EU Western Balkan candidate countries and the adoption of EU anti-corruption measures

A comparative research

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ABSTRACT

The enlargement process and framework of the EU is based on a political instrument; EU conditionality. This refers to a set of conditions defined by the EU, which have to be met by the candidate countries in order to join the EU. The purpose of this research is to examine whether there are differences in the adoption process of Western Balkan candidate countries concerning anti-corruption measures of the EU. I explore whether the conditions of EU conditionality are effective in this process. For this I use the theory of Schimmelfennig and Sedelmeier's EU external governance models to explain the degree of compliance of Montenegro, Serbia and Macedonia. The first model is the external incentives model, the second model is the social learning model. In this thesis, I investigate whether there are differences between the candidate countries in adopting the anti-corruption measures of the EU and how these differences can be explained.

Key words: EU candidate countries, conditionality, anti-corruption, European Union, Montenegro, Serbia, Macedonia.

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1. INTRODUCTION

This study investigates whether there are differences in the adoption process of EU anti-corruption measures by the EU candidate countries Montenegro, Serbia and Macedonia, and which factors help to explain these differences. To examine this, I use the theory on the conditionality principle of Schimmelfennig and Sedelmeier (2004, 2005), governance by conditionality. According to Schimmelfennig and Sedelmeier (2004:670), EU conditionality mainly follows "a strategy of reactive reinforcement or reinforcement by reward, under which the EU provides external incentives for a target government to comply with its conditions". My research question is: *Which differences can be discerned in the adoption of EU anti-corruption measures by the candidate countries (Montenegro, Serbia and Macedonia) within the time frame 2003-2013 and which factors help explain these differences?* This is an explanatory question. The policy field of anti-corruption is specifically chosen as this is of vital interest in the success of becoming an EU member state. As formulated in Article 49 of the Treaty on the European Union (TEU): 'Any European State which respects the values referred to in Article 2 and is committed to promoting them may apply to become a member of the Union...' Article 2 TEU lists the 'respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities'. This research includes Montenegro, Serbia and Macedonia, but omits Turkey and Iceland as candidate countries. The focus of this research is on the Western Balkans, but the cases of Turkey and Iceland are both very different from the ones of Montenegro, Serbia and Macedonia. Because only 22 years ago, these now independent countries formed the Socialist Federal Republic of Yugoslavia (SFRY). It will be interesting to examine how these countries have taken a different path to potential EU membership after 22 years of independence. Although the countries have taken different paths to EU membership (for example; they were all granted candidate status in a different year), they remain very similar to each other, both culturally and institutionally. Therefore, this is a most similar comparison. I discuss these similarities in chapter 3.

In order to answer the research question, I developed the following two sub questions:
Sub question 1: *What relationship exists between the adoption of the EU anti-corruption framework and the level of corruption in the candidate country?* In this question, two important concepts are central, namely corruption and the EU anti-corruption framework. In paragraph 2.2, I answer to the question; 'What is corruption?', and to the question; 'What does the EU anti-corruption framework consists of?' In the formulation of my answer to sub question 1 in paragraph 2.3, I combine these concepts, the way of adopting the anti-corruption framework and the theory. It is important to know whether there is a and how I can define this relationship between the adoption of the EU anti-corruption framework and the level of corruption in the candidate country. If there is no relationship, discerning differences between the countries in the main research question will be impossible. Therefore, the answer to sub question 1 is vital to this research.
Sub question 2: *What is the level of corruption and to what extent did it vary in the three candidate countries over the period 2003 -2013?* I have to know the level of corruption in the candidate countries, in order to assess whether the adoption of EU anti-corruption measures helps to decrease the level of corruption in the candidate countries. The answer to this sub question is discussed in chapter 4, and will be used by answering the research question.
I answer sub question 1 by using the concepts and theory explained in chapter 2, sub question 2 is answered by using the Corruption Perception Index of Transparency International and the GRECO Reports (Group of States Against Corruption) in chapter 4. By answering the sub questions, I can answer my research question, which is explanatory in nature and is guided by a theoretical framework and hypotheses outlined in chapter 2. Within this research, I investigate whether the EU principle of conditionality works concerning the adoption of EU anti-corruption measures by the candidate countries. I do this by examining which EU anti-corruption measures are already adopted in the countries and which measures are not. This will give a clear overview of the results in the three

countries and shows indirectly the functioning of the conditionality principle. As this will be done for three countries, I can make up a balance of the results and draw a comparison between these countries.

What makes this research relevant and interesting? From a social point of view, the Western Balkans are still one of the most sensitive regions in Europe. With the memory of the break up war of Yugoslavia fresh in mind, the area remains fragile and unstable (De Munter & Rey, 2014). As to avoid more conflicts in the region, accession of the Yugoslav successor states to the EU can help to prevent this. To follow the examples of Slovenia (2004) and Croatia (2013), 2004 and 2013 being the years they became a member. Montenegro (2010), Serbia (2012) and Macedonia (2005) have all been granted candidate status by the European Commission[1]. Negotiations with Montenegro are opened since March 2014. Ahead lies the task of adopting and implementing the Acquis Communautaire, divided into 35 different chapters. Chapters 23 Judiciary and Fundamental Rights and Chapter 24 Justice, Freedom and Security are commonly regarded as most difficult to close see (Nozar, 2012). Anti-corruption policy is one of the key areas of chapter 23. While Montenegro and Macedonia share place 67 on the Transparency International corruption index, and Serbia claims place 72. So, serious work needs to be done before they can access the EU. The Corruption Perception Index measures the perceived levels of public sector corruption in 177 countries and territories. To compare, all western European countries (Western comprises here: Belgium, Luxembourg, France, Austria, Germany and the UK) are within the top 25 of the index, and 12 EU countries are within the top 30 of the CPI 2013. From a scientific point of view, this research is relevant because this study will contribute to the existing body of literature as it will use the conditionality theory to delve deeper into the actual functioning of the EU accession process. Research has been done into this topic, but mainly during the great waves of accession of 2004 and 2007. For the new candidate countries such research is limited. Whether countries adopt anti-corruption measures fully is of great importance to their future functioning in the EU. Comparing this process in three independent but very similar candidate countries will teach us valuable lessons useful for future enlargements.

In the following chapters, I will discuss: the theoretical framework (chapter 2); Methodology of the research (chapter 3); Data analysis (chapter 4); Comparative analysis (chapter 5); Conclusion (chapter 6).

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[1] http://ec.europa.eu/enlargement/countries/check-current-status/index_en.htm

2. Theoretical Framework

The theoretical framework helps to understand and explain the empirical findings of this study. Paragraph 2.1 starts with a discussion of the already existing literature on this topic. Paragraph 2.2 describes the concept of conditionality, its origin and characteristics. The second part of the paragraph conceptualizes corruption and describes the anti-corruption measures or the anti-corruption package, so to say, of the European Commission. In paragraph 2.3 I seek to find an answer to sub question 1. Two EU external governance models, which explain conditionality's process and effectiveness, are also described in paragraph 2.3. These models are the external incentives model and the social learning model. They both present a number of conditions that have impact on EU conditionality's effectiveness and could explain various outcomes in different EU candidate countries. The hypotheses used to analyze and examine conditionality within the European candidate countries are put forward from these models and are also presented in the third paragraph of this chapter. The chapter ends with a conclusion in paragraph 2.4, on the theoretical framework of this study.

2.1 Literature Overview

Extensive work on the Eastern enlargement topic has been done by Schimmelfennig and Sedelmeier (2004, 2005) explaining the Europeanization of Central and Eastern Europe. The theory they have developed can be tested further with the cases of the Western Balkan countries. In their research they pose the following research question: 'What are the main characteristics of the mode of EU rule transfer to the CEECs and which governance mode is most effective for rule transfer?' (Schimmelfennig & Sedelmeier, 2004:670). To answer this question, they have outlined a theoretical framework to study governance modes that lead to an effective transfer of EU rules to outside states. Schimmelfennig and Sedelmeier examine three different models of EU governance, these are: the external incentives model, the social learning model and the lesson-drawing model. With these models they explain why the external incentives model is the best model for rule transfer from the EU to the CEECs. The final conclusion of the article is that "rule transfer from the EU to the CEECs and the variation in its effectiveness are best explained according to the external incentives model and in particular with the credibility of EU conditionality and the domestic costs of rule adoption. The impact of these conditions, however, depends on two contexts of conditionality: democratic conditionality and acquis conditionality" (ibid, 2004:669).

An interesting article about the effectiveness of EU conditionality was written by Steunenberg and Dimitrova (2007). They compared the process with a bargaining game. Their research question was whether conditionality is always equally effective or whether it has an expiration date. In order to answer this question they presented the enlargement negotiations as a bargaining process over EU membership. They have found that "regardless of domestic circumstances, the effects of conditionality vary in time, depending on how close a state may be to accession. Also EU conditionality varies in intensity even though most existing case studies have assumed to be constant. Last but not least, our analysis has shown that in order to reap the benefits of enlargement, both the EU and applicants must be patient and take a long term perspective considering the benefits of enlargement" (Steunenberg and Dimitrova, 2007:14).

An answer or a continuation to the theory of Schimmelfennig and Sedelmeier is the approach of Florian Trauner (2009), where he mainly focused on EU-Western Balkan cooperation in Justice and Home affairs. As it is in this domain that the EU has found a way "to compensate for less credible membership conditionality by developing an additional form of external leverage: policy conditionality" (Trauner, 2009:775). Trauner investigated whether the altered enlargement context impacted on the candidate countries' calculations of non-adaptation costs and reduced the EU's capacities to transfer its rules to South Eastern Europe. Trauner answered this question by using the external incentives theory of Schimmelfennig and Sedelmeier (2004) as already explained above. However he extended this theory by adding that you have to take into account policy conditionality

in addition to membership conditionality. By comparing Macedonia and Croatia he came to the conclusion that "the key to understanding sectoral integration in justice and home affairs is to take into account policy-related conditionality in addition to membership conditionality" (Trauner, 2004:787).

This literature overview shows that there has been done considerable research into this topic. Moreover, Schimmelfennig and Sedelmeier are the leading experts concerning enlargement conditionality and theoretical approaches to European integration. Their theory will be my guiding point during this research.

2.2 DEFINING CONDITIONALITY AND CORRUPTION

Conditionality. The EU is not the only institution which applies conditionality in their external relations. Also the IMF and the World Bank apply the conditionality principle in their deals with countries. They were actually the first to introduce this concept in 1952 (Bretton Woods System). The introduction of this concept changed the world of international relations. As from then on, institutions and donor governments had an instrument of power to promote and protect their self-interests. The EU applies the principle while dealing with third countries for both positive and negative forms of conditionality, or using carrots rather than sticks. There also is a difference between first generation conditionality and second generation conditionality. First generation conditionality entailes economic conditionality, second generation conditionality combines economic and political reforms. This second generation conditionality is a feature of EU external relations. It is rather hard to give a clear, concise definition of conditionality, but here I will define conditionality as follows: Conditionality entails the use of certain conditions by a state or IO (International Organisation) in international relations. These conditions have to be fulfilled by the target government in order to receive the reward(s) promised by the state or IO. These conditions are not only attached to financial aid, but also to membership of an international institution. According to Schimmelfennig and Sedelmeier (2005:672), EU conditionality mainly follows "a strategy of reactive reinforcement or reinforcement by reward, under which the EU provides external incentives for a target government to comply with its conditions". Hughes et al. (2004:14) define conditionality as "an interaction between multi-level actors that have their own perceptions and interests, and within this interaction different rewards and sanctions can be given when target government comply or fails to comply the conditions settled by the donor". "The key characteristic of the concept of conditionality is that it operates in an environment of power asymmetry between on the one hand the 'dominant actor' who sets up the conditions, observes whether the target government complied with them and grants the government if so or withholds the reward if it failed to comply, and on the other hand the 'subordinate actor' who has to fulfill the conditions in order to get the reward" (ibid, 2004:14).

Corruption. Firstly, it is important to define what corruption is, I use the definition of corruption of Transparency International. Because I will also make use of their Corruption Perception Index (CPI) later in this research. In this way I will work with the same definition throughout this thesis. Transparency International states that corruption is "the abuse of entrusted power for private gain. Corruption can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs"[2]. All three classifications are useful for this research and have to be fought by the candidate countries in order to comply with EU rules. The definitions of grand, petty and political corruption are as follows: grand corruption consists of acts committed at a high level of government that distort policies or the central functioning of the state, enabling leaders to benefit at the expense of the public good. Petty corruption refers to everyday abuse of entrusted power by low- and mid-level public officials in their interactions with ordinary citizens, who often are trying to access basic goods or services in places like hospitals, schools, police departments and other

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[2] http://www.transparency.org/whoweare/organisation/faqs_on_corruption/2/

agencies. Political corruption is a manipulation of policies, institutions and rules of procedure in the allocation of resources and financing by political decision makers, who abuse their position to sustain their power, status and wealth. The official EU definition of corruption is almost the same: "corruption as an abuse of power for private gain." (European Commission, 2003).

EU anti-corruption framework. For a long time the European Union did not effectively combat corruption, as there was no legal ground and no rules to enforce. This changed with the launch of the set of anti-corruption criteria, entitled '*The ten principles for improving the fight against corruption in acceding, candidate and other third countries'* which the Commission presented to the candidate countries in 2003 see (Annex 1). Moreover the European Commission developed a so-called *anti-corruption package*, which came into place in July 2006 and which consists of (European Commission, 2011a):

- A Communication on fighting corruption in the EU, which presents the objectives of the EU Anti-Corruption Report and the practical aspects of its functioning. The Communication also explains how the EU should place greater emphasis on corruption in all relevant internal and external policies;
- A Commission Decision establishing this EU anti-corruption reporting mechanism;
- A Report on the implementation of Council Framework Decision 2003/568/JHA on combating corruption in the private sector;
- A Report on the modalities of EU participation in the Council of Europe Group of States against Corruption (GRECO).

The last point of the anti-corruption package is an important one: "Report on the modalities of EU participation in the Council of Europe Group of States against Corruption (GRECO)". The Group of States against Corruption (GRECO) was established in 1999 by the Council of Europe to monitor States' compliance with the organization's anti-corruption standards. Currently GRECO comprises 49 member states (48 European states and the US). "GRECO's objective is to improve the capacity of its members to fight corruption by monitoring their compliance with Council of Europe anti-corruption standards through a dynamic process of mutual evaluation and peer pressure. It helps to identify deficiencies in national anti-corruption policies prompting the necessary legislative institutional and practical reforms".[3]

Besides the fact that the candidate countries have to comply with all documents in the anti-corruption package, each candidate country has its own specially formalized requirements which it has to comply with. These requirements differ per country, because already existing legislation in place may differ from country to country. These requirements are stated and analyzed in the respective Progress Reports of every country. This is how the current EU framework for fighting corruption looks like.

2.3 DOES EU CONDITIONALITY WORK?

This paragraph aims to address whether EU political conditionality works and which conditions have an impact on its effectiveness. In this paragraph sub question 1 is addressed: *What relationship exists between the adoption of the EU anti-corruption framework and the level of corruption in the candidate country?* Schimmelfennig et al.'s framework is used to put forward the conditions and the hypotheses that are tested in this study, but first I will give a general overview on the studies questioning the effectiveness in the Central and Eastern European (CEE) pre-accession process and the prospects for the Western Balkans.

Studies done on CEE accession (Moravcsik and Vachudova 2003; Kubicek 2003a; Schimmelfennig et al. 2003; Kelly 2004; Schimmelfennig and Sedelmeier 2004, 2005; Schimmelfennig 2004, 2005b; Schimmelfennig and Schwellnus 2006) state that the success of the Eastern European enlargement in promoting EU liberal core values was mainly the result of the strong incentives offered by the EU.

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[3] www.coe.int/greco

Moravcsik and Vachudova (2003) explain the working of membership conditionality by referring to Keohane and Ney's (1977) 'asymmetric interdependence' concept. This means that the applicant countries that benefit the most from participating in a membership process accept the costs of adoption as they see them as lower than the costs of when they would stay excluded from the EU and its benefits. Kubicek's framework takes a step further as it states that "not only the carrot (strong incentives) but also the sticks must be real. The target governments need to know that if the desired reforms are not adopted that rewards will be withheld or punishments will be executed" (2003a:17-20). However, "in practice the EU has shown to be reluctant to employ sanctions against violators and especially when target states can turn for help and support to other states, EU influence becomes weaker" (ibid, 2003a:18). Conditionality is, according to Kubicek, "next to carrot and sticks, more likely to work if the target state is economically and politically dependent on the EU, the influence of other political actors is limited, and when allies (governmental and non-governmental actors) are found in the target state who can apply pressure to existing authorities. This last condition can only have an effect on compliance if these allies are powerful enough to pressure the authorities" (ibid, 2003a:17-20).

The instrumental framework for the Western Balkans is similar to that of the CEE states, the same key elements are applied as with the CEEC enlargement. However, the emphasis for the Western Balkan countries is also put at regional relations and good neighbourly relations[4]. It is meant to generate more trade among the countries but also to have the governments on speaking terms with each other. This especially applies to Serbia and Kosovo. Othon Anastasakis (Director of the European Studies Centre, St Antony's College, Oxford) states the following about enlargement in the Western Balkans: "More often than not, the EU is faced with the limits of a rigorous conditionality and is willing to downplay its heavy-handedness in the interest of security, stability, and keeping the pro-European critical mass on course to European integration. This affects the consistency of its assessment and creates uneasiness and competitive feelings among the different states in the region. Moreover, the EU is so entangled with domestic political developments – in Kosovo's independence, Bosnia's ethnic reconciliation, Serbia's domestic politics, Montenegro's state modernization, and the former Yugoslav Republic of Macedonia's efforts for consensus politics – that it often becomes difficult to pursue an objective, critical assessment of its political conditionality. Instead, it is caught between rhetoric of rigorous conditionality and a more adaptable evaluation, and tries to avoid any insecurity hazards" (Anastasakis, 2008:374). With the above information I can answer sub question 1: Yes, there is a relationship between the adoption of the EU anti-corruption framework and the level of corruption in the candidate country. Although I will investigate this relationship later in this research with hypotheses. For now, the relationship seems to be: the more anti-corruption measures are adopted in a candidate country, the more the level of corruption decreases.

However, it will be interesting to see whether the EU chooses for security and stability and leaves the rigorous conditionality to be, or whether, after the lessons learned from Romania and Bulgaria, will stick to their position and keep a strict but fair consistency on conditionality in the application process. Consequently: every country has to fulfil all rules before becoming an EU member. The models in the next paragraph will help to assess this for the field of anti-corruption.

2.3.1 EXTERNAL INCENTIVES MODEL

The external incentives model is a rationalist bargaining model that assumes that the actors involved in a certain international cooperation are only interested in maximizing their power and welfare. "This model assumes that the external governance mainly follows a strategy of conditionality, which means that the EU sets conditions that target governments – in this case the Western Balkan candidate countries – have to fulfill in order to receive EU rewards, and when it fails to comply the EU withholds the reward. The bargaining process starting point is a domestic status quo, which reflects the current distribution of preferences and bargaining power in domestic society, but this

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[4] http://ec.europa.eu/enlargement/policy/conditions-membership/index_en.htm

status quo differs to some extent from an EU rule" (Schimmelfenning & Sedelmeier, 2004:672). In order for a target government to maximize its own political benefits it should try to balance the pressures of EU and of domestic and other international actors. Under this strategy of reinforcement by reward the following general proposition of the external incentives model can be stated: "A state adopts EU rules if the benefits of EU rewards exceed the domestic adoption costs" (ibid:672). "This 'cost-benefit balance' depends on a number of factors: determinacy of conditions, the size and speed of rewards, credibility of threats and promises, and size of adoption costs" (ibid:673).

The Community Assistance for Reconstruction, Development and Stabilization (CARDS) and the Instrument for Pre-accession Assistance (IPA) is the means by which the EU supports reforms in the 'enlargement countries' with financial and technical help. The CARDS and IPA funds build up the capacities of the countries throughout the accession process, resulting in progressive, positive developments in the region. The CARDS programme ran from 2000 to 2006. IPA I ran for the period 2007-2013, IPA I had a budget of some € 11.5 billion[5]. Montenegro, Serbia and Macedonia all received money from the CARDS and IPA I budget during the 2003-2013 period. In this hypothesis I compare the funds the countries received. A factor to take into account here is that enlargement countries can be punished for not showing any developments during previous fund rounds. This is the case for Bosnia-Herzegovina, which receives less money in IPA II because they did not show sufficient development during IPA I. Moreover, I need to distinguish between allocated money and the money which was paid by the Commission, on the basis of claims submitted by the country[6]. In this hypothesis I will work with the amounts of money which were allocated to the countries, not the actual money they received from the Commission. Because this allocated money (funds) is what the Commission actually wanted to grant to a specific country, therefore I can make a fairer comparison with this numbers than with the numbers based on actual submitted claims by the countries themselves. The first hypothesis will be the following:

H1: The bigger the CARDS and IPA I funds (in Euros) for the candidate country, the less corrupt the country will be.

In the second hypothesis I take into account the domestic adoption costs for the target government. The size of domestic adoption costs determine whether target governments would accept or reject the conditions imposed by the EU. "The external incentives model assumes that adoption is always costly or otherwise political reforms would have already taken place in the absence of EU political conditionality" (Schimmelfennig and Sedelmeier, 2004:674). Adoption costs can take "the form of opportunity costs of forgoing alternative rewards offered by adopting rules other than EU rules", and these costs may produce "welfare or power costs for private and public actors" (ibid:674). If the domestic adoption costs to comply with EU conditionality are too high, the chance that this government will comply with EU measures is low. Therefore my second hypothesis is:

H2: The lower the domestic adoption costs of the candidate country, the less corrupt the country will be.

Altogether, the external incentives model depends on rationalist conditions, implying that conditionality will be most effective if the chance of accession to the EU is high and domestic adoption costs are low.

2.3.2 SOCIAL LEARNING MODEL

"The social learning model is an alternative to the external incentives model, as it assumes a logic of appropriateness as opposed to logic of consequences" (March and Olsen, 1989:160–1). "Actors involved are according to this logic motivated by internalized identities, values and norms, and these factors are important for the process of EU rule transfer and adoption" (Schimmelfennig and Sedelmeier, 2004: 675). "The Union is in this perspective an international institution that can be defined by a specific collective identity and a set of common values and norms. A target government adopts EU conditions if the government is persuaded of the appropriateness of EU rules and its

[5] http://ec.europa.eu/enlargement/ instruments/overview/index_en.htm
[6] http://ec.europa.eu/regional_policy/thefunds/funding/index_en.cfm

demands for rule adoption is in the light of these common identities, values and norms" (ibid:675-6). Conditionality is likely to be effective in those countries that have a strong identification with Europe, because these countries are more committed to EU values and norms, and they strive to be recognized as part of the 'European family of democratic nations'. Therefore I formulate hypothesis three as:

H3: The stronger the commitment of the candidate country to Europe, the less corrupt the country will be.

Another control variable is economic interdependence. "The economic interdependence is based on the assumption that opportunity costs of non-accession will mobilize societal actors in favour of EU conditions" (ibid:501). Societal mobilization is expected to be high in those countries with a high degree of economic interdependence with the EU. The candidate countries have close economic ties with the EU, but Serbia for example also has close ties with Russia. This carries to the final hypothesis:

H4: The higher the economic interdependence between the candidate country and the EU, the less corrupt the country will be.

2.4 CONCLUSION

This chapter provided the theoretical framework for my thesis. I discussed the concepts of conditionality and corruption. These two concepts form the core of this research. As the theoretical framework of this research is based on the conditionality theory of Schimmelfennig and Sedelmeier (2004, 2005) it is important to have a clear image of what this concept entails. Corruption moreover, can be explained and defined in many different ways. Here I choose to use the definition of Transparency International. However, both are important in order to answer the research question, which is based upon these concepts.

The hypotheses I formulated above will help unravel which factors play a decisive role in the functioning of conditionality, and thus help to answer the research question. These hypotheses are based on the theory of Schimmelfennig and Sedelmeier (2004, 2005). I use the external incentives and social learning model because these are the two EU external governance models which Schimmelfennig et al tested in 2003, when they examined the 'the impact of EU democratic conditionality in Turkey, Latvia and Slovakia' under the accession process in these three candidate countries. The four factors in the hypotheses are: the size of funds in Euros, domestic adoption costs, commitment of the candidate country and economic interdependence. The first two factors, the size of funds in Euros and domestic adoption costs belong to the external incentives model. I have chosen for these two factors, as Schimmelfennig et al (2003) found in their empirical analysis that rewards in Euros and the size of the adoption costs are the key variables influencing compliance, Schimmelfennig states that these are the key determinants of conditionality. That is why I chose to use only two conditions from the external incentives model. The other two factors of the social learning model are commitment of candidate country and economic interdependence. I deliberately omitted the societal salience factor, as we have an equilibrium for each model now. It will be interesting to see whether there is a factor which plays the most decisive role in the conditionality theory and whether this differs per country. Also we might be able to discern whether there is a model with more influence in the conditionality process, the external incentives model or the social learning model.

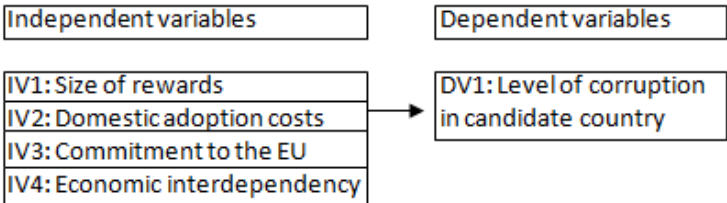| Independent variables	Dependent variables
IV1: Size of rewards	DV1: Level of corruption in candidate country
IV2: Domestic adoption costs	
IV3: Commitment to the EU	
IV4: Economic interdependency	

Table 2.1 Theoretical model

The next chapter will go into detail about the methodology, so involves data collection and data analysis and the variables presented in table 2.1.

3. Methodology

In this chapter I present the methodology which forms the connection between theory and the analysis. Paragraph 3.1 is an introduction to this chapter. In paragraph 3.2 I present the research design I use. The third paragraph is about case selection, the fourth paragraph about data collection. In the fifth paragraph I present the data analysis and in the sixth paragraph I discuss the limitations of this study. Finally, the last paragraph concludes with an overview on the methodological framework of this study.

3.1 Introduction

The goal of this study is to find out whether there are differences in the adoption process of EU anti-corruption measures by the EU candidate countries Montenegro, Serbia and Macedonia and which factors help explain these differences. The following sub questions are formulated in order to reach this goal and to conduct the analysis:
Sub question 1: *What relationship exists between the adoption of the EU anti-corruption framework and the level of corruption in the candidate country?*
Sub question 2: *What is the level of corruption and to what extent did it vary in the three candidate countries over the period 2003 -2013?*

3.2 Research Design

I use a qualitative comparative most similar design to answer my research question. Most similar designs exists of cases which are very similar to each other. In this research the cases are the candidate countries of the Western Balkans, which in many ways are similar to each other. In the next paragraph I will show why they are so similar. The idea of a most similar comparison is that the cases only differ in the dependent variable, where we assume that it therefore makes it easier to find the independent variables which explain the presence or absence of the dependent variable. This kind of design is very useful, as it keeps otherwise confusing variables in the research constant. A most different design, on the other hand, seeks to show the robustness of a relationship between two factors by demonstrating its validity across diverse settings (Przeworski&Teune, 1970). "Qualitative comparisons fall between case studies and statistical analysis. Most often, the number of countries is either two, a binary comparison or three, a triangular comparison" (Hague&Harrop, 2010:50). In this research I will make a triangular comparison. I have chosen this particular research design as I wanted to investigate the candidate countries of the Western Balkans, if I had chosen to examine all EU candidate countries it would have been more suitable to choose a most different comparison design. For this particular research question (to explain differences between the countries) I think a qualitative comparative most similar design is the most suitable research design.

3.3 Case selection

The cases selected in this research are the EU candidate countries Montenegro, Serbia and Macedonia. These three countries from the Western Balkan region have all been granted clear perspective to join the EU in 2003 (European Council, PRES/03/163, 2003). I have not selected Iceland and Turkey, also EU candidate countries, as I will perform a most similar comparison. Iceland and Turkey are two very different countries and are also in different stages of the accession process. The selected cases in this study have the following features in common:
- They have a federal basis as having been part of the Socialist Federal Republic of Yugoslavia (SFRY);
- They recently became an independent sovereign state;
- They want to become a member of the EU;

	Montenegro	Serbia	Macedonia
Year of independence	1992,dissolution SFRY 2006, from State Union with Serbia	1992,dissolution SFRY 2006, from State Union with Montenegro	1991
Candidate country	December, 2010	March, 2012	December, 2005
Government	Parliamentary Republic	Parliamentary Republic	Parliamentary Republic
Place on corruption index (Transparency International)	67 out of 177	72 out of 177	67 out of 177
World Press Freedom Index (Reporters without Borders)	114 out of 180	54 out of 180	123 out of 180

Table 3.1 Case selection

Because of the similarities between the countries it makes it easier to draw a comparison. Many differences have already been accounted for as they share the same features. Therefore if we encounter differences it is more likely that it is the result of one of the independent variables, and that enhances the reliability of my research.

3.4 DATA COLLECTION

The main goal of this thesis is to find out whether EU conditionality is effective in the Western Balkan candidate countries in the area of corruption, and what factors can explain the outcome. Therefore I have formulated my research question as following: *Which differences can be discerned in the adoption of EU anti-corruption measures by the candidate countries (Montenegro, Serbia and Macedonia) within the time frame 2003-2013 and which factors help explain these differences?* As my research question is explanatory in nature, there is a relationship under study between the conditionality theory and the adoption of anti-corruption measures by candidate countries. The following sub questions are used to obtain the necessary information to answer the research question. Sub question 1: *What relationship exists between the adoption of the EU anti-corruption framework and the level of corruption in the candidate country?* And *s*ub question 2: *What is the level of corruption and to what extent did it vary in the three candidate countries over the period 2003 - 2013?*

It is important to know the level of corruption in the candidate countries to be able to put the outcomes into perspective. Moreover, I want to find out what kind of measures they already adopted. Than their actions or maybe non-actions will become clearer to us. For example: Did this country develop an anti-corruption agency or not, because this is in the EU framework? Without this information it is hard to answer the research question, the sub questions will help us understand and put the information we have into perspective.

In the next chapter I will answer sub question 2 with the help of Transparency International Corruption Perception Index (CPI), and the GRECO Reports. These reports will give a detailed understanding about the current situation and the situation in the past concerning adopting anti-corruption measures in the respective candidate countries and therefore be really useful for my research. In the next paragraph I will describe the data I use and how I use this data to answer my research question.

3.5 DATA ANALYSIS

I will do a qualitative comparative most similar design making use of already existing literature and reports and I will test hypotheses on this topic to answer my research question. According to Babbie (2010:98) the units of analysis is the what or whom being studied, in this case these are the

respective candidate countries. The time frame chosen for this study is from the Thessaloniki Summit in 2003, where the Commission granted all Western Balkan countries a clear perspective of the possibility of joining the EU one day, till 2013. I have chosen for the Thessaloniki Summit as a start of my research as this is a date equal for all three countries in the research. Other possibilities would have been date of independence, date of expressing their commitment to EU membership or the date they officially became candidate country but as these dates are all different for the three countries the granting of membership perspective in 2003 would be the best date. I will use the time frame 2003 – 2013 to examine for the three countries the development of corruption over time, with help of the independent variables.

In the previous chapter I formulated four hypotheses which I derived from the theory of Schimmelfennig and Sedelmeier about EU conditionality and their two models: external incentive and social learning model. The hypotheses are the following:

H1: *The bigger the CARDS and IPA I funds (in Euros) for the candidate country, the less corrupt the country will be.*

H2: *The lower the domestic adoption costs of the candidate country, the less corrupt the country will be.*

H3: *The stronger the commitment of the candidate country to Europe, the less corrupt the country will be.*

H4: *The higher the economic interdependence between the candidate country and the EU, the less corrupt the country will be.*

The dependent variable Y in this study is the level of corruption in the candidate countries.

There are four independent variables X in this study. Analysis of the independent variables:

X1: I measure the size of the funds the countries were allocated, with help of CARDS and IPA I data. The amount of money the candidate country obtained over the period 2003 – 2013 will be calculated. Moreover, I compare for each candidate country the allocated amount in 2003 with the allocated amount in 2013, this way I can see whether the budget increased or decreased in percentage over the 10 year period. From these percentages the conclusion can be drawn which country received most money through the CARDS and IPA I fund.

X2: X2 is operationalised as follows: the domestic adoption costs are captured by the indicator on the nature of the country's governing regime. Therefore I use The Economist Intelligence Unit Index of Democracy, which focuses on five general categories, namely; electoral process and pluralism, civil liberties, functioning of government, political participation and political culture (Economist Intelligence Unit, 2012) to measure this variable. The outcomes show which country has the lowest domestic adoption costs.

X3: I measure variable X3 by using the way Schimmelfennig et al. (2003) measured this variable in their comparison of Turkey, Latvia and Slovakia. In this article they also measured commitment to the EU. I use three of their four indicators to measure this variable. These are: behavior of political elites, membership of other European/Western international organizations and support within the country for EU membership. I define behavior of the political elite as the official stance of the ruling party of the country on EU membership. For the second indicator I select six international organisations. These are the UN, Council of Europe, NATO, IMF, OSCE and WTO because they are Western/European oriented and are relevant to the respective countries. I omit the fourth indicator on how the countries conceive themselves because it is hard to find objective, first hand sources about this. Based on the outcomes of the three indicators I can analyze which country is more committed to the EU. I use the Eurobarometer, official websites of the ruling political parties and the websites of the international governmental organisations as sources.

X4: Economic interdependency is measured in two ways. Firstly, by looking at the balance of import and export of the specific country with the EU. Did this balance, incline, decline or did it stay equal over the years? Secondly, I analyze the top trading partners of the respective countries to see how

much of their trade (in percentage) is with the EU. The data is obtained from statistical reports of the DG on Trade and from Eurostat.

I can draw conclusions, based on the outcomes of the tested hypotheses against the theory. With these outcomes I can explain the differences in adopting EU anti-corruption measures between the three candidate countries.

3.6 LIMITATIONS

In order to answer my research question, it is important to take into account whether there could be any threats or limitations to my research design. With a comparative most similar research design, there are many possibilities that there are missed or intervening variables. Using countries as the main object of the study might also give a lot of threats to the outcome of your research. This is also stated by Hague and Harrop (2010:49) "Even with 191 sovereign states, it is impossible to find a country which is identical to another in all respects except for that factor whose effects we wish to detect. For this reason, political comparisons can never be as precise as laboratory experiments. We just do not have the countries to go round". Although a most similar qualitative comparison is a method which incorporates many risks, in my opinion it was most suitable for this research.
There are some limitations in the quality of the data which is used to analyze my hypotheses. Concerning the measurement of variable 1: size of CARDS and IPA funds, the relative amounts of money cannot be compared because the size of the population differs considerably per country. For variable 2: domestic adoption costs, the reports of the Economist Intelligence Unit Index of Democracy only appear bi-annually and not every year. For variable 3 on public opinion support for the EU, I only have reliable data from the Eurobarometer from 2010 onwards, not from 2003 onwards. Finally for variable 4 the data is about the top trading partners over 2012, and not over the years before.

3.7 CONCLUSION

In this chapter, the methodology of this research was discussed. First, I elaborated on the research design. Next, it became clear that the cases of Montenegro, Serbia and Macedonia can be seen as a most similar comparison. In table 3.1 we saw what features they have in common. Also, I discussed why I omitted the other candidate countries Turkey and Iceland. Paragraph 3.4 and 3.5 concern the data collection and data analysis. In the data analysis paragraph, I described how to answer my research question. The conditionality principle, of which Schimmelfennig and Sedelmeier derived their theory and two models, is important in this paragraph. I derived my hypotheses from the four variables, which make up the external incentives model and social learning model. In order to answer my second sub question, I will analyze the information of Transition International and GRECO.
For the first hypothesis, I retrieved the numbers about the CARDS and IPA I assistance from the European Commission and collected them in table 5.1 and 5.2. Also data from the World Bank is used. For the second hypothesis, I retrieved the information from The Economist Intelligence Unit Index of Democracy. In my opinion this is a reliable indicator for the domestic adoption costs of a country. I analyzed hypothesis three by using indicators based upon the indicators from Schimmelfennig et al. (2003), in order to measure the commitment of the candidate countries to the European Union. The indicators are measured by using data from: Eurobarometer, the official webpages of the ruling political parties, and the websites of the selected intergovernmental organisations. For the last hypothesis, the data used is from Eurostat and the European Commission DG Trade, which are sources for the economic numbers of the respective countries. These hypotheses contribute to the answer of the research question.
In the next chapter, I will investigate the answer to my second sub question. In chapter five, I will apply my hypotheses.

4. DATA ANALYSIS

In this chapter I answer my second sub question: *What is the level of corruption and did it vary in the three candidate countries over the period 2003 - 2013?* To answer the second sub question, I use the Transparency International Corruption Perception Index (CPI), which has data over the whole period, and the GRECO reports. In the conclusion, I am able to connect the answer of the second sub question to the EU conditionality theory. I use this information in the next chapter to assess the hypotheses and to answer my research question.

4.1 LEVEL OF CORRUPTION

To answer the second sub question, I use the CPI of Transparency International and I evaluate the GRECO reports, because both provide useful information. Transparency International and GRECO both provide data which are not produced by the EU, as it is important that not all my sources are European Union related or become one-sided. I choose to use Transparency International, which is an important international NGO. They produce a leading corruption index, which reflects the view of observers around the world. Additionally, the GRECO Reports are useful because GRECO is part of the Council of Europe. It is an independent body, their information is trustworthy and has not been influenced from an EU angle.

4.1.1 CORRUPTION PERCEPTION INDEX

Firstly, I use the CPI of Transparency International to get a general overview of the development of corruption in Montenegro, Serbia and Macedonia over the past years. "The CPI ranks countries and territories based on how corrupt their public sector is perceived to be. A country or territory's score indicates the perceived level of public sector corruption on a scale of 0 - 100, where 0 means that a country is perceived as highly corrupt and 100 means it is perceived as very clean. A country's rank indicates its position relative to the other countries and territories included in the index" (Transparency International, 2013).

CPI	Montenegro	Serbia	Macedonia
2003	106	106	106
2004	97	97	97
2005	97	97	103
2006	No data	90	105
2007	84	79	84
2008	85	85	72
2009	69	83	71
2010	69	78	62
2011	66	86	69
2012	75	80	69
2013	67	72	67

Table 4.1 CPI ranks relative to other countries from 2003 to 2013[7]

Important to note, Montenegro and Serbia formed a state union till 2006, therefore the ranks till 2006 were the same for both countries. In this table, a clearly positive trend can be identified towards the perceived corruption in the three countries. All three countries started at the 106th place out of 175 in 2003, and 10 years later they rose around 40 places. Montenegro, Serbia and Macedonia went through the same development, although we do not know the factors, which caused this rise. To put into perspective, all western European countries were within the top 25 of the index, and 12 EU countries were within the top 30 of the CPI 2013.

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[7] http://www.transparency.org/research/cpi/overview

4.1.2 GRECO REPORTS

Montenegro, Serbia and Macedonia are signatories to GRECO. I choose topics from each evaluation round and compare the outcomes for the three countries. This is a good way to analyze and compare the progress the countries have made in their fight against corruption. However, the evaluation rounds did not take place in the same years, Montenegro and Serbia joined GRECO later than Macedonia did. But the evaluation rounds do fit the timeframe of the study from 2003 – 2013 (except for the first report on Macedonia, 2002).

Evaluation rounds	Montenegro	Serbia	Macedonia
First round	2005	2005	2002
Second round	2005	2005	2004
Third round	2010	2010	2009

Table 4.2 Evaluation rounds GRECO.

GRECO evaluation round 1
In the first evaluation round, three principles are under investigation. Out of these three principles, I choose one aspect of each principle to compare. The aspects of round 1 are: cases of bribery, the ombudsman and immunities from investigation, prosecution, and adjudication for corruption offences.

Montenegro
- Cases of bribery: there is no information on number of cases, indictments etc.
- Ombudsman: enacted in 2003, with a staff of 22 persons.
- Immunities: President of the Republic, Members of the Government, Members of the Assembly (Parliament), Judges, Constitutional Court Judges, State Prosecutors, the Ombudsperson and his/her deputy.

Serbia
- Cases of bribery: see table 4.3
- Ombudsman: established during GRECO visit in 2005, however during that time there was no ombudsman appointed yet.
- Immunities: President of the Republic, Members of Government, Members of the National Assembly (Parliament), Constitutional Court Judges, Judges, Prosecutors.
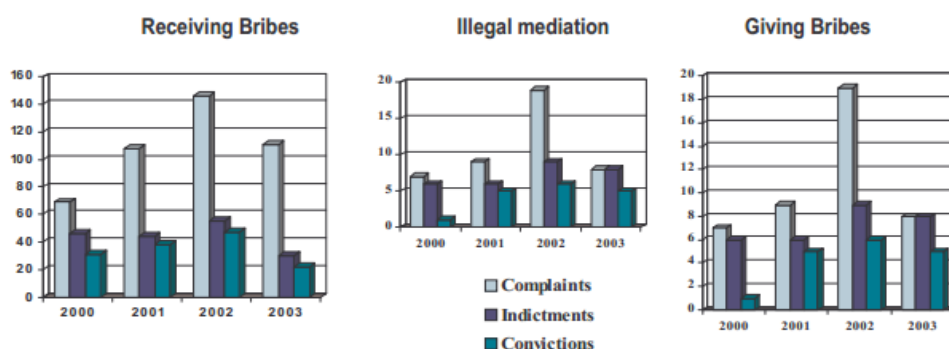
Table 4.3 Reported bribes in Serbia 2000-2003

Macedonia
- Cases of bribery: According to the statistics provided to the GET (GRECO Evaluation Team), in 2001, 20 cases of passive bribery, 12 of active bribery and 513 of misuse of official position and power were reported to the law enforcement agencies; there were 7 convictions for bribe taking, 8 for bribe giving and 36 for misuse of official position and power.
- Ombudsman: established in 1997, working with 30 staff.

- Immunities: President of the Republic, Deputies of the National Assembly, Head and Members of Government, Judges, Prosecutors, Members of the Republic Judicial Council and Constitutional Court.

GRECO evaluation round 2

In the second evaluation round, three principles are under investigation. Out of these three principles, I choose one aspect of each principle to compare. The aspects of round 2 are: reporting on corruption and liability of legal persons.

Montenegro
- Reporting corruption: All state authorities, local government authorities, public companies and institutions are bound to report criminal offences and to preserve the evidence thereof. This obligation is complemented by a civic obligation on each citizen to report criminal offences prosecuted ex officio. Failure to report a criminal offence constitutes a criminal offence in cases prescribed by the Code. No measures have been put in place to protect civil servants reporting criminal offences, including corruption, from adverse consequences.
- Liability of legal persons: The Criminal Code establishes the principle of corporate liability for criminal offences. Article 31 (Criminal liability of legal persons) reads as follows: (1) liability of legal persons for criminal offences, as well as sanctions to be applied thereto shall be envisaged by law. (2) Criminal offences for which a legal person can be held criminally liable shall be prescribed by law, as well. There are no other provisions providing for any sort of criminal liability of legal entities in the legal system of Montenegro.

Serbia
- Reporting corruption: The obligation for public officials and civil servants to report criminal offences to the public prosecutor's office is set out in Articles 222 and 224 of the Code of the Criminal Procedure. Failure to report a criminal offence and denounce its perpetrator constitutes a criminal offence. A public official failing to report a criminal offence which is punishable by five or more years of imprisonment and of which s/he has learned in the performance of his/her duties, can be punished by three years of imprisonment. No specific protection is offered to public officials and civil servants reporting instances of corruption within the public administration.
- Liability of legal persons: No provisions exist or measures have been undertaken to establish civil, criminal or administrative liability of legal persons specifically for corruption (or corruption-related) offences. The legal system of Serbia does not recognise the principle of criminal liability of legal persons.

Macedonia
- Reporting corruption: The Law on the Prevention of Corruption determines that any person who has revealed a corruption related offence should not be prosecuted and should be provided with adequate protection. This law also states that a person who has testified in a procedure concerning corruption, has a right to compensate for damage s/he has suffered as a result of the testimony.
- Liability of legal persons: Administrative liability for legal persons has existed in Macedonia for a long time. However, this only applies to minor administrative offences. With the amendment of the Criminal Code in April 2004, criminal liability was introduced for legal persons. There is also criminal responsibility for legal persons with regard to active bribery, money laundering. Trading in influence is not criminalised in respect of legal persons.

GRECO evaluation round 3

In the third evaluation round, two principles are under investigation. Out of these two principles, I only choose one aspect of one principle to compare. The aspect of round 3 is the legal framework on the financing of political parties.

Montenegro
- Legal framework on the financing of political parties: The legal framework on financing of political parties and electoral campaigns has been subject to significant reform over the last few years. Two key instruments have been adopted in this domain, notably, the 2008 Law on Financing of Political Parties and the 2009 Law on Funding Election Campaigns for the President of Montenegro, Mayors and Presidents of municipalities. They both comprise positive elements to strengthen transparency, oversight and accountability of political finances, measures are in place to enhance the financial discipline of parties and candidates.

Serbia
- Legal framework on the financing of political parties: The legal framework in Serbia, is recent and is still being developed. A number of provisions are to the legislation's credit and show the intention of the legislator to enhance the transparency and accountability of political financing concerning notably: detailed lists of permitted and prohibited funding sources, including a ban on donations from anonymous and foreign sources. That said, the system in place is affected by two major weaknesses: the many gaps in the law which can only give rise to circumvention of the relevant transparency goals and principles pursued by the legislator, and the failure of the authorities to apply this system effectively.

Macedonia
- Legal framework on the financing of political parties: The legal framework in Macedonia is recent and rather well-developed. The Law on Financing of Political Parties in particular, which was adopted as the result of consensus between political parties, contains a number of strong features, such as a ban on foreign and anonymous donations, caps and disclosure rules, including quarterly reports on private donations and a prohibition of "quid pro quo agreements".

4.2 CONCLUSION

In this chapter I analyzed the level of corruption in Montenegro, Serbia and Macedonia over the years 2003 – 2013 in different ways. The results of the Corruption Perceptions Index of Transparency international showed that the countries do not differ much in this respect, as their places on the 2013 list are very close to each other. Moreover, the GRECO Reports provided additional insight in the numbers of the CPI and the improvements over the years. The GRECO reports are less frequently published than for example the Progress Reports of the European Commission, but are better to use for a comparison as GRECO investigates the same topics for each country. I discerned differences in the adoption of EU anti-corruption measures between the countries. In the first GRECO evaluation round, I compared the Ombudsman institution. During this round, Serbia did not have an Ombudsman yet, while the institution was fully functioning in Montenegro and Macedonia. In the second evaluation round, there were again differences between Serbia on the one hand, and Montenegro and Macedonia on the other hand. The legal system of Serbia did not recognize the principle of criminal liability of legal persons, whereas the systems of Montenegro and Macedonia did recognize this. In the last evaluation round I compared the legal framework on the financing of political parties. Macedonia had a recent and rather well developed framework in place. The Montenegrin framework had been subject to significant reforms but comprised positive elements. However, the Serbian framework did suffer from two major weaknesses. All together, the conclusion of the analysis of the GRECO reports is that Macedonia has most anti-corruption legislation adopted. This can be explained by the fact that Macedonia was granted candidate status in 2005, five years

before Montenegro and seven years before Serbia. However, Montenegro also adopted much more legislation than Serbia, while there is only a two years difference. In the next chapter, I apply my hypotheses to analyze which variable explains the compliance of candidate countries with EU conditionality.

5. COMPARATIVE ANALYSIS

In this chapter I apply my four hypotheses which I derived from the theory of Schimmelfennig and Sedelmeier, to answer my research question: *Which differences can be discerned in the adoption of EU anti-corruption measures by the candidate countries (Montenegro, Serbia and Macedonia) within the time frame 2003-2013 and which factors help explain these differences?* The hypotheses are the following:

H1: The bigger the CARDS and IPA I funds (in Euros) for the candidate country, the less corrupt the country will be.

H2: The lower the domestic adoption costs of the candidate country, the less corrupt the country will be.

H3: The stronger the commitment of the candidate country to Europe, the less corrupt the country will be.

H4: The higher the economic interdependence between the candidate country and the EU, the less corrupt the country will be.

For every hypothesis I make a ranking from 1 to 3, which country fulfills best the requirements of the hypothesis. Finally, the country which received the least points, is expected to comply best with EU conditionality in this field. Also through this analysis I am able to discern the factors which cause the differences between the countries in the adoption process.

5.1 HYPOTHESES

I discuss the four hypotheses one by one, starting with hypothesis 1:

H1: The bigger the CARDS and IPA I funds (in Euros) for the candidate country, the less corrupt the country will be.

I measure the size of the funds the countries were allocated, with help of CARDS and IPA I data. The amount of money the candidate country obtained over the period 2003 – 2013 will be calculated. Moreover, I compare for each candidate country the allocated amount in 2003 with the allocated amount in 2013, this way I can see whether the budget increased or decreased in percentage over the 10 year period. From these percentages the conclusion can be drawn which country received most money through the CARDS and IPA I fund.

The IPA I beneficiary countries are divided into two categories:
- EU candidate countries (Croatia, Turkey and the former Yugoslav Republic of Macedonia) are eligible for all five components of IPA;
- Potential candidate countries in the Western Balkans (Albania, Bosnia-Herzegovina, Montenegro, Serbia, and Kosovo under UN Security Council Resolution 1244/99) are eligible only for the first two components.

Because Macedonia is eligible for all five components of IPA I, I would expect higher funds for Macedonia in the IPA I period 2007 – 2013.

CARDS funds	Montenegro	Serbia	Macedonia
2003	€ 12.000.000	€ 220.000.000	€ 33.500.000
2004	€ 16.760.000	€ 207.130.000	€ 51.000.000
2005	€ 23.120.000	€ 147.170.000	€ 37.500.000
2006	€ 20.710.000	€ 157.460.000	€ 32.500.000
TOTAL	**€ 72.590.000**	**€ 731.760.000**	**€ 154.500.000**

Table 5.1 Cards funds allocated in the period 2003 – 2006. Source European Commission[8].

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[8]

http://ec.europa.eu/enlargement/pdf/financial_assistance/phare/evaluation/2013/final_evaluation_report_ares.pdf

IPA I funds	Montenegro	Serbia	Macedonia
2007	€ 31.400.000	€ 189.700.000	€ 58.500.000
2008	€ 32.600.000	€ 190.900.000	€ 70.200.000
2009	€ 34.500.000	€ 194.800.000	€ 81.800.000
2010	€ 33.500.000	€ 197.900.000	€ 91.600.000
2011	€ 34.100.000	€ 201.800.000	€ 98.000.000
2012	€ 35.000.000	€ 202.000.000	€ 101.800.000
2013	€ 34.500.000	€ 208.300.000	€ 113.200.000
TOTAL	**€ 235.600.000**	**€ 1.385.400.000**	**€ 615.100.000**

Table 5.2 IPA I funds allocated in the period 2007 – 2013. Source: European Commission.[9]

The amount of money allocated to the countries through the CARDS and IPA I fund increased over time (table 5.1, 5.2). This implied that the countries at least performed well enough to earn funds during IPA I again and that they have not been punished for not executing certain tasks (like Bosnia in the example). This indirectly implied that they must have spent part of the funds in fighting corruption, as also anti-corruption projects are funded through the CARDS and IPA I programmes. However, I cannot say which country performed better, meaning which country received the most money, compared to the others, as the size of the population differs too much. Logically Serbia received more money than Montenegro or Macedonia because they had more inhabitants, however it did not mean that Serbia complied better with EU conditions than Montenegro or Macedonia. To solve this problem, I can calculate whether the countries received more or less money (as a percentage, comparing 2003 to 2013). This comparison over 10 years gives a clear and direct insight in money flow, thus it means that they complied better with EU conditions if this percentage increases. This gives the following results:

	Montenegro	Serbia	Macedonia
2003	€ 12.000.000	€ 220.000.000	€ 33.500.000
2013	€ 34.500.000	€ 208.300.000	€ 113.200.000
Percentage	+187.5%	-5.3%	+237.9%

Table 5.3 Relative increase or decrease in funds in 10 year period (in percentages).

However, I do not know whether these figures are adapted for inflation. Therefore, in table 5.4, inflation figures are shown to exclude a possible bias concerning the funds the candidate countries received. The inflation rate of Serbia was significantly higher in these years compared to Montenegro and Macedonia. Therefore, I corrected the allocated money for inflation (in order to exclude an effect of inflation in table 5.3), this data shows that Serbia received relatively more money every year (as shown in Annex 2). However, the percentage of money going to Serbia over 10 years did not increase. For Macedonia, the percentage even slightly increased (table 5.5). For Montenegro, no inflation data was available over the 2003-2005 period, therefore I cannot calculate the inflation corrected percentage.

	Montenegro	Serbia	Macedonia
2003	not known	9,9	1,1
2004	not known	11	0,9
2005	not known	16,1	0,2
2006	2,9	11,7	3,2
2007	4,3	6,4	2,3
2008	8,8	12,4	8,3
2009	1	8,1	-0,7
2010	1	6,1	1,5

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[9] from: http://ec.europa.eu/enlargement/instruments/overview/index_en.htm

2011	0,9	11,1	3,9
2012	1,3	7,3	3,3
2013	1,9	7,7	2,8

Table 5.4 Inflation figures 2003-2013. Source: World Bank[10]

	Montenegro	**Serbia**	**Macedonia**
2003	no inflation figure	€ 241.780.000,00	€ 33.868.500,00
2013	€ 35.155.500,00	€ 224.339.100,00	€ 116.369.600,00
Percentage	-	- 7,2%	+243,6%

Table 5.5 Relative increase or decrease in funds in 10 year period corrected for inflation (in percentages).

The numbers in table 5.3 and 5.5 are interesting, because the amount of money Montenegro and Macedonia received increased enormously over 10 years, while Serbia saw a relative decrease in the amount of money they received. This was also the case when I corrected the allocated money for inflation. From this I can conclude that Macedonia complied best with EU conditions and therefore got rewarded with more money through funds. Just like Montenegro, while Serbia stayed at the same level.
1. Macedonia
2. Montenegro
3. Serbia

H2: The lower the domestic adoption costs of the candidate country, the less corrupt the country will be.
The domestic adoption costs are operationalised as follows: the domestic adoption costs are captured by the indicator on the nature of the country's governing regime. The Economist Intelligence Unit Index of Democracy, which focuses on five general categories, namely; electoral process and pluralism, civil liberties, functioning of government, political participation and political culture which are subdivided into 60 indicators. The index of democracy is divided into four regime types:
1. Full democracies—scores of 8 to 10.
2. Flawed democracies—scores of 6 to 7.9.
3. Hybrid regimes—scores of 4 to 5.9.
4. Authoritarian regimes—scores below 4.

The Economist started with the Index of Democracy in 2006, and measures this bi-annually. This means that we have data for 2006, 2008, 2010 and 2012. These years fit into the time span of 2003 - 2013. I deliberately choose the Index of Democracy above the Freedom House measures of Freedom in the World as the Index of Democracy goes more into detail and shows clearer distinction between countries than the Freedom House Index. See Annex 3 for extended tables for each country.

Index of Democracy	**Montenegro**	**Serbia**	**Macedonia**
2006	6.57	6.62	6.33
2008	6.43	6.49	6.21
2010	6.27	6.33	6.16
2012	6.05	6.33	6.16

Table 5.6 Index of Democracy, overall results. Source: The Economist

In table 5.6 a slight dropdown is identified in the level of democracy in all three countries. Montenegro made the biggest fall down of more than 0.5 points and is now very close to changing from a flawed democracy into a hybrid regime. These numbers are surprising as one would expect

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[10] http://data.worldbank.org/indicator/FP.CPI.TOTL.ZG

the countries to become more stabile and more democratic, the more years have passed after the war and with the support of the EU. Nevertheless, if I get back to my hypothesis in this case, I could state that Serbia was the most democratic country as it claimed the highest rank on the Index of Democracy in 2012 compared to Montenegro and Macedonia. This meant that the domestic adoption costs in Serbia were lower than in Montenegro and Macedonia, as Serbia functioned better as a democracy and it thus took less effort internally to comply with EU conditions.

1. Serbia
2. Macedonia
3. Montenegro

H3: The stronger the commitment of the candidate country to Europe, the less corrupt the country will be.

I measure this variable by using the way Schimmelfennig et al. (2003) measured this variable in their comparison between Turkey, Latvia and Slovakia. In this article they measured commitment to the EU. I use three of their four indicators to measure this variable. The indicators are: behavior of political elites, membership of other European/Western organizations and support within the country for EU membership. Based on the outcomes of this three indicators I can analyze which country is more committed to the EU. I use the Eurobarometer, official websites of the ruling political parties and the websites of the international governmental organisations as sources.

Behavior of political elites

Montenegro*:* On the official website of the ruling party of Montenegro, the Social Democratic Party it says the following under the header 'Montenegro and the EU': "SDP is the only party on the political scene of Montenegro, which is an authentic representative of the idea of European integration. European integration has been the constant of the political program of the SDP since the establishment of the party"[11].

Serbia: In the Serbian Progressive Party factsheet found on the party website the following statements are made: 'Ideology: Pro-European centre-right conservatism'. And "By supporting Serbian-European integration, Nikolić attracted tens of thousands of Serbian citizens into the newly-formed SNS, aiming to modernize and fully develop the country, as well as to establish friendly economic and political relations with all world nations" (SNS, 2014).

Macedonia: on the official website of the ruling party of Macedonia VMRO-DPMNE it says: "Accession of Macedonia into NATO and start of the negotiations for membership in the European Union, as well as membership in the Union remain top priorities in foreign policy of the new Government, designate Nikola Gruevski noted in the presentation of the draft government programme for the period 2014-2018"[12]. .Also in an interview for CNN published on the website of the VMRO-DPMNE Gruevski personally is positive about joining the EU and states that when all countries in the region join the EU, 'the region will have long-term stability'[13].

Membership of other European/Western international organisations

	Montenegro	Serbia	Macedonia
United Nations	2006	2000	1993
Council of Europe	2007	2003	1995
NATO	Candidate	Partner	Applied
IMF	2007	1992	1992
OSCE	2006	2000	1995

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[11] http://www.sdp.co.me/SDPoEU

[12] http://vmro-dpmne.org.mk/?p=23911

[13] http://vmro-dpmne.org.mk/?p=20246

WTO	2012	Candidate	2003

Table 5.7 Membership in international organisations. Sources: official webpages of the organisations

Support for membership within the country

	Montenegro	**Serbia**	**Macedonia**
2010			59%
2011	58%		65%
2012	50%	35%	57%
2013	44%	36%	50%

Table 5.8 Public opinion poll. Source: Eurobarometer 2010, 2011, 2012, 2013

I can conclude that the political elites in the three countries, on the basis of the official statements on the websites, are pro-European. In terms of membership of European/Western international organisations, Montenegro, Serbia and Macedonia are not members of NATO, however Montenegro is very close to joining NATO while Macedonia has applied for membership. Serbia on the contrary, does not want to be part of NATO[14]. There are almost no differences between Montenegrin and Macedonian memberships in international organisations. Montenegro joined much later in all cases but that is only because of the independence in 2006. I conclude that Montenegro and Macedonia are in this case equally pro-European and committed, and Serbia to a lesser extent. Last indicator in this hypothesis is the support for membership within the country measured by the Eurobarometer. I only have complete data over 2012 en 2013, however the message is clear. People in Macedonia were most supportive of EU membership, before Montenegro and Serbia. Although support clearly declined in Montenegro and Macedonia, this is difficult to say about Serbia yet. Taken this three indicators into account, Macedonia seems to be most committed to the EU.
1. Macedonia
2. Montenegro
3. Serbia

H4: The higher the economic interdependence between the candidate country and the EU, the less corrupt the country will be.
This variable is measured in two ways, first by looking at the balance of import and export of the specific country with the EU. Did this balance, incline, decline or did it stay equal over the years? Secondly, I look at the top trading partners of the respective countries to see how much of their trade (in percentage) is with the EU. Afterwards I combine the results of the two measurements. The data is obtained from statistical reports of the European Commission on Trade and from Eurostat.

The first three graphs are the EU trade flows and balance with Montenegro, Serbia and Macedonia. The graphs state that the data is from 2003 - 2012, but this is only the case for Macedonia. Montenegro and Serbia were not independent, so there are no numbers for these countries over the 2003, 2004 period.

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[14] http://www.cepolicy.org/publications/serbias-relations-nato-other-quieter-game-town
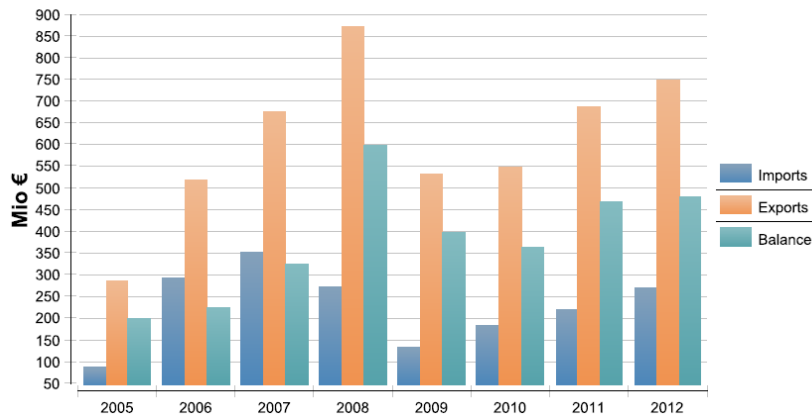
Table 5.9 European Union trade with Montenegro 2005-2012.
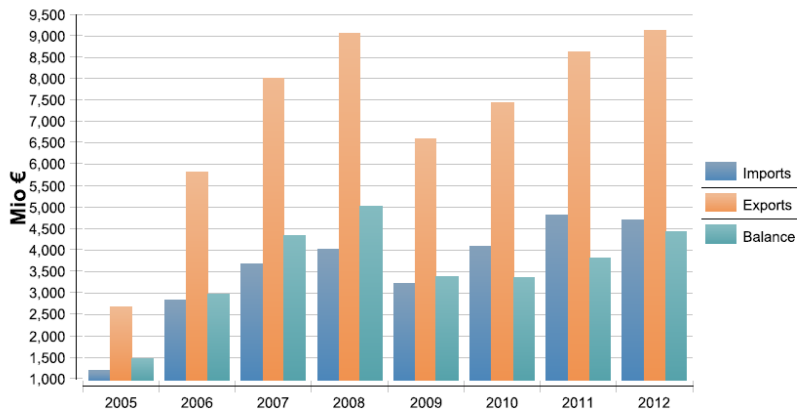
Table 5.10 European Union trade with Serbia 2005-2012.
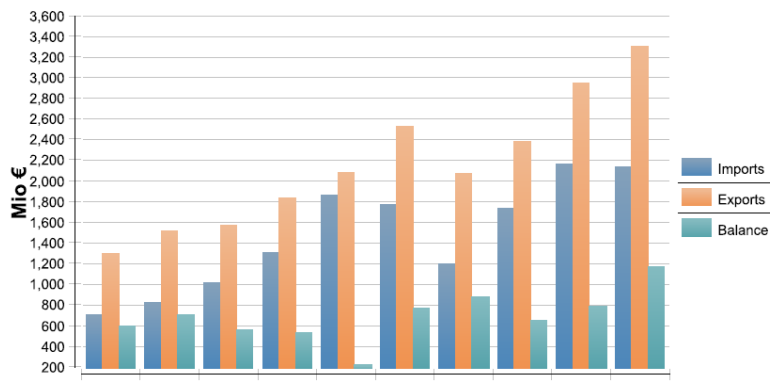
Table 5.11 European Union trade with Macedonia 2003-2012.

In the graphs the same pattern appears for all countries. Since 2003 imports and exports increased, until 2008. After 2008 there is a big decline in both imports and exports, I assume here that these are the causes of the economic crisis. Interestingly, only trade with Montenegro is not back on the level of 2008 yet. Serbia is on the same level as during the best year in 2008 and trade with Macedonia has even increased. Therefore the ranking is as follows:
1. Macedonia
2. Serbia
3. Montenegro

The graphs below show the top trading partners for the respective countries.

Total Goods: Top trading partners 2012

	Imports				Exports				Total trade		
	Partner	Value	Share in World		Partner	Value	Share in World		Partner	Value	Share in World
		(Mio €)	(%)			(Mio €)	(%)			(Mio €)	(%)
	World	984	100.0		World	141	100.0		World	1,125	100.0
1	European Union ...	680	69.2	1	European Union ...	102	72.5	1	European Union ...	783	69.6
2	China	131	13.3	2	Turkey	12	8.3	2	China	135	12.0
3	Turkey	28	2.9	3	Albania	8	5.4	3	Turkey	40	3.6
4	Switzerland	24	2.4	4	Russia	7	5.3	4	Switzerland	28	2.5
5	Japan	16	1.6	5	Switzerland	5	3.2	5	Albania	22	1.9
6	Brazil	16	1.6	6	China	4	2.7	6	Russia	21	1.9
7	Albania	14	1.4	7	Japan	2	1.4	7	Japan	18	1.6
8	USA	14	1.4	8	USA	1	0.7	8	Brazil	16	1.4
9	Russia	14	1.4	9	Canada	0	0.2	9	USA	15	1.3
10	South Korea	8	0.8	10	Israel	0	0.1	10	South Korea	8	0.7
1	European Union ...	680	69.2	1	European Union ...	102	72.5	1	European Union ...	783	69.6

Table 5.12 Top trading partners 2012 Montenegro.

Total Goods: Top trading partners 2012

	Imports				Exports				Total trade		
	Partner	Value	Share in World		Partner	Value	Share in World		Partner	Value	Share in World
		(Mio €)	(%)			(Mio €)	(%)			(Mio €)	(%)
	World	14,903	100.0		World	8,349	100.0		World	23,252	100.0
1	European Union ...	9,651	64.8	1	European Union ...	4,148	49.7	1	European Union ...	13,799	59.3
2	Bosnia-Herz.	491	3.3	2	Bosnia-Herz.	1,072	12.8	2	Bosnia-Herz.	1,562	6.7
3	Croatia	460	3.1	3	Russia	662	7.9	3	Russia	1,004	4.3
4	China	354	2.4	4	Serbia and Mont...	572	6.9	4	Croatia	716	3.1
5	Russia	342	2.3	5	For.JRep.Mac	346	4.1	5	Serbia and Mont...	708	3.0
6	Turkey	326	2.2	6	Croatia	256	3.1	6	For.JRep.Mac	617	2.7
7	For.JRep.Mac	272	1.8	7	South Korea	159	1.9	7	Turkey	472	2.0
8	Ukraine	244	1.6	8	Turkey	145	1.7	8	China	424	1.8
9	Serbia and Mont...	136	0.9	9	Albania	143	1.7	9	Ukraine	329	1.4
10	Switzerland	130	0.9	10	USA	106	1.3	10	USA	215	0.9
1	European Union ...	9,651	64.8	1	European Union ...	4,148	49.7	1	European Union ...	13,799	59.3

Table 5.13 Top trading partners 2012 Serbia.

Total Goods: Top trading partners 2012

	Imports				Exports				Total trade		
	Partner	Value	Share in World		Partner	Value	Share in World		Partner	Value	Share in World
		(Mio €)	(%)			(Mio €)	(%)			(Mio €)	(%)
	World	4,837	100.0		World	3,263	100.0		World	8,100	100.0
1	European Union ...	3,579	74.0	1	European Union ...	1,778	54.5	1	European Union ...	5,357	66.1
2	Serbia	380	7.9	2	Kosovo	398	12.2	2	Serbia	627	7.7
3	Turkey	235	4.9	3	Serbia	247	7.6	3	Kosovo	418	5.2
4	Croatia	107	2.2	4	Ukraine	109	3.3	4	Turkey	308	3.8
5	China	76	1.6	5	China	98	3.0	5	Croatia	185	2.3
6	Ukraine	73	1.5	6	Croatia	79	2.4	6	Ukraine	182	2.2
7	Switzerland	50	1.0	7	Bosnia-Herz.	77	2.4	7	China	174	2.2
8	Bosnia-Herz.	45	0.9	8	Turkey	73	2.2	8	Bosnia-Herz.	122	1.5
9	Albania	37	0.8	9	Albania	65	2.0	9	Switzerland	106	1.3
10	Kazakhstan	34	0.7	10	USA	64	2.0	10	Albania	102	1.3
1	European Union ...	3,579	74.0	1	European Union ...	1,778	54.5	1	European Union ...	5,357	66.1

Table 5.14 Top trading partners 2012 Macedonia.

The higher the economic interdependence of a candidate country, the better it will comply with EU conditionality. In this case it is clear that all three countries have strong trade relations with the EU. I only have data for top trading partners over 2012 and not over the previous years. Serbia has the lowest share in total trade with the EU. Serbia's other big trade partners account for Bosnia 6,7% of

total trade and Russia 4,3% of total trade. Macedonia trades 66,1% of its total trade with the EU, followed by 7.7% with Serbia and 5.2% with Kosovo. The numbers for Montenegro are interesting, it has an enormous share of its total trade with the EU, almost 70%. But the numbers two and three on the list are not neighbouring countries as is the case with Serbia and Macedonia. The percentage of trade with China (second) is 12.0%. The third biggest trading partner of Montenegro is Turkey, with a share of 3,6 %. Despite the share of 12.0% of the Chinese trade in Montenegrins total trade, Montenegro is most interdependent of the EU compared to Serbia and Macedonia. Because of its share of 69.6 % trade with the EU. Therefore the second ranking will be as follows.

1. Montenegro
2. Macedonia
3. Serbia

In the fourth hypothesis there were two rankings; the trade balance (import/export) with the EU and the top trading partners. I added up the rankings for these two topics and divided it by two, now this hypothesis has the same weight as the other three. The combined ranking:

1. Macedonia: 1.5 points
2. Montenegro: 2.0 points
3. Serbia: 2.5 points

5.2 CONCLUSION

Now that I have analyzed the four hypotheses and ranked the countries I can draw a conclusion. The country with the lowest number of points is most likely to comply best with EU conditionality. The final ranking is as follows:

1. Macedonia   6.5 points
2. Montenegro   9.0 points
3. Serbia   9.5 points

The ranking shows that Macedonia complied best with EU conditionality, and indirectly also adopted best the EU anti-corruption measures. Because fighting corruption is part of the whole process of becoming EU member and therefore also works through conditionality.

Macedonia received most funds in hypothesis 1 and was most committed to the EU as shown in hypothesis 3. Montenegro overall scored well except for hypothesis 2 domestic adoption costs. Serbia, on the contrary, scored its best ranking in hypothesis 2, but did not perform well in the other hypotheses. From this analysis I can say that the conditions of the social learning model have more impact than those of the external incentives model. Because Macedonia ranked first in both hypotheses 3 and 4. This reasoning matches the reasoning of Kubicek (2003a:18), conditionality according to him, next to carrot and sticks is more likely to work if the target state is economically and politically dependent on the EU the influence of other political actors is limited, and when allies (governmental and non-governmental actors) are found in the target state who can apply pressure to existing authorities. This last condition could only have an effect on compliance if these allies would have enough power to pressure the authorities. In the next chapter I answer my research question.

6. CONCLUSION

In this final chapter I answer my research question: *Which differences can be discerned in the adoption of EU anti-corruption measures by the candidate countries (Montenegro, Serbia and Macedonia) within the time frame 2003-2013 and which factors help explain these differences?* I use the information of the previous chapters to formulate the answer. Moreover, I discuss the implications and limitations of the study and suggestions for follow up research.

6.1 RESEARCH QUESTION

To be able to answer the research question, it is important to have in mind the answer to the sub questions which were the following: *What relationship exists between the adoption of the EU anti-corruption framework and the level of corruption in the candidate country?* In Chapter 2 I proved that a positive relationship exists between the adoption of the EU anti-corruption framework and the level of corruption in a candidate country, this is enabled by the application of the conditionality theory. However it depends on the EU whether they apply a strict conditionality regime or also look at other (geo-political) interests in the future and act less strict. Sub question 2: *What is the level of corruption and to what extent did it vary in the three candidate countries over the period 2003 -2013?* Over the 2003 – 2013 period major improvements were seen in the fight against corruption in the respective countries, this was most clearly shown by the rise of the countries in the Transparency International CPI index. However, corruption remained prevalent in many areas in society in Montenegro, Serbia and Macedonia. In the GRECO reports Macedonia performed better than Montenegro and Serbia. Macedonia had more legislation and more effective legislation in place compared to Montenegro and Serbia. This was visible in the establishment of the Ombudsman, the financing of political parties, reporting corruption and the liability of legal persons. Overall, Macedonia performed best in adopting anti-corruption measures.

These were the sub questions and the answers, now I can turn to the research question: *Which differences can be discerned in the adoption of EU anti-corruption measures by the candidate countries (Montenegro, Serbia and Macedonia) within the time frame 2003-2013 and which factors help explain these differences?*

The answer is yes, there are differences and these differences can also be explained. Macedonia became candidate country of the EU in 2005, this was a couple of years before Montenegro and Serbia became candidate country. As a result of the EU conditionality process, Macedonia was 'forced' to adopt rules and legislation in the area of anti-corruption measures. As Macedonia was at least five years ahead of Montenegro and Serbia it made sense that they adopted more rules and legislation in this field. However this did not explain the differences between Montenegro and Serbia in the analysis of chapter 4. Montenegro had much more legislation adopted than Serbia, while there is only a two years difference in achieving candidate status.

The other differences can be explained on the basis of the hypotheses discussed in the previous chapter. There are four variables which can explain a large part of the differences in the adoption of anti-corruption measures. Schimmelfennig and Sedelmeier have described and examined these variables in their theory about enlargement conditionality. The first one is about the funds a country receives, in this case the size of the CARDS and IPA I funds the candidate countries received over the years. The second variable is the domestic adoption costs, what does it take the country internally to change and adopt the EU measures? The third variable is the commitment of the country to the EU and finally, the fourth one the economic interdependency, the more economically dependent the more likely the country wants/has to comply with EU measures. While I applied these hypotheses to the candidate countries, an interesting image occurred. Macedonia turned out to be the country best complying with EU conditionality while Montenegro and Serbia ranked close to each other. The final score in chapter 5, was as following:
  1. Macedonia   6.5 points

2. Montenegro   9.0 points
3. Serbia   9.5 points

If I take all four factors into account I see that Macedonia complies best with conditionality and therefore also with EU anti-corruption standards, as this is part of the process. From the hypotheses it became clear that the three countries all have a different focus point. This means that there are differences in the adoption process. To illustrate the differences: Montenegro performed well in all hypotheses. Macedonia got the first place in the size of funds in Euros and commitment to the EU while Serbia has the best cards concerning domestic adoption costs. For every country the prime focus for adopting anti-corruption measures, how they implement them and when, is differently.

The hypotheses explain the differences between the countries, however, another question emerges here. Why is Montenegro ahead in the integration process while they have less anti-corruption measures adopted than Macedonia and are second in rank in the analysis of the hypotheses? The explanation for this difference lies in politics and can thus not be explained by above theory. Anastasakis called this 'realpolitik' (2008:366), and focused especially on the security concerns of the EU which "very often, supersede all other considerations and can affect the choice of criteria and the course of conditionality" (ibid, 2008:371). Though it is not only security concerns which supersede all other considerations of conditionality. Although Macedonia as a country might be less corrupt than Montenegro or Serbia, because of political issues (name issue) at stake. The opening of accession talks for Macedonia will probably not be any time soon as Greece is blocking this. It does not matter how far they are with the fight against corruption. Nor does it matter that they have been candidate country much longer than Montenegro and Serbia. Macedonia did receive a lot of money from CARDS and IPA I just because they were a couple of years ahead of the other countries. Nevertheless Montenegro seems to take the lead in the accession process. Other factors, for example, that Montenegro is changing into a hybrid regime as was shown by hypothesis 2 seem to be less important. Of these two opposites, Montenegro and Macedonia, Serbia is somewhere in the middle. The accession talks are opened for Montenegro and are expected to open soon for Serbia however, not for Macedonia. When Greece sticks to its veto to block Macedonia's integration into the EU, there is fear that Macedonia will make a step backwards instead of forward[15].

Although contrary to the statement of Anastasakis (2008) and contrary to the status of the Montenegrin application. It might be better for both sides, EU and candidate countries, to first make sure that all necessary regulations are in place, to prevent a repetition of the Romania and Bulgaria case. This is also the opinion of Vachudova in her 2009 article 'Corruption and Compliance in the EU's Post-Communist Members and Candidate Countries: "At a time of strapped budgets, rising unemployment and so-called 'enlargement fatigue' throughout the EU, the political pressure to be tough on corruption – at least in new members – is likely to remain high. More broadly, the realization that corruption and organized crime in Bulgaria and Romania are extensive and strongly intertwined with political parties, the civil service and state agencies intensified an ongoing debate on the power of EU leverage" (2010: 44).

To conclude, there are differences in the adoption process of EU anti-corruption measures. First, the differences discerned in chapter 4 (Ombudsman, liability of legal persons, financing of political parties). The hypotheses of chapter helped explain these differences because the countries have a different focus point (economic dependency, commitment to the EU, size of funds in Euros or domestic adoption costs). Therefore the results of the hypotheses supports the theory of Schimmelfennig and Sedelmeier. Only one question resulted from these outcomes which was: 'Why does Montenegro perform better in the integration process than Macedonia, while Macedonia best adopted the anti-corruption measures and best complies with EU conditionality?' These differences can be explained by politics. This is not something rational, but it is about different governments

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[15] http://www.balkaninsight.com/en/article/macedonia-ruling-party-accepts-possible-mediation-from-brussels

taking different paths to potential EU membership with a lot of other intervening variables (internal political situation, bilateral relations, economic situation and the absorption capacity of the EU).

6.2 FUTURE RESEARCH

With this outcome, possibilities of follow-up research are numerous. Personally, I would be very interested to do research after the implementation process of anti-corruption measures, and not just the adoption process of the measures. Because the implementation process really shows, what is being done on corruption on the ground while just adopting the rules is not always enough. This is also a limitation of my study. Countries can adopt a perfectly looking framework for anti-corruption measures, but this does not necessarily means that this works in practice. Unfortunately I was limited in this case as I was constrained to use literature written in English. Documents about the implementation process are mostly in the country's native language, which I could not read.

Other suggestions for follow-up research would be to examine other fields than corruption. So maybe a comparison over time for the justice sector or into organised crime in the respective countries. One could also take a whole chapter of the Acquis and compare what is happening in the candidate countries. Maybe one could also include Turkey and Iceland, to create a totally different perspective. Worth examining is also the real state of among other human rights, freedom of speech and corruption in Macedonia, because it all looks very good on paper (see outcomes of the hypotheses) but the real situation at the moment looks quite differently. All together there are many possibilities for future research.

6.3 SUMMARY

To summarize, I give a last overview. Firstly, I looked for a topic closely related to the Western Balkans and European integration, and therefore came up with this research question. With research into the Eastern enlargement one automatically bumps into the conditionality theory of Schimmelfennig and Sedelmeier, which I used to demarcate my theoretical framework. From this theoretical framework I derived four hypotheses which I used to investigate the answer to my research question.

In my opinion this is a really interesting field of research and the Western Balkans deserve at least that much attention as the CEEs when they were in the accession process, about 10 years ago. Right now there is not much comparative research on the application process of the Western Balkan countries, as there was for the CEEs. Of course the research done on the CEECs is helpful for the Western Balkans in their quest to European membership. However, this research adds to the existing body of literature as it is one of the only comparative articles right now on the current candidate countries and their process.

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ANNEX 1

TEN PRINCIPLES FOR IMPROVING THE FIGHT AGAINST CORRUPTION IN ACCEDING, CANDIDATE AND OTHER THIRD COUNTRIES

1 To ensure credibility, a clear stance against corruption is essential from leaders and decision-makers. Bearing in mind that no universally applicable recipes exist, national anti-corruption strategies or programmes, covering both preventive and repressive measures, should be drawn up and implemented. These strategies should be subject to broad consultation at all levels.

2 Current and future EU Members shall fully align with the EU acquis and ratify and implement all main international anti-corruption instruments they are party to (UN, Council of Europe and OECD Conventions). Third countries should sign and ratify as well as implement relevant international anti-corruption instruments.

3 Anti-corruption laws are important, but more important is their implementation by competent and visible anti-corruption bodies (i.e. well trained and specialised services such as anti-corruption prosecutors). Targeted investigative techniques, statistics and indicators should be developed. The role of law enforcement bodies should be strengthened concerning not only corruption but also fraud, tax offences and money laundering.

4 Access to public office must be open to every citizen. Recruitment and promotion should be regulated by objective and merit-based criteria. Salaries and social rights must be adequate. Civil servants should be required to disclose their assets. Sensitive posts should be subject to rotation.

5 Integrity, accountability and transparency in public administration (judiciary, police, customs, tax administration, health sector, public procurement) should be raised through employing quality management tools and auditing and monitoring standards, such as the Common Assessment Framework of EU Heads of Public Administrations and the Strasbourg Resolution. Increased transparency is important in view of developing confidence between the citizens and public administration.

6 Codes of conduct in the public sector should be established and monitored.

7 Clear rules should be established in both the public and private sector on whistle blowing (given that corruption is an offence without direct victims who could witness and report it) and reporting.

8 Public intolerance of corruption should be increased, through awareness-raising campaigns in the media and training. The central message must be that corruption is not a tolerable phenomenon, but a criminal offence. Civil society has an important role to play in preventing and fighting the problem.

9 Clear and transparent rules on party financing, and external financial control of political parties, should be introduced to avoid covert links between politicians and (illicit) business interests. Political parties evidently have strong influence on decision-makers, but are often immune to anti-bribery laws.

10 Incentives should be developed for the private sector to refrain from corrupt practices such as codes of conduct or "white lists" for integer companies.

ANNEX 2

	Montenegro	Serbia	Macedonia
2003	/	€ 241.780.000,00	€ 33.868.500,00
2004	/	€ 229.914.300,00	€ 51.459.000,00
2005	/	€ 170.864.370,00	€ 37.575.000,00
2006	€ 21.310.590,00	€ 175.882.820,00	€ 33.540.000,00
2007	€ 32.750.200,00	€ 201.840.800,00	€ 59.845.500,00
2008	€ 35.468.800,00	€ 214.571.600,00	€ 76.026.600,00
2009	€ 34.845.000,00	€ 210.578.800,00	€ 81.227.400,00
2010	€ 33.835.000,00	€ 209.971.900,00	€ 92.974.000,00
2011	€ 34.406.900,00	€ 224.199.800,00	€ 101.822.000,00
2012	€ 35.455.000,00	€ 216.746.000,00	€ 105.159.400,00
2013	€ 35.155.500,00	€ 224.339.100,00	€ 116.369.600,00
TOTAL	**€ 263.226.990,00**	**€ 2.320.689.490,00**	**€ 789.867.000,00**

Table 1 Inflation corrected allocated money. Source: Worldbank

ANNEX 3

Montenegro	Overall score	Electoral Process and Pluralism	Functioning of Government	Political Participation	Political Culture	Civil Liberties
2006	6.57	9.17	5.71	5.00	5.63	7.35
2008	6.43	9.17	5.00	5.00	5.63	7.35
2010	6.27	8.75	5.00	5.56	5.00	7.06
2012	6.05	7.92	5.36	5.56	4.38	7.06

Table 1 Index of Democracy, Montenegro. Source: The Economist

Serbia	Overall score	Electoral Process and Pluralism	Functioning of Government	Political Participation	Political Culture	Civil Liberties
2006	6.62	9.17	5.36	5.00	5.63	7.94
2008	6.49	9.17	5.00	5.00	5.63	7.65
2010	6.33	9.17	4.64	6.11	4.38	7.35
2012	6.33	9.17	4.64	6.11	4.38	7.35

Table 2 Index of Democracy, Serbia. Source: The Economist

Macedonia	Overall score	Electoral Process and Pluralism	Functioning of Government	Political Participation	Political Culture	Civil Liberties
2006	6.33	8.25	4.50	7.22	3.75	7.94
2008	6.21	8.25	4.14	6.67	3.75	8.24
2010	6.16	7.75	4.64	6.11	4.38	7.94
2012	6.16	7.75	4.64	6.11	4.38	7.94

Table 3 Index of Democracy, Macedonia. Source: The Economist