamous club, in view of a number of limited but unmistakable symptoms (an aggressive populist rhetoric, energetic efforts to influence and/or subvert hostile media, various attempts to intervene in judicial processes, and so on). Yet it is too early to pass judgment on the Greek case from the perspective of 'illiberal democracy': the country's relative political stability despite an acute economic and fiscal crisis since 2010 and the emerging but – till now – relatively limited public support for extremist solutions may be among the signs that give rise to a dose of cautious optimism.

Still, the temptation to hypothesize is strong: could it be that national cases manifesting strong elements of authoritarianism in pre-Europeanization years, tend to revert back to undemocratic attitudes and practices when confronted with dramatic policy crises (sharp increase in immigration, fiscal difficulties, financial strains, etc)? As a long-term process, Europeanization involves the asymmetrical accumulation of layers of historical contingencies as well as elements of purposive institutional building. The aspects of historical contingency are however limited not only by the gradual strengthening of EU institutions and the emergence of internal EU logics of development, but also by the interactions between domestic interest politics and European integration, whereby business interests have tended to promote Europeanization of national contexts albeit for different reasons and through different means. Against this background, we may hypothesize that the direction in today's juncture will also be influenced by a combination of factors that includes interest politics and the interaction between interest groups, policy networks and mass politics. In other words, 'populism' is not the only – maybe not even the most relevant – terrain.

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From Authoritarianism to Europeanization? - Paths to a Contestable European Future in Greece and Poland

EQPAM Volume 6 No.2 April 2017 ISSN 2285 – 4916 ISSN-L 2285 - 4916

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