Europeanization does not end at the external borders of the European Union. Through conditionality, socialization, externalization, and imitation, the EU generates external effects. The comparison of EU relations with “quasi-member states”, candidate countries, the European neighborhood, other OECD countries, and far-away regions shows that the mechanisms and conditions of Europeanization vary significantly across contexts. In general, however, market power and supranational regulation are the most important conditions of effectiveness. In their absence, the EU’s institutions can merely serve as a socialization agency and a model for imitation – albeit with limited and superficial effects.


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Introduction

When speaking of “European governance”, we usually have in mind that the European Union (EU) provides rules and mechanisms to regulate the behavior of public and private actors across a great variety of integrated policy areas. “Europeanization” is then generally understood as the domestic impact of, and adaptation to, European governance in the EU’s member states; or, in Claudio Radaelli’s encompassing definition, the incorporation of “formal and informal rules, procedures, policy paradigms, styles, ‘ways of doing things’, and shared beliefs and norms, which are first defined and consolidated in the making of EU public policy and politics ... in the logic of domestic discourse, identities, political structures, and public policies.”

Since the 1990s, however, EU scholars have begun to look beyond the formal borders of the EU and study the impact of European governance on external actors. This widening of the horizon was a result of three major developments in European integration. First, as a consequence of its Single Market Program and a series of enlargement rounds, the EU deepened and expanded its internal market. The size and attractiveness of this market accorded the EU considerable power to shape the economic and public policy rules of global governance and its trading partners. Second, the EU embarked on Eastern enlargement, which was not only bigger but also considerably more intrusive and transformative than previous enlargement rounds. The EU pursued the ambitious goal of ensuring that the accession countries would transpose the entire *acquis communautaire* – the body of EU law – *ahead of* joining the EU, and accession negotiations were mostly about planning and monitoring this Europeanization process. Third, the EU has designed novel institutional arrangements for those countries that are either not willing to become members – the European Economic Area and the bilateral treaties with Switzerland – or not eligible for membership: e.g. the Barcelona process (since 1995) for the Mediterranean neighbors and the European Neighborhood Policy (ENP, since 2003) for the Eastern European, Middle Eastern and Northern African neighbors. At their core, these institutional arrangements are directed at managing interdependence by aligning neighboring countries with EU policies and rules, albeit in the absence of formal membership.

In sum, the EU provides “external governance”. It projects its model and rules of governance to the outside and, if successful, contributes to the Europeanization of national and international governance beyond the borders of formal membership. This survey article will first discuss the contents of Europeanization beyond the EU. Which are the “European” modes and rules of governance that the EU projects beyond its borders (Section II)?

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In a nutshell, the article seeks to go beyond the common characterization of the EU as a “civilian” or “normative power” because these labels blur the distinction between goals, means, and impact and do not capture the cross-regional variation in mechanisms, conditions, and outcomes of Europeanization. It argues that effective Europeanization is the product of EU conditionality and the externalization of EU rules under the conditions of EU market power and supranational, i.e. centralized and hierarchical, regulation.

I. Model Europe: the meaning of Europeanization beyond the EU

What are the contents of external governance? What kind of “Europeanization” does the EU pursue or produce beyond its borders? Most basically, we can start from the assumption of “domestic analogy”. According to this assumption, polities prefer to have an international environment that resembles, or is at least compatible with, their domestic principles and procedures. The substantive goals – as well as instruments – of Europeanization will thus mirror the principles of EU integration and governance. In other words, Europeanization consists in “the external projection of internal solutions.”

From a rational perspective, an international environment that mirrors the EU is in the best interest of EU political and economic actors. It is an environment that they are familiar with and know to use to their benefit – and one that reflects their own institutional and policy choices. This reduces adaptation and information costs and gives them a potential advantage over other actors. Other authors emphasize shared values and norms as well as established routines and templates of the EU as the source of external projection. Federica Bicchi, for instance, suggests that EU external policy can “be seen as unreflexive behaviour mirroring the deeply engrained belief that Europe’s history is a lesson for everybody.”

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5 Peters, D./Wagner, W., op. cit., 216.
1. Beyond “civilian” or “normative power Europe”

The debate on the essence of European governance or the European model is as multifaceted as it is inconclusive. The best-known sweeping categorizations of external governance describe the EU as a distinctive kind of “power” in the international system. In the early 1970s, François Duchêne introduced the label of “civilian power” to characterize the EU as a novel international actor that has overcome the anarchical self-help system of international politics internally. “Civilian power” – as opposed to “military power” – refers to both means and ends, to the use of civil instruments of governance rather than the use of force, and to civilizing the international system by transforming it into a system of rule-based governance according to its own model. In another influential attempt to characterize the EU’s special role in world affairs, Ian Manners invented the term “normative power”. According to the “normative power” perspective, the EU’s impact on the global system is ideational. It shapes global conceptions of what is “normal” based on its founding principles such as peace, liberty, democracy, human rights, and the rule of law – principles that were shaped in turn by the historical context of the EU’s origin, its hybrid (international and supranational) character, and its political-legal constitution.

Despite their prominence in the discussion about the EU’s role in the world, the two concepts of “civilian power” and “normative power” are problematic. First, they mix prescription and description; they are as much about what the EU is as about what the EU ought to be like. In addition, both concepts are part of the EU’s official self-image and self-portrayal, which is a noteworthy fact in itself, but requires critical evaluation. Second, their multidimensionality as descriptions of means, ends, and impact makes the two concepts indeterminate. What if the EU promotes normative goals with civilian (economic) means as in political conditionality or inflicts economic sanctions on human rights violators? What if the EU pursues civilian ends with military means? The irresolvable debate on whether the EU ceased to be a civilian power when it acquired military capabilities, even though it used them for military operations with a civilizing goal, is indicative of this indeterminacy. Finally, and most importantly, the EU’s ends and means in global politics have changed over time and vary across countries and regions. Such variation cannot be adequately described by uniform labels or attributed to the EU’s “ontological quality”.

Just as there is not a single mode of governance within the EU, external governance also varies across geographical and functional space. It is thus empirically more adequate to differentiate the contents as well as the mechanisms of Europeanization and to analyze under which conditions they operate and are effective. As Karen Smith has rightly remarked

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9 Manners, I., op. cit., 252.
in a recent research agenda article, “debates about whether the EU is or is not a civilian power, a normative power, a superpower, and so on, are not really leading us anywhere right now ... We should instead engage in a debate about what the EU does, why it does it, and with what effect, rather than about what it is.”

In an effort to disentangle the “EU power syndrome”, I therefore distinguish ends, means, and mechanisms, and make impact (Europeanization) an empirical question.

2. Principles of European governance

Regarding the ends, we can further distinguish general principles of governance and the governance of specific issues. For the EU as a regionally integrated system of liberal democracies, “European governance” is in essence defined by regionalism, supranational integration, multilateralism, transnational markets, the regulatory state, and democratic constitutionalism. According to the domestic analogy, Europeanization then consists in the adoption of these principles beyond the EU.

First, the EU typifies regional integration. It proposes regional economic integration and the establishment of supranational organizations as the pathway to peace and welfare in other parts of the world. From its immediate neighbors in the Balkans to the distant regions of Sub-Saharan Africa, Asia, and Latin America, the EU has established forums and agreements with regional organizations and earmarked aid specifically for fostering regional cooperation and integration. At the global level, the EU seeks to reproduce its own model of “intensive multilateralism” by working within and strengthening multilateral international organizations.

Second, the EU stands for the creation and regulation of transnational markets. In a critical perspective, the EU has been described to propagate a “neoliberal” economic model, which reflects the EU’s internal commitment to market-building and economic liberalization. Others point out, however, that the EU rather seeks to disseminate a multilaterally

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managed “regulatory framework for liberal markets” according to its own model. The EU is further seen to embody the “regulatory model” of policymaking, which it projects abroad and uses to spread its own rules beyond its borders.

Finally, the EU promotes constitutional norms such as human rights, the rule of law and democracy in its external relations. They mirror the constitutional principles of its member states and its accession criteria. Since the late 1980s and early 1990s, the EU has made the promotion of democracy and human rights a standard feature of its external relations across the globe. Since the mid-1990s, the EU has inserted a human rights clause (which envisages the suspension of cooperation in cases of severe human rights violations) in all general agreements with non-industrialized third countries, and it has mainstreamed the promotion of human rights and democracy into its external policies.

These general principles have attracted high attention in the literature on the EU’s external action and its role in global governance. But everyday EU external governance and its impact on third countries is arguably much more shaped by the issue-specific regimes of the EU in a broad variety of public policies constituting the EU’s acquis communautaire. They are too numerous to be listed here. Yet the basic assumption of the “external projection of internal solutions” holds for issue-specific governance as well. Not only does the EU transfer its specific policy rules beyond its borders. There is evidence that the modes of external governance also correspond to the modes of internal governance for the same issues. For instance, the EU promotes network governance externally for those policies – such as research policy – that are pursued via network governance in the EU, whereas hierarchical internal policies such as transport are also organized hierarchically in the EU’s relations with neighboring countries.

In sum, the EU, indeed, seeks to project its model of governance beyond its borders. This model consists in a combination of regional integration, a multilaterally regulated international market, and liberal democracy – together with a myriad of policy-specific rules based on its acquis communautaire. As subsequent sections will show, however, this model is projected with very different substantive emphases and in very different ways across the target regions and countries of external governance.

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17 Manners, I., op. cit., 240—241.
II. Mechanisms of Europeanization

How does Europeanization beyond EU borders occur? What are the mechanisms and processes through which the EU disseminates its institutions and rules of governance in the wider international system? Several largely overlapping classifications of Europeanization mechanisms have been suggested in the literature.\(^{19}\) I propose a simple 2x2 table\(^ {20}\) that distinguishes direct from indirect mechanisms, and those that follow a rationalist logic of consequences from those that build on a logic of appropriateness (see Table 1).

<table>
<thead>
<tr>
<th>Table 1 Mechanisms and Conditions of Europeanization</th>
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</thead>
<tbody>
<tr>
<td><strong>Direct</strong></td>
</tr>
<tr>
<td><strong>Logic of consequences</strong></td>
</tr>
<tr>
<td>Conditionality</td>
</tr>
<tr>
<td>(size and credibility of incentives, costs of compliance)</td>
</tr>
<tr>
<td><strong>Logic of appropriateness</strong></td>
</tr>
<tr>
<td>Socialization</td>
</tr>
<tr>
<td>(noviceness and uncertainty; legitimacy, authority of EU; identification, resonance with EU; frequency and density of contacts)</td>
</tr>
<tr>
<td><strong>Indirect</strong></td>
</tr>
<tr>
<td><strong>Logic of consequences</strong></td>
</tr>
<tr>
<td>Externalization</td>
</tr>
<tr>
<td>(market size, legalization and centralization of rules)</td>
</tr>
<tr>
<td><strong>Logic of appropriateness</strong></td>
</tr>
<tr>
<td>Imitation</td>
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</tbody>
</table>

Direct mechanisms are those in which the EU takes a pro-active stance and intentionally seeks to disseminate its model and rules of governance beyond its borders. By contrast, indirect ones are those in which either non-EU actors have the active part or the mere presence of the EU generates unintended external effects. According to the logic of consequences, Europeanization proceeds through the manipulation of incentives and the change of cost-benefit calculations in third countries. By contrast, according to the logic of appropriateness, Europeanization is an effect of the perceived authority and legitimacy of the EU, its model of governance, or its norms and rules.

**Conditionality** is a direct mechanism of Europeanization, which is based on the EU’s manipulation of other actors’ cost-benefit calculations. The EU seeks to disseminate its governance rules by setting them as conditions that external actors have to meet in order to obtain rewards and to avoid sanctions from the EU. The most relevant rewards are different types of agreements ranging from trade agreements to accession treaties and the provisions


of market access and financial aid that come with them. Correspondingly, the EU’s sanctions consist in suspending or terminating such agreements. Typically, however, the EU uses positive conditionality. Rather than sanctioning countries, it keeps them in the waiting room for an agreement until they meet the conditions. The effectiveness of this mechanism depends on the size of the EU’s rewards and the credibility of its conditionality. Credibility results from superior bargaining power and a consistent application of conditionality, i.e. the EU needs to be less dependent on or interested in the agreement than its partner, and the partner needs to be certain that it will receive the rewards only when the conditions are met.21 In addition, domestic adaptation costs must not be higher than the international rewards because otherwise a rational target state of conditionality will not comply.

*Externalization* works through the EU’s indirect impact on the cost-benefit calculations of external actors. In contrast with conditionality, the EU does not pro-actively promote its model or rules of governance beyond its own borders. Yet its sheer “presence”22 as a market and a regional system of governance produces (sometimes unintended or unanticipated) externalities. External actors adopt and follow EU rules because ignoring or violating them would generate net costs. Firms interested in participating in the EU market must follow the EU’s rules. Countries whose economies are strongly interconnected with the EU make their internal rules compatible with those of the EU. In general, the effects of externalization increase with the market size of the EU and the strength of its regulatory institutions.23 The larger the EU’s share is in the foreign trade of a country, and the more binding and centralized the EU’s rules are, the more this country will be subject to Europeanization pressures.

*Socialization* comprises all EU efforts to disseminate European governance by persuading outside actors of the ideas and norms behind them. This is a direct mechanism of Europeanization based on the logic of appropriateness. Rather than directly manipulating or indirectly affecting the cost-benefit calculations of external actors, the EU teaches them the principles and rules of European governance. External actors adopt and comply with EU rules if they are convinced of their legitimacy and appropriateness and if they accept the authority of the EU. This is more likely to be the case if the external actors are in a novel and uncertain environment, identify with and aspire to belong to “Europe”. A process characterized by deliberation and frequent as well as dense contacts between the EU and external actors is also thought to help. Finally, high resonance of EU governance with

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domestic traditions, norms, and practices provides favorable conditions for effective socialization.  

*Imitation* works similarly but without a pro-active role of the EU. Rather, the EU serves as a role model of governance, which outside actors emulate. Non-member actors imitate the EU because they recognize EU rules and policies as appropriate solutions to their own problems. Again, novices in the international system and states in an uncertain environment are more likely to look for and emulate role models. They are more likely to select the EU as their model if they identify with the EU, are in close contact with the EU, and find EU governance to resonate with their prior beliefs and practices.

**IV. The Scope of Europeanization**

Europeanization beyond the EU is patchy. The contents and mechanisms of Europeanization vary across regions, countries, organizations, and policies. Most fundamentally, we can think of EU external governance as occurring in five concentric circles: the quasi-member states of Western Europe, the candidate countries for membership, the neighborhood countries, the OECD world, and other world regions (see Table 2).

### Table 2 Concentric Circles of External Governance and Europeanization

<table>
<thead>
<tr>
<th>Quasi-members</th>
<th>Contents</th>
<th>Mechanisms</th>
<th>Conditions</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market regulation</td>
<td>Conditionality and Externalization</td>
<td>Strong dependence</td>
<td>Strong, partial</td>
<td></td>
</tr>
<tr>
<td>Candidate countries</td>
<td>All</td>
<td>Conditionality</td>
<td>Strong dependence, strong incentives</td>
<td>Strong, general</td>
</tr>
<tr>
<td>Neighborhood countries</td>
<td>All</td>
<td>Conditionality and Socialization</td>
<td>Medium dependence, weak incentives</td>
<td>Medium, partial</td>
</tr>
<tr>
<td>OECD countries</td>
<td>Market regulation</td>
<td>Externalization</td>
<td>Medium interdependence</td>
<td>Medium, partial</td>
</tr>
<tr>
<td>Other regions</td>
<td>Regionalism</td>
<td>Imitation (and Socialization)</td>
<td>Weak interdependence</td>
<td>Weak</td>
</tr>
</tbody>
</table>


25 For reasons of space, I do not discuss the EU’s relations with the developing countries of Africa, the Caribbean, and the Pacific region (ACP countries) in the framework of the Cotonou agreement.
1. The Quasi-member Countries

In 1992, the EU concluded the European Economic Area (EEA) agreement with the countries of the European Free Trade Association. According to the agreement, the EEA countries (Iceland, Norway, and Liechtenstein) are formally obliged to adopt all EU legislation regarding the Single Market and several related policy fields as well as the case law of the European Court of Justice. A Surveillance Authority and the EFTA Court enforce EU rules in the EEA countries. The EEA countries also participate in the informal preparation of EU legislation that concerns them (“decision-shaping”), but in contrast to full members, they do not take part in the formal decision-making process. The EEA countries comply extremely well with their legal obligations – at the level of the most compliant member states – and, for all practical purposes, they can be regarded as “quasi-members” that are subject to the core of EU rules and governance in almost the same way as the member states.

By contrast, Switzerland has opted for the “bilateral way”, which comprises a series of 16 interlinked policy-specific agreements with the EU. It envisages neither general decision-shaping nor automatic adoption of subsequent EU laws nor supranational monitoring and enforcement. Switzerland’s far-reaching regulatory alignment with the EU rather results from coordination in bilateral committees and the unilateral adoption of EU law and EU-compatible adaptation of Swiss law. Although the bilateral arrangements allow Switzerland to formally preserve its sovereignty de jure and be more selective regarding “Europeanization”, its de facto alignment with EU rules is similar to that of the EEA countries.26

Quasi-membership results from high economic interdependence with the EU but strong popular opposition to full membership. In Norway and Switzerland, formal EU accession as desired by the political and economic elites was blocked by negative popular referendums, which forced these countries to manage their intense market and policy relationships with the EU below the level of full supranational integration. At the same time, the strong asymmetry in market size and trade shares results in the far-reaching formal or informal adoption of highly legalized EU rules by the quasi-members. The basic mechanism behind the Europeanization of the quasi-members is a highly institutionalized form of conditionality (granting equal market access in return for rule adoption) tending toward externalization in the case of Switzerland. Quasi-membership is sustained by the independent economic success of these countries – e.g. Norway’s oil wealth. As the case of Iceland after the financial crisis of 2008 shows, the demand for membership increases when autonomous economic success is threatened or has failed.27

27 For a general argument along these lines, see Mattli, W.: The Logic of Regional Integration. Europe and Beyond, Cambridge, 1999.
2. The Candidate Countries

The EU’s relations with the candidates for membership are another case of deep Europeanization beyond the formal borders of the EU. Ahead of starting membership negotiations with prospective new members, the EU focuses on the general principles of European governance, in particular the political criteria of freedom, democracy, the rule of law, and respect for human rights stipulated by the Treaty on European Union as the main criteria of eligibility for membership (Art. 49 TEU).

By contrast, during the accession negotiations the focus is on the issue-specific rules of European governance. The concept of “negotiations”, however, suggests an openness that does not exist in the accession process. The substantive outcome of the negotiations is largely pre-determined: the applicants’ adoption of the entire body of EU legislation and policies codified in the 
*acquis communautaire*. Accession negotiations then mainly consist in a process of rule transfer, “screening” and “reporting”, in which the EU explains the *acquis* to the applicants, assesses their deficits, and monitors their progress in transposing EU law. The only true negotiations concern the possibility and length of “transition periods” during which the application of EU rules is suspended after accession.

The mechanism of the Europeanization of candidate countries is predominantly conditionality. The EU’s main activities consist in setting conditions for membership, monitoring candidates’ progress in compliance, and granting or withholding the reward accordingly. The conditions for effective conditionality are generally favorable in EU-candidate country relations. Membership is the biggest reward the EU can offer to outsider countries. It gives them full and equal access to the internal market, the funds, the decision-making institutions, and the legal remedies of the most important economic and political organization of the continent. In addition, the credibility of conditionality is generally high as well. Usually, interdependence is highly asymmetrical in favor of the EU because the candidates’ economies are of lesser importance to the EU than the EU market is to the candidates. The EU can thus afford setting strict conditions and saying no. With a few exceptions (regarding, for instance, Cyprus and Turkey), the EU has also been rather consistent in applying its conditions, and candidates could expect to be admitted after fulfilling them. In the case of the Central and Eastern European countries, we can observe that their adoption of EU policy rules was selective and patchy during the early transition period and often followed domestic traditions or the rules of other international organizations. Once they had been offered a credible membership perspective, however, their public policies converged toward the EU model – except for those issues in which the EU has only weak competencies or indeterminate rules.28

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28 Schimmelfennig, F./Sedelmeier, U.: Conclusions: The Impact of the EU on the Accession Countries, in:
The domestic political costs of compliance for the target governments are the main obstacle to effective conditionality in the candidate countries. Regarding liberal-democratic political conditionality, these costs have proven prohibitive for regimes whose preservation of power depends on undemocratic institutions and practices. Even a credible and attractive offer of EU membership cannot turn the benefit calculations of such regimes positive. Moreover, national identity issues (such as minority rights and ethnic conflict in the Baltic countries and the Balkans) have also proven difficult to overcome. As concerns acquis conditionality, domestic interest groups adversely affected by European integration are the major problem. In the case of Eastern enlargement, however, they have been absent or weak.

3. The Neighborhood Countries

The European Neighborhood Policy (ENP) was introduced by the EU during the time of its “big bang” enlargement of 2004 in order to expand and strengthen its relationship with neighboring countries that would not be considered as candidates for membership – at least for the foreseeable future. Originally conceived to encompass the enlarged EU’s Eastern European neighbors, it was later extended to the Middle Eastern and North African (MENA) partner countries of the Euro-Mediterranean Partnership (“Barcelona Process”) and further to the Southern Caucasus. It excludes Russia, however, which insisted on pursuing a separate track of cooperation with the EU.

In principle, the ENP is based on the same encompassing notion of Europeanization as accession policy. “Everything but institutions” was the promise of Commission President Romano Prodi, when the ENP idea was launched, that is, full participation of the neighboring countries in material European governance if not in formal decision-making. In practice, however, the alignment has been unequal and patchy. Whereas accession obliges prospective members to adopt the entire acquis, and the old members to grant the new ones equal rights and entitlements, the ENP allows for flexibility that both sides can use to avoid costly obligations. Rather than being uniformly based on the EU acquis, the Action Plans at the core of ENP programming are negotiated and monitored bilaterally between the EU and its partners – according to the principle of “joint ownership”.

The ENP also appears to copy the EU’s accession conditionality. “Differentiation” is a fundamental principle. The ENP strategy documents tie both participation in the ENP as such and the intensity and level of cooperation to the ENP partners’ adherence to liberal


values and norms. Moreover, the EU uses planning, reporting and assistance procedures similar to those for candidate countries. The conditions of effective impact, however, are clearly weaker than in the case of the candidate countries. First, the most attractive “carrot” – EU membership – is not on offer. The major incentives designed to induce Europeanization in ENP countries are a liberalized access of goods and persons to the EU. Second, conditionality is inconsistent. Comparisons of ENP Action Plans show the absence of a coherent democracy promotion policy and the overriding importance of the EU’s and the partner countries geostrategic and political interests. Finally, the domestic costs of liberalization and democratization are prohibitive in the mostly authoritarian regimes of the neighborhood. As a result, democratic conditionality proves ineffective in the ENP context. In contrast to the candidate countries, the EU has not been able to help induce or consolidate democracy in the neighborhood.30

The EU’s acquis conditionality in the Neighborhood has also suffered from weaknesses because the credibility of the market access incentive has been undermined by protectionist interest groups in the EU, the exclusion of sectors such as agriculture in which the ENP partners have a competitive edge, and fears of crime and uncontrolled immigration to the EU.31 In addition, the EU does not enjoy the same uncontested bargaining power as in its relationship with candidates for membership. This is particularly true for the energy-exporting countries of the region. Moreover, the EU competes with other powerful providers of external governance, namely Russia. As a result, the EU only has a chance to export its own rules to the Neighborhood if the target countries are dependent on the EU and more dependent on the EU than on other actors.32 Alternatively, “self-conditionality” appears to work. Countries that would like to become members – such as Ukraine, Moldova, or Georgia – behave as if they were subject to accession conditionality, adopt EU rules in order to signal their readiness to join, and seek to persuade the EU to consider them as candidates.33

Given the weak conditions for effective conditionality, many authors suggest that – despite the appearances of conditionality – the ENP is based de facto on a socialization mechanism of Europeanization. In this view, EU rules promoted in the context of ENP negotiations and policy networks may serve as a reference point for longer-term domestic political

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processes.\textsuperscript{34} It is questionable, however, whether the domestic conditions in the ENP countries are on the whole conducive to socialization-driven change. That may be the case in the self-socialization countries but identification with the EU community and resonance of EU rules is weak in most of the neighborhood region. Recent studies find abundant evidence of transgovernmental networks engaged in extending EU governance to the Neighborhood. However, they also come to the conclusion that the operation and effectiveness of these networks is hampered by incompatible administrative structures, cultures, expertise and lack of trust.\textsuperscript{35} In addition, EU norms, which have entered the legislation of some neighboring countries, face severe obstacles to effective application.\textsuperscript{36}

4. The OECD world

The quasi-member, candidate and neighborhood countries are the domains of direct Europeanization. Here, the EU pro-actively promotes its modes and rules of governance as part of an overarching strategy of regulatory alignment and common policies. Direct mechanisms of Europeanization are much less in evidence beyond the neighborhood. There, we find two typical contexts of indirect mechanisms of Europeanization: the externalization of EU governance through economic interdependence and competition in the highly industrialized OECD world, and the imitation of EU governance in other regions.

Governance by externalization is typical for the export of EU rules in its relations with the democratic, market-oriented, and highly industrialized OECD countries. Here, the EU has neither the goal nor the means to embark on a wholesale export of the EU acquis. The larger OECD region is much less dependent on the Single Market than the neighboring countries and lies beyond the zone of stability that the EU attempts to create in its surroundings. Enlargement is not even potentially on the agenda. The EU deals with the other OECD countries, above all the US, either bilaterally or in the context of global organizations such as the UN or the WTO.

For obvious reasons, the promotion of democracy and human rights is not an issue in EU relations with OECD countries. The human rights clause is therefore absent in agreements with countries in this group. EU rule export mostly concerns issue-specific rules related to its internal market. Case studies converge on the finding that EU impact is a function of both the size of the EU market (and its relevance for outsiders) and the strength of EU


\textsuperscript{36} Freyburg, T. et al., op. cit.
regulation.\textsuperscript{37} Whereas market size can be understood as a necessary condition of EU rule export because it creates an interest of market actors to get access to the EU market and their willingness to adopt EU rules, it is not sufficient alone if the EU’s rules and their administration are weak, fragmented, and incoherent. Rather, the EU’s impact depends on the EU regulatory state and increases with the supranationalization of EU governance. The more legally binding and centrally administered EU rules are, the more the EU can transform latent market power into manifest political clout. The highly centralized competition policy with its extraterritorial impact on mergers and acquisitions and its multi-million Euro fines imposed on non-EU firms provides the most visible evidence for this relationship. Although initially set up to liberalize and strengthen the internal market, the regulatory powers of the EU provide it with the means to shape international standards increasingly, too.

Studies of multilateral negotiations also come to the conclusion that both size and institutions matter. The EU’s sheer size as a market, a provider of development aid, a polluter, etc., as well as the number of participants and votes it can muster in global negotiations give it considerable power resources.\textsuperscript{38} Whether and how the EU can convert these resources into power over outcomes, however, depends on institutions. One issue is whether or not the EU has exclusive competence in a policy area. As a rule, exclusive competence increases EU impact. Where it does not exist, it can be partially compensated by homogeneous preferences or informal coordination leading to a united stand of its member states. This has, for instance, been the case in global environmental policy.\textsuperscript{39} As Sophie Meunier shows for transatlantic trade negotiations, however, it also matters how exactly the EU’s exclusive competence is designed. Whereas “unanimity voting strengthens the hand of the EU negotiators to resist demands for policy changes”, it “weakens their ability to advocate changes”\textsuperscript{40}.

5. Other regions and regionalisms

The indirect mechanism of imitation is best seen in the impact that the EU model has had on regional institution-building and economic integration in other parts of the world. The EU has not directly encouraged or induced the establishment of major regional organizations such as the Andean Community and Mercosur in Latin America, ASEAN in Southeast Asia, or


\textsuperscript{40} Meunier, S.: Trading Voices. The European Union in International Commercial Negotiations, Princeton, 2005, 3.
the African Union. Nor have these organizations and their reforms been a response to critical interdependence with the EU. But all of them have emulated EU institutions and policies. In the meantime, the EU has established institutionalized relationships, funds cooperation programs, and maintains a political dialogue with these regional organizations so that an element of socialization is involved alongside imitation.41

The uncertainty of the emulators and the legitimacy of the EU appear to be the main conditions for the imitation of EU institutions. Embracing the apparently successful EU model is perceived as a way to overcome crises of multilateral cooperation and integration in the regions. For instance, the Andean Pact was founded in 1969 as a response to the deficiencies of the Latin American Free Trade Association. To correct for its failures, the founders of the Pact leapfrogged towards the Community model of supranational integration including, among other features, majority voting, legal integration with a Court and the direct applicability and supremacy of supranational law, and – later on – a directly elected Andean Parliament.42 Similarly, ASEAN reacted to its shortcomings in dealing with the financial crisis of 1997 and related problems by questioning its decidedly non-European “ASEAN way” of informal, consensual intergovernmental consultation and cooperation and of eschewing supranational economic integration. In the aftermath of this crisis, ASEAN policy-makers perceived the need for stronger formalization and institutionalization as well as more economic integration and started a process that eventually led to the adoption of a charter in 2005. In this process, the EU served as a source of inspiration for the constitutional structure as well as the project of a single market.43

As described by the notion of “decoupling” in the neo-institutionalist sociology of organizations,44 the emulated formal structures as responses to crisis and uncertainty were, however, either never truly implemented or co-existed with practices reflecting “old habits”. The first option is most clearly seen in the Andean Community, whereas the second seems typical for the tendency of the member states of ASEAN to retain the practices of sovereignty, informality, and intergovernmentalism.45 At any rate, mimicry in formal appearance and emulation of actual practice need to be distinguished. In particular, the EU remains unique with regard to supranational integration, i.e. the pooling and delegation of sovereignty. For this reason, many institutions that bear the same name in other regional

45 Hwee, Y., op. cit., 97—98.
organizations – Commission, Council, Court, Committee of Permanent Representatives, or Parliament – perform different functions. The most striking example of decoupling is the African Union. Whereas the former Organization of African Unity (OAU) not only adapted the EU’s name but also its supranational institutions and policy programs (such as monetary union), its practices could not be more different from the EU’s. Decoupling can actually lead to a conscious decision to discard the EU model: as a response to the failures of the Andean Pact to implement its supranational institutions, the more recently established Mercosur abandoned the institutional model of the EU altogether and opted for an intergovernmental structure.

V. Conclusions

The EU has become a major player in global governance. Its external governance consists in exporting its internal rules and modes of governance to non-member countries and other international organizations, thereby contributing to the Europeanization of governance beyond the EU’s borders. This article has sought to demonstrate that the “civilian” or “normative power” concept that continues to frame discussions of the EU’s external relations is too unspecific to capture the various ways in which the EU exercises external governance – and its varying effectiveness. By contrast, it has tried to show how the mechanisms and conditions of Europeanization vary across “concentric circles” of EU external governance.

At first sight, geography seems to matter strongly. The further we move away from the EU, the more indirect and weaker its impact becomes. Its direct neighbors (the quasi-member states and candidates for membership) experience the most direct and strongest Europeanization, whereas the more distant OECD world or far away regions are only subject to indirect and patchy or weak Europeanization. But geography is an imperfect match. It does not explain the patchy Europeanization we find in the quasi-member states or the OECD world nor the fact that rather distant countries like the US may be subject to stronger Europeanization effects than closer ones like Algeria or Belarus.

The most important conditions cutting across the concentric circles of Europeanization are market share and supranational regulation. Relevant market interactions and the material, economic incentives that come with them generate the need for external actors to adapt to the rules of European governance. But only to the extent that there is a clearly defined European rule – and one that is centrally decided and hierarchically enforced – can the EU speak with the necessary unity and authority to the outside world.\(^\text{46}\) Therefore, Europeanization beyond the EU is likely to be strengthened as the EU’s market power vis-à-

\(^{46}\) See also Lavenex, S./Schimmelfennig F., op. cit., 808.
vis third countries increases and as the relevant markets are supranationally regulated by
the EU.

The strong impact that the EU has in the quasi-member and candidate countries is
predicated upon the high and asymmetric interdependence with these countries, the
substantial incentives of membership or full market access, and the hierarchical
organization of the accession process as well as the EEA. The difference between quasi-
members and candidates can also generally be explained by the degree of dependence on
the EU or the sustainability of economic autonomy. Relationships with the neighborhood
and the rest of the OECD world (e.g. the USA) are characterized by weaker and more
symmetrical interdependence, weaker incentives, and a non-hierarchical institutional
setting. Whereas the EU cannot impose its entire model in these relationships, it can still
have a Europeanizing impact with regard to specific governance rules where the conditions
of critical market size and supranational regulation are present. Where these are absent,
however, the EU’s institutions can merely serve as a model for imitation or a socialization
agency.

As a corollary of the relevance of market power and hierarchy, the instrumental
mechanisms, conditionality and externalization, generate the strongest Europeanization
effects. Socialization (in the case of neighborhood countries) and imitation (in the case of
far-away regions) generate only a weak or superficial independent impact. That does not
mean, however, that the conditions linked to these mechanisms are completely
unimportant. As the quasi-member states’ resistance to membership and the problems of
ethnic identity in the Balkans show, identity is a background condition for conditionality to
succeed. Strong national, ethnic, or anti-European identities inhibit full integration even
where asymmetric interdependence and market forces would suggest a closer relationship
with the EU.

Effectiveness follows the same pattern when it comes to the contents of Europeanization.
The EU is most widely effective in disseminating policy rules connected with its internal
market. Because imitation processes only create Potemkin villages, the EU’s model of
regional integration is really only extended through conditionality-based accession. And it is
only in this context that the EU has been successful in assisting the consolidation of
democracy.

In this article, I have tried to go beyond the widespread tendency to describe the EU’s
external action in terms of civilian power, normative power (or some other adjective plus
power) and to propose an analysis based on external governance. The results, however, also
shed light on the “power debate”: they corroborate the civilian power image and cast doubt
on the EU as a normative power. In general, the effective projection of EU governance
beyond its borders depends on market power and supranational regulation rather than its
normative socialization capacity. Whenever the EU’s promotion of norms is not backed up by the power of its regulated market, it hardly qualifies as a power at all.