

Laszlo Bruszt and Balazs Vedres

Fostering developmental agency from without

*Paper prepared for the EUSA Eleventh Biennial International Conference
Los Angeles, California, April 23-25, 2009*

European University Institute

laszlo.bruszt@eui.eu

Central European University

Vedresb@ceu.hu

Fostering developmental agency from without

1. Intro – Development from without?

The problem of promoting change from without in less developed countries is that while domestic actors might need external help to depart from a dismal status quo, such help many times does not work, or it produces perverse effects. Meddling by external actors, instead of decreasing the need for external help - the major criteria of success for such interventions - might conserve or even worsen bad incentives, and leave intact or even weaken capacities of domestic actors. This way, external interventions might become a factor in the reproduction of developmental traps (Easterly, 2006; Stiglitz, 2001; Evans, 2004; Edwards and Hulme, 1996; Moss, Pettersson and van de Walle, 2006).

The dilemma of external interventions is whether and how creating and nurturing domestic developmental agency is possible. Arguments for the need to foster domestic agency from without are linked to several pathologies of external developmental interventions that try to substitute for missing or weak domestic agency. These arguments include the lack of accountability of external developmental agencies (Easterly, 2004), their limited capacity to foresee and control the consequences of their interventions (Evans, 2004), limitations of top-down monitoring and enforcement (Tallberg, 2002), and finally the potential perverse effects of external help on the incentives of domestic actors to develop institutions (Bruszt, 2008)

The message of this literature is unequivocal. First, the need for external help can decrease only with the parallel emergence of domestic capacities of collective problem-solving (Easterly, 2006, Evans, 2004). Second, the sustainability of externally imposed rules is closely linked to the capacity of external actors to generate domestic supporting alliances around the new institutions (Jacoby, 2008) with actors empowered to participate in the monitoring, enforcement and upgrading of externally imposed rules (Easterly, 2006; Tallberg, 2002). Upgrading the capacities of domestic actors to create, sustain and change institutions necessary for development might reduce the dangers of merely reproducing developmental traps through external interventions.

International developmental agencies have experienced already with diverse forms of domestic ‘empowerment’ and references to ‘increasing domestic ownership’ of developmental programs abound in their reports. Theoretically oriented empirical research on these issues is, however, sparse (Bebbington et al, WB reports, EU Commission Reports, Tallberg, 2002; Bruszt and McDermott, 2008). In this paper we study the effects of diverse EU assistance programs to develop domestic developmental agency in the field of regional development, a key pillar of the aid programs of the European Union to further social and economic catch-up growth in the less developed parts of its member states. We study the effects of EU assistance programs in three new

Central European member countries of the European Union: the Czech Republic, Hungary and Poland.

The Eastern enlargement of EU provides an ideal terrain for studying the dilemmas and effects of external developmental interventions. The European Union is the largest transnational developmental regime that integrates countries that are among the most developed ones in the world, and countries with emerging market democracies. The EU sets ambitious developmental objectives to its new Eastern member states. These goals include convergence at the level of economic and political institutions to the norms within the pre-enlargement EU. Also, through the diverse social and economic cohesion programs, the EU attempts to help the new Eastern member states to achieve convergence at the level of social and economic performance to the average levels of development within the EU.

These developmental goals are matched by a complex and multiplex assistance program that has devoted yearly around 3 billion Euros to would be member countries prior to the accession to the EU (Bruszt and McDermott, 2008; Tulmets, 2008). Besides diverse programs to assist domestic institutional change, after the accession the new member countries have received yearly up to 2-4 percent of their GDP through the social and economic developmental programs of the EU Structural Funds. Large part of these moneys is spent for regional development, for making and implementing diverse developmental programs at sub-national levels including local actors like self governments, firms, NGOs, universities and diverse other non-state actors.

Here we focus on these later programs that have explicitly aimed at creating domestic agency trying to change both the domestic demand and supply sides for making and implementing developmental programs in the framework of the EU Structural Funds (SF). First, on the supply side, the diverse pre-accession programs have contributed to the strengthening, and in several of the accession countries, to the creation of state capacities to generate process and monitor diverse sectoral and territorial developmental programs that can meet the requirements of the rules and principles of EU aid programs. Second, the EU has also invested in the coming about and strengthening of a diversified demand side. The later it did by providing resources, ties and training to a big variety of local state and non-state actors and involving them in diverse forms in rehearsing the making, implementing and monitoring of developmental programs and projects.

The EU never had latitudes to directly define domestic rules of governing regional policy making and implementation. Also, the Commission has limited resources and capacities to monitor and enforce the rules and principles of SF policies in several dozens of regions in ten new member states. The fostering of developmental agency on the demand side was partly meant to create and extend a decentralized compliance system with domestic actors ready and capable to act as local watch-dogs for the Commission (on decentralized compliance systems see Tallberg, 2002). The other expectation of the designers of different pre-accession assistance programs was to promote diverse actors' capacities to politicize issues of local development and this way extend accountability of domestic states downwards (Hausner, 2005; Bruszt, 2008). Besides providing resources to diverse

local actors, the pre-accession programs have helped to open and stabilize political opportunities both at national and supranational levels to local firms, NGOs, municipalities, universities and the different associations of these actors to make complaints, politicize issues of local development and signal deviations from the rules and principles of the SF programs.

In addition to encouraging the politicization of issues of local development, the pre-accession programs have also had the explicit goal to strengthen the coming about of local capabilities of identifying and solving problems of local development by way of cross-sectoral collaboration and autonomous resource mobilization. Pre-accession programs have involved local municipalities, firms and NGOs in joint developmental programming. Also, the support programs included rehearsals of generating and implementing developmental projects built on cross sectoral collaboration. The principle of additionally, a key element of SF programs finally was meant to strengthen the capacity of local actors to mobilize resources outside of the framework of the SF support programs.

The assistance programs continued up until 2004, the year of the accession of the new members to the EU. After the accession the Commission has discontinued direct support to local actors and gave the right to set rules of making and implementing regional development programs to national governments (Bruszt, 2008). This meant that in the first ‘planning period’ of 2005-2007, diverse local actors in these countries did not enjoy the direct support of the Commission. They had to act, politicize, organize and mobilize without much direct external encouragement in the hostile environment of attempts by national governments to re-centralize and ‘nationalize’ developmental governance. This is to say that this period provided an ideal setting to test the effects of pre-accession EU assistance on post-accession local developmental agency.

Our task in this paper is to study the relationship between participation in EU financed pre-accession assistance programs and the evolution of post-accession developmental agency. To do so, we have conducted a survey of 1200 local organizations, municipalities, firms, NGOs and universities in three Central European new member countries, the Czech Republic, Hungary and Poland selecting two regions in each of these countries. The data collection covers the whole pre-accession period and it provides data on the key aspect of developmental activism in the 2005-2007 periods.

The data we have collected allows us 1) to document the prevalence and the patterns of participation by local organizations in the EU pre-accession assistance programs, and 2) to document the prevalence of diverse types of developmental action undertaken by these organizations after the 2004 accession, like participation in cross-sectoral developmental projects, mobilization of resources and politicizing of issues of development. Also, the data we have collected allows us to assess the relative capacity of these organizations to get access to EU funds after the accession. More importantly, our data allow us 3) to analyze the relationship between participation in pre-accession support programs and post-accession developmental action.

Is participation in pre-accession EU assistance a factor in post-accession developmental agency? Do local firms, municipalities and NGOs with diverse patterns of exposure to EU assistance programs differ from the rest and from each other in the ways they enter in various types of developmental action? Do they differ from the rest in patterns of developmental agency, in the way they combine organizing cross-sectoral developmental alliances with mobilizing resources and politicizing developmental issues? Or, just as the EU leaves the prerogatives of orchestrating domestic development to national governments, organizational opportunism will prevail and the targets of pre-accession EU assistance programs will rapidly adjust to the new requirements of hierarchical governance? What role is played by local organizations trained by the EU for autonomous developmental agency under the conditions of the hierarchical governance of regional development after the accession? Do they get marginalized or are they able to defend their positions and get significant share from developmental resources while keeping the patterns of developmental agency learned in the pre-accession period?

We found that deeper and more lasting forms of exposure to EU assistance go hand in hand with more complex patterns of post-accession developmental agency. Local actors deeply involved in pre-accession EU assistance programs, far from being marginalized are important players even under the conditions of the more hierarchical post-accession governance. Instead of opportunistically adjusting to the exigencies of the new conditions they are active participants in organizational experimentations with projects involving diverse forms of cross-sectoral collaboration. Also, they are active in mobilizing resources and in trying to politicize issues of development. Participation in pre-accession programs has an autonomous explanatory power in post-accession agency. We have identified two other mechanisms of fostering local developmental agency. National governments have supported the evolution of local developmental associations. Collaboration with transnational NGOs was a third mechanism, helping to disseminate norms of local agency. These later two mechanisms complement EU pre-accession programs and strengthen their effect.

We found significant differences in the emergence of developmental agency across the six regions. Contrary to the expectations of the resource endowments literature, however, we found the emergence of the most active local developmental agency in the regions least endowed with political and autonomous financial resources. Also, endowments with organizational resources and human capital, we found, were not predictors of the effects of pre-accession programs.

We start our analysis by a brief overview of the debate on the dilemmas of diverse types of external involvements in domestic development and by positioning the approach represented in this paper. The literature is divided on the issue what actually the EU does and with what effects in these countries. According to the skeptical view, EU interventions that aim changing domestic modes of governing institution building and policy making - two key aspects of domestic developmental capabilities –have at the best left intact, at the worst they have reinforced ‘low equilibrium traps’, meaning the mutually reinforcing weaknesses of states and non state actors (Borzel, 2008; Borzel and Buzogany, 2009; Sissenich, 2006; Goetz, 2008).

While sharing some of the elements of the critique formulated in this literature, here we argue that the EU could not afford to leave governance of institution building and policy making unchanged in these countries and it had to experiment with diverse methods of empowering domestic actors. The incentives and the capabilities of EU to push and pull domestic actors out from developmental gridlocks might have differed sector by sector and consequently we expect variation in the extent and effects of such EU interventions. Also, the departure from developmental status quo might have resulted in arrival to dramatically diverse new equilibriums depending on local conditions. But our general point is that, the EU had strong incentives and has developed capacities during the enlargement to effect change in domestic modes of governance through fostering domestic developmental agency.

In the second part of the paper we define developmental agency, discuss its different dimensions and describe in bigger details the goals and means of EU pre-accession programs. This part is followed by the description of the data and the key variables of our survey. We start the analysis by the examination of the post-accession position of the organizations that have participated in different pre-accession assistance programs. We test the hypothesis about the marginalization of EU-endowed local organizations in the framework of recentralized developmental governance. Using diverse controls we examine the link between patterns of participation in pre-accession assistance and forms of post-accession developmental agency. The analysis ends with the examination of the factors that helped pre-accession programs fostering local developmental agency.

2. Development from without

Helping development from without

The diverse aid programs and the different attempts at imposing from without changes in domestic policies or institutions to help development are many times criticized for the danger of conserving the problems that have made external help necessary, or worse just increasing constrains before domestic institutional change.

Most of criticisms are directed at attempts that try to substitute for domestic developmental agency by external action. Such attempts are claimed to reproduce low equilibrium traps characterized by the combination of weak domestic states, incapable of supplying sustained institutional change, with weak societies that lack the capacity to make effective demands for institutional change. More specifically, first, external mobilization of resources and their transfer are criticized for reasons of moral hazard. Aid might function as a rent neutralizing the incentives to build domestic institutions; it might distort accountability, discourage the building of capacities for endogenous problem-solving and contribute in the end to the upholding of 'learned helplessness' (Moss, Pettersson and van de Walle, 2006; Edwards and Hulme, 1996).

Second, attempts by external developmental programs to define on their own the goals and means of development for emerging market economies are criticized for being based on heroic assumptions about the capacities and incentives of external program 'principals'. Lacking accountability and mechanisms of feedback, such activist external interventions have the tendency to embrace 'utopian goals and all-encompassing roadmaps for getting there' (Easterly, 2006). Externally imposed institutional changes are criticized also for 'institutional monocropping' (Evans, 2004). According to this later critique, external actors have limited capacity to foresee the developmental consequences the same institutions might have in diverse social and political contexts. In general, external interventions are disparaged for being based on limited knowledge about, and resources to learn which types of institutional reforms or detailed adjustments need to be achieved, why they failed, and what adjustments are needed

Third, external interventions are also criticized for devoting too much attention to getting the incentives of domestic states' right while disregarding the resources and capacities of domestic actors and overestimating the opportunities for external monitoring and sanctioning (Jacoby, 1999, 2001, Bruszt and McDermott, 2008). Externally imposed changes many times fail because domestic actors do not have sufficient resources, knowledge and capacities to enact the requested reforms or they are too weak to organize supporting coalitions around the new institutions. Finally, external actors might have limited resources and incentives to sustain the right mix of incentives that could allow for consolidating domestic institutional change and might have limited capacity to monitor whether domestic actors play by the rules (Tallberg, 2002; Sedelmeyer and Epstein, 2008).

The conclusions drawn from such criticisms converge in one point: the more these interventions remain 'external' the bigger is the chance that the actions by foreign developmental agencies will yield no lasting results at the best, or they will produce perverse effects at the worst. The message of this literature is unequivocal. First, the need for external help can decrease only with the parallel emergence of domestic capacities of collective problem-solving (Easterly, 2004, Evans, 2004). These are, on the one hand, the capacities of domestic states to create, administer, monitor, enforce and adjust public rules and policies that can further development. These are, on the other hand, the capacities of non-state actors to generate diversified and effective demand on power-holders. Besides strengthening the capacities of domestic actors to generate public policies and rules, domestic capabilities of collective problem-solving include also the capacity to organize broad developmental coalitions and the ability to mobilize resources for the implementation of developmental programs.

The second message that one can get out from this literature is that the sustainability of externally imposed rules and policies is closely linked to the capacity of external actors to generate domestic supporting alliances around the new institutions (Jacoby, 2008) and promote the coming about of actors empowered to participate in the monitoring, enforcement and upgrading of externally imposed rules (Easterly, 2006; Tallberg, 2002; Sedelmeyer and Epstein, 2008; Bruszt and McDermott, 2008).

International developmental agencies might try to help generating domestic capacity of developmental problem solving by targeting solely the capacities of domestic states. Alternatively, they might try to bypass domestic states and might directly try to improve the developmental capacities of non-state actors. Finally, they might try to combine these two strategies.

Examples for the first type of interventions include the IMF and World Bank developmental programs throughout the 1970s and 1980's. The goal of these programs was to force from without domestic states first to 'get policies right' and than later to 'get institutions right'. Several of these programs have conspicuously failed (Stiglitz, 1998; Evans, 2004). They put the stress on strengthening the incentives and capacities of domestic states and tried to exclude diverse domestic non-state actors from the monitoring and implementation of these programs. Failure in several cases was also linked to the limited capacity of external agencies to foresee the consequences of the suggested policies (Evans, 2004). The low durability of externally induced change was in several cases closely linked to the weak capacity of external actors to sustain the incentives of domestic states and/or to monitor and sanction their behavior (Stallings, 1990).

Other developmental programs tried to bypass domestic states and aimed to endow directly local non-state actors with resources and capabilities. Several of the 'social capital' programs of the World Bank belonged to this category (Bebbington, 1999; Woolcock, 2001). In many cases these programs have tried explicitly to avoid the inclusion of domestic states in any form seeing them as too much corrupted. Instead, they tried to increase the capacity of non state actors to solve local developmental problems capitalizing on social ties and on innovative forms of cross-sectoral collaborations (Bebbington, 1999; Elyachar, 2001, 2002). The problem of these programs was that by leaving unchanged the incentives of domestic states to generate supporting institutions and policies, the results of bottom up experimentations depended on the sustainability and durability of external support (Bebbington, 2001, 2002). More generally, 'getting social relations right' (Woolcock, 2001) and the endowing of diverse non state actors with developmental capabilities is seen as a necessary but not sufficient conditions of development. The work by Dani Rodrik (1999a, 1999b) and William Easterly (2000) provides powerful econometric evidence in support of the idea that economic growth in general, and the ability to manage shocks in particular, is the twin product of coherent public institutions **and** societies (Woolcock, 2001).

The EU developmental assistance programs in the pre-accession period, to be described in more details in the next section of the paper, undertook to alter the capacities of both state and non-state actors. The literature is divided on the issue what actually the EU did and with what effects in these Eastern and Central European new member countries.¹ Researchers who focus on the effects of EU interventions on domestic modes of governing institution building and policy making - two key aspects of domestic developmental capabilities - are mainly skeptical about 'EU effects' on domestic developmental capacities. EU interventions, accordingly, have at the best left intact, at the worst they have reinforced 'low equilibrium traps', meaning the mutually reinforcing weaknesses of states and non state actors (Borzel, 2008; Borzel and Buzogany, 2009; Sissenich, 2006; Goetz, 2008).

While sharing some of the elements of the critique formulated in this literature, here we argue that the EU could not afford to leave unchanged the domestic governance of institution building and policy making in these countries and it had to experiment with diverse methods of empowering domestic actors to alter old ways, and move out from developmental traps. The incentives and the capabilities of EU to do so might have differed sector by sector and consequently we expect variation in the extent and effects of such EU interventions. Also, the departure from status quo might have resulted in arrival to dramatically diverse new equilibriums depending on local conditions. But our general point is that, the EU had strong incentives and has built up capabilities at least partly matching these incentives, to effect change in domestic modes of governance by way of fostering domestic developmental agency both on the supply side as well as on the demand side.

Unlike in the case of most international financial institutions and developmental organizations, complex accountability relations within the EU did not allow the Commission to allege perfect knowledge and/or not to care about the effects of imposed policies and institutions. In the process of implementing its own conditionality, the EU could not claim to have perfect knowledge about feasibility and viability of the transfer and implementation of a huge amount of rules concerning thirty different policy areas in widely diverse local contexts in ten evolving Eastern European market economies. The closer these countries got to the date of actually joining the EU, the clearer it became that the EU can not rely solely on the hierarchical mechanisms of conditionality, and can not take as granted either the incentives or the capacities of domestic actors to implement and sustain EU rules.

Several mechanisms might have been at work to prevent 'Potemkin implementation' and

¹ The focus in most of the writings dealing with Eastern enlargement is on the factors that help or hinder rule transfer (for excellent overviews of this literature see Schimmelfennig and Sedelmeier, 2004, 2005). Due to its 'externalist bias', looking at domestic change from the perspective of the success or failure of an external attempt to transfer rules, this literature devotes lesser attention to the domestic developmental effects of rule transfer, or to the study of the conditions that constrain or enable coordination among domestic and non-domestic participants and allow for negotiating the costs and gains of rule transfer. Also, lesser attention is devoted to the search of those conditions that could allow attaining sustainable domestic institutional change after external incentives of rule taking end (but see Sedelmeier and Epstein, 2008).

constrain the tendency among the accession countries to compete with weaker norm enforcement (Tulmets, 2008, Sabel and Zeitlin, 2007; Bailey and de Propris, 2004). Some of the old member states and large firms might have had good reasons to press for interventions preventing “race to the bottom” (Vogel and Kagan, 2002) using the diverse channels EU offers for decentralized enforcement (Tallberg, 2002). More than just preventing the loss of competitive advantages, in other cases the strict enforcement of EU norms was a factor of increasing the competitive advantage of more established firms and countries with better state capacity of norm enforcement (Dunn, 2000). Also, the diverse transnational NGOs could use several channels to report deviations from EU norms or help NGOs in accession countries to make demands on their home country state via Brussels.

As of the late 1990s, the EU has gradually started to develop a more experimental mode of governing rule transfer that went beyond the traditional hierarchical means of conditionality (Bruszt and McDermott, 2008; Tulmets, 2008). The governance of rule transfer integrated traditional top down conditionality with extensive assistance to domestic actors to become players and adjust the implementation of externally imposed rules to diverse local contexts. The external fostering of the capacities of domestic state and non-state actors was combined with their integration in joint monitoring of progress in implementation. This combination of local capacity building and transnational multi-level monitoring allowed for learning some of the local constraints and the potential negative consequences of rule transfer (Bruszt and McDermott, 2008). Also, partly based on the experiences of problems of monitoring, administering and sanctioning EU rules (Tallberg, 2002) several of the pre-accession programs aimed at upgrading the domestic demand side and increasing the capacity of diverse non-state actors to serve as local watchdogs of the Commission (FERN 2000, Buskova & Pleines 2006)

Pre-accession assistance - The case of EU regional developmental programs

Here we focus on the attempts of the EU to create and strengthen local developmental agency in the field of the EU Structural Funds (SF). This is a policy field in which the EU set itself explicitly the goal to empower local actors. To achieve this goal, the EU has used extensive assistance programs throughout the 1990s to create and upgrade both the demand and the supply sides of the evolving local and regional developmental institutions.

The fostering of local developmental agency by the SF policies was linked to several expectations. First, regional and local actors were seen by the Commission as crucial partners in producing more meaningful regional development plans than those drawn up by remote member state bureaucracies. Increased agency by local actors was expected to allow for the representation of a bigger diversity of local interests and the accommodation of more diverse developmental goals (cf. Keating 2008: 72). The second expectation was that the nurturing of cross-sectoral collaboration among diverse local actors will contribute to the growth of endogenous growth capacities gradually decreasing the need for external and hierarchical interventions. By engaging in the joint making and implementation of developmental programs and projects, local

municipalities, firms, NGOs and other local actors were expected to acquire the skills of jointly identifying and solving problems of local development.

Third, by introducing the principle of “additionally” the Commission wanted to increase the capacity of regional and local actors to identify and mobilize resources on their own, independently the EU. Finally, the Commission could not control on its own whether the making and the implementation of hundreds of developmental programs and thousands of projects in the regions of the member states complies with the rules and principles of the Structural Funds. It needed domestic allies in enforcing the rules of SF Funding, participating in the making and monitoring of developmental programs and guaranteeing that those programs had something to do with the goals and principles of SF programs.

The introduction of territorial developmental institutions in the CEE countries constituted a *de novo* policy field. None of these countries had explicit regional developmental policies or institutions. Regional economic and social problems were addressed, if at all, primarily through centralized and uncoordinated sectoral programs, which lacked the resources and skills to coordinate decentralized policy-making. There was limited demand side pressure from below, as most regions lacked elected councils and sub-national state and non-state actors were weak and disorganized. The weak civil societies in the CEE countries lacked sub-national territorial organization, and, could not politicize and transform into effective demand the territorial problems of economic transformation. On the supply side, besides having weak incentives, central states in most of the CEE countries also lacked the resources and skills, level of coordination among branch ministries to experiment with decentralized integrated and inclusive sub-national policy making (Bruszt, 2008).

There were several attempts in these countries to create and empower regional level actors to solve territorial problems linked to economic transformation in the 1990s. Some of these were promoted by national governments, others by international developmental organizations or international (Keller, 2009). These experimentations, however, did not result in the coming about of lasting institutions. Most of the times they were controlled by central governments and were in most of the cases abolished once the local crises that they were supposed to solve were over (Bruszt, 2005).

Meeting the criteria of EU conditionality demanded the creation of new institutions with the knowledge and coordination capabilities to produce and implement integrated developmental programs with thousands of projects meeting the strict criteria of getting access to the otherwise non-negligible EU funds. Such an undertaking had several components: create new administrative regions; build the capacity to provide statistical information and analysis at all levels; coordinate policy among relevant national and sub national agencies; train bureaucrats at these different levels to design, implement and monitor developmental programs; build a network of decentralized agencies to monitor the management and implementation of developmental programs; create a diverse set of institutions to aid the generation of tens of thousands of projects that could fit in the framework of the developmental programs, meet the administrative criteria of the EU and

increase regional ‘absorption capacity’; and develop a network of sectoral and regional institutions for project quality pre-testing and evaluation

The EU provided templates and training to central governments to establish administrative units with the capacity to generate and coordinate national development plans and diverse sectoral programs as well as to evaluate the implementation of sub-national development programs. On the other hand, various pre-accession programs, like PHARE and Twinning helped empower diverse sub-national actors by providing them with information and skills via training and exchange programs as well as including them in domestic and transnational projects with possibilities for intra-regional and cross-regional networking. The beneficiaries of the assistance programs included associations of small municipalities, local self-governments, regional authorities, cross-border alliances of diverse sub-national units, and different types of NGOs ranging from environmental organizations to NGOs specialized on reducing social and economic exclusion. The scale of the EU support programs set aside exclusively for NGO capacity building, with a yearly 1-2 millions Euros per country, was rather modest in comparison to the resources provided to strengthening central governments’ administrative capacities. Nonetheless, a variety of PHARE programs supported different forms of developmental collaboration between local and sub-national state and non-state actors. One of the explicit goals of these programs was to enhance sub-national actors’ abilities to influence the making and implementation of regional developmental policies. The expected side effect of these programs was increased sub-regional ‘associativeness’-- the creation of links among diverse types of domestic sub-national actors and the proliferation of ties between them and different transnational actors.

The dimensions of local developmental agency

Here we study the effects of pre-accession assistance programs on post-accession developmental agency. We choose local organizations, firms, municipalities, NGOs and universities as or units of analysis. These organizations were the targets of the pre-accession assistance programs and it is the post-accession action by these organizations that is expected to bring about change in the way developmental programs are made and implemented in the regions.

We speak of local developmental agency as the capacity of local actors to jointly define problems of development; generate programs that address these problems in a way that could accommodate diversity of local interests, and jointly mobilize resources for the implementation of these programs. At the level of actors this means organizations that are ready and capable of organizing cross-sectoral developmental projects, mobilizing resources outside the framework of the SF programs and politicizing issues of local development. Below we discuss separately the three interrelated dimensions of local developmental agency: association, mobilizing and politicizing

‘Associate-organize’: Our first dimension is an extended version of the neo-Tocquevilleian concept of social capital. Whereas neo-Tocquevilleians, like Putnam highlight density of connections as a source of making markets or regional democracies

work, in our first dimension we highlight the importance of diversity. In their attempts to make states and markets more inclusive, local organizations often move beyond homogenous publics connecting actors within the same organizational field. They work together with actors from diverse institutional fields (government, business, civil society, science, mass media, education, etc.) to make more encompassing representations and to produce goods that can be seen as goods according to diverse metrics by actors from different fields. In the literature on developmental associations these cross-sectoral associations are pictured to represent an innovative form of institutional experimentation (Sabel 1993, 1994, 1996, Gerstenberg and Sabel, 2002; Brown et al. 2001; Bruszt and Stark 2003; Stark, Vedres and Bruszt 2006). For scholars coming from Durkheimian tradition, cross-sectoral association represent a mode of local organizing that can correct and/or complement the working of markets and states (Streeck and Schmitter, 1985). From the perspective of economic sociology, cross-sectoral collaborative organizing is seen as a source of innovation (Stark and Vedres, 2008). Whereas dense intra-sectoral ties might further trust and cohesion needed for smooth collective action among actors with homogeneous interests, the organization of diversity might allow for mobilizing and combining resources and identifying new opportunities.

Mobilize resources: In our study we distinguish local organizations that mobilize resources outside the framework of the EU programs from those that do not. The capacity to detect and mobilize resources is a basic condition for endogenous development. The importance of this capacity was first stressed by Albert Hirschman, one of the founders of development economics. According to Hirschman, development depends not so much on the abundance of resources or on finding optimal combinations for given resources and factors of production as on calling forth and enlisting for development purposes resources and abilities that are hidden, scattered or badly utilized (Hirschman, 1958 p.5) .

Politicize: This has been perhaps the most contested dimension of domestic agency in the literature on the governance of external interventions in domestic economic development. From the perspective of the traditional conditionality literature that assumed perfect knowledge on the side of external ‘principals to define and implement the ‘right programs’ in the ‘best way’, politicizing of issues of domestic development represented an anathema. As we have discussed at length above, this view has been strongly criticized based also on the analysis of the failures of such developmental interventions. According to this literature, institutional development is a function of the emergence of diversified domestic demand side, organizations with the capacity to increase the accountability of domestic states (Jacoby, 2008; Easterly, 2006; Stiglitz, 2001 Evans, 2004).

Having defined developmental agency, below we turn to the description of the data and the key variables of our survey. We start the analysis by the examination of the post-accession position of the organizations that have participated in different pre-accession assistance programs. We test the hypothesis about the marginalization of EU-endowed local organizations in the framework of recentralized developmental governance and we

examine the link between patterns of participation in pre-accession assistance and forms of post-accession developmental agency.

3. Data and methods

As a first step, we have selected two regions in each country. To guarantee comparability across territorial units, we have chosen from among the so called NUTS II regions, the official units of regional developmental programming within the EU support scheme. The three countries selected, the Czech Republic, Hungary and Poland represent the three patterns of relationship between EU nomenclature of developmental units and pre-existing domestic administrative-political structures. In Poland, these NUTS II regions correspond to the elected regions. In the Czech Republic usually two elected regions make up one NUTS II region. In Hungary there are no elected regional governments, the NUTS II regions are 'administrative regions' each consisting of three counties. In each of these three countries we have selected two regions: one that was above and one that was below the average with regards to economic development (using indicators like gross domestic product, unemployment rate and rate of agriculture in GDP). In the Czech Republic we have selected the Jihomoravský region and the Moravskoslezsko region. The two Hungarian statistical regions that we have included were Nyugat Dunantul (Western Hungary) and Del Alföld (Southern Plain). Finally, in Poland we did the survey in the regions of Małopolskie and Świętokrzyskie.

The survey maps 400 organizations per country (200 in each of the six surveyed regions). We have used two lists for the selection of the organizations. Seventy percent of the interviewed organizations (N: 841) were randomly selected from the list of EU project winning organizations. To be able to compare EU projects with non EU projects, the other thirty percent of the organizations we have selected randomly from the available regional lists of NGOs, municipalities and universities. Altogether 30 percent of the organizations interviewed were firms, 40 percent NGOs, 25 percent municipalities and 5 percent universities and research institutes. In Hungary, we employed students of the Institute of Social and European Studies (ISES) at Daniel Berzsenyi College in Szombathely to administer our survey instrument of face-to-face interviews, typically with the elected president or chief executive officer of the organization, or their deputies. ISES has a center of regional studies with a strong track record in empirical research on regional development. In the Czech Republic the survey was administered at the Faculty of Social Studies of the Masaryk University in Brno in collaboration with the Ostrava University. Finally, in Poland we worked with the Malopolska School of Public Administration at Cracow University of Economics (MSAP).

Figure 1. Map of six regions included in the sample.



Legend: 1: Malopolskie; 2: Swietokrzyskie;
 3: Jihomoravsky 4: Moravskoslezsko;
 5: Nyugat-Dunantul; 6: Del-Alfold.

Measuring developmental agency

We measure developmental agency by three dimensions: politicizing, organizing, and mobilizing. We measure politicizing (or the political component of agency) by the perceived effects of political action in political agenda setting, and changing laws, regulations, rules, or policies. If an organization sees any impact (independent of frequency in time) in political agenda setting or rule changing, we record “yes” for political agency; otherwise we record “no”.

We measure organizing, as a component of developmental agency, by the presence of cross-sectoral projects. Project organization is a key form of agency in the developmental realm, and such projects have the highest impact if they include partners from diverse domains. We consider a project to be combinatory, if it includes partners from at least two of the following four domains: state (agencies, bodies, organizations, of the national, regional, and local government), civic (domestic or foreign NGOs), market (domestic or foreign businesses), and general public organizations (media agencies,

churches, parties, unions). We consider only those projects that started after 2004, as our analysis of developmental agency is targeted to the post-accession period. If an organization had at least one combinatory project, we record a “yes” in the organizing dimension; otherwise we record a “no”.

We record the resource mobilizing aspect of developmental agency by the capacity to generate project-based monetary or non-monetary resources. For monetary resources we record the presence of non-EU related money in any of the organization’s projects after 2004. For non-monetary resources we record the ability to secure at least three kinds of resources from project partners, of the following seven types: contacts to authorities, know-how, information, reputation, material goods or the use of tools or equipment, voluntary work, and contacts to business. If an organization secured non-EU money, or at least three non-monetary resources, we record a “yes” in the mobilization dimension; otherwise we record a “no”.

Table 1 shows the frequencies of organizations by the three dimensions outlined above.

Table 1. Dimensions of developmental agency.

	Politicizing	Organizing	Mobilizing
Yes	40.6	28.2	52.3
No	59.4	71.8	47.7
Total	100.0	100.0	100.0

Note: cells contain percentages.

Out of these three dimensions – politicizing, organizing, and mobilizing – we mold a composite index that records their combinations. Our final indicator of developmental agency uses these combinations, to record three categories: 1. no developmental agency, where organizations do neither of politicizing, organizing, or mobilizing, 2. partial developmental agency, with organizations active in one or two dimensions of the three, and 3. full developmental agency, with organizations active along all three dimensions. Table 2 shows these combinations, and the final index with three categories.

Table 2. The index of developmental agency

Final index	Frequency	Combinations	Frequency
Full agency	13.1	Politicizes, organizes, mobilizes	13.1
		Organizes, mobilizes	9.5
		Politicizes, mobilizes	12.3
		Politicizes, organizes	2.0
Partial agency	56.1	Politicizes	13.2
		Organizes	2.6
		Mobilizes	16.5
		None	30.7
None	30.7	None	30.7
Total	100.0		100.0

Note: cells contain percentages.

Measuring pre-accession involvement

Organizations were involved in pre-accession programs in various ways: through projects finance by PHARE, ISPA, TACIS, or other programs, through partnering in projects without direct financial support, or through management training programs. Out of these forms of participation we create two categories of pre-accession involvement: core involvement, and peripheral involvement. Those organizations that joined pre-accession programs before 2002, received money within the frameworks of pre-accession projects, and also had leaders who participated in training programs are part of a core set of organizations. We classified ‘periphery’ those organizations that joined after 2002, and did not necessarily receive money, but did have at least one project, and one trained leader.

Table 3 presents the frequencies and descriptive statistics of these three categories of pre-accession involvement. Core organizations had considerable more projects than peripheral ones – in accordance with the earlier start of their engagement. These core organizations also received more money – almost three times the amount compared to peripheral ones, where we did not require that organizations had any funded projects. The number of trained leaders and the number of pre-accession programs that the organization was involved in were about the same.

Table 3. Pre-accession involvement.

Pre-accession involvement	Frequency (percent)	Projects (mean)	Money (median in Euros)	Trained leaders (mean)	Programs (mean)	Years (mean)	Start year (median)
None	78.9	0.52	0	0.39	0.36	0.3	2002
Peripheral	16.2	2.69	112505	2.37	1.87	2.16	2003
Core	4.9	4.10	320313	2.51	2.07	5.59	1999
Total	100.0	0.89	0	0.82	0.69	0.86	2003

Pre-accession involvement and post-accession position

The transition from the pre-accession period to the post-accession scheme of regional and structural funds represents a natural experiment in the efficacy of generating local developmental agents. While in the pre-accession phase EU funds were distributed by agencies under more direct EU supervision, the post-accession phase saw a re-centralization to the level of national states. Post-accession funds became distributed by agencies of the national state, thus making any representation of EU agendas and operational goals very intermediate. The first question of our analysis is whether the actors participating in the pre-accession programs became marginalized in the post-accession developmental regime. To answer this question we assess the frequency of EU-projects and the amount of EU funds that pre-accession-established organizations were able to generate.

Table 4. Pre-accession involvement and post-accession position

Pre-accession involvement	N	With EU projects	Number of EU projects	EU funds won
None	78.9	74.3	54.5	36.0
Periphery	16.2	19.6	37.0	40.0
Core	4.9	6.1	8.4	23.9
Total	100.0	100.0	100.0	100.0
Statistic				
Chi-square		34.655**		
F			15.575**	7.638**

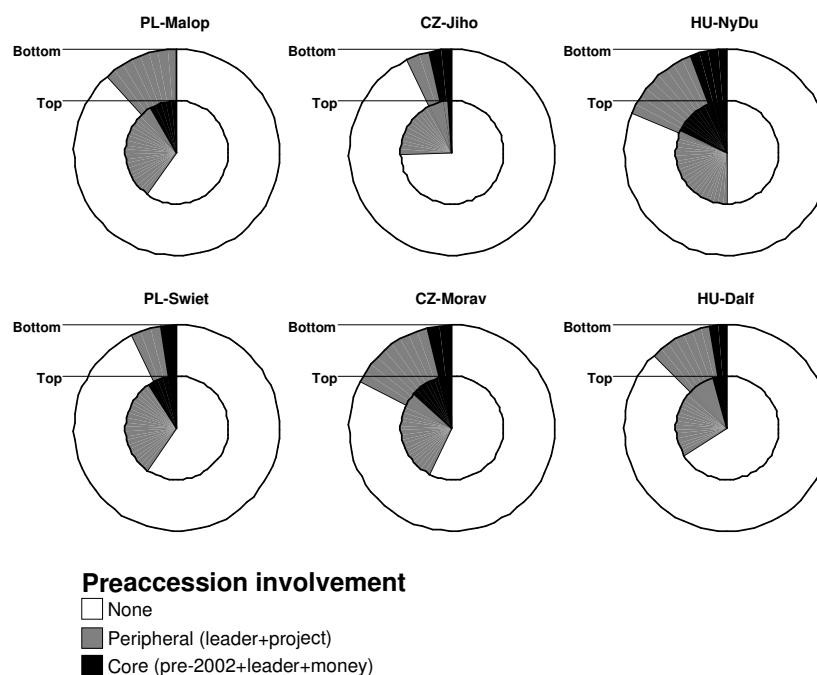
*: $p < .10$; **: $p < .05$

By the evidence presented in Table 4 we can reject the hypothesis that pre-accession organizations became marginalized in the post-accession phase. Pre-accession organizations are over-represented among those that won EU projects after 2004. Since

organizations can win funding for multiple EU projects, we need to consider the number of projects as well. In this respect pre-accession organizations fared even better: while they represent little above one fifth of all organizations, they won more than two fifths of all EU projects in our sample. Since there are major differences between small and large EU projects in terms of funding, we need to take into account the total budget that these projects involved. Along this dimension the advantage of pre-accession organizations is even more striking: while they represent a fifth of organizations, they won two thirds of all EU funds. Along all these dimensions we can also observe that core pre-accession organizations are more successful than peripheral ones. In sum: organizations that were involved in pre-accession programs were very successful in their post-accession involvement.

Beyond analyzing the performance of pre-accession organizations in our total sample, we can also consider the six regions as six largely independent experiments. If pre-accession engagement enabled organizations to engage successfully in the post-accession programs, then we expect to see the same relationship in all of the six regions. Figure 2 presents pre-accession involvement by the bottom and top halves of EU funds. We expect to see pre-accession organizations to be over-represented in the top half (larger 50%) of EU funds won.

Figure 2. Pre-accession involvement and post-accession EU funds by region.



This figure shows that in all regions pre-accession organizations fared better than those not involved in pre-accession programs. The only exception is the Czech region of Jihomoravska, where fewer core pre-accession organizations are among those with larger

funds, but even in this region the total of both periphery and core pre-accession organizations are overrepresented in the larger projects. The crosstabs that the chart in Figure 1 is based on show that the statistical relationship between pre-accession involvement and post-accession funding size (based on a Chi-square statistic) is significant in all of the regions at the $p=.05$ level.

Pre-accession participation and developmental agency

In the previous section we found evidence for the relationship between pre-accession involvement and post-accession grant winning capacity. However, this finding in itself is not sufficient evidence for the developmental impact of pre-accession programs. Involvement in pre-accession programs might enable organizations to learn the practice of grant writing, without being agents of change. In this section we test whether those organizations involved in pre-accession programs are also more active in developmental terms.

Table 5 shows levels of pre-accession involvement by categories of developmental agency. The statistical association is highly significant (Chi square = 68.6, $p = .000$). The table shows that pre-accession categories are represented in the partial developmental agency category in equal proportions. But those organizations that were not involved in pre-accession programs are over-represented in the 'no developmental agency' category, and under-represented in the full agency category. We find one third of the core pre-accession organizations in the full agency category, while only about one-tenth of those not involved.

Table 5. Pre-accession involvement and developmental agency

Pre-accession involvement		Developmental agency			
		None	Partial	Full agency	Total
None	Count	324	528	92	944
	Row %	34.3	55.9	9.7	100.0
	Column %	88.0	78.6	58.6	78.9
	Adj. Res.	5.2	-.3	-6.7	
Peripheral	Count	38	111	45	194
	Row %	19.6	57.2	23.2	100.0
	Column %	10.3	16.5	28.7	16.2
	Adj. Res.	-3.7	.3	4.5	
Core	Count	6	33	20	59
	Row %	10.2	55.9	33.9	100.0
	Column %	1.6	4.9	12.7	4.9
	Adj. Res.	-3.5	.0	4.8	
Total	Count	368	672	157	1197
	Row %	30.7	56.1	13.1	100.0
	Column %	100.0	100.0	100.0	100.0

This statistical relationship holds for all the regions separately, except for Świętokrzyskie in Poland. Considering six regions as six repeated experiments for the relationship between pre-accession involvement and developmental agency, we see that five of the six regions confirm this relationship.

Predicting developmental agency

Developmental agency is related with pre-accession involvement, but to ascertain, whether this association is a sign of a causal relationship, rather than a result of correlations with third variables, we construct a multivariate model. We use developmental agency as a dependent variable. This variable is measured on the ordinal scale, so we use an ordinal logit model.

The first alternative hypothesis is that the relationship between pre-accession involvement and developmental agency is only due to compositional effects. Various types of organizations (for example foundations as opposed to firms) are more likely to be active, and also more likely to be involved in pre-accession programs. Also, various regions might feature more developmentally active organizations, and also more pre-accession involvement. To control for composition, we include variables for organization type: firm, association, foundation, education, and local government. This

last category is our reference category. We also include binary indicators for all regions, with the Czech region of Jihomoravský being the reference category.

Developmental agency might be a result of a partnership with agencies of the developmental state. Through developmental associations with such agencies, organizations can become activated. State agencies can initiate and empower local developmental associations, and can participate in the monitoring and setting measures of success. To measure state involvement, we include a variable that records whether agencies of the national state appear as long-term partner in the ongoing activities.

A similar activation can be achieved through ongoing collaboration with domestic NGOs. Such partnerships represent a peer pressure for taking on developmental goals. Civic organizations can also serve as bridges across organizational fields, fostering the formation of developmental alliances. To measure domestic NGO partnership, we include a variable that records the presence of domestic NGOs as long-term partner in the ongoing activities. A similar peer-pressure can result from taking intrasectoral actors into account when making decisions, and we include a variable to record that.

The presence of volunteers in the life of an organization makes it more likely that there is a bottom-up push towards developmental agency. Volunteers can present demands to stand up for the development of the region in exchange for their time and effort. We include the variable of the log number of volunteers in 2006. Similarly to volunteers, taking stakeholders (members, volunteers, staff, clients) into account should have a positive impact on developmental agency. We include a variable that records the frequency of taking stakeholders into account.

Developmental agency can be learned from transnational civic actors. Having a foreign NGOs as a partner in ongoing activities of an organization might increase the propensity to embrace developmental goals. We include a variable that records the presence of a foreign NGO among the long term partners of the organization.

Human capital endowments of organizations might matter from the perspective of developmental activism. Leaders with higher education make it more likely that the organization becomes active in development. We include variables that represent the highest education of the four most important leaders: PhD, Ma, BA, and secondary degree. BA degree is the reference category.

Larger organizations are more likely to afford developmental agency. We include the log number of staff in 2004 and the log budget in 2004. The reason for 2004 is that it precedes the post-accession period.

As a control variable we include an indicator for the EU winning subsample. As sampling was stratified, we need to control for the strata of the sample.

Table 6. Ordinal regression prediction of developmental agency.

	B	Exp(B)	P-value
Threshold: Partial dev. agency	-0.169		0.670
Threshold: Full dev. agency	3.321**		0.000
Pre-accession peripheral	0.395**	1.480	0.023
Pre-accession core	0.774**	2.170	0.007
Firm	-2.006**	0.140	0.000
Association	-0.394*	0.670	0.084
Foundation	-0.525**	0.590	0.027
Education	-0.528**	0.590	0.052
PL-Malop.	-0.679**	0.510	0.002
PL-Swien.	-0.962**	0.380	0.000
CZ-Morav.	0.170	1.190	0.426
HU-NyugatD.	0.315	1.370	0.159
HU-DelAlf.	-0.031	0.970	0.890
State partner	0.608**	1.840	0.000
NGO partner	0.338**	1.400	0.019
Take into account intrasectoral	0.139**	1.150	0.022
Number of volunteers (log)	0.017	1.020	0.899
Take into account stakeholders	0.087	1.090	0.205
Foreign NGO partner	0.471**	1.600	0.024
Leaders' education: PhD	0.355*	1.430	0.078
Leaders' education: MA	-0.015	0.990	0.929
Leaders' education: Secondary	-0.393	0.680	0.235
Total staff in 2004 (log)	-0.132	0.880	0.141
Total budget in 2004 (log)	0.049*	1.050	0.103
Project winners' subsample	0.923**	2.520	0.000
<i>N</i>	1197		
-2 <i>LL</i>	2275.839		
<i>Pseudo R-square</i>	.328		
<i>Chi-square</i>	390.775**		.000

*: p<.10; **:p<.05

Pre-accession involvement is significantly related to developmental agency, even after keeping all other variables on organizational categories, regions, ties, and resources constant. Peripheral involvement in pre-accession programs makes it one and a half times more likely that an organization achieves a higher level of developmental agency (either partial agency as opposed to none, or full agency as opposed to partial). Core involvement in pre-accession programs doubles the odds of higher developmental agency.

Organizational types and regions are significantly related to developmental agency – all organizational categories have lower odds of developmental agency compared to local governments. The two Polish regions feature organizations that are less likely to be active.

Organizations with state partners are more likely to be active, which indicates that a connection with the developmental state goes together with a higher level of developmental agency – as opposed to de-activation, political inertness, and organizational dependency.

Connections with domestic NGOs and intrasectoral organizations underscore the importance of a peer network. A denser domestic organizational network is more likely to breed developmental agency. This is interesting in the light of how we defined developmental agency: intrasectoral embedding is associated with cross sectoral organizing.

While top-down and peer pressures seems to be associated with higher developmental agency, we don't find similar evidence for bottom-up pressures. A higher number of volunteers and taking stakeholders into account more often is not related with higher levels of developmental agency.

We do find that external ties – partnerships with foreign NGOs – make it more likely that an organization reaches higher levels of developmental activation. This underscores the importance of transnational demonstration effects: these ties might serve the effective transmission of developmental agency.

The level of education for the leaders of the organization is associated with developmental agency, but only at the PhD level. We also find that larger organizations – both in terms of staff and budget – are more likely to reach higher agency levels.

Developmental agency within pre-accession

In the previous section we found evidence for the significance of pre-accession involvement in developmental agency. But as we have seen in tables before, not all organizations that participated in pre-accession programs became active in developmental terms. The question that we try to answer in this section is: What predicts that pre-accession organizations become activated in developmental terms? This question has important practical implications for policy, as it might help understanding the

circumstances and criteria that can make transnational developmental programs more effective.

We use the same variables that we used above, adding a few that refers to the context of pre-accession involvement. Of course we don't include variables of pre-accession involvement, as we now only focus on organizations that were involved in pre-accession programs. We could include the variable of core pre-accession involvement, but we decided to include the variables that used to define core pre-accession involvement instead, to have a more nuanced view on which aspects of pre-accession involvement matters.

We include the start year of pre-accession engagement, as we expect that organizations with an earlier start had more time to adopt developmental strategies. We also include the total amount of money (logged) that an organization received in pre-accession projects. We expect that organizations with more money will be more active in the post-accession period. We also include a variable that counts the number of leaders that were exposed to pre-accession education programs – expecting that a higher number increases the odds of a higher level of developmental agency.

We found that firms were considerably less likely to become active compared with all other organization types. A firm has only one third of a chance to become activated by pre-accession assistance compared to local governments. Among the regions, only Swietokrzyskie is disadvantaged, with much lower odds of developmental agency.

Apart from these compositional effects there are only four significant predictors: state partner, intrasectoral accountability, foreign NGO partner, and the start of pre-accession engagement. Compared with the previous model with the full population, there are four variables that are not significant here: domestic NGO partner, the education level of leaders, total staff and total budget. The most important message of this is that the resource endowment of an organization – both in human capital and money – is not an important predictor for the effectiveness of a transnational empowerment program. Longer participation in pre-accession assistance yields higher probability of success. It helps, if the organization is embedded within its own sector. Also, partnerships with the state and with foreign NGO, the other two mechanism of generating developmental agency increase the effects of pre-accession assistance programs.

Table 6. Ordinal regression prediction of developmental agency within the pre-accession subsample.

	B	Exp(B)	P-value
Threshold: Partial dev. agency	-243.387		0.040
Threshold: Full dev. agency	-239.763		0.043
Firm	-1.115**	0.328	0.013
Association	-0.049	0.952	0.924
Foundation	-0.725	0.484	0.179
Education	-0.321	0.725	0.554
PL-Malop.	-0.472	0.624	0.414
PL-Swien.	-1.690**	0.185	0.003
CZ-Morav.	0.225	1.252	0.673
HU-NyugatD.	0.882	2.416	0.125
HU-DelAlf.	0.480	1.616	0.438
State partner	0.766**	2.151	0.015
NGO partner	0.475	1.608	0.149
Number of volunteers (log)	-0.169	0.845	0.564
Take into account stakeholders	-0.020	0.981	0.909
Take into account intrasectoral	0.352**	1.422	0.019
Foreign NGO partner	1.038**	2.824	0.011
Leaders' education: PhD	0.628	1.874	0.210
Leaders' education: MA	0.340	1.405	0.466
Leaders' education: Secondary	0.343	1.409	0.733
Start year of preacc. engagement	-0.122**	0.885	0.039
Preacc. budget (log)	0.084	1.088	0.278
Preacc. leaders	0.106	1.112	0.439
Total staff in 2004 (log)	-0.035	0.966	0.868
Total budget in 2004 (log)	0.003	1.003	0.967
Project winners' subsample	1.217**	3.377	0.001
<i>N</i>	251		
<i>-2 LL</i>	490.643		
<i>Pseudo R-square</i>	.399		
<i>Chi-square</i>	105.388**		.000

*: p<.10; **:p<.05

Conclusions

In this paper we undertook to study the relationship between participation in EU financed pre-accession assistance programs and the evolution of post-accession developmental agency. We found that deeper and more lasting forms of exposure to EU assistance go hand in hand with more complex patterns of post-accession developmental agency. Local actors involved in pre-accession EU assistance programs, far from being marginalized are important players even under the conditions of the more hierarchical post-accession governance. Instead of opportunistically adjusting to the exigencies of the new conditions they are active participants in organizational experimentations with projects involving diverse forms of cross-sectoral collaboration. Also, they are active in mobilizing resources and in trying to politicize issues of development. Participation in pre-accession programs has an autonomous explanatory power in post-accession agency. We have identified several other mechanisms of fostering local developmental agency. National governments have supported the evolution of local developmental associations. Collaboration with transnational NGOs was a third mechanism, helping to disseminate norms of local agency. These later two mechanisms complement EU pre-accession programs and strengthen their effect. Connections with domestic NGOs and intrasectoral organizations underscore the importance of a peer network. A denser domestic organizational network is more likely to breed developmental agency. This is interesting in the light of how we defined developmental agency: intrasectoral embedding is associated with cross sectoral organizing. Finally, endowments with organizational resources and human capital, we found, were not predictors of the effects of pre-accession programs.

We found significant differences in the emergence of developmental agency across the six regions. Contrary to the expectations of the resource endowments literature, however, we found the emergence of the most active local developmental agency in the regions least endowed with political and autonomous financial resources. We found the highest level of developmental agency in the Hungarian statistical regions; they scored better than the Czech or the Polish regions that have some political, financial and functional powers.

References:

- Andonova, Liliana. (2003): *Transnational Politics of the Environment: The European Union and Environmental Policy in Central and Eastern Europe*. Cambridge, MA: MIT Press.
- Börzel, T. A. (forthcoming). New Modes of Governance and Enlargement. The Paradox of Double Weakness. In T. A. Börzel (Ed.), *New Modes of Governance and Enlargement*. London: Palgrave.
- Börzel, T. A and Buzogany Aron (2009) ‘Greening the East: Weak States and Even Weaker Societies?’ *Paper prepared for the EUSA Eleventh Biennial International Conference Los Angeles, California, April 23-25*,
- Brown, L., Khagram, S. Moore, M, and Frumkin P.2001. "Globalization, NGOs, and Multi-Sectoral Relations." *Governance in a Globalizing World*. Nye, Jr., Joseph S., and John D. Donohue (editors). Brookings Institution, 2001, 271-296
- Bruszt, László (2002): ‘Making Markets and Eastern Enlargement: Diverging Convergence?’ *West European Politics* 25(2): 121-40.
- (2005), ‘Governing Sub-national/Regional Institutional Change: Evolution of Regional (Sub-national) Development Regimes—Challenges for Institution Building in the CEE Countries and Sub-national Institutional Experimentation’. *Research Report for the New Modes of Governance Integrated Project, Priority 7 – Citizens and Governance in a Knowledge-based Society*.
- (2008): ‘Multi-level Governance—the Eastern Versions: Emerging Patterns of Regional Developmental Governance in the New Member States’ *Regional and Federal Studies* Vol. 18, No. 5, 607–627, October 2008
- Bruszt, Laszlo and Gerald A. McDermott, 2009, “Transnational Integration Regimes as Development Programs,” in Laszlo Bruszt and Ronald Holzacker, eds., *The Transnationalization of Economies, States and Civil Societies New Challenges for Governance in Europe*. New York: Springer Political Economy Series. (Forthcoming)
- Bruszt, László and David Stark (2003): ‘Who Counts?: Supranational Norms and Societal Needs’ *East European Politics and Societies* 17:74-82.
- Easterly, W.R., 2006, *The white man’s burden : why the West’s efforts to aid the rest have done so much ill and so little good*, New York : Penguin Press
- 2000. “The Middle Class Consensus and Economic Development”. Policy Research Working Paper 2346. Washington, DC: The World Bank.
- Evans, Peter, (2004). Development as Institutional Change: The Pitfalls of Monocropping and the Potentials of Deliberation *Studies in Comparative International Development*, Vol. 38, No. 4, pp. 30-52.
- Edwards, M. and Hulme, D. (1996) Too close for comfort? The impact of official aid on non-governmental organizations. *World development* 24, 961-974.

Elyachar, Julia, (2002). "Empowerment Money: The World Bank, Non-Governmental Organizations, and the Value of Culture in Egypt" *Public Culture* - Volume 14, Number 3, Fall 2002, pp. 493-513

Gerstenberg, O. and Sabel, C. F. 2002. "Directly Deliberative Polyarchy: An Institutional Ideal for Europe?" in Ch. Joerges and R. Dehousse (eds.), *Good Governance in Europe's Integrated Market*. Oxford: Oxford University Press, 289-341.

Goetz, Klaus, (2008). Governance as a Path to Government, in: *West European Politics*, 31(1/2), 2008, pp. 258-279

Hausner, J. (2005), The Creation of Actors of Socio-Economic Development, Paper prepared for a keynote speech at the conference of the Society for the Advancement of Socio-Economics, Budapest

Hirschman, A. (1958). *The Strategy of Economic Development*. New Haven: Yale University Press.

Jacoby, Wade, (2008). "Minority Traditions and Postcommunist Politics: How do IGO's matter" In Mitchel Orenstein, Stephen Bloom and Nicole Lindstrom (eds), *Transnational Actors in Central and East European Transitions*. Pittsburgh: University of Pittsburgh Press, 56-76.

—(2004), *The enlargement of the European Union and NATO : ordering from the menu in Central Europe*, Cambridge ; New York : Cambridge University Press

Moss, Todd J., Pettersson, Gunilla and Van de Walle, Nicolas, An Aid-Institutions Paradox? A Review Essay on Aid Dependency and State Building in Sub-Saharan Africa (January 2006). Center for Global Development Working Paper No. 74; Mario Einaudi Center for International Studies Working Paper No. 11-05. Available at SSRN: <http://ssrn.com/abstract=860826>

Rodrik, D. 1999a. *The New Global Economy and Developing Countries: Making Openness Work*. Baltimore, MD: Johns Hopkins University Press.

———. 1999b. "Where Did All the Growth Go? External Shocks, Social Conflicts, and Growth Collapses." *Journal of Economic Growth* 4(4): 385–412.

Sabel, Charles. 1996. *Ireland: Local Partnerships and Social Innovation*. OECD Publications.

— 1994. "Learning by Monitoring: The Institutions of Economic Development." Pp. 137-165 in Neil Smelser and Richard Swedberg, editors, *Handbook of Economic Sociology* Princeton: Princeton University Press and Russell Sage Foundation.

— 1993. "Studied Trust : Building New Forms of Cooperation in a Volatile Economy," *Human Relations*, 46 (9).

Sabel, Charles F. and Zeitlin, Jonathan (2007): 'Learning from Difference: The New Architecture of Experimentalist Governance in the European Union'. *European Governance (EUROGOV) Papers*

- Schimmelfennig, Frank, Sedelmeier, Ulrich (2004). 'Governance by conditionality: EU rule transfer to the candidate countries of Central and Eastern Europe'. *Journal of European Public Policy*, 11 (4): 661-679.
- Schimmelfennig, Frank, and Ulrich Seidelmeier (eds) 2005: *The Europeanization of Central and Eastern Europe*, Ithaca, NY: Cornell University Press.
- Sedelmeier, Ulrich and Epstein, Rachel (2008) Beyond conditionality: international institutions in postcommunist Europe after enlargement. *Journal of European public policy*, 15 (6). pp. 795-805.
- Sissenich, Beata, (2007). *Building States without Society: European Union Enlargement and Social Policy Transfer to Poland and Hungary* Lexington
- Stallings, Barbara. 1990. "The Role of Foreign Capital in Economic Development." Gereffi, Gary and Donald L. Wyman, (eds.), *Manufacturing Miracles. Paths of Industrialization in Latin America and East Asia*. Princeton N.J.: Princeton University Press 1990: 55-89.
- Stark David, Balazs Vedres and Bruszt Laszlo 2006. 'Rooted Transnational Publics: Integrating Foreign Ties and Civic Activism.' *Theory and Society* vol 35, no. 3, pp. 323-349.
- Stark, David and Balazs Vedres. 2006 'Social Times of Network Spaces: Network Sequences and Foreign Investment in Hungary.' *American Journal of Sociology*, March 2006, vol. 111, no 5.): 1367–1411
- Stiglitz, Joseph E. (1999): Wither reform? Ten Years of Transition. *Keynote Address, World Bank Annual Bank Conference on Development Economics, Washington, April 28-30, 1999*
- Streeck, Wolfgang and Philippe C. Schmitter. 1985. "Community, market, state - and associations? The prospective contribution of interest governance to social order" in Streeck and Schmitter editors. *Private Interest Government. Beyond Market and State*, Sage Publications.
- Tallberg, Jonas, (2002) *Paths to Compliance: Enforcement, Management, and the European Union* International Organization - Volume 56, Number 3, Summer 2002, pp. 609-643.
- Vogel David and Robert A. Kagan, 2002. "National Regulations in a Global Economy" UCIAS Edited Volume 1 *Dynamics of Regulatory Change: How Globalization Affects National Regulatory Policies*. University of California International and Area Studies Digital Collection. <http://repositories.cdlib.org/uciaspubs/editedvolumes/1/Introduction>
- Woolcock, M. (2001). *Using Social Capital: Getting the Social Relations Right in the Theory and Practice of Economic Development.* Princeton, NJ: Princeton University Press

