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Patterns of Differentiated Integration in the EU: Explaining Variation Among Post-2004 Enlargement Countries in the Post-Accession Process

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Abstract

Differentiated Integration (DI) is a phenomenon accounting for the path that new Member States (MSs) follow when joining the European Union (EU) and is comprehended as a form of integrating States within the EU's legal and institutional framework in flexible and heterogenous ways (Schimmelfennig and Winzen 2020; Lavenex and Križić 2022). But whilst Schimmelfennig and Winzen (2017) recognize that high levels of differentiation are expected when it comes to the EU's youngest members, eventual convergence to the level of integration of older MSs is expected from them. Whilst this statement is proven by the EUDIFF1 (2022) dataset, showing the level of integration of the newer MSs within the EU effectively deepening over time, there is yet no explanation for the different integration trajectories they follow in the post-enlargement process. Therefore, based on Schimmelfennig and Winzen's (2020) theoretical developments, this paper aims to explain such variations in patterns of integration of post-2004 enlargement countries (PECs) by investigating whether wealth, administrative capacities and Euroscepticism play a role at the national level, thus affecting their integration trajectories. By adopting a treaty-based lens of analysis, the focus will be narrowed on the two "extremes" of the PECs basket, academically labelled as "laggards" (Czechia, Hungary and Poland) and "pacesetters" (Estonia, Latvia and Lithuania. This work will adopt a dual methodology to compare "laggards" and "pacesetters" by combining a quantitative and qualitative approach to provide a wider understanding of the integration patterns followed by PECs.

Introduction

Throughout its history, what is now known as the European Union (EU) has shown itself to be a project of political, economic, and institutional integration destined to incorporate a growing number of European states — upon condition that they meet certain criteria. This expansion has

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not been without consequence, having raised questions on the increasing heterogeneity of EU Member States (MSs) and its impact on the European project (Kaiser and Elvert 2004). On par with this concern, several studies have been dedicated to the topic of Differentiated Integration (DI) and the effects of EU enlargement on this phenomenon or vice-versa (Allemand 2005; Neve 2007; Zhelyazkova et al. 2015; Schimmelfennig 2014; Schimmelfennig and Winzen 2017).

Comprehended as a means to integrate states within the EU's legal and institutional framework in flexible and heterogenous ways (Schimmelfennig and Winzen 2020; Lavenex and Križić 2022), DI has notably been shown to be one of the principal consequences of enlargement (Zhelyazkova et al. 2015; Schimmelfennig and Winzen 2017), meaning that, at the time of accession, newly joined MSs are less integrated into the EU as compared to older MSs. However, as Schimmelfennig and Winzen (2017; 2020, pp. 52-53) point out, such a differentiation is expected to be of a temporary nature, meaning that eventual convergence to the level of integration that older MSs enjoy within the EU's architecture is predicted for the newcomers. And, whilst such a statement is correctly proven by EUDIFF1 (2022), a dataset recording the number of treaty differentiations by EU MSs from 1952 to 2020 (which shows the level of integration of the newest MSs within the EU effectively deepening over time, namely the actual number of differentiations in EU primary law), it also highlights the fact that the EU's newest members, or post-2004 enlargement countries (PECs), follow different integration trajectories in the post-enlargement process. More specifically, they integrate at different speeds — meaning that each country's differentiations diminish at a different pace. In other words, the increase in the "centralization level, policy scope and membership of the EU" (Schimmelfennig 2018, pp. 1156) that each of the PECs experience ex post does not follow a uniform timeline. As such, figures 1 and 2 illustrate this distinction. The former attests to the evolution of each country's DI within the EU, showing variation in both the initial level of DI experienced by PECs at accession (or experienced DI) and in the ongoing DI they experience to this day (or ongoing DI). The latter breaks down ongoing DI by policy-sectors, revealing variation among sectors.

As such, this paper aims to explain the variations in the PECs' integration trajectories following the 2004 enlargement by adopting a treaty-based lens. In so doing, this work defines the concept of DI and its drivers, reviewing the existing DI literature. This will allow putting forward several possible explanations behind the variations in the pattern of integration of the new MSs based on the work of Schimmelfennig and Winzen (2017, 2020). They will then be tested following a comparative qualitative methodology combined with a quantitative analysis to provide strength to the overall argument and look into future research pathways. The final section will provide the main findings.
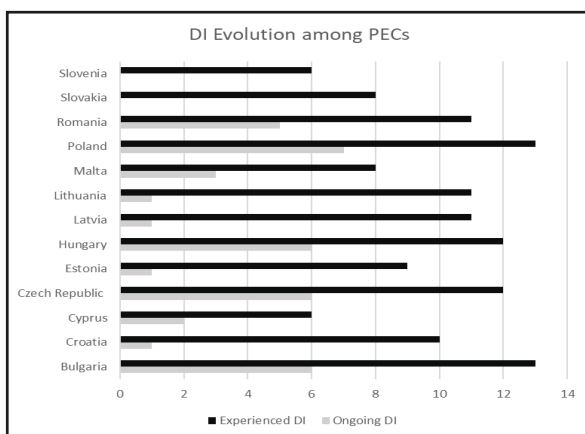

Figure 1. Ongoing DI and experienced DI among PECs, EUDIFF1 (2022a) - Authors' own elaboration
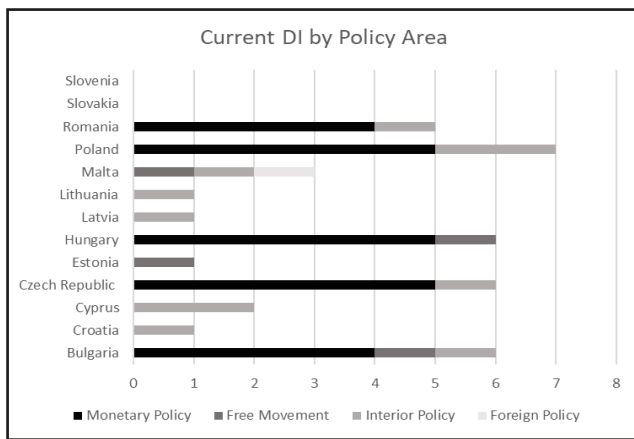
Figure 2. Ongoing DI among PECs by Policy Area, EUDIFF1 (2022a) - Authors' own elaboration

Understanding DI

The concept of DI emerged to explain how the process of European integration, facing increasing heterogeneity pertaining to its MSs, adapted to avoid stagnation by introducing legal differentiation, therefore allowing the MSs to be differently integrated within specific sectors or policies such as the Schengen area or the common currency (Kölliker 2006, p. 2). If scholars have now extended the definition of DI to include non-MSs —admitting that countries such as Switzerland or Norway, whilst not formally part of the EU, are involved in certain European policies or agencies— (Varwick and Windwehr 2007; Lavenex 2015; Schimmelfennig et al. 2015), this paper has an inward focus, and earlier described DI as a form of integrating States within the EU's legal and institutional framework in flexible and heterogeneous ways. Kölliker's definition (2006, p. 14) can also be considered, referring to DI as a "general term for the possibility of Member States to have different rights and obligations with respect to certain common policy areas".

It remains important to mention that DI has different conceptualizations that have been summarized by all-too-known simplifications such as "multi-speed Europe", "Variable Geometry Europe" or "Europe *à la carte*" to cite a few (Stubb 1996). Whilst "multi-speed Europe" implies that certain objectives will be first reached by a limited number of MSs before the others eventually catch up, "Variable Geometry Europe" admits that there are different integration "tiers" or "levels" within the EU and distinguishes highly integrated States from weakly integrated ones. Finally, "Europe *à la carte*" translates a sectoral point of view in which MSs can choose to participate in certain European policies but not in others (ibid.). But, even if these simplifications allow making sense of the dynamics essential to the understanding of DI, Holzinger and Schimmelfennig (2012, p. 296) argue that "Variable Geometry Europe" and "Europe *à la carte*" are simultaneous to each other and should not be separated. In line with this thinking, Schimmelfennig et al. (2015) establish a new categorization distinguishing vertical DI from horizontal DI. While the first refers to "policy areas that have been integrated at different speeds and reached different levels of centralization over time", the second translates as "the fact that many integrated policies are neither uniformly nor exclusively valid in the EU's member states" (p. 765). In other words, they translate as the level of centralization for a certain policy and its evolution over time for the former, and the territorial extension of a European policy for the latter (p.770). As such, this paper principally tackles vertical DI, examining the evolution of centralization for the selected case-studies.

What causes DI?

As stated above, internal DI can be understood as a consequence of increasing MSs heterogeneity. In this sense, it is easy to understand why the enlargement process is seen as "a major driver of differentiation in European integration" (Schimmelfennig and Winzen 2017, p. 239), albeit a temporary one. It is indeed a phenomenon that implies the extension of EU membership to a higher number of diverse countries, increasing the odds of preference divergence between the EU MSs. To allow new MSs to adapt to and adopt the European *acquis,* derogations are established within the accession arrangements regarding both legal obligations and membership benefits — this includes examples like the restriction on the free movement of labour or exclusion from the eurozone (ibid, p. 240). The reason behind such differentiations, in the case of the PECs, can be linked to the newcomers' relative lack of wealth and weak administrative capacities, which greatly differ to those of the older MSs —with some exceptions (Schimmelfennig and Winzen 2017).

Other factors can also contribute to differentiation. Taking interest in different national opt-outs regarding EU policies, Winzen (2020) argues that Euroscepticism has the potential to be one of them — but only at times when Eurosceptic parties are in government positions. Defined as "a backlash against the transfer of authority to the EU" (ibid., p. 1821), Eurosceptic ideas can lead to differentiation if belonging to key decision-makers or institutional veto players, i.e., the government, as parties or individual voters are less likely to formally influence policies (ibid., p. 1824; Tsebelis 2002). However, he nuances this position by adding that his data, exclusively focused on treaty revisions/reforms and issue-specific treaties in the likes of the Prüm Convention, the European Stability Mechanism or the Schengen Area treaty, shows that some Eurosceptic governments did not negotiate for opt-outs. This implies that other factors can also be at play, such as interdependences or sectoral politicization. The former translates the idea that DI is less likely to occur in areas where MSs are highly interdependent and have no choice but to cooperate in the name of policy effectiveness or to secure positive externalities. The latter echoes the core-state policies/non-core-state policies argument and explains differentiation in polarized political sectors of integration (for the importance of interdependence and politicization as drivers of (dis) integration, see Schimmelfennig et al. 2015).

As such, differentiation has also shown itself to be sectoral, affecting certain policies but not others. Linked to the Eurosceptic argument, this means that differentiation is more likely to arise in core-state policies, those regarding currency or defense for example, explaining why low-salience policies regarding the single market or agricultural regulations are shown to strive towards uniform integration in the long run (Winzen 2020, p. 1822). Schimmelfennig (2018) defends a similar idea when explaining differentiated disintegration in the case of Brexit, stating that not only is "demand for disintegration more likely to arise if the EU expands its policy scope into, or deepens its supranational competences, in core state powers" but also that this demand is most likely to arise from "member states with widespread exclusive national identities" (p. 1157). However, the sectoral logic of DI can also be explained through certain policies' potential externalities: when these are particularly strong and exclusive, meaning outsiders would not benefit from their positive effects, integration tends to be stronger (ibid.).

Hypotheses

This paper aims to establish which factors could help understand the reasons behind the

PECs different integration patterns post-2004 as shown by the EUDIFF1 (2022a) dataset. This brief literature review allows putting forward several hypotheses which will be subsequentially tested and applied to DI evolution among PECs. As such, this paper aims to test whether these hypotheses can account for the different evolution patterns followed by newer MSs or to determine if other factors are at play. Hypotheses will be tested both for the laggards-pacesetters case-studies and subsequently for all the PECs.

First, we consider an economic mechanism: as per the literature provided above (see in particular Schimmelfennig and Winzen 2017), poorer PECs are likely to experience more differentiation over time than richer PECs, resulting in vertical DI. Accordingly, we expect to observe a negative correlation between wealth and the number of differentiations of PECs.

Second, we put forward a capacity explanation: PECs with weaker administrative capacities record greater differentiation over time than PECs with stronger administrative capacities, resulting in vertical DI. This hypothesis is prominent in the academic literature on EU integration and DI, and points to the role that weak implementation capacities play in affecting post-enlargement trajectories of EU MSs (Börzel 2011; Elbasani 2008; Schimmelfennig and Winzen 2014; 2020; Dimitrova 2002; Van Wolleghem 2022). The underlying assumption is that states with different administrative capacities integrate at different speeds. Indeed, state capacity is largely believed to cause differentiation in the phases of accession due to distributional and efficiency concerns of older MSs, who introduce differentiation to protect themselves from unwanted consequences stemming from the newcomers' potential poor administrative capacities and therefore their policy implementation abilities (Schimmelfennig and Winzen 2014). The effects of state capacity *ex-post* have received limited attention hitherto despite data showing potential for further investigation. As such, we expect to observe a negative correlation between the administrative capacities and the number of differentiations of PECs.

Third, we opt for the Eurosceptic hypothesis: PECs governed by Eurosceptic governments are likely to experience more differentiation over time than PECs governed by non-Eurosceptic governments. This hypothesis is based on Winzen's (2020) work, which sees Euroscepticism as a driver of differentiation in the case of treaty revisions, a similar take to the one argued by himself and Schimmelfennig in 2020 (p. 59), as they hypothesize that whilst "more Eurosceptic countries opt out of treaty reforms (...), poorer and lower capacity countries [initially] contribute most to DI based on enlargement". Therefore, we expect to observe a positive correlation between the Euroscepticism in government and the number of differentiations of PECs. Due to the unit of measurement adopted (see *section 5,* the higher the value, the lower the level of Euroscepticism), we expect a negative correlation between Euroscepticism and the number of differentiations of PECs.

This paper thus provides Fare clic qui per immettere testo.the opportunity to verify if, after enlargement and during the centralization process PECs face, wealth and administrative capacities continue to play a role regarding differentiation, as well as to test if Euroscepticism drives DI post-enlargement integration patterns.

Methodology

This paper adopts a mixed approach by combining qualitative methodology with quantitative analysis. The former consists of a comparative qualitative analysis that applies the method of difference between two samples of PECs through the most different systems design strategy

(MDSD): "pacesetters", namely Estonia, Latvia and Lithuania; "laggards", namely Czechia, Hungary and Poland. The choice of case studies follows the Europeanisation literature that has largely looked at the Baltics as a perfect model of successful accession while raising concerns over Czechia, Hungary, and Poland's integration performance (above all, Johnson 2008; Zhelyazkova et al. 2015). Thus, the three hypotheses formulated above will be tested by comparing wealth, administrative capacities, and Euroscepticism between the selected case studies. Such a qualitative approach will be strengthened by the introduction of a quantitative approach between the dependent variable (DI) and the independent variables (wealth, administrative capacities, and Euroscepticism) with correlation statistics for both the selected countries and all PECs. A logistic regression will also be run, looking into the relation between policy differentiation and our focal predictors to investigate future research paths. The model will present both bivariate and multivariate statistics by introducing two control variables (level of human development, percentage of Russian-speaking citizens).

DI is the dependent variable of this work. Defined in legal terms, it is understood as the mismatch between the body of EU law and the *acquis* adopted by MSs (Schimmelfennig and Winzen 2020). More specifically, DI is measured through EUDIFF1 (2022) and refers to the number of differentiations in the EU primary law, namely at a treaty level.

Following such a theoretical framework, the impact of these three independent variables will be tested.

Wealth is conceived to be tied to the economic interests and capacities of PECs (Schimmelfennig and Winzen, 2020) and is measured as a country's Gross National Income (GNI) per capita. The use of the GNI instead of the Gross Domestic Product is aimed at avoiding biased results (see the case of Ireland).

Administrative capacities are here defined in negative terms with the use of a proxy variable to measure public administration capacity in terms of processes and structures (European Commission 2014). Accordingly, it is measured as a country's perceived corruption, which represents an indicator of good governance and governance capacity (Schimmelfennig 2016). More specifically, perceived corruption is measured as the arithmetic mean of the annual values of the International Transparency's Corruption Perception Index from 2012 to 2022.

Euroscepticism does not refer to popular sentiment spread throughout the country. Rather, it gets closer to the concept of "institutional veto player" (Tsebelis 2002). An individual country's Euroscepticism is measured by the arithmetic mean of the overall orientation of government party leadership towards European integration. Party positions are given by the Chapel Hill and Leonard Ray expert surveys that rank parties on a 1–7 scale of EU support (1=strongly opposed, 7=strongly in favour), with positions weighted for the vote percentage received by the party in the previous national election to account for their influence in shaping their government's stance.

Analysis and Results

This section turns to the empirical analysis and results. As previously said, DI represents the dependent variable of this work. Narrowing down on the DI performance of "pacesetters" and "laggards", the three independent variables identified through the literature are here discussed. To clarify our analysis, *figure 3* recapitulates the main differences in DI between pacesetters and laggards regarding their integration trajectories, whilst *figure* 4 shows which policy sectors are concerned by ongoing DI. As such, they crystalize the varying DI our hypotheses aim to explain.
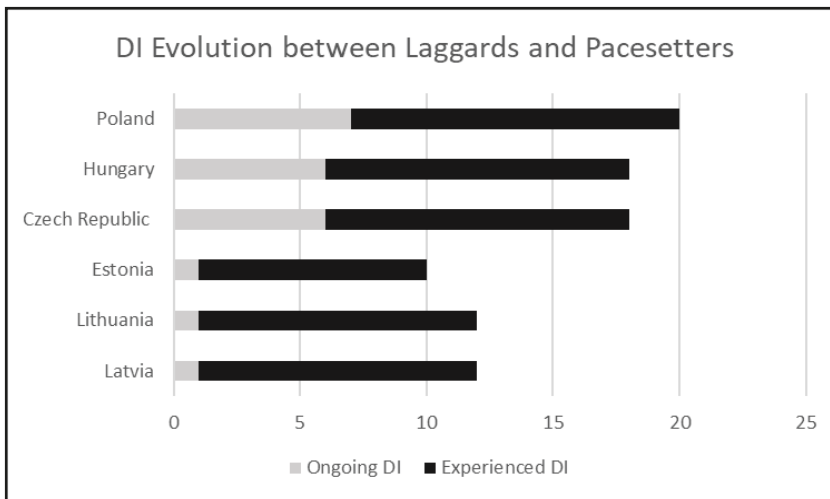
Figure 3. Ongoing DI and Experienced DI among PECs. EUDIFF1 (2022a) - Authors' own elaboration
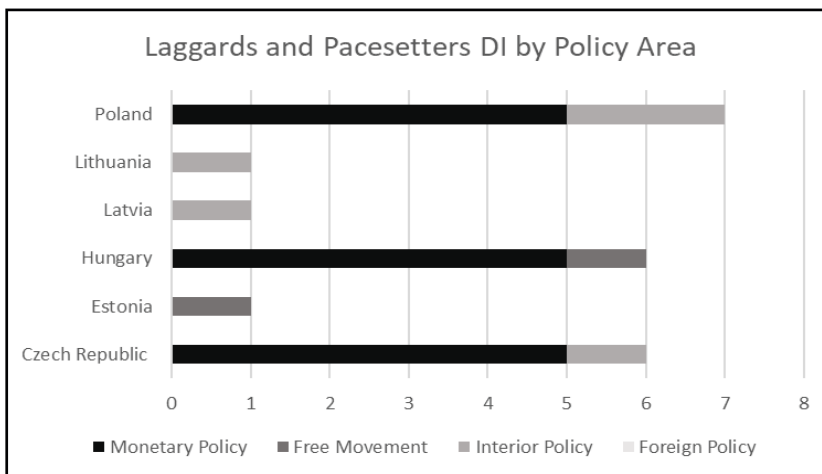

Figure 4. Current DI among Laggards and Pacesetters by Policy Area. EUDIFF1 (2022a) - *Authors' own elaboration*

Wealth

When it comes to GNI per capita, the World Bank database (*see figure 5*) shows that the two poorest countries in 2020 are laggards, namely Hungary and Poland with a GNI per capita of 16.030$ and 15.300$ respectively. The two richest countries in terms of GNI per capita in 2020, however, are the pacesetter Estonia (23.570$) and the laggard Czechia (21.800$), with Lithuania (19.680$) and Latvia (18.240$) in the middle. As such, in 2020, Poland is the country with the lowest GNI per capita and the most differentiated member of the laggards, with Hungary and Czechia counting the same number of differentiations regarding EU primary law but with one of them being significantly poorer than the other. The GNI per capita discrepancy between Latvia and Lithuania on one part and Estonia on the other also stands out, as they have the same number of differentiations in 2020. Interestingly, at the time of accession, the countries with the highest GNI per capita were Czechia (10.260$), Hungary (8.650$) and Estonia (7.500$), two laggards and a pacesetter, as opposed to Poland (6.260$), Lithuania (6.100$) and Latvia (5.800$), two pacesetters and a laggard. Finally, GNI per capita evolution is also worth noticing, as it shows that from 2004 up until 2012, Lithuania, Latvia, and Poland had intermeshing GNI per capita evolution patterns,

with Hungary joining the group in 2007. It is not until 2012 that Latvia and Lithuania began to leave Poland and Hungary behind. All in all, these observations do not allow a strong conclusion establishing wealth as a determining factor in DI evolution despite some observations that could point in that direction. However, it remains interesting to point out that it can represent a political argument in favour of DI. Indeed, all laggards have yet to adopt the single currency, which is one of the ongoing differentiations measured by the EUDIFF1 (2022) dataset. Whilst such phenomenon can be linked to other independent variables — see below —, it is worth noting that Hungary's Central Bank governor recently declared that "entering the club of the rich" (i.e., the eurozone) was a "dangerous idea" given the relative unpreparedness of the Hungarian national economy in comparison to the eurozone MSs' economies (Matolcsy, 2021), thus suggesting that wealth discrepancies could be a potential reason behind the Hungarian government's negative position on entering the eurozone. The same could be said for Poland, where Jarosław Kaczyński, Deputy Prime Minister and leader of the PiS party, cited the need for the Polish economy to catch up on Germany's before adopting the euro (LE TEMPS, 2019). Of course, the fact that all the convergence criteria were yet to be met in Hungary and Poland as of 2020 (European Commission 2020) should be considered as furthering the need for persisting DI pertaining to the eurozone.
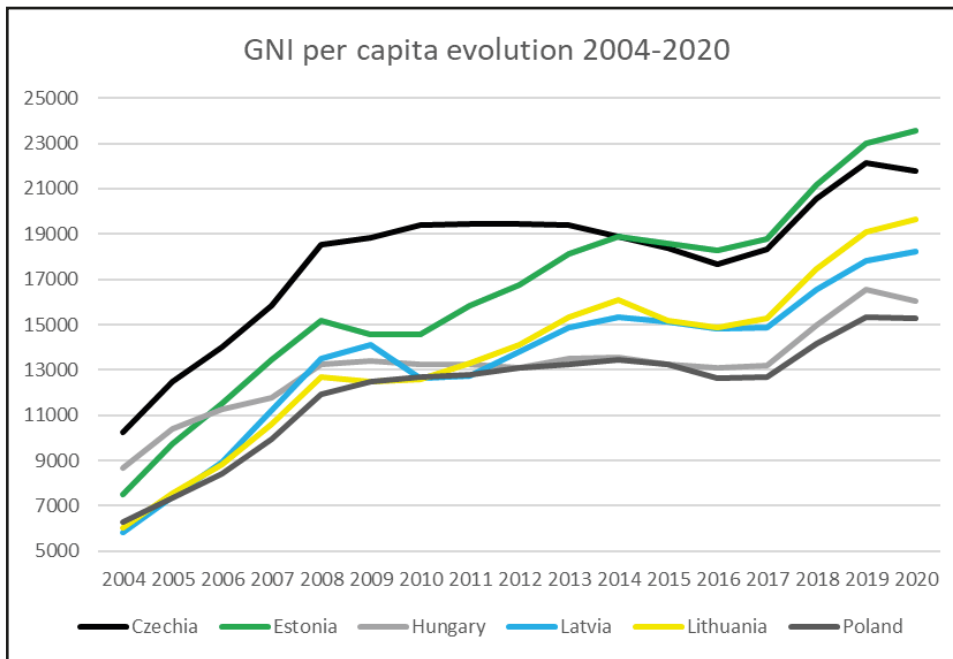

Figure 5. GNI per capita evolution in Poland, Hungary, Latvia, Lithuania, Czechia, and Estonia, 2004-2020, Atlhas Method (current $US) World Bank Database (2021).

These findings are also confirmed by looking at *Table 1* reporting the Pearson's r correlation coefficient for the association between ongoing and experienced DI and the explanatory variables identified in this paper. Ongoing DI refers to the differentiations that are still in effect at the time this work was written. Experienced DI includes all the differentiations that a country has experienced since its accession. Here, we are testing our first hypothesis on wealth. In the first column, ongoing DI shows a negligible negative coefficient (-0.095). This correlation coefficient does not allow the confirmation of the hypothesis that poorer PECs are expected to experience more differentiation than richer countries. The second column reports a moderate negative

correlation coefficient of −0.423 between experienced DI and GNI per capita. This difference tells us that a country's wealth seems to be a stronger predictor for enlargement DI (as also shown by past works, see in particular Schimmelfennig & Winzen 2017), while no evidence has been found on its role in the post-enlargement process. It is worth noticing the coefficient is not statistically significant. This is probably due to the low number of observations available, and the significance level must be interpreted with caution.

Table 2 moves further by running correlation statistics for all the PECs (Bulgaria, Croatia, Cyprus, Czechia, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia) between ongoing and experienced DI and the explanatory variables. While ongoing DI seems to be moderately correlated with GNI per capita (-0.437), experienced DI of all PECs shows a high negative correlation coefficient (-0.837). The former is not significant. The latter is at a 90% level of confidence. These outcomes seem to confirm that wealth is a strong predictor for enlargement DI, but its relevance is negligible when it comes to post-accession processes.

Administrative capacities

All the pacesetters present a unitary state structure with low politicized relations between ministers and civil servants. Latvia and Lithuania show decentralized processes of policy implementation, while Estonia differs with a strong centralized top-down model. Estonia is the most advanced Baltic country in terms of administrative reforms. After the USSR's collapse, Estonia embraced invasive public management reforms aiming to pursue values such as "lean state, cost-efficiency, openness of the civil service and government, cutting red tape and reducing managerial discretion" (European Commission 2018a, p. 273). Differently, Latvia and Lithuania's public administrations are based on *Rechtsstaat* with influences of their past communist experiences although both have already engaged with New Public Management (NPM) (European Commission 2018b; 2018c). In terms of administrative capacity, Estonia is the best performing country among the Baltics, and one of the countries recording the highest levels of readiness, implementation, and transparency in the EU. Excellent results are also recorded regarding perceived corruption, with Estonia being one of the least corrupted countries in Eastern and Central Europe (International Transparency Index 2021). Latvia and Lithuania also perform relatively well in terms of implementation capacity, transparency, access to information, and strategic planning capacity (European Commission, 2018b; 2018c).

Differently, all laggards have unitary or unitary-fragmented state structures with highly shared politicized relations between higher politics and civil servants. It must be considered that national laws do not allow for political influence, but the actual practice seems to highly differ. All countries are characterized by a high level of centralization regarding the process of implementation although respective degrees differ. Following a Roman-German legal tradition, Czechia appears to be the most developed and modern country in terms of administrative reforms among the laggards (European Commission 2018d). Despite having adopted international standards and new instruments to increase transparency and access to information, administration reforms rarely focus on citizens' needs and public interest (ibid.). While Poland's administrative culture is an amalgamation of different values and traditions between NPM and public governance, Hungary's reflects a predominant, influential legalistic approach with elements of socialization, informal rules, and norms (European Commission 2018e; 2018f). Regarding performance, all the countries record relatively low results in terms of transparency and accountability, while only Czechia shows

average values of access to information (ibid.). Mixed results are instead provided for strategic planning and implementation capacity, with Poland showing values in line with the Baltics. The same can be said about perceived corruption scores, with Hungary believed to be a highly corrupted country, while Czechia and Poland's scores are higher but still below the pacesetters (International Transparency Index 2021).

This brief qualitative discussion engaging with the evaluative documents of the European Commission has shown how pacesetters (Estonia, Latvia and Lithuania) perform relatively well compared to laggards (Czechia, Hungary and Poland). This is particularly true for transparency, access to information, implementation and strategic planning capacity and perceived corruption. Moreover, with the laggards' differentiations being particularly high regarding European monetary policies, the idea of administrative capacity as a factor favouring DI rings true. Indeed, it is no surprise that states with weaker administrative capacities fail to fit within the eurozone, which entails the need to uphold economic criteria and establish specific monetary and economic policies, which is something weak administrations could find difficult to achieve. This argument appears also relevant for interior and free movement policies where poor state capacities may hinder or threaten policy implementation in specific, highly sensitive matters.

Table 1 below reports the Pearson's *r* correlation coefficient for the association between ongoing and experienced DI and the explanatory variables identified in this paper. Here, we are testing our second hypothesis on administrative capacities. In the first column, ongoing DI appears to be highly correlated with administrative capacities. Our explanatory variable shows a r correlation coefficient equal to -0.673, but it is not significant. This coefficient does not enable to confirm the hypothesis that weaker administrative capacities are associated with greater differentiation over time among PECs. The second column shows that experienced DI is also highly correlated with administrative capacities, but once again the outcome is not significant. Our explanatory variable shows a r correlation coefficient equal to −0.783. The deflation between ongoing and experienced correlation is not as much to significantly affect our result. Rather, this may suggest that the administrative explanation seems to be persistent over time, even holding out against EU convergence processes. However, the lack of significance may be due to the low number of observations used. It must also be said that any level of significance must be interpreted with extreme caution due to the limited observations available.

Table 2 turns to all the PECs. Overall, both tables show more moderate results. In particular, ongoing DI is moderately correlated with administrative capacities with a coefficient equal to −0.479, while experienced DI shows low, almost negligible correlation with administrative capacities with a coefficient equal to −0.315. Ongoing DI is statistically significant at a 90% level of confidence. This confirms our hypothesis that PECs with weaker administrative capacities record greater differentiation over time than PECs with stronger administrative capacities.

Euroscepticism

All pacesetter countries' governments have remained relatively pro-EU ever since their accession, if not strongly in favour of EU integration, with one minor exception found within the country of Lithuania and the 2012 elections which saw the Eurosceptic TT party (Order and Justice, or *Tvarka ir teisingumas*) access government positions through a coalition. The same cannot be said for all the laggards. Czechia has had no major Eurosceptic parties in government except for the ODS party, described as mildly Eurosceptic by the Chapel Hill Survey (Jolly et al. 2022)

and having accessed government positions through coalitions with pro-EU parties following the 2006, 2010 and 2021 legislative elections. In Poland, the 2005 parliamentary elections saw the rise of a coalition government comprised of PiS, described as somewhat Eurosceptic, as well as the much more Eurosceptic SRP and LPR parties. Followed by pro-EU governments up until the 2015 elections, the cabinets of Beata Szydło (2015-2017) and Mateusz Morawiecki (2017-2019, 2019-ongoing) saw the return of PiS as the main government party. Finally, Hungary has seen since 2010 the predominance of the Fidesz party in the successive Orbán governments, a party which has seen an evolution from mild pro-EU views to increasingly Eurosceptic ones following the 2014 and 2018 elections, classified by the aforementioned survey as oscillating between "Eurosceptic" to "somewhat Eurosceptic". All in all, whilst the presence of Eurosceptic parties can indeed be noted within the laggard countries' governments in a much more significant way than within the pacesetters, such presence can be difficult to measure for two reasons. First, time-line-wise, Poland is a case of back-and-forth between pro-EU governments and more Eurosceptic governments. In addition, its main party, PiS, is only described as mildly Eurosceptic. This brings forth the second point, which acknowledges the fact that ideology-wise, the main Eurosceptic parties present in the laggard governments are never described as strongly Eurosceptic: this is the case of the aforementioned PiS party but also the case of Fidesz (Hungary) despite its Eurosceptic views deepening over time. The same argument is valid for the ODS party (Czechia), who also happened to be in government through coalitions with pro-EU parties in the likes of the Green Party (SZ), the Christian-Democrats (KDU-ČSL), the Social Democratic Party (ČSSD), the Pirate Party or TOP 09.

Limited but consistent divergence between laggards and pacesetters thus exists when considering the presence of Eurosceptic parties in the executive. Here, we are going to quantitatively test our third hypothesis on Euroscepticism. *Table 1* shows that Euroscepticism is highly correlated with ongoing DI (-0.933) with a 95% of confidence. This confirms our hypothesis that countries with more Eurosceptic parties in government are more likely to record greater DI over time. As such, ongoing differentiations make sense amongst the laggards, as resisting further European integration, especially in core-state policies such as currency or interior affairs, is on par with Eurosceptic ideas. Interestingly, however, experienced DI is only moderately correlated with Euroscepticism (-0.596) and the coefficient is not significant. Note that the variable was coded as cardinal since we are testing it in correlation statistics grasping any variation even between pro-EU countries.

Table 2 runs correlation statistics for all PECs. As foreseeable, results are less distinct. Both ongoing DI and experienced DI are negatively correlated with Euroscepticism in the executive. While the latter is not significant (-0.397), the former shows a negative coefficient (-0.481) that is significant at 90% of confidence. This further confirms our hypothesis that PECs governed by Eurosceptic governments will experience more differentiation over time than PECs governed by non-Eurosceptic governments. As said above, coding it as cardinal allows for grasping any variation in the position of national government towards EU integration.

	Ongoing DI	Experienced DI
GNI per capita	-0.095	-0.423
Administrative Capacities	-0.673	-0.783
Euroscepticism in the executive	-0.933 **	-0.596
N	6	6

t statistics in parentheses

* *p* < 0.10, ** *p* < 0.05, *** *p* < 0.01

Table 1 – Correlation statistics for Czechia, Estonia, Hungary, Latvia, Lithuania and Poland - Authors' own elaboration

	Ongoing DI	Experienced DI
GNI per capita	-0.437	-0.837[*]
Administrative Capacities	-0.479[*]	-0.315
Euroscepticism in the executive	-0.481[*]	-0.397
N	13	13

t statistics in parentheses
* *p* < 0.10, ** *p* < 0.05, *** *p* < 0.01

Table 2 – Correlation statistics for all the PECs - Authors' own elaboration

Exploring sectoral DI

If the previous section provided interesting findings recording significant correlations for both Euroscepticism and administrative capacities, this section aims to lay the foundations for future research by adopting an exploratory approach. As previously stated, academic literature on DI determinants has shown how the Eurosceptic argument is expected to produce more differentiation in core-state areas, such as the common currency and defense cooperation, compared to low-salience, highly technical domains (Schimmelfennig and Winzen 2020; Winzen 2020). Scholars have

also shown that administrative capacities matter when it comes to core-state policies, such as interior or monetary policy where lack of proper implementation jeopardizes the scope of the whole policy. The DI variation over time should thus be considered when it comes to core-state sectors or non-core ones. While the latter are expected to last for a smaller amount of time, the former are supposed to be longer-lasting. It is not surprising that only 4 out of 39 differentiation observations are related to non-core DI. It is therefore worth examining the relations between the policy field and the explanatory variables above scrutinized.

While no significant relations have been found for interior policies, foreign policy, and core-state policies overall (authors' own results based on logit regressions), *table 3* below reports a logit regression analysis based on treaty differentiations in primary law among PECs from 2004 to 2020. The rationale is to determine the effects of wealth, administrative capacities, and Euroscepticism on policy differentiation. Following the literature, our hypothesis is that countries with weaker administrative capacities and higher Euroscepticism are more likely to experience differentiation in monetary policy. Economic wealth will also be tested due to the exploratory nature of this section. Data was taken from the following sources: EUDIFF1 dataset, World Bank Dataset, Transparency International, United Nations Development Programme, Eurobarometer.

The logistic regression finds its dependent variable (DV) in the policy field of each differentiation that it has been included as a dummy variable (monetary policy=1: other=0). The focal predictors consist of our three explanatory variables that have been measured following the existing literature. Wealth, which is measured in terms of country's GNI per capita, and administrative capacities, which are measured as a country's perceived corruption, have been included as cardinal variables. Euroscepticism is represented by the ideological scale (somewhat in favour=baseline, in favour, strongly in favour). Bear in mind that lower levels in the Chapel Hill and Leonard Ray's scale were not recorded. Multivariate analysis has been controlled by the following control variables: the level of human development measured according to the human development index (HDI) and included as a cardinal variable; the presence of Russian among the third most spoken languages in the country that has been coded as a dummy variable (yes=1).

Columns 1, 2 and 3 show the results of the bivariate statistics for the three focal predictors (administrative capacities, wealth, Euroscepticism) with no control variables included. On the one hand, wealth continues to be not significant, and it does not seem to be any significant relation with monetary policy. On the other hand, administrative capacities (-0.0963) and Euroscepticism (-1.640) show negative logit coefficients. The former indicates the expected variation in the odds ratio of recording differentiation in monetary policy at each unitary increase in administrative capacities. The coefficient is statistically significant with 90% of confidence. The latter represents the expected difference in the log-odds of recording monetary policy DI between countries with governments that are in favour integration and the baseline, namely countries with governments somewhat in favour integration. The coefficient is statistically significant with 95% of confidence. To note that no results are displayed for "Strongly in favour" due to low number of observations recording the value.

We then tested administrative capacities and Euroscepticism in a multivariate model. The logit coefficients of administrative capacities (-0.205) and Euroscepticism (-2.726) are both significant at 95% level of confidence (see Column 4). When we introduced the two control variables, HDI and Russian language, administrative capacity was no longer significant. In contrast, Euroscepticism shows a coefficient of –3.534 significant at a 95% level of confidence. It is worth noticing the Adj-Count R2 is equal to 0.53 meaning that the model predicts 53% of our observations.

Accordingly, Euroscepticism and administrative capacities appear to represent promising and interesting, despite challenging, paths for future research on DI and DI duration for understanding post-accession dynamics. These results want to be only an exploratory step and do not claim for any causal relations, but statistical outcomes seem to suggest that it would be worth further exploring causality between predictors and post-accession patterns of DI.

	Monetary	Monetary	Monetary	Monetary	Monetary
Administrative capacities	**-0.0963***			**-0.205****	0.0899
	(-1.82)			(-2.13)	(0.50)
GNI per capita		-0.000107			
		(-1.53)			
Euroscepticism (Somewhat in favour=baseline)			Baseline	Baseline	Baseline
Euroscepticism (In favour)			**-1.640****	**-2.726****	**-3.534****
			(-2.25)	(-2.44)	(-2.45)
Euroscepticism (Strongly in favour)			0	0	
			(.)	(.)	
HDI					0.153
					(1.44)
Russian language (yes=1)					-1.584
					(-1.17)
_cons	5.259*	3.016*	1.322**	12.26**	-8.177
	(1.93)	(1.70)	(2.35)	(2.32)	(-0.65)
N	39	39	38	38	38

t statistics in parentheses
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$; *(4) LR chi2(2)=13.43, Prob > chi2 = 0.0012, Pseudo-R2 = 0.2635, Adj-Count R2 = 0.53*

Table 3–Logistic Regression – Authors' own elaboration

Conclusion

This paper's limitations are worth noticing. Whilst we tested for different factors potentially responsible for the new MSs' DI evolution in the post-accession phase, there is no doubt others can be at play; sectoral dependences or sovereignty-related factors could for example result in forms of horizontal differentiation and have not been taken into account in our main analysis. The comparative approach has limited potential, and its explanatory power shall not be overstated. Furthermore, the quantitative analysis mainly relies on linear correlation that does not establish any causal link, and causal paths and their direction cannot be traced. Although these limitations are not insignificant, this work provides valuable contributions to understand post-accession patterns of differentiation among PECs. The qualitative discussion has shown that administrative capacities and Euroscepticism seem to be associated with post-accession DI among laggards and pacesetters. In contrast, wealth does not appear to be a determining factor in DI evolution despite some observations that could point in that direction. Correlation results confirm this preliminary analysis for Euroscepticism, while no significance has been found for administrative capacities, although the low number of observations reduce the scope of significance levels.

Moving to all the PECs, Euroscepticism and administrative capacities provide more moderate correlations, but significant for ongoing DI. Conversely, wealth is significant for experienced DI. These outcomes suggest that Euroscepticism and administrative capacities seem to be positively and negatively associated with post-accession patterns of DI, confirming our second and third hypotheses. We did not find any evidence that wealth is associated with ongoing DI, while, as literature has shown, it appears to be a strong predictor for enlargement DI. This suggests that DI causes at the time of enlargement may not necessarily explain DI in the post-enlargement processes.

By exploring sectoral DI at a treaty-level, this paper has found interesting paths for future research. If no significant relations have been found for interior policies, foreign policy and core-state policies overall, monetary policy DI appears to be significantly related to Euroscepticism and administrative capacities. This provides promising directions for future research that may point to the evolution of differentiation over time, the role of Euroscepticism and administrative capacities, their interaction and implications for DI duration and policy differentiation at a sectoral level. As said above, other factors can also be at play. These should not preclude further factors for investigations, but contribute to deeper and thorough understanding of post-accession patterns of differentiation.

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