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SAFEGUARDING THE RULE OF LAW IN THE EUROPEAN UNION: ASSESSING THE
EFFECTIVENESS OF THE EU RULE OF LAW CONDITIONALITY REGULATION

MA thesis

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Authorship Declaration

I have prepared this thesis independently. All the views of other authors, as well as data from literary sources and elsewhere, have been cited.

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Abstract

This thesis studies the effectiveness of the Rule of Law Conditionality Regulation (RLCR) ensuring compliance to European Union (EU) rule of law principles, with a focus on Hungary and Poland. It addresses two main questions including how the EU's rule of law enforcement framework has evolved, and to what extent the RLCR is effective in addressing systemic violations. The study employs a comparative case study approach and studies legal documents, judicial decisions, rule of law reports from the European Commission, resolutions from the European Parliament, and analysis of media sources to assess the legal framework and its domestic implementation. The study concludes that although the RLCR strengthens the EU's enforcement capacity by associating financial conditionality with compliance with the rule of law, its effectiveness is considerably constrained by national political resistance and institutional entrenchment. Hungary demonstrates the boundaries of EU influence in situations characterized by executive dominance, whereas Poland demonstrates a partial alignment with EU norms, particularly in the context of political transformations in 2023. These outcomes reflect the broader dynamics of Europeanization, in which the effectiveness of top-down EU tools depends on domestic political commitment and institutional responsiveness. This research adds to the theoretical and empirical discussions regarding EU governance, legal conditionality. It provides insights into the RLCR's implementation and underlines both its potential and limitations in achieving structural rule of law reforms.

Keywords: Rule of Law, European Union, Conditionality, Hungary, Poland.

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Introduction

One of the EU's core values, as stated in Article 2 of the Treaty on the European Union (TEU) (European Union 2012), is the rule of law, which guarantees that laws are implemented uniformly to all member states and that decisions based on treaties are willingly accepted (European Commission n.d.). But in some member states, there have been concerns about wider rule-of-law violations and political pressure on judicial independence. These difficulties have called into doubt the EU's ability to preserve its core principles. In response, the EU has put in place a number of mechanisms to improve compliance with the rule of law, from legal sanctions to political discourse. Among these, the Rule of Law Conditionality Regulation was introduced in 2020 to address criticisms that existing enforcement tools having limited enforceability.

In light of the growing concerns regarding the weakening of democratic values in some member states, the EU has implemented stronger enforcement measures to maintain the rule of law. Maintaining the integrity and stability of the Union depends on the member states adhering to these values. However, concerns about the weakening of the rule of law in some EU countries—particularly Hungary and Poland—have emerged in recent years. These concerns include issues related to media freedom, judicial independence, and democratic backsliding. Calls for stronger enforcement procedures have grown as a result of the European Union's challenges with addressing these breaches. The Rule of Law Conditionality Regulation, therefore, provides the European Commission with a more direct and binding tool by linking EU funding to compliance with rule-of-law principles. This regulation represents a shift from previous, more diplomatic approaches by introducing tangible financial consequences for violations.

There is a growing body of scholarly literature on the rule of law in the EU. Researchers like Smith (2019) have studied the fragmented nature of the rule of law in the EU, whereas Pech (2022) has studied the potential of Conditionality Regulation as a systemic tool. The role of national courts in collaboration with the ECJ has been highlighted by Lenaerts (2020), while Coman and Buzogany (2024) have analyzed the political complexities of Article 7 TEU. Mandujano Manriquez and Pavone (2024) analyzed the institutional dynamics between the Commission and the ECJ, while Stiansen et al. (2024) analyzed public responses to EU enforcement. However, in spite of these significant contributions, there have been few studies on the practical impact and real-world

implementation of the Rule of Law Conditionality Regulation. Although there are a few studies, empirical research on the regulation's practical effects, existing studies frequently concentrate on theoretical facets of EU legislation or address more general issues related to rule-of-law challenges. This disparity is especially noticeable in the cases of Hungary and Poland, where the rule has been put into effect, but the outcomes have not been sufficiently evaluated. By offering a thorough analysis of the regulation's application, its efficacy in encouraging compliance, and its broader implications for EU governance, this study is required to close this gap. By doing this, it will provide fresh perspectives that might guide future policy choices and strengthen the EU's capacity to uphold its fundamental principles.

The objective of this thesis is to examine the effectiveness of the Rule of Law Conditionality Regulation within the EU's broader efforts to enforce rule-of-law compliance. Specifically, it addresses two key questions: How has the EU rule of law framework evolved, and what tools have been introduced to enforce it? Additionally, how effective is the Rule of Law Conditionality Regulation in ensuring compliance with these principles? The study will assess whether this regulation enhances the EU's ability to uphold its legal and political framework. With an emphasis on its application in Hungary and Poland, the study analyzes whether the regulation enhances the EU's legal and political enforcement capacity. This regulation, which was adopted in 2020, gives the European Commission the authority to impose measures on member states that violate the rule of law by taking actions such as suspending payments from the EU budget. It provides a more enforceable way to protect EU principles than earlier approaches by directly connecting financial resources and legal compliance.

This study contributes to the broader discourse about EU governance and law enforcement, especially in view of current challenges to the rule of law. Comprehending the effectiveness and limitations is crucial for developing future strategies to uphold the fundamental democratic principles of the EU. The thesis offers insightful information for policymakers, legal scholars, and governance specialists by concentrating on the Rule of Law Conditionality Regulation, which connects the financial consequences to legal compliance. It also adds to the continuing discussion about the EU's ability to uphold democratic values, defend fundamental rights, and guarantee that the rule of law is followed in all of its member states. By offering an empirical analysis of the regulation's implementation in Hungary and Poland, the study not only evaluates its immediate

impact but also contributes to the ongoing debate on strengthening the EU's rule-of-law framework. The findings will help shape future policies and improve enforcement mechanisms, ensuring the EU remains committed to safeguarding democracy, fundamental rights, and the rule of law.

This study focuses exclusively on the EU's rule-of-law enforcement mechanisms and does not examine similar mechanisms outside the EU framework. The decision to analyze Hungary and Poland is due to their challenges with rule-of-law violations and the EU's response through financial conditionality. Analysis will be conducted to determine how the regulation has affected this two member states' compliance with EU rule-of-law principles. The study does not assess the effectiveness of other EU legal instruments, even though it discusses the larger framework of the EU's rule-of-law enforcement mechanisms. Furthermore, the study focuses on its effectiveness and current implementation of the Rule of Law Conditionality Regulation rather than attempting to forecast future reforms.

The thesis consists of four main chapters, excluding introduction and conclusion. The first chapter provides an overview of previous studies on EU rule of law procedures. The chapter integrates the literature review and explores the rule of law as a core EU value, Europeanization theories, and the variables influencing compliance and non-compliance. The second chapter on the background: evolution of the EU rule of law framework details the framework's creation, the various enforcement instruments, and the main players. The research approach, data sources, and methods utilized to evaluate the Regulation's effectiveness are described in the third chapter. Finally, the fourth chapter includes the case studies, assessing the impact and implementation of the rule with a focus on Hungary and Poland, followed by the conclusion, which synthesizes findings and discusses their implications for future EU rule-of-law enforcement strategies. The regulation's wider implications, including its impact on EU governance, member state responses, and possible amendments to improve rule-of-law enforcement, are covered in the last chapter.

1. Europeanization and compliance with the rule of law

This chapter explores the interaction between Europeanization and compliance with the rule of law in the European Union, emphasizing how EU institutions attempt to maintain legal norms and democratic standards among member states. It starts with a review of the academic literature that has enriched our comprehension of EU rule of law enforcement, emphasizing significant debates and critical viewpoints on institutional mechanisms like Article 7 TEU, the Rule of Law Conditionality Regulation, and the role of the European Court of Justice. The chapter subsequently explores the rule of law as a core value of the EU, looking into its legal standing and political importance in the context of the Union's normative framework. It engages with major theoretical approaches to Europeanization, providing conceptual tools for analyzing the impact of EU-level norms and pressures on domestic legal and political systems. Ultimately, the chapter addresses and studies the key elements that drive or impede compliance to rule of law standards. These include institutional capacity, political will, and broader socio-political dynamics. The sections together establish a thorough basis for comprehending how the EU promotes adherence to the rule of law and the challenges it faces in ensuring effective compliance.

1.1 Rule of law as a core EU value

The rule of law, as defined by institutions such as the Venice Commission, the European Commission, and the European Parliament and Council, emphasizes that all public and private entities within a state are subject to laws that are publicly created, future-oriented, and enforced by independent and impartial courts (Pech, 2022). Core components of these definitions include legality through transparent and democratic law-making processes, legal certainty, prohibition of arbitrariness, effective judicial protection, respect for fundamental rights, separation of powers, and assurance of non-discrimination and equality before the law (Pech, 2022). According to Article 2 of the Treaty on European Union (TEU) (European Union 2012), the rule of law is a key core value of the EU. This concept promotes justice, accountability, and fairness by guaranteeing that all decisions performed by the EU and its member states are based on the law. The duty of all members

to respect legal standards that safeguard individual rights and provide equality before the law is known as the rule of law in EU treaties and legislation.

Since the earliest stages of the European project, the rule of law has been recognized as a fundamental principle, even prior to its formal inclusion in Article 2 TEU. It was initially implicit in the workings of the European Communities, progressively affirmed through the jurisprudence of the European Court of Justice (e.g., *Les Verts v European Parliament*, Case 294/83), and later explicitly defined in the EU treaties (European Union, 2012). Its significance is rooted not just in guaranteeing legal predictability and the safeguarding of individual rights, but also in preserving the mutual trust essential for cooperation among member states. The rule of law is a cornerstone of the EU's identity, as it guarantees that all actions and decisions made within the Union are based on a fair and predictable legal framework, allowing member states to cooperate across borders with confidence. It promotes legal certainty, which is essential in a union founded on common norms and values, guaranteeing that the same laws protect citizens and institutions alike, regardless of their location within the Union. The Rule of Law has thus developed into a key element of the EU's identity and legal structure, guiding both internal governance and external relations. Based on this understanding of the rule of law and theoretical perspectives on compliance, the following section outlines how academic research has examined the EU's attempts to maintain rule of law standards among its member states.

1.2 Scholarly Perspectives on Rule of Law Enforcement in the EU

Having outlined the rule of law as a core EU value and explored theoretical approaches to compliance, this section shifts its focus to scholarly literature. It examines the main debates regarding the EU's efforts to uphold the rule of law among its member states, assesses the effectiveness of its tools, and considers the political and legal challenges faced. The scholarly research addressing the rule of law within the European Union reflects a field of analysis that is becoming more and more complex and nuanced, with a focus on methods for guaranteeing that member states comply with the law. Scholars have highlighted the importance of the rule of law as a core principle of the EU for a long time, and they have studied the political and legal structures created to maintain it. The body of literature regarding the European Union's rule of law, which

focuses on measures to ensure that member states comply, is extensive and continues to grow. Numerous studies have addressed the importance of the rule of law as a core value and the systems developed to protect it. Scholars like Smith (2019) have explored how the rule of law concept has evolved within the EU, noting its fragmented application as a constitutional norm, policy tool, and fundamental value. This fragmentation has attracted criticism for perceived inconsistencies in the EU's approach (Smith, 2019). Mechanisms such as the Rule of Law Conditionality Regulation have been analyzed for their effectiveness in addressing systemic issues, but debates about their true impact persist (Pech, 2022). Similarly, the establishment of the European Public Prosecutor's Office and the introduction of the Rule of Law Report raised questions about their practical effectiveness (Smith, 2019). An increasing amount of research highlights the complexity of the rule of law and its central role in sustaining democratic governance in the EU.

A significant amount of literature has investigated the institutional actors and legal mechanisms that influence the enforcement of the rule of law within the EU. National courts play a critical role in upholding the rule of law within the EU. Lenaerts (2020) underscores this by highlighting their collaboration with the Court of Justice to enforce EU rights and provide remedies, even when national laws fall short. The preliminary reference mechanism ensures consistent application of EU law and equal protection for all citizens, with judicial independence being essential to safeguarding these legal processes from political interference (Lenaerts, 2020). At the supranational level, Coman and Buzogany (2024) discuss the EU's tools for addressing rule of law challenges in member states, focusing on Article 7 TEU and the role of the Court of Justice of the European Union. Their article provides historical context and analyzes the political complexities surrounding these mechanisms, highlighting the progress made in developing a conditionality regime to safeguard EU values (Coman & Buzogany, 2024). Building on this institutional focus, Mandujano Manriquez and Pavone (2024) examine the evolving relationship between the European Commission and the European Court of Justice (ECJ) in responding to the EU's rule of law crisis, particularly in Hungary and Poland. They explore the Commission's sometimes inconsistent role as an agenda-setter and the ECJ's innovative rulings that have imposed new obligations on member states to uphold rule of law principles (Mandujano Manriquez & Pavone, 2024). While their research emphasizes judicial and institutional dynamics, the study does not focus on how Rule of Law Reports are applied in practice, their influence on member states' compliance, and the challenges faced during their implementation.

Other researchers have framed the debates of the rule of law by addressing larger political issues and the developing responses of the EU. Muller (2015) explores the EU's role in safeguarding liberal democracy, focusing on its authority and capacity to intervene in the protection of democratic values amidst governance challenges and potential nationalist backlash (Muller, 2015). Ovadek (2018) reviews the EU's efforts to address rule of law deficiencies in Hungary and Poland, highlighting how the rise of populism has further complicated the EU's ability to uphold its foundational values (Ovadek 2018). Mitsilegas (2021) analyzes the rule of law challenges posed by the European Public Prosecutor's Office (EPPO), focusing on its impact on legal certainty, protection from executive arbitrariness, and judicial effectiveness. His research explores the EPPO's legal framework, including its competence, applicable law, and judicial review, and assesses its interaction with national prosecution systems. This critique reveals potential rule of law deficits within the EPPO's hybrid system (Mitsilegas 2021). These works comprehensively evaluate the EU's institutional and legal capacities, along with the external political influences that impact its ability to maintain democratic standards. However, these studies focus on evaluating institutional arrangements and normative objectives, rather than assessing the actual implementation and effects of EU enforcement mechanisms like the Rule of Law Conditionality Regulation or Rule of Law Reports within member states.

Some recent studies have investigated public opinion and administrative transparency regarding EU rule of law mechanisms, but these studies do not assess their practical impact. Stiansen et al. (2024) analyze the impact of EU enforcement actions on public opinion in Poland regarding rule-of-law backsliding. Their study investigates whether EU actions, such as infringement cases or funding decisions, affect public support for backsliding governments, finding no significant shift in public opinion or evidence of a 'rally-around-the-flag' effect (Stiansen et al., 2024). Mungiu-Pippidi (2020) critiques the EU's rule of law report for its lack of clear criteria and transparency, leading to subjective interpretations and inadequate solutions. He highlights the need for more rigorous, fact-based research and suggests connecting procurement assessments with EU fund allocation to improve effectiveness (Mungiu-Pippidi 2020). Even though they address matters of perception and credibility, neither study evaluates in a systematic way the influence of the Rule of Law Reports on actual behavior of member states. They do not assess how these mechanisms work in practice or if they have an actual effect on compliance with EU values and legal standards.

Despite extensive discourse on the EU's rule of law framework, there remains a significant gap in research regarding the effectiveness of specific mechanisms, such as the Rule of Law Conditionality Regulation. While existing studies often engage with broader debates about the definition and application of the rule of law within the EU, they frequently overlook detailed evaluations of how these mechanisms function in practice. To address this gap, the following section examines Europeanization theories, which offer a useful framework for understanding how EU norms influence national governance structures and member state compliance.

1.3 Theories of Europeanization

In order to assess how the rule of law is maintained and applied within EU member states, it is important to consider how Europeanization theories explain the process through which EU norms, including those related to the rule of law, are integrated into national governance structures. These theories provide insights into the factors that advance or hinder the alignment of member states with EU rule of law standards. Following this, the paper will examine how EU norms and policies impact member states and their governance systems using the theory of Europeanization (Börzel 2003). The process by which international standards influence national policies and institutional frameworks through a variety of hard and soft mechanisms is known as "Europeanization." These procedures include the implementation of the *acquis Communautaire* (Eurofound 2007), which is the entire set of EU laws and regulations, as well as less formal ones like "naming and shaming," in which states are publicly censured for failing to adhere to EU norms.

Europeanization serves as a theoretical framework for understanding the relationship between the European Union (EU) and its member states. It refers to the process by which national political systems, institutions, and policies are shaped by European integration (Börzel, 2003). The concept includes both top-down and bottom-up dynamics, which influence how EU policies are formed and implemented. The top-down approach focuses on how EU governance structures and regulations impact national institutions, policies, and political processes. On the other hand, the bottom-up perspective emphasizes the active role that member states play in shaping EU policies and institutions, highlighting that they are not merely passive recipients of EU demands but also contributors to the EU decision-making process (Börzel, 2003).

Börzel (2003) argues that Europeanization results in diverse outcomes depending on the specific conditions within each member state. Factors such as local circumstances, historical legacies, and political cultures shape how national actors respond to EU pressures. This interaction between top-down requirements and bottom-up contributions creates a complex dynamic, where member states' policies are influenced by both EU directives and their own domestic circumstances. Risse, Cowles, and Caporaso (2001, as cited in Bulmer & Radaelli, 2012) further develop this idea through the "goodness of fit" concept, which suggests that Europeanization has the most significant impact when EU policies align moderately with existing national policies. When there is a strong alignment, Europeanization may have a minimal impact, but significant differences can lead to more challenging policy adaptations. Börzel (2003) advocates for an integrated approach that considers the interactive nature of these two dynamics, illustrating how both top-down and bottom-up influences shape the relationship between the EU and its member states.

There are two main ways to interpret ideas of Europeanization: constructivist theories and theories of rational choice. The costs and benefits of compliance are the main emphasis of rational choice theories, which frequently describe the EU's influence in terms of "sticks and carrots," (Geest & Dari-Mattiacci 2017) where rewards or penalties are employed to promote adherence to EU standards. Constructivist theories (Risse 2004), on the other hand, place more emphasis on the importance of identity and internalizing norms. They propose that states may accept EU standards in order to improve their legitimacy and status within the European community, in addition to gaining material benefits. When combined, these theoretical frameworks offer a thorough comprehension of how national policies and practices throughout the continent are influenced by Europeanization.

Theories of Europeanization help explaining how member states, including Hungary and Poland, are subject to top-down EU pressure to uphold rule of law standards in the framework of the Rule of Law Conditionality Regulation. Nevertheless, it also acknowledges the bottom-up processes in which member states' responses to EU governance are significantly shaped by their own political environments, historical legacies, and institutional frameworks. For instance, national responses in countries like Hungary and Poland are impacted by internal political resistance, legal frameworks, and the political culture surrounding sovereignty and national identity, even though the EU's legal and political framework may impose sanctions.

Börzel (2003) distinguishes between two fundamental viewpoints in her examination of the connection between the European Union (EU) and its Member States: the "top-down" and "bottom-up" dynamics. The top-down method highlights the differing effects of European integration by analyzing how domestic institutions, policies, and political processes within Member States are influenced by the governance structures and policies of the EU. On the other hand, the bottom-up approach emphasizes how Member States actively shape the EU, acknowledging that they are not only passive recipients of European demands but also actively participate in the creation of European institutions and policies (Börzel, 2003). The complex structure of EU-Member State relations is illustrated by feedback loops between top-down requirements and bottom-up actions, according to Börzel (2003), who advocates for an integrated approach that takes into account the interactive character of these two aspects. Risse, Cowles, and Caporaso (2001, as cited in Bulmer & Radaelli, 2012) developed the "goodness of fit" concept, which presents that when EU policies and pre-existing national policies are moderately compatible, Europeanization has the most impact on a member state's domestic policy. The process of Europeanization is likely to have minimal impact if a member state's policies are in good alignment with EU directives; on the other hand, major differences may make policy adaption significantly challenging.

Although Börzel (2003) focuses on the dynamic interactions between the EU and its member states, other academics, including Kassim (2020), highlight the structural and institutional effects of Europeanization. According to Kassim (2020), national institutions' responses to EU governance vary depending on political cultures, legal frameworks, and historical legacies. According to Kassim (2020), Europeanization is the process by which European institutions shape local politics, policies, and institutions in member states, creating a framework of "shared decision-making and collective governance" that imposes both new opportunities and responsibilities. Crucially, the effects of EU membership varied among member states because of variations in political cultures, legal systems, and constitutional frameworks, which causes national institutions to respond in a variety of ways (Kassim, 2020). These responses frequently show a combination of customs and adjustments to EU requirements, demonstrating gradual and path-dependent changes impacted by past institutional frameworks (Kassim, 2020). There are complex questions with democratic legitimacy in EU administration as a result of national parliaments' decreasing power despite continuous attempts to strengthen their functions, even though central governments usually play a dominant role in EU negotiating procedures (Kassim, 2020). Furthermore, the path dependence of

national responses highlights how historical settings influence how institutions strategically adjust to challenges from the EU (Kassim, 2020). All things considered, these elements greatly advance our comprehension of Europeanization as a complex process influenced by both institutional legacies and contemporary EU dynamics (Kassim, 2020).

Bulmer and Radaelli (2012) highlight the complex nature of the Europeanization process, claiming that it is not a simple imposition mechanism but rather one that entails substantial action from local players who can strategically use EU policies for their own initiatives. Furthermore, even in situations when there is significant adaptational pressure, the existence of institutional veto points can hinder compliance, indicating that domestic politics is a significant factor in the implementation of EU directives (Bulmer & Radaelli, 2012). Moreover, the concept of conditionality in relation to EU enlargement emphasizes the asymmetrical power relations between the EU and candidate countries, making it more difficult to comprehend how Europeanization functions in various settings (Schimmelfennig & Sedelmeier, 2004, 2005, as cited in Bulmer & Radaelli, 2012).

Although Europeanization offers an excellent structure for comprehending the relationship between the EU and its member states, scholars have noted a number of limitations. A significant criticism of Europeanization is that national reactions are frequently influenced by internal politics, administrative traditions, and economic interests rather than resulting in consistent change throughout Member States (Börzel, 2003). Europeanization can occasionally strengthen already-existing national differences rather than promote convergence (Börzel, 2003). This variation demonstrates how Europeanization theory falls short in capturing the entire complexity of EU-member state dynamics, especially when internal elements—like national policy frameworks, historical legacies, and local institutions—have a major impact on how national systems respond to EU influence. The theory's detractors claim that it often ignores these context-specific elements (Börzel, 2003). Therefore, Europeanization might not take into consideration how national structures interact with EU criteria, resulting in results that are not uniformly aligned throughout the Union (Börzel, 2003).

Ongoing challenges with the Rule of Law Conditionality Regulation in member states such as Hungary and Poland are clear indications of these limitations. Strong domestic resistance, concerns about political sovereignty, and past tensions with EU governance all have an impact on country

responses in those circumstances. Despite the apparent leverage offered by EU funds, the variation in compliance highlights the challenges of adopting EU policies consistently, even in the face of direct financial consequences for the EU. This is directly related to the research question of how well the Regulation encourages compliance with EU rule-of-law standards.

The focus on formal institutional changes, which frequently ignores informal governance practices and societal resistance to EU values, is another important critique of Europeanization theory (Börzel, 2003). This criticism is based on the claim that, although formal integrations such as through the application of regulations—may be a part of Europeanization processes, informal dynamics that are not always taken into account by the theory may influence national responses. According to Börzel (2003), national actors have the ability to actively oppose or modify EU policy in ways that are not readily apparent through official institutional channels. Furthermore, the growth of nationalism and Euroskepticism, which could undermine the efficacy of Europeanization, is not adequately addressed by the theory. Critics argue that these social and political factors, which affect how EU policies are implemented and received, may not be sufficiently taken into account by Europeanization theory (Börzel, 2003). In this case, domestic players may modify European policies, or they may not be effectively implemented, especially when national goals diverge from EU standards (Börzel, 2003). The necessity for a more dynamic view of Europeanization that takes into account the long-term interaction between national responses and EU influence is highlighted by this changing resistance and adaptability to EU influence (Börzel, 2003).

Regarding its applicability and explanatory capacity, the Europeanization theory has been criticized on a number of grounds. The complex relationships between the EU and its member states are frequently oversimplified, according to critics, who also claim that it ignores the many experiences and context-specific adjustments made by national institutions (Kassim, 2003; Kassim & Dimitrov, 2008). There is also a significant lack of convergence amongst these institutions, as long-standing domestic patterns have remained resilient, challenging the idea that European integration results in a uniform political paradigm (Kassim, 2003; Kassim & Dimitrov, 2008). According to the theory of path dependence, rather than being transformative, reactions to EU pressures are frequently gradual and influenced by past traditions (Dimitrakopoulos & Pappas, 2003). Power dynamics are also a topic of continuous discussion; some theories emphasize the limitations of national

governments under EU processes, while others argue that integration strengthens them (Kassim, 2003; Goetz & Meyer-Sahling, 2008). Lastly, the theory tends to overlook the active role that member states play in forming European institutions and policies, as well as the bottom-up effects of national settings on EU organizations (Kassim, 2003; Wessels et al., 2003). Based on this comprehension of Europeanization process, the following section studies the specific factors that influence patterns of compliance and non-compliance among EU member states.

1.4 Factors driving (non)compliance

Having outlined the broader framework of Europeanization, it is important to understand the nature of compliance in the European Union, hence, one must acknowledge that systemic non-compliance is not as extensive as it is often presented. Börzel (2001) stated that the view of a systemic compliance problem in the European Union (EU) is largely misplaced, owing to a lack of comprehensive evidence backing such claims. When taking into account the growing number of legal acts and member states, adjustments show that levels of non-compliance have remained constant or even declined over time (Börzel, 2001). It is worth mentioning that a considerable share of the non-compliance cases is limited to only a handful of member states, which are responsible for as much as two-thirds of all breaches of Community law (Börzel, 2001). This underscores the need for a systematic investigation of the factors that lead to compliance and non-compliance within the EU framework. Börzel et al. (2012) note that some countries, like Portugal and Denmark, tend to address compliance issues quickly, while others, such as Italy and France, experience delays in dealing with non-compliance (p. 455). This variation indicates that internal administrative efficiency and legal responsiveness are key factors in compliance behaviors. Moreover, the state of domestic politics is a factor of great importance. Börzel et al. (2012) highlight that the existence of veto players in national political systems can extend compliance timelines, as competing interests may impede the rapid implementation of EU directives (pp. 7-8). This highlights the interplay between governance at the EU level and national political dynamics.

Another important factor (non)compliance is the distribution of political power and administrative capacity within and among member states. Börzel et al. (2012) argue that compliance is influenced by the political power and administrative capacity of member states. States that have efficient

bureaucratic structures and fewer domestic veto players are better prepared to tackle involuntary non-compliance, whereas states with greater political power may resist compliance pressures (pp. 3-4). This resistance highlights the strategic aspect of compliance decisions within the EU. These insights align with the broader distinction that Börzel et al. (2012) categorize various forms of non-compliance, differentiating between involuntary non-compliance—stemming from capacity constraints—and voluntary non-compliance, in which states make a strategic decision not to comply with specific regulations (pp. 3-5). Moreover, enforcement tools such as the EU infringement proceedings provide a formal means of ensuring compliance. Börzel et al. (2012) clarify that the European Commission starts these proceedings when it identifies possible violations, yet the process may last several years, demonstrating the prolonged nature of EU enforcement mechanisms (pp. 2-4). While the European Commission oversees compliance with EU law and starts infringement actions, the ECJ is the ultimate authority for resolving compliance conflicts (pp. 2-5). However, enforcement is uncertain, and bureaucratic or political constraints at the national level can undermine the effectiveness of these mechanisms.

Theoretical frameworks provide further understanding of the motives for compliance or non-compliance. Managerial and enforcement theories offer distinct explanatory models. According to Börzel et al. (2012), managerial approaches link non-compliance to a lack of resources, while enforcement theories propose that states evaluate the costs and benefits of compliance prior to their decision (pp. 6-8). These theoretical lenses contribute to understanding the ways in which states might perceive EU mandates not only as legal obligations but also as political choices. Consequently, efforts to build capacity arise as a key strategy for enhancing compliance. According to Börzel et al. (2012), the EU can shorten the duration of infringements and assist member states in better meeting legal requirements by enhancing administrative and technical capacities (pp. 9-10). Such initiatives prove especially advantageous for countries that have limited institutional resources.

Lastly, the variance in policy has an effect on compliance patterns. Börzel et al. (2012) demonstrate that compliance levels differ across various policy areas, suggesting that the context of EU regulations influences adherence and enforcement outcomes (pp. 5-6). Since some policies may be more contentious or expensive to implement, compliance rates may vary across sectors. Another important discovery pertains to the durability of non-compliance. Börzel et al. (2012) state that the

continuation of non-compliance is influenced by political power and bureaucratic efficiency. States with political clout might extend periods of non-compliance, while those with organized bureaucratic systems are more capable of addressing issues (pp. 7-9). The observed patterns suggest that an analysis of member state behavior should consider both structural and strategic dimensions. Ultimately, compliance and non-compliance in the EU regulations result from a complex interplay of administrative capabilities, political dynamics, legal enforcement strategies, and policy-specific challenges. To improve EU compliance mechanisms and ensure that Union law is effectively implemented across various national contexts, it is crucial to understand these interrelated factors. This thesis expects variation in how member states comply with rule of law norms. It is expected that states with strong administrative capacity and institutional alignment with EU standards will demonstrate higher compliance. On the other hand, countries that have politicized institutions or complex relations with the EU may be reluctant to comply. In areas of great financial dependence on EU funds, the Conditionality Regulation may encourage change.

2. Background: Evolution of the EU rule of law framework

Established in Article 2 of the Treaty on European Union (TEU), the rule of law is a fundamental value of the EU that serves as the foundation for the whole legal and political system of the EU. The EU's approach to enforcing the rule of law among its Member States has changed significantly over the last 20 years, both conceptually and practically. This development underscores growing worries about democratic backsliding, particularly in certain Member States where institutional checks and balances, media freedom, and judicial independence have all been challenged. The EU has improved and broadened its systems for observing, protecting, and upholding the rule of law as a result of the growing complexity of these issues.

By giving a brief historical overview, describing the tools and mechanisms that currently make up the so-called "EU rule of law toolbox," and identifying the key institutional actors involved in the implementation and enforcement of these instruments, this chapter sets the stage for understanding how the EU's rule of law architecture works in theory and practice. The analysis shows how the EU's initial reliance on legal and diplomatic dialogue mechanisms has gradually evolved into a more structured and multi-layered framework that combines preventive, monitoring, and punitive elements. The institutional evolution of this framework, the appearance and function of important tools such as the Conditionality Regulation and the Rule of Law Reports, and the roles and interactions of the European Commission, the Court of Justice of the EU (CJEU), and the European Parliament are all covered in the subchapters.

2.1 Brief history of the rule of law framework

As a fundamental principle of the European integration process, the rule of law has been gradually institutionalized through important treaties and frameworks for policy. The Maastricht Treaty (European Union, 1992) was the first to publicly acknowledge respect for the rule of law as a fundamental EU value, although the Treaty of Rome (European Union, 1957) established the framework for legal and economic cooperation among member states. Following this, the Copenhagen Criteria (European Union, 1993) emphasized the significance of judicial

independence, human rights, and stable institutions while establishing explicit democratic and legal requirements for countries for EU membership. These changes laid the groundwork for further enforcement measures and demonstrated the EU's growing commitment to rule-of-law principles. The EU strengthened its rule-of-law framework in response to challenges to judicial independence and democratic governance that arose in some member states over time. This resulted in the development of more structured oversight tools like the Conditionality Regulation (EU, 2020) and the Rule of Law Framework (EU, 2014). As a result of challenges facing member states, the EU's framework for handling rule of law crises has undergone significant change. This developed into an organized discussion that was started by the European Commission in 2014 (European Commission 2014). The EU created certain instruments to guarantee the rule of law's enforcement after establishing the fundamental legislative frameworks, which are detailed in the following section.

2.2 EU rule of law toolbox

To enforce the rule of law among its member states, the European Union (EU) implements a number of procedures. These instruments include the European Public Prosecutor's Office (EPPO), the Conditionality Regulation, the Rule of Law Framework, the EU Justice Scoreboard, Rule of Law Reports, and Article 7 TEU (European Union 2012). Together, they compose a comprehensive structure aimed at monitoring, encouraging, and enforcing respect for the rule of law throughout the European Union. Table 1 below highlights the major measures taken starting from the year 2000 to the present.

Table 1: Chronological Development of the EU Rule of Law Toolbox.

Year	Tool/Mechanism	Description
1992	Maastricht Treaty	Introduced Article 7 TEU, allowing the EU to sanction member states violating fundamental EU values, including the rule of law.
2000	Article 7 TEU (Treaty of Nice)	Introduced a political mechanism to respond to breaches of EU values; allows for preventive

		measures (Art. 7(1)) and sanctions (Art. 7(2)), including voting rights suspension.
2010	European Semester Integration	Incorporated rule of law considerations into the EU's annual economic policy coordination process via country-specific recommendations.
2013	EU Justice Scoreboard	Monitoring tool providing comparative data on the efficiency, quality, and independence of Member States' justice systems.
2014	Rule of Law Framework	Pre-Article 7 mechanism with three steps: Commission assessment, Commission recommendations to the Member State, and follow-up dialogue to prevent systemic rule of law issues.
2017	European Public Prosecutor's Office (EPPO)	Established under Council Regulation (EU) 2017/1939 to investigate and prosecute crimes affecting the EU budget (e.g., fraud, corruption); became operational in 2021.
2020	Annual Rule of Law Report & Cycle	Established regular preventive monitoring with country chapters covering justice, anti-corruption, media freedom, and institutional checks and balances.
2020	Conditionality Regulation	Regulation (EU, Euratom) 2020/2092 links access to EU funds to compliance with rule of law principles; applicable from January 2021.
2020	EU Rule of Law Mechanism	Formalized structured dialogue between the Commission, Member States, and stakeholders, serving as the basis for the Annual Rule of Law Cycle.
2022	Application of Conditionality Mechanism	Following CJEU rulings (Cases C-156/21 & C-157/21), the mechanism was first applied against Hungary and Poland due to rule of law violations.

Note. The information in this table is compiled from multiple official European Union documents and frameworks, including the Treaty on European Union, European Semester integration, EU Justice Scoreboard, Rule of Law Framework, European Public Prosecutor's Office, Annual Rule of Law Report and Cycle, Conditionality Regulation, and Rule of Law Mechanism. Full bibliographic details for these sources are provided in the reference list.

The Maastricht Treaty of 1992 (European Parliament n.d.) provided the introduction of Article 7 TEU, which is an essential tool for dealing with violations of core principles, such as the rule of law. It enables the European Council to assess if a member state poses a clear risk of seriously violating EU values (European Union 2012). Article 7 can result in consequences, including the suspension of Council voting rights, if the risk is identified, strengthening member state accountability. A framework for addressing breaches of the EU's fundamental principles—namely, democracy, the rule of law, and human rights as stated in Article 2 of the TEU—is established under Article 7 of the Treaty on European Union (TEU). A well-reasoned proposal from the European Commission, the European Parliament, or one-third of the Member States can start the procedure. With the approval of the European Parliament and a qualified majority, the Council may decide

under Article 7(1) whether a Member State has a likelihood of committing a serious breach. The Council must listen to the Member State in question before making any such decisions, and it may issue recommendations to address the risk. Article 7(2) provides the European Council with the right to decide, by unanimous vote, whether a Member State has committed a significant and ongoing breach if the preventative phase is unable to address the problem. Before adopting such a decision, the European Council must ask the Member State to submit its observations. Subsequently, Article 7(3) gives the Council the authority to suspend a Member State's voting rights in the Council as well as other privileges if a qualified majority votes. Nevertheless, despite the suspension, the Member State's duties under EU law are still enforceable. Under Article 7(4), the Council may thereafter amend or cancel these actions in response to developments that resulted in breach. Furthermore, Article 354 of the Treaty on the Functioning of the European Union, which offers more information on the majority needed for various stages of the process, describes the voting procedures for decisions made under Article 7 (European Union, 2020).

The EU Justice Scoreboard (European Commission n.d.), which was introduced in 2013, is a comparative instrument for assessing the effectiveness and quality of legal systems throughout the EU (European Commission 2024). In addition to generating discussion among member states and the dissemination of best practices, this yearly report offers insightful statistics on judicial independence and performance. In order to promote the larger goal of preserving the rule of law, the Scoreboard is essential in promoting improvements in national justice systems. Systemic challenges to the rule of law in member states are addressed by the Rule of Law Framework, which was created in 2014 (European Commission 2014). By facilitating communication between the European Commission and the affected member state, this preventive method makes it possible to identify and address problems before they become more serious. The Framework places a strong emphasis on maintaining the rule of law through cooperation.

Established under Article 86 TFEU, which was added by the Lisbon Treaty, the European Public Prosecutor's Office (EPPO) is a major addition to the EU's toolbox for upholding the rule of law. Through improved collaboration between at least nine Member States, this provision allowed the Council to establish the EPPO. The European Commission submitted a proposal in July 2013 after years of preparation, and the Council formally established the EPPO's mandate in October 2017 with the adoption of Regulation (EU) 2017/1939. The EPPO, an autonomous entity by design, is

in charge of looking into and prosecuting crimes that have an impact on the financial interests of the EU. The EPPO was entered into force in June 2021, despite the fact that the legal structure was adopted in 2017 (European Public Prosecutor's Office, 2024). The EPPO is a decentralized, autonomous EU prosecuting body with the authority to investigate, prosecute, and try offenses that have an impact on the EU budget. The EPPO can directly carry out criminal procedures and collaborate with OLAF, Eurojust, and Europol within the parameters of their respective mandates, in contrast to these bodies' lack of prosecutorial authority (Council of European Union 2017).

A move toward systematic oversight across all member states was signaled by the publication of the Rule of Law Report in 2020 (European Commission 2020). The creation of the Conditionality Regulation in 2020 (European Commission n.d.), which tied EU funds to respect for the rule of law, marked the culmination of this development. This legislation marks a shift from discourse to active enforcement by enabling financial sanctions against member states that violate fundamental rights. The regulation establishes a direct connection between breaches of the rule of law and measures such as suspension or reduction of EU payments, prohibition of new commitments, and the suspension of economic advantages guaranteed by the EU budget (European Commission n.d.). These financial consequences ensure that member states are motivated to respect the rule of law in order to maintain access to EU funds. Due to that, the EU has acknowledged respecting the rule of law not only as a foundational principle, but also as a maintaining the Union's integrity. Since the Conditionality Regulation (Regulation (EU, Euratom) 2020/2092) directly links breaches of the rule of law to the suspension of EU funds, it is thought to be more effective than earlier measures. This regulation gives the European Commission the authority to act unilaterally based on precise legal standards, in contrast to Article 7 TEU procedure, which calls for agreement from all Member States. By focusing on financial incentives, it offers an immediate and more effective way to ensure compliance (European Commission, 2020; Regulation (EU, Euratom) 2020/2092).

The Rule of Law Reports, which were first published in 2020, are yearly evaluations of the state of the rule of law in each of the EU's member states. The Rule of Law Report monitors developments in four key areas: the justice system, anti-corruption framework, media pluralism, and institutional checks and balances (European Commission, n.d.). These reports encourage member states to match their operations with EU standards by maintaining a focus on compliance. The Rule of Law Reports, which were first published in 2020, are yearly evaluations of the state

of the rule of law in each of the EU's member states. Although the reports are not legally enforceable, they are useful instruments for maintaining monitoring compliance and have the power to affect EU political debate and decision-making. Furthermore, the evaluations frequently offer suggestions for member states to address identified issues, so motivating them to conform their procedures to EU norms. If significant violations are identified, the reports may guide further actions taken under other instruments, such as the Conditionality Regulation or Article 7 TEU, even though they do not impose sanctions on themselves.

An ongoing dialogue between the European Commission, the Council, the European Parliament, and other stakeholders like national parliaments, civil society, and national authorities is facilitated by the Annual Rule of Law Cycle, a structured procedure. The Rule of Law Report, which forms the basis for discussions and supervision of rule of law compliance throughout the EU, is essential to this cycle. With each EU institution participating in accordance with their tasks, the cycle seeks to foster inter-institutional cooperation. It offers a platform for early identification of rule of law issues and promotes cooperation between Member States, the Commission, and related parties such as the Venice Commission and the Council of Europe. The cycle contributes to the protection and advancement of the rule of law throughout the Union by resolving potential challenges before they become more serious (European Commission, n.d.).

The European Union's Rule of Law Cycle is a structured procedure that assesses and enhances compliance with rule of law norms in both EU member states and enlargement countries. The annual Rule of Law Report is adopted first, and then dialogues with national parliaments, the European Parliament, and EU member states in the Council are initiated. The inclusion of enlargement countries in the report is then announced by the European Commission President. With feedback from stakeholders including national authorities and independent agencies, member states are consulted on an updated questionnaire for the upcoming cycle. To evaluate progress at the national and EU levels, the Commission holds several meetings and consultations (European Commission, 2024.). Following the collection of the data, the Commission creates draft country chapters and distributes them to the relevant nations for factual revisions. After that, the completed report—which includes recommendations unique to each country and updates to earlier recommendations—is adopted. The Council, national parliaments, the European Parliament, and civil society all discuss these conclusions. With planning for the upcoming cycle already underway,

this procedure guarantees ongoing oversight and improvement of rule of law norms throughout the EU and enlargement countries (European Commission, 2024).

The foundational values of the European Union (EU) are explained in Article 2 of the Treaty on the European Union (European Union, 2012). These values encompass respect for human dignity, freedom, democracy, equality, the rule of law, and human rights, with a particular focus on the rights of minorities. It is also emphasized in the article that all EU Member States share these principles within a society that values pluralism, non-discrimination, tolerance, justice, solidarity, and gender equality. This establishes the moral and legal basis for the EU's functioning and the duties of its Member States to maintain these values (European Union, 2012).

Since 2019, the EU has enhanced both preventive and punitive measures concerning the rule of law. The inclusion of country-specific recommendations and monitoring their implementation has improved the Rule of Law Reports, addressing previous criticisms from experts and NGOs. While the EU Justice Scoreboard is centered on national judicial systems, its impact has been relatively minor. Even with these developments, the Article 7 procedure has seen limited advancement, and Hungary and Poland are still at the initial stages of this process. In Hungary, no additional actions were taken to declare a "risk of a serious breach," whereas Poland's new government suggested plans to address violations of the rule of law. Moreover, the number of infringement proceedings has declined because the Commission opted for dialogue rather than formal proceedings to avoid a loss of support for its policy proposals. Nevertheless, significant exceptions encompassed the imposition of record fines on Poland in 2021 for disciplining judges and on Hungary in 2024 for infringing upon the rights of asylum seekers. The establishment of the conditionality regulation, which connected EU funding to compliance with the rule of law, represented a significant advancement by overcoming previous delay against those who violate rules (Csáky, 2024).

The Regulation (EU, Euratom) 2020/2092 was established to protect the EU's financial interests by ensuring that member states adhere to the principles of the rule of law, establishing a general regime of conditionality for safeguarding the EU budget (European Union, 2020). This regulation aims primarily to prevent breaches of the rule of law that could jeopardize proper financial management of the EU budget or undermine the EU's financial interests. This regulation applies to breaches that impact essential institutional frameworks, including the independence of the judiciary, the operation of authorities managing the EU budget, and fraud prevention and

prosecution. Violations that impede effective judicial review, the investigation of breaches, or the implementation of judgments may activate the application of the regulation (European Union, 2020).

The regulation specifies various measures that can be taken against EU countries that do not adhere to the necessary rule of law standards in order to ensure compliance. This includes the suspension or reduction of EU payments, prohibition of new commitments, and suspension of economic advantages guaranteed by the EU budget (European Union, 2020). The suspension of funds directly affects the financial stability of member states and provides a tangible consequence for non-compliance with rule of law standards. It makes the mechanism more immediate and potent than previous measures. The measures are intended to be proportional and customized to the severity of the breach, so as to ensure that final recipients of EU funds are not affected by them disproportionately. If the country in question fails to tackle the matter within a designated period, the European Commission can suggest that the Council adopt measures, and the Council will then make its decision based on a qualified majority. The purpose of these sanctions is to strengthen the rule of law and ensure that member states maintain effective judicial and administrative systems for the management of EU funds. Starting from January 1, 2021, the regulation exists to serve as an essential mechanism for maintaining EU values in the financial governance framework (European Union, 2020).

2.3 Main actors

Member states, EU institutions, and judicial institutions are key actors in the EU's rule of law enforcement, each of which is crucial for maintaining compliance and addressing violations. Among these, the European Court of Justice (CJEU) provides the legal interpretation and enforcement of EU legislation, while the European Commission is primarily responsible for monitoring the application of EU law.

Challenges in member states, particularly Hungary and Poland, have had a considerable impact on the EU's approach to enforcing the rule of law. Concerns of judicial independence, media freedom, and democratic backsliding have put both countries at the forefront of rule-of-law challenges. Tensions between national sovereignty and EU monitoring have resulted from these cases, which

have put the EU's ability to defend its core values to the test. The governments in question have resisted efforts to resolve these issues, claiming that EU interventions violate their national decision-making. Examples of these efforts include the Rule of Law Conditionality Regulation and Article 7 TEU (European Union, 2012) proceedings. Furthermore, political factors frequently limit enforcement attempts since it is difficult to take decisive action due to the Council's requirement for unanimity and the member states' varying political alliances. Due to these political factors, enforcing the rule of law has become a contentious topic, and the EU must negotiate institutional restraints, legal limitations, and member state resistance in order to protect democratic values.

Although the EU has established a number of procedures to enforce the rule of law, their effectiveness has been mixed and frequently impeded by institutional and political limitations. Despite being one of the most effective enforcement instruments, Article 7 TEU has encountered many difficulties in its practical implementation. In response to concerns about the rule of law in Poland, the European Commission first activated Article 7(1) TEU in 2017. In 2018, the European Parliament activated the same article against Hungary (Pech & Grogan 2020). Furthermore, the Commission first activated its Rule of Law Framework in relation to Poland in 2016 (Pech & Grogan 2020). As demonstrated in the cases of Hungary and Poland, where mutual support between the two governments has prevented further escalation of proceedings, political alliances and strategic interests have frequently obstructed decisive action since Article 7 requires unanimity among member states for sanctions to be triggered (European Union 2012). Similarly, since it depends on member states' voluntary collaboration, the Rule of Law Framework—which was designed as a preventive dialogue-based mechanism—has had difficulty guaranteeing compliance (European Commission 2014). By tying EU funds to adherence to the rule of law, the Conditionality Regulation, which was established in 2020, offers a more enforceable approach. However, political opposition and legal issues have hindered its implementation, raising questions about its long-term impact. These limitations indicate how the EU has difficulty achieving a balance between national sovereignty and the requirement for efficient enforcement, which frequently leads to drawn-out discussions and negotiations rather than immediate corrective measures.

The way the rule of law is enforced within the Union has been greatly influenced by decisions made by the Court of Justice of the EU (CJEU) in recent years. The CJEU has strengthened the

legal foundation supporting the rule of law by interpreting EU law in ways that highlight the value of judicial independence. For example, in cases involving Hungary and Poland, the Court has made landmark rulings that establish the priority of EU law and safeguard the rights of citizens and legal systems within member states. These legal decisions have improved the EU's authority to challenge state acts that undermine the rule of law. Additionally, there are continuing suggestions to strengthen these enforcement procedures, including talks about expanding the scope of the Conditionality Regulation and enhancing the effectiveness of Article 7 TEU proceedings. In order to guarantee better protection of the Union's core principles, there is also increasing push to investigate new instruments, such as improved infringement procedures or the implementation of new sanctions frameworks.

The Conditionality Regulation, which came into force in 2020 (European Commission n.d.), ties EU funding distribution to member states' respect for the rule of law. This rule strengthens the notion that financial assistance is subject to adherence to core principles by enabling the EU to impose sanctions on nations that breach the rule of law principles. This system demonstrates the EU's dedication to making sure that money is used sensibly and in compliance with accepted legal standards. Investigating and prosecuting fraud against the EU budget and other crimes impacting EU financial interests is the responsibility of the European Public Prosecutor's Office (EPPO), which started to function in 2021 (EPPO n.d.). In terms of guaranteeing responsibility and the rule of law in financial affairs among member states, EPPO is a major breakthrough. EPPO improves collaboration and effectiveness in combating cross-border crime by functioning on a transnational level.

Looking ahead, there is continuous discussion inside the EU over the need for stronger procedures to better uphold the rule of law and democratic values. Even though the current instruments are helpful, others contend that they are not sufficient to adequately address systemic issues. Stricter financial conditionality proposals are becoming increasingly popular; some argue that tightening the connection between EU funds and democratic health and judicial independence could serve as a stronger deterrent to violations. Possible treaty amendments that might strengthen the EU's ability to step in when rule-of-law violations occur in member states and enhance the enforcement of democratic norms are also being discussed. These talks are part of a larger effort to make sure that

the Union's fundamental principles are enforced more strictly, and that the EU is better prepared to stop and address the weakening of democracy inside its borders.

3. Research design, data and methodology

This chapter outlines the research design, data sources, and methodology applied in this study. It describes the context of the research and details the methods used for gathering and analyzing data. To assess the relevance and validity of the findings, it is crucial to understand the research design, as this design lays the groundwork for achieving the study's objectives. The subchapter on data sources specifies the particular origins of the collected data, which encompass crucial reports, datasets, and case studies. The sources chosen for this purpose are carefully selected to offer empirical evidence for the research questions. Special attention is given to reports such as the European Commission Rule of Law Reports, legal documents, and the number and features of relevant court cases. The methodology section outlines the particular research methods and techniques used to analyze the data. These methods ensure transparency, reliability, and reproducibility of the study's processes, which enhances the strength of the overall research design. To guarantee that the results of the study are both rigorous and meaningful in relation to current academic discourse, it is essential to carefully select research design, data sources, and methodology.

3.1 Research design and case selection

The study's research design is set up to address two main research questions about how the EU enforces the rule of law (RoL) among its member states. In order to provide a contextual basis for comprehending the mechanisms available inside the EU to resolve rule of law challenges, the study first looks at the development of the EU's rule of law framework and the main instruments created to enforce compliance. Second, the study explicitly investigates the Rule of Law Conditionality Regulation and assesses the effectiveness. A comparative case study methodology will be used to answer the second question, focusing on Hungary and Poland as two crucial instances where issues with the rule of law have been significant and where reactions to the RoL Conditionality Regulation have varied.

Hungary and Poland were chosen as case studies since they represent two of the most significant rule-of-law issues the EU has faced recently. EU engagement resulted from claims of media limitations, judicial influence, and democratic backsliding in both countries. Although countries such as Italy and Slovakia have also faced rule of law issues—particularly regarding media freedom, as noted in the 2024 Rule of Law Report (European Movement International, 2024)—the focus on Poland and Hungary reflects the significant and ongoing systemic challenges in these two cases. Hungary has been subject to funding suspensions under the RoL Conditionality Regulation, while Poland has been subject to rule-of-law scrutiny through other mechanisms, including Article 7 TEU processes and infringement proceedings. The two countries are the only countries that have ever been subject to Article 7 (Liboreiro, 2024). Due to this disparity, they are ideal cases for analyzing why the EU applied the Conditionality Regulation to Hungary but not to Poland, and if institutional, legal, or political considerations were important. These cases' conclusions could provide more comprehensive understandings of the EU's approach to rule-of-law enforcement and its limitations.

Having been widely regarded as successful examples of democratic transition, both countries joined the EU in 2004 as part of the Union's Eastern enlargement. Their accession was based on significant advancements in institutional reforms, fulfilling the Copenhagen criteria, and showing alignment with liberal democratic norms. In the years following accession, Hungary and Poland both reached high scores in international assessments of democracy. Freedom House (2005) awarded both countries the highest possible score (1/7) for political rights and civil liberties—the same score established by democracies such as Germany and France at the time—indicating complete democratic consolidation. These indicators demonstrated widespread optimism about their integration into the EU's normative framework and their commitment to constitutional democracy.

However, this trajectory began to reverse during the 2010s. After the Fidesz party, under Viktor Orbán's leadership, obtained a constitutional majority in 2010 and implemented institutional reforms that weakened judicial independence and media freedom, democratic backsliding in Hungary accelerated (Freedom House, 2019). Poland followed a similar path starting in 2015, when the Law and Justice (PiS) party launched contentious judicial reforms that caused multiple warnings from EU institutions (European Commission, 2017). Although other EU member states

have experienced occasional concerns regarding the rule of law, Hungary and Poland are the only two countries currently undergoing Article 7 TEU proceedings, highlighting the severity and ongoing nature of their democratic decline (European Parliament, 2017).

A thorough analysis of the precise way in which the Rule of Law (RoL) Conditionality Regulation has impacted Hungary and Poland is made possible by this comparative case study methodology. Hungary and Poland were chosen as essential examples for comprehending the impact of the regulation because of their significant roles in the ongoing challenges to the rule of law inside the EU. The study will compare these countries in order to determine the parallels and discrepancies in their political and legal reactions to the rule, as well as the implications for EU governance and the rule of law. In the case studies, the chronology of the RoL Conditionality Regulation's events will be traced, and the main legal, political, and social elements that shaped their reactions will be identified. The case studies allow a detailed examination of the regulation's impact which illustrates its implementation, the stages involved in suspending EU funds, and the resulting legal cases. This approach aims to provide insight into the Conditionality Regulation's practical effectiveness and legal framework for encouraging compliance in member states addressing rule of law issues.

3.2 Data sources

To achieve the objectives of this research, a variety of primary and secondary data sources will be utilized. Central to the analysis is the text of the Rule of Law (RoL) Conditionality Regulation (European Union 2020) which serves as the foundational document for understanding the legal framework and procedures established for linking EU funds to compliance with rule of law standards. This regulation describes the conditions under which member states may face the suspension of funds due to deficiencies in their adherence to the rule of law. This research focuses specifically on data sources available in English due to language limitations, focusing on materials that do not require translation from other languages.

To guarantee a thorough analysis, this study will draw from a variety of primary and secondary data sources. Legal documents like the Rule of Law Conditionality Regulation (European Union,

2020), decisions from the Court of Justice of the EU (CJEU), and reports from the European Commission are examples of primary sources. These resources provide the legal system and the rationale for enforcement measures. In addition to the regulation itself, annual rule of law reports and assessments released by the European Commission will be analyzed. These documents are crucial for identifying the specific rule of law concerns raised against Hungary and Poland, as they provide insight into the Commission's rationale for triggering the RoL Conditionality Regulation. The Rule of Law Reports from 2020 to 2024, inclusive of the 2020 and 2024 editions, for both Hungary and Poland will be analyzed, resulting in a total of five reports for each country, and ten reports in total for both countries over the 2020-2024 period (European Commission, 2024). These reports will help explain the nature and severity of the rule of law deficiencies that prompted the EU's actions, as well as the Commission's ongoing evaluations of member states' compliance. Due to their standardized structure and thematic focus, the EU Rule of Law Reports are designed to be comparable across countries and consistent over time. Every report is structured around four essential pillars: justice system, anti-corruption framework, media pluralism, and institutional checks and balances. These pillars are applied uniformly to all member states. This enables systematic comparisons across countries and over time. The reports evaluate judicial independence, anti-corruption measures, media freedom, and the balance of powers within these sections, offering a foundation for assessing the state of rule of law compliance. The consistent country chapters enhance comparability by following to the same analytical format annually. By encompassing both the pre-implementation (2020–2021) and post-implementation (2022–2024) periods, the chosen time frame allows for a comparative evaluation of the Regulation's impact.

For the purpose of this research, a total of 26 court cases will be analyzed, 15 of which are related to Hungary and 11 related to Poland. The selected cases represent the most significant legal disputes related to rule-of-law challenges, chosen for their legal importance, relevance to EU enforcement actions including the Rule of Law Conditionality Regulation, and their impact on the relationship between national governments and EU legal standards. The key cases involving Hungary and the European Union will be examined to explore Hungary's compliance with EU law, particularly in the areas of the rule of law, fundamental rights, and judicial independence. The selected cases for Hungary include: Case C-156/21 (Hungary v European Parliament and Council of the European Union), Case C-821/19 (Commission v Hungary), Case C-808/18 (Commission v Hungary), Case C-78/18 (Commission v Hungary), Case C-286/12 (Commission v Hungary), Case C-556/17

(Torubarov), Case C-718/17 (Commission v Hungary), Case C-66/18 (Commission v Hungary), Case C-406/18, Case C-650/18 (Hungary v Parliament), Case C-564/19 (IS), Case C-564/18 (LH v Bevándorlási és Menekültügyi Hivatal), Case C-823/21 (Commission v Hungary), Case C-225/24 (European Parliament v European Commission), and Joined Cases C-924/19 PPU and C-925/19 PPU (FMS and Others). The cases involve various legal matters, such as breaches of asylum laws, limitations on judicial independence, and violations of basic rights. Analyzing these cases will provide important insights into the legal challenges Hungary is currently facing as it seeks to align its policies with EU values and will constitute a key element of the research framework for this thesis.

To analyze the legal and constitutional implications of judicial independence, compliance with EU values, and the wider rule of law framework, a study will be conducted of the key court cases related to the rule of law in Poland. The chosen cases include: Case C-157/21 (Poland v Parliament and Council), which dealt with Poland's challenge to the Conditionality Regulation that connects EU funding to compliance with rule-of-law principles; Case C-192/18 (Commission v Poland), which addresses the decrease of judges' retirement age and the discretionary powers given to the Minister of Justice; Case C-619/18 (Commission v Poland), concerning the inconsistency of Polish legislation on the retirement age for Supreme Court judges with EU obligations; Joined Cases C-585/18, C-624/18, and C-625/18 (A.K. and Others v Krajowa Rada Sądownictwa), which addressed the independence of the Disciplinary Chamber of the Polish Supreme Court; Case C-791/19 (Commission v Poland), which concerns the disciplinary system for judges in Poland; Case C-824/18 (A.B. and Others v Krajowa Rada Sądownictwa), which examines the Polish National Council of the Judiciary and judicial appointments; Case C-204/21 (Commission v Poland), which determined that Poland's "Muzzle Law" violated EU law by limiting judicial independence; Case C-814/21 (Commission v Poland), regarding Poland's non-compliance with its obligations under Article 22 TFEU; Joined Cases C-562/21 PPU and C-563/21 PPU (Openbaar Ministerie), focusing on judicial independence regarding the European arrest warrant; and Joined Cases C-558/18 and C-563/18 (Miasto Łowicz and Prokurator Generalny v Skarb Państwa), which assessed the admissibility of preliminary ruling requests regarding judicial independence in Poland. These cases are crucial for grasping the current tensions between Poland's domestic legal reforms and EU law, especially regarding judicial independence and the rule of law. Examining these rulings will

illuminate the legal difficulties Poland encounters in reconciling its judicial practices with EU standards, constituting a crucial component of this thesis's research framework.

This research will analyze significant European Parliament resolutions to analyze concerns regarding the rule of law in Hungary and Poland. This encompasses the resolutions dated May 17, 2017, September 12, 2018, June 1, 2023, and January 18, 2024, concerning Hungary. These resolutions highlighted issues relating to limitations on civil society, independence of the judiciary, and the possible initiation of proceedings under Article 7 TEU (European Parliament, 2017, 2018). The April 17, 2019, resolution regarding Poland condemned judicial reforms that compromised independence and called for the activation of Article 7 (European Parliament, 2019). Meanwhile, the September 17, 2020, resolution expressed concerns about Poland's Constitutional Court and the separation of powers, urging similar measures (European Parliament, 2020). These resolutions are essential for comprehending the EU's reactions to rule of law breaches in both countries.

3.3 Methodology

A qualitative case study method offers an in-depth examination of complex phenomena in real-world situations. According to Starman (2013), case studies enable a targeted analysis of particular cases based on the research question. In order to evaluate the EU's rule of law enforcement and provide a comparative viewpoint on the effectiveness of regulations, this study examines at Hungary and Poland as representative cases. Selecting cases carefully improves the depth of analysis. As cited in Starman (2013), Yin (2009) emphasizes that well selected cases lead to deeper insights and theory-building, as stated in Starman (2013), contextual examination of causal mechanisms is also made easier by case studies. As noted by George and Bennett (2005, as cited in Starman, 2013), they are especially helpful when looking into legal and political issues. As stressed by George and Bennett (2005, as referenced in Starman, 2013), thorough documentation and tracking procedures will be followed throughout the process to guarantee research credibility.

Njie and Asimiran (2014) state that case studies in qualitative research enable a thorough analysis of complex interactions by focusing on process, context, and meaning. Since the study focuses on the implementation of the Rule of Law Conditionality Regulation in Hungary and Poland, a

comparative case study approach is appropriate since this allows for a thorough examination of the legal and political factors influencing compliance in each country. Employing a most similar systems design (MSSD), this research implements a comparative case study method, focusing on Hungary and Poland as two cases that share essential structural characteristics, such as EU membership, post-communist transitions, and ongoing challenges to the rule of law. The comparative approach aims to account for background similarities so as to isolate and examine the factors that account for differences in how the Rule of Law Conditionality Regulation has been implemented and its effects in each country. The study aims to identify the causal mechanisms and intervening variables—like political will, domestic reforms, and reactions to EU enforcement—that explain the differing outcomes by analyzing two cases with broadly comparable political, legal, and historical contexts. This approach strengthens the explanatory power of the analysis and contributes to a deeper understanding of the conditions under which EU rule of law mechanisms are more or less effective. This aligns with Stake's (1995) classification of case studies, particularly instrumental case studies, where individual cases support broader insights into the EU's rule of law enforcement mechanisms.

According to Fidel (1984), the case study method's flexibility is essential because it enables researchers to modify their data gathering and analysis in response to emerging advances. Research validity is strengthened through ongoing comparison throughout the study, which not only helps with generalization but also improves comprehension by highlighting similarities and differences across cases. Even though case studies may face challenges with traditional reliability, they can still be considered valid if the evidence is carefully gathered and interpretations are based on a variety of data sources to minimize bias (Fidel, 1984).

This research employs a qualitative research method to explore the implementation and implications of the Rule of Law (RoL) Conditionality Regulation in the EU, focusing on Hungary and Poland. The primary method for collecting and analyzing data in the qualitative research approach will be thorough document analysis. The actual text of the Rule of Law (RoL) Conditionality Regulation, reports from the European Commission, court rulings from the Court of Justice of the European Union (CJEU), and European Parliament Resolutions are important sources. These resources will help in comprehending the legal framework set forth by the Regulation and its application in the Polish and Hungarian cases. In order to better understand the

political and legal forces at work, the research will also take into account secondary data including academic publications, policy papers, and media reports. The study will emphasize depth of knowledge ahead of scope by concentrating on qualitative analysis, enabling a nuanced examination of the Regulation's effectiveness. By examining a variety of perspectives, potential biases in secondary sources will be controlled, guaranteeing a fair assessment of the effects of the RoL Conditionality Regulation. The research will establish a timeframe that takes into consideration important political events in order to account for the potential influence of the changing political environments in Hungary and Poland on the findings.

The methodology focuses on comprehensive document analysis, starting with primary legal texts, including the RoL Conditionality Regulation and European Commission reports, to understand the regulation's legal framework, purpose, and evolution over time. Moreover, a comparative analysis of Hungary and Poland will examine why the regulation was applied to Hungary but not Poland, considering political dynamics, rule of law deficiencies, and each country's response. Qualitative document analysis is utilized in this research to examine both primary and secondary sources, such as the Rule of Law Conditionality Regulation, reports from the European Commission, court rulings from the CJEU, Resolutions from the European Parliament and media sources. The research aims to comprehensively analyze the implementation of the regulation in Hungary and Poland by focusing on key legal texts and related materials. With this qualitative approach, the political and legal factors at play can be explored in depth, facilitating a nuanced comparison of the two countries. To guarantee a balanced and comprehensive assessment of the regulation's effects, the findings will be cross-checked against secondary sources such as scholarly articles and policy documents. The analysis involves a thorough reading and systematic summarization of key documents, focusing on identifying legal arguments, institutional responses, and indications of compliance or resistance. The Rule of Law reports issued by the European Commission follow a standardized format, highlighting key areas such as judicial independence, media freedom, and anti-corruption efforts. This structure allows comparative analyses across different countries and over time. The study focuses on assessing compliance with EU rule of law standards in sections related to judicial independence and institutional responses. The results of these findings are subsequently compared across the two case studies to identify patterns related to the EU's enforcement of rule of law standards. The study applies a legal-institutional analytical framework to identify if and how the Rule of Law Conditionality Regulation impacted on state behavior, by

analyzing textual evidence of compliance, institutional reactions, and enforcement outcomes across the two cases.

It is important to know that challenges with data quality, access, and interpretation could arise during the study. Access to certain official EU papers may be limited, and reports may differ in their neutrality due to the politically delicate nature of the rule of law concerns in Hungary and Poland. This will be lessened by the study's triangulation of data from many sources and cross-referencing of results with scholarly works, news releases, and other non-governmental analyses. By carefully examining the context of each source and weighing opposing points of view, every attempt will be made to reduce any bias or partiality. There can be numerous challenges with data access, quality, and interpretation while researching the Rule of Law (RoL) Conditionality Regulation. Since data availability may be impacted by restricted access to some EU documents, the study will give priority to publicly available reports, press releases, and statements. In order to ensure accuracy, the study will cross-reference academic, non-governmental, and media publications to address potential inconsistencies caused by variations in data quality across sources.

Although the Rule of Law Conditionality Regulation is an important enforcement tool, the EU has alternative mechanisms. Rule-of-law violations have also been addressed through alternative means, including Article 7 TEU proceedings, infringement cases before the CJEU, and diplomatic pressure. This study will look at why Hungary was subject to the Conditionality Regulation, but Poland was not, as well as if political factors, such as alliances within the European Council, affected enforcement decisions. The study will offer a more thorough evaluation of the regulation's effectiveness.

Considering the political, legal, and social circumstances in each country, the comparative case study method will offer an organized means of assessing the effectiveness of the RoL Conditionality Regulation in Poland and Hungary. The study will offer a detailed understanding of how the EU's rule of law framework functions in practice by concentrating on these two cases, enabling the findings to significantly add to the larger conversation on EU governance and rule of law enforcement. There aren't many ethical issues with this study since it employs publicly available legal and policy documents. Accuracy and objectivity are still crucial, though. Statements from national governments, EU documents, and independent expert studies will all be taken into

account to maintain equity. Presenting a variety of perspectives will also help to prevent bias, especially when it comes to the political reasons for enforcing the rule of law.

4. The Implementation of the Rule of Law Conditionality Regulation

As the European Union's efforts to protect its core values have developed, new instruments have been implemented to its rule of law framework, which includes the Rule of Law Conditionality Regulation. This chapter addresses the research question: how is the Rule of Law Conditionality Regulation effective in ensuring compliance with the principles of rule of law? The following sections explore the practical implementation of this Regulation, with a focus on Hungary and Poland, where issues related to judicial independence and democratic backsliding have triggered its application. Through this analysis, the chapter studies both the legal and political dimensions of the Regulation's use, offering insights into its effectiveness, limitations, and implications for the broader EU governance framework.

4.1 Implementation in the case of Hungary

This section explores how the Rule of Law Conditionality Regulation is implemented in Hungary, starting with a historical overview of the ongoing rule of law conflict with the EU. It examines significant developments in the political and legal landscape of the country, focusing on relevant rule of law reports, media representations, and public discussions related to the conflict. In the second section of the analysis, specific court cases are examined in detail and Hungary's responses to EU pressures are viewed through a theoretical lens. This discussion is connected to broader Europeanization theories. This section provides a thorough assessment of Hungary's compliance with the EU's rule of law standards under the Regulation, based on both legal and media sources.

4.1.1 Hungary's rule of law conflict with the EU

Prior to the adoption of the Rule of Law Conditionality Regulation (RLCR) in 2020, the European Union employed a series of tools from its rule of law toolbox in response to Hungary's democratic backsliding. Hungary has been under growing examination since 2015 concerning its compliance

with the rule of law, especially regarding judicial independence, media freedom, and civil society. The conflict began when the European Commission and several EU institutions expressed concerns about the government's actions that appeared to undermine democratic principles and the rule of law. A key development occurred in 2017 when the European Parliament adopted a resolution expressing worries about the government's systemic undermining of democratic institutions, including the judiciary (European Parliament, 2017). This resolution emphasized the considerable effects of reforms that jeopardized judicial independence and restricted media freedom. The same year, the Hungarian government made changes to the constitutional framework that reduced checks and balances, with a particular focus on judicial independence (European Commission, 2020).

In response to these developments, the resolution approved by the European Parliament on May 17, 2017, regarding Hungary expressed concerns over limitations affecting civil society, academic freedom, and judicial independence. It criticized legislation aimed at NGOs and the Central European University and expressed concerns about media freedom and fundamental rights. Through the resolution, Hungary was urged to conform to EU values and the European Commission was called upon to evaluate the necessity of activating Article 7 TEU (European Parliament, 2017). Concerns regarding the decline of democratic values in Hungary, such as judicial independence, press freedom, and fundamental rights, were expressed in a European Parliament resolution dated September 12, 2018. It criticized legislation that limits the freedom of media, universities, and NGOs, and called on the European Commission to monitor the developments. The resolution suggested starting the Article 7(1) TEU procedure to address Hungary's breaches of EU values and the rule of law (European Parliament, 2018). Among the most significant measures was the European Parliament's reference to Article 7(1) of the Treaty on European Union (TEU), due to concerns over judicial independence, corruption, limitations on civil society, and constraints on media and academic freedom (European Parliament, 2018). Due to Hungary's ongoing breaches of EU values and rule-of-law standards, this resolution made an explicit recommendation to initiate Article 7(1) TEU. However, the procedure turned out to be mostly impractical since moving to sanction phase such as suspending voting rights under Article 7(2)–(3) TEU (European Union, 2012) requires a unanimous decision from the European Council, excluding the Member State involved. This unanimity has not been achieved, primarily because Hungary and Poland have publicly pledged to veto sanctions against each other (Scheppele, 2016), which results in mutual protection from consequences. During the same year, the European

Commission increasingly relied on more infringement procedures under Article 258 of the Treaty on the Functioning of the European Union (TFEU, 2008). In 2018, these efforts led to multiple rulings by the Court of Justice of the European Union (CJEU) against Hungary, including cases related to the closure of the Central European University (Court of Justice of the European Union, 2018, Case C-66/18) and the legislation targeting foreign-funded NGOs (Court of Justice of the European Union, 2018, Case C-78/18).

In the years prior to the RLCR, the EU employed softer mechanisms like the Rule of Law Framework and the EU Justice Scoreboard to monitor systemic deficiencies in member states, including Hungary. Nonetheless, these instruments did not possess enforcement capabilities and primarily served diagnostic or reputational functions (European Commission, 2019a, 2019b). Despite these ongoing efforts, Hungary has remained in resisting EU pressure to reverse many reforms in recent years, even as it undergoes ongoing scrutiny via the EU's Rule of Law Reports and discussions with national parliaments (European Commission, 2024).

The limited effectiveness of both hard and soft mechanisms highlighted the EU's constrained capacity to address the erosion of the rule of law in some Member States. The EU's capacity to guarantee compliance with its core values has been considerably diminished by the political protection of Hungary by allied governments and the strategic legal tactics employed by Hungarian leaders. The visible shortcomings of the existing rule of law toolbox, along with these institutional constraints, ultimately contributed to the momentum for a much stronger mechanism. The introduction of the Rule of Law Conditionality Regulation in 2020 marked a significant shift by linking compliance with the rule of law to EU funding. This regulatory tool was designed to enhance the EU's leverage to address rule of law breaches in Hungary and other member states. The ongoing decline of the rule of law in Hungary, particularly regarding academic freedom and media pluralism, was mentioned in the European Commission's 2020 Rule of Law Report and other evaluations (European Commission, 2020). The Hungarian government turned down EU recommendations, resulting in a situation that remained mostly the same and leading to ongoing demands for stronger EU enforcement measures (Council of Europe, 2019).

In 2020 (European Commission, 2020), Hungary's judicial system faced challenges related to the independence of the judiciary, with the National Judicial Council having difficulties in balancing the power of the President of the National Office for the Judiciary. Although there were some

positive developments including raised judicial salaries and efforts to enhance administrative justice, concerns regarding the appointment of the Prosecutor General and the lack of safeguards against political influence remained. The anti-corruption framework indicated limited progress, with Hungary ranking poorly in the Corruption Perceptions Index. Although the criminal anti-corruption framework was mostly established, prosecutions of high-level corruption were uncommon, and the lack of independent verification mechanisms in asset disclosure and political party financing raised significant concerns. Although there were legal protections for media freedom, it encountered significant challenges, particularly in terms of political independence and the impact of state advertising. The Media Council's independence, tasked with media regulation, faced challenges from the political nature of its appointments. Meanwhile, there was no regulation ensuring transparency in media ownership. Concerning other institutional matters, Hungary's system of checks and balances has shown signs of weakening, characterized by a reduced frequency of public consultations and worries about the quality of policymaking. The independence of the Hungarian Commissioner for Fundamental Rights was challenged, and civil society, particularly those critical of the government, remained under pressure. In general, Hungary's rule of law framework demonstrated limited alignment with EU standards, which undermined the effectiveness of the rule of law conditionality regulation intended to tackle shortcomings in judicial independence, anti-corruption efforts, media pluralism, and institutional checks.

The 2021 report (European Commission, 2021) on Hungary noted that the rule of law continued to face substantial challenges, especially regarding the justice system, anti-corruption measures, media freedom, and institutional checks and balances. The issue of judicial independence remained, as the National Judicial Council found it difficult to provide a counterbalance to the President of the National Office for the Judiciary, particularly in light of the contentious appointment of the Kúria President. Even with the rise in judicial salaries and improvements in civil and administrative case efficiency, worries regarding discretionary bonuses and the hierarchical nature of the prosecution service continued. Although the National Anti-Corruption Strategy was being implemented, investigations into high-level corruption were still inadequate, indicating limited advancement of the anti-corruption framework. Systems for asset disclosure and lobbying regulations were still lacking completeness, with enforcement gaps, while recent modifications to public procurement laws increased corruption risks. As media ownership became increasingly concentrated under pro-government influence, political control over media was

exacerbated through state advertising, leading to a deterioration of media pluralism. During the pandemic, access to public information became more limited. The unpredictability of legislation was underscored by institutional issues, with frequent changes undermining stability and the role of the Commissioner for Fundamental Rights growing, despite worries about its independence. These issues highlighted the limitations of the rule of law conditionality regulation, as Hungary's political environment continued to undermine judicial independence, media freedom, and anti-corruption measures, thereby diminishing the effectiveness of EU interventions aimed at protecting these principles.

Hungary's rule of law framework faced ongoing challenges in 2022 (European Commission, 2022) across several key areas, including the justice system, anti-corruption measures, media freedom, and institutional checks and balances. The effectiveness of the EU's rule of law conditionality regulation remained a significant concern. The independence of the judiciary continued to be fragile, due to the National Judicial Council's failure to provide a counterweight to the President of the National Office for the Judiciary (NOJ) and growing worries about judicial appointments and how the Kúria operates. The lack of checks and balances in the judicial system was not adequately addressed by legislative reforms. Although there was an increase in judicial salaries, the discretionary nature of bonus awards continued to pose issues. In terms of the anti-corruption framework, public sector corruption continued to be rising, even with initiatives like the 2020-2022 Anti-Corruption Strategy and changes to the Criminal Code.

In 2022, the European Commission's budget conditionality regulation was activated due to escalating worries about the misappropriation of EU funds, especially in relation to public procurement, corruption, and inadequate enforcement measures. This marked the first use of the mechanism since its adoption. As a result, the Commission proposed to suspend € 7.5 billion in EU cohesion funds (Allenbach-Ammann, 2022). The situation regarding media freedom worsened, characterized by ongoing state control of media outlets, restricted transparency concerning media ownership, and challenges to public information access. Institutional factors revealed a declining regulatory environment, weakened by inadequate public consultation, extensive reliance on emergency powers, and doubts regarding the independence of the Commissioner for Fundamental Rights. The rule of law conditionality regulation appeared to have had a limited immediate effect, as systemic issues continue, highlighting the necessity for stronger EU intervention and more stringent enforcement to ensure adherence to rule of law principles in Hungary.

Several key recommendations for Hungary to address its judicial independence and governance structures are outlined in the 2022 Rule of Law Report (European Commission, 2022). This includes enhancing the role of the National Judicial Council while ensuring its independence to balance the powers of the President of the National Office for the Judiciary. It further proposes to reform the Kúria so that judicial appointments follow to standard procedures, to strengthen the eligibility criteria for the position of Kúria President, and to ensure practices are in accordance with EU law, especially in relation to preliminary references. Moreover, it is recommended that Hungary implement extensive reforms regarding lobbying and asset declarations, strengthen oversight of investigations into high-level corruption, and enhance the functional independence of both the media regulatory authority and public service media. Moreover, the recommendations stress the importance of fair distribution of state advertising funds and the elimination of obstacles that impede civil society organizations (European Commission, 2022).

Throughout 2023 (European Commission, 2023), Hungary continued to face significant challenges regarding the justice system, anti-corruption measures, media independence, and institutional checks and balances. The outcomes of efforts responding to the rule of law conditionality regulation were mixed. In relation to the justice system, Hungary has advanced by enacting a law that strengthens the National Judicial Council and enhances transparency in case allocation at the Kúria, thus addressing some prior concerns. Nonetheless, the lack of transparency in lower courts and ongoing campaigns targeting judges weakened judicial independence. Hungary implemented a number of reforms in the realm of anti-corruption as a response to EU conditionality, including the creation of an Integrity Authority to supervise EU funds and the completion of a new National Anti-Corruption Strategy. Even with these endeavors, concerns remained about weak enforcement, especially regarding high-level corruption and systemic oversight. The rule of law conditionality regulation remained important, as Hungary faced suspension of EU funds until it fully implemented corrective actions, especially related to procurement and corruption risks. The situation regarding media freedom remained mostly the same, with no advancements in the independence of media regulators, transparency in media ownership, or the autonomy of public service media. Ultimately, the system of institutional checks and balances was ineffective, due to the ongoing application of emergency powers, limited advancements in public consultations, and concerns regarding surveillance and civil society pressures. Although some measures were implemented to tackle the concerns brought up by the

EU, the rule of law conditionality regulation has had a limited overall effect, since Hungary still needs to fully comply to all recommendations.

The 2023 Rule of Law Report (European Commission, 2023) states that Hungary has made partial progress in implementing the recommendations from the 2022 report. The country has fully implemented reforms aimed at strengthening the National Judicial Council's role and has modified the regulations concerning the Kúria to align with EU standards. Nevertheless, Hungary has not advanced in crucial domains like lobbying reforms, creating a history of high-level corruption prosecutions, enhancing the independence of media regulation, improving governance of public service media, and guaranteeing fair distribution of state advertising (European Commission, 2023). The report advises additional measures in these domains, such as enhancing the transparency of case allocation, implementing extensive reforms regarding lobbying and revolving doors, strengthening corruption investigations, and guaranteeing that civil society organizations can function without restrictions (European Commission, 2023).

During 2024 (European Commission, 2024), Hungary faced considerable challenges regarding its justice system, anti-corruption measures, media independence, and institutional oversight mechanisms. These issues were further compounded by the effects of the rule of law conditionality regulation. In terms of the justice system, Hungary advanced judicial independence through the ongoing implementation of the 2023 reform that strengthened the National Judicial Council's role and enhanced transparency in case allocation at the Kúria. Nevertheless, problems remained, including the slow advancement of transparency in lower courts and concerns regarding judges' freedom of expression. Hungary introduced several remedial measures within the anti-corruption framework, including the new National Anti-Corruption Strategy and the establishment of the Integrity Authority. However, issues remained due to the lack of binding enforcement in judicial reviews of prosecutorial decisions and slow progress on high-level corruption. EU funds remained limited because of insufficient implementation of corrective actions, especially regarding corruption oversight and transparency in public procurement. No progress was achieved regarding the independence of the media regulator, transparency in media ownership, or public service media independence within the realm of media freedom. Limits on freedom of information and challenges for journalists continued. In terms of institutional checks and balances, the rise in state interventions in Hungary, along with weak legal certainty and concerns about the effectiveness of judicial and other oversight mechanisms, continued to undermine democratic processes. While the rule of law

conditionality regulation influenced Hungary's access to EU funds, its effect on systemic reforms was limited. This raises questions about the regulation's effectiveness in ensuring long-term compliance to rule of law standards in Hungary.

According to the 2024 Rule of Law Report (European Commission, 2024), Hungary has not progressed on key recommendations from the 2023 report, such as enhancing the transparency of case allocation systems in lower-instance courts, implementing comprehensive reforms regarding lobbying and revolving doors, and creating a solid track record of investigations, prosecutions, and final judgments in high-level corruption cases. Moreover, Hungary has not advanced in improving the functional independence of the media regulator, strengthening the governance and editorial independence of public service media, guaranteeing a fair and transparent allocation of advertising funds, or eliminating barriers to civil society organizations, including repealing laws such as the immigration tax that impeded their operations. Moreover, the report recommends measures such as raising the remuneration of judges and judicial personnel, implementing reforms related to lobbying and revolving doors, and promoting a secure civic environment in order to guarantee Hungary's alignment with European standards regarding judicial independence, media regulation, and civil society freedom (European Commission, 2024).

4.1.2 Implementation of RLCR in the case of Hungary

The judgement in Case C-156/21, Hungary v. European Parliament and Council indicates a crucial phase in the EU's efforts to maintain the rule of law via financial conditionality. By rejecting of Hungary's challenge, the Court of Justice of the European Union (CJEU) confirmed the legal standing of Regulation 2020/2092 and reinforced the EU's ability to link budgetary disbursements to compliance with essential democratic principles (Court of Justice of the European Union, 2022). This decision highlights the EU's power to implement protective measures in response to threats against the integrity of its financial framework caused by violations of the rule of law. Although Hungary stated that the regulation infringed national sovereignty and legal certainty, the Court's reasoning demonstrated that such conditionality is within the EU's legitimate powers, especially in protecting common financial interests (European Parliament & Council of the European Union, 2020). The ruling reinforces the legal basis of the conditionality mechanism and indicates to Member States that there may be real financial consequences for systemic breaches of rule-of-law

principles. Consequently, this ruling is an important point of reference for evaluating how effective rule-of-law conditionality is, especially in situations where adherence to EU values is challenged. The political and procedural legitimacy of the RLCR was significantly strengthened by this legal affirmation, establishing a precedent for the Commission's future enforcement actions.

The judgments in Case C-821/19, *European Commission v. Hungary*, Case C-808/18, *European Commission v. Hungary*, Case C-556/17, *Alekszij Torubarov v. Bevándorlási és Menekültügyi Hivatal*, *Joined Cases C-715/17, C-718/17, and C-719/17, European Commission v. Poland, Hungary, and Czech Republic*, Case C-406/18, *PG v. Bevándorlási és Menekültügyi Hivatal*, Case C-564/18, *LH v. Bevándorlási és Menekültügyi Hivatal*, *Joined Cases C-924/19 PPU and C-925/19 PPU, FMS and Others v. Országos Idegenrendészeti Főigazgatóság*, and Case C-823/21, *European Commission v. Hungary* demonstrate a trend of systemic failure to comply with EU asylum and migration law by Hungary and other Member States. The cases underline breaches of essential EU directives, notably Directive 2013/32/EU concerning common asylum procedures and Directive 2013/33/EU regarding reception conditions. They bring to light legal shortcomings in areas such as access to asylum, judicial review, detention practices, and the treatment of third-country nationals (Court of Justice of the European Union [CJEU], 2019, 2020, 2023). The Court has consistently ruled against Hungary and its co-defendants, dismissing justifications rooted in national security concerns and reaffirming that EU law takes precedence in asylum governance.

The Court of Justice of the European Union (CJEU) has issued several important rulings concerning Hungary's noncompliance with EU legal standards, especially in relation to fundamental freedoms and the rule of law. In Case C-78/18, *European Commission v. Hungary* (2020), the Court determined that Hungary's national law, which placed restrictive conditions on associations receiving foreign funding, breached EU law regarding the free movement of capital, the right to freedom of association, and personal data protection. The Court highlighted that these limitations placed a disproportionate burden on associations funded from abroad, and there was no justification for the measures in terms of necessity or proportionality (Court of Justice of the European Union [CJEU], 2020). Similarly, in the case of *European Commission v. Hungary* (2020) (C-66/18), the Court ruled that Hungary's legislation establishing strict conditions for foreign universities violated the freedom to provide services and academic freedom as protected by the Treaty on the Functioning of the European Union (TFEU) and the Charter of Fundamental Rights

of the European Union. Hungary's justification mentioning public order concerns was dismissed by the Court, which confirmed that such limitations compromised fundamental EU rights (CJEU, 2020). In addition, in the case of C-286/12, *European Commission v. Hungary* (2012), the Court determined that Hungary's policy of mandating judges to retire at 62 constituted age discrimination and was in violation of EU employment law, specifically Directive 2000/78/EC, which prohibits age-based discrimination in the workplace (CJEU, 2012). The cases illustrate Hungary's continuing withdrawal from EU principles, emphasizing the tensions between national policies and EU obligations. In addition to breaches of fundamental freedoms, the CJEU has also addressed issues regarding Hungary's dedication to judicial independence and the rule of law. In the case of C-564/19, *Criminal Proceedings Against IS* (2021), the Court determined that Hungary's national procedural rules restricting judicial referrals to the CJEU were incompatible with the principles of judicial independence and effective judicial protection of individual rights as outlined in EU law (CJEU, 2021). With this decision, the EU's commitment to protecting judicial independence as a fundamental aspect of the rule of law was strengthened.

Furthermore, in Case C-650/18, *Hungary v. European Parliament* (2021), the Court confirmed the validity of the European Parliament's resolution that invoked Article 7(1) TEU against Hungary for potential breach of EU values, highlighting the Parliament's responsibility in maintaining EU principles (CJEU, 2021). Finally, in Case C-225/24, *Parliament v. Commission* (2024), the European Parliament challenged the European Commission's determination that Hungary met the judicial independence criteria necessary for EU funding, claiming that the Commission's evaluation was driven by political motives and was insufficiently justified (CJEU, 2024). These decisions indicate the increasing scrutiny of Hungary's judicial independence and the wider implications for the EU's efforts to maintain rule-of-law conditionality.

Between May 2023 and January 2024, the European Union maintained substantial EU funds suspended to Hungary due to ongoing concerns about the rule of law, particularly in relation to judicial independence, corruption, and the safeguarding of fundamental rights (Wahl, 2024). Although Hungary implemented a judicial reform package in June 2023 to achieve key milestones for the Recovery and Resilience Facility (RRF) and cohesion funds, the European Commission and civil society organizations deemed these reforms insufficient. Only one of four "super milestones" was fully met, with ongoing issues in anti-corruption measures and judicial independence (Wahl,

2024). As a result, by December 2023, €11.2 billion in EU funds—covering cohesion policy, maritime and fisheries, and home affairs programs—were still suspended. The Commission had only partially approved Hungary’s reforms and permitted reimbursement claims of up to €10.2 billion for the 2021–2027 period, while broader budgetary conditionality remained in effect (Wahl, 2024). The Commission’s decision to partially unfreeze funds was questioned by Parliament, which called for no payments to be made if there are deficiencies in any area and emphasized that all conditions related to the rule of law should be treated as a single package. Due to concerns about conflicts of interest and transparency in governance, the European Commission has excluded 21 Hungarian universities—namely, those functioning as foundation-run institutions—from participating in the Erasmus+ and Horizon Europe programs (Daily News Hungary, 2024).

The analysis of Hungary's rule of law framework between 2020 and 2024 indicates that the EU's Rule of Law Conditionality Regulation has made a noticeable impact, yet its long-term effectiveness in promoting comprehensive reforms is still uncertain. In recent years, Hungary has made progress in certain areas, such as strengthening judicial independence through reforms like the enhanced role of the National Judicial Council and improving case allocation transparency at the Kúria. Progress has also been made in the fight against corruption, marked by the creation of the Integrity Authority and the implementation of the National Anti-Corruption Strategy. However, challenges remain. Hungary’s slow advancement toward a complete alignment with EU standards is highlighted by the EU’s ongoing suspension of funds and limitations on access to EU resources. Although the regulation has evidently initiated some beneficial actions, the reforms necessary to guarantee enduring adherence to EU rule of law principles are still ongoing in terms of their pace and scope. As a result, although the regulation has promoted specific developments, its comprehensive effect on ensuring widespread and sustainable reforms is still in progress. Thus, Hungary exemplifies the challenges of enforcing rule of law through financial mechanisms in politically resistant member states, where superficial compliance may obscure ongoing systemic issues.

In both Hungarian and international media, the introduction and enforcement of the EU’s rule-of-law conditionality mechanism have initiated strong debate, highlighting varied interpretations and political strategies. As reported by local Hungarian outlets, Prime Minister Viktor Orbán of Hungary and Prime Minister Mateusz Morawiecki of Poland have criticized the conditionality mechanism. They argue that it may weaken the legal foundations of the EU by politicizing the rule

of law and infringing upon the sovereignty of its member states (Daily News Hungary, 2020a). Hungarian authorities have emphasized that the mechanism was triggered for Hungary but not for Poland, implying differential treatment and raising concerns about fairness (Daily News Hungary, 2022). Justice Minister Judit Varga expressed optimism that the conditionality mechanism could be resolved through diplomacy before the end of 2022, highlighting the government's preference for negotiation rather than confrontation (About Hungary, 2022). Meanwhile, international coverage has concentrated on the legal and institutional aspects. Hungary and Poland both challenged the legality of the mechanism by referring it to the European Court of Justice (ECJ) (Makszimov, 2021). The ECJ upheld the regulation, ruling that the EU can suspend funds if breaches of the rule of law threaten its financial interests (Makszimov, 2022). As a result, the European Commission activated the mechanism against Hungary, which resulted in funds being frozen (Bayer, 2022). The European Court of Justice dismissed Hungary's attempt to annul the European Parliament's resolution that initiated Article 7 proceedings, ruling that the votes were accurately counted and maintaining the EU's disciplinary actions against Budapest regarding rule-of-law issues (Baume & Bayer, 2021). Local perspectives often describe the mechanism as a political tool that endangers national sovereignty and fairness, whereas international commentary generally regards it as an essential safeguard for maintaining democratic standards and protecting the EU's financial interests.

The Hungarian case highlights how the limits of Europeanization become apparent when domestic political elites oppose normative alignment, even in the face of legal pressure and financial conditionality. The CJEU rulings and RLCR mechanisms illustrate the EU's top-down governance strategy, while Hungary's strategic compliance and selective reforms demonstrate how national actors can delay the intended outcomes. This highlights a crucial tension within Europeanization theory: the divide between legal adaptation and true norm internalization.

4.2. Implementation in the case of Poland

This section examines how the Rule of Law Conditionality Regulation has been applied in Poland, starting with a review of the historical background of Poland's conflict with the EU regarding rule of law issues. It highlights essential judicial reforms and political decisions that have contributed

to the ongoing tensions, including an examination of relevant legal cases and media representations to understand the public and legal aspects of the conflict. The second part explores the analysis of the EU's Rule of Law Reports, assessing the practical application of the regulation. Subsequently, it connects the findings to Europeanization theory and examines the interaction between EU pressure and domestic responses. The combination of these elements offers a thorough insight into the challenges and outcomes related to Poland's compliance to the EU's rule of law standards.

4.2.1 Poland's rule of law conflict with the EU

Prior to the implementation of the Rule of Law Conditionality Regulation (RLCR), the European Union employed various significant instruments to address the growing concerns regarding Poland's rule of law, particularly related to judicial independence, media pluralism, and anti-corruption actions. Since 2015, Poland's path regarding the rule of law has seen a considerable decline in judicial independence and a growing centralization of power. The Law and Justice Party (PiS) introduced reforms that significantly affected the judiciary, such as appointing judges aligned with the government and dismissing many independent judges (European Commission, 2020). The Rule of Law Framework, which was designed for systemic threats, was applied to Poland. Following Poland's implementation of more than 13 laws impacting key judicial bodies including the Constitutional Tribunal, Supreme Court, and National Council for the Judiciary, a dialogue was initiated in January 2016 between the European Commission and Polish authorities under the Rule of Law Framework (European Commission, 2017). Throughout this process, the Commission aimed to work with the Polish government constructively. This ongoing criticism has resulted the establishment of 2017 resolution by the European Parliament that called on the Polish government to honor judicial independence and comply with EU standards (European Parliament, 2017).

The developments established a basis for the increasing institutional confrontation between Poland and the EU. One of the main tools employed was activating Article 7 TEU, which was initiated due to perceived risks to the rule of law from judicial reforms in Poland. With this procedure, the European Council can assess whether there is a clear risk of a serious breach of EU values, including judicial independence. Despite the initiation of Article 7(1) proceedings, political

obstacles—particularly the requirement for unanimity among member states—complicated effective implementation of this tool.

Poland's judicial reforms, particularly regarding the Supreme Court and the disciplinary chamber, were criticized for undermining judicial independence in the Resolution of April 17, 2019. The European Parliament called for the activation of Article 7(1) TEU, urging Poland to comply with EU standards and uphold the rule of law (European Parliament, 2019). In its resolution of September 17, 2020, the European Parliament mentioned a clear risk that Poland could commit a serious breach of the rule of law, centering on issues related to judicial independence and how the Constitutional Court operates. The resolution criticized recent reforms that weaken the separation of powers and urged the European Council to act, including possibly applying Article 7(1) TEU to address these breaches (European Parliament, 2020).

The European Commission initiated infringement procedures against specific legislative amendments, including the contentious judicial retirement age reform and the law governing the National Council for the Judiciary. These changes were perceived as undermining the separation of powers and violating EU law. In this context, the European Court of Justice (ECJ) issued rulings determining Poland's judicial reforms in breach of EU law, particularly those related to the Disciplinary Chamber of the Supreme Court and the mandatory retirement age for judges.

The effectiveness of the EU's rule of law instruments was limited, despite these efforts. Although Article 7 TEU and infringement procedures raised substantial legal issues and acquired EU-level attention, the lack of enforceable consequences for Poland's non-compliance hindered the immediate impact of these tools. While the rulings of the ECJ have a significant role in clarifying the legal requirements for judicial independence, enforcement has delay, and the Polish government largely resisted compliance. The resistance to these instruments, along with the political complexities within the EU, meant that these instruments did not lead to significant and rapid changes in Poland's legal and institutional frameworks. Although these EU mechanisms effectively raised awareness and provided legal grounds for action, they were not sufficiently strong to enforce lasting reform in Poland prior to the introduction of the RLCR.

The EU reiterated its concerns regarding ongoing Article 7(1) proceedings against Poland in 2020, recognizing the risk of a significant breach of rule-of-law values stemming from the government's control over judicial institutions (European Parliament, 2020). The PiS government, however,

maintained that judicial reforms were essential for tackling system inefficiencies and continued to clash with EU institutions regarding the interpretation of EU treaties and the rule of law (European Commission, 2020). In 2021, the situation worsened when Poland's Constitutional Tribunal determined that some EU laws incompatible with the Polish Constitution, putting additional strain on relations with the European Union (Center for European Reform, 2024). The European Commission responded by imposing fines on Poland for breaching EU law, especially in relation to judicial independence (European Commission, 2020). A major political shift occurred in 2024 after changes in Poland's elections, the government promised to reform the judicial system, resulting in the closure of the Article 7 procedure (European Parliament, 2020). Even with these commitments, the EU remains observant and continues monitoring developments through yearly Rule of Law Reports, with the objective of ensuring that Poland complies with its EU obligations (European Commission, 2024).

In Case C-157/21, Republic of Poland v. European Parliament, Council of the European Union, Poland challenged Regulation (EU, Euratom) 2020/2092, which set up a conditionality mechanism designed to safeguard the EU's budget in instances where Member States violate rule of law principles. Poland disputed the legal validity of the regulation, contending that it circumvented the procedures specified in Article 7 TEU and Article 269 TFEU for enforcing rule of law principles in the EU. The country asserted that the regulation breached essential EU principles including subsidiarity, proportionality, legal certainty, and equality. It claimed that the regulation imposed financial sanctions without following proper legal procedures. Moreover, Poland claimed that the regulation went beyond the EU's competencies, essentially infringing its legal framework through a misuse of authority. The Court of Justice of the European Union (CJEU), however, ruled in favor of the European Parliament and the Council, confirming that the regulation aligned with the EU's legal framework and that the EU had the authority to impose conditionality measures to safeguard its financial interests and uphold fundamental values, such as the rule of law. This ruling highlights the CJEU's reaffirmation of the EU's power to uphold rule of law standards via financial mechanisms, representing a significant advancement in the EU's capacity to protect its budget and values (Court of Justice of the European Union [CJEU], 2022). This case was landmark in recognizing the legality and enforceability of the Rule of Law Conditionality Regulation, directly impacting the EU's approach to financial accountability and democratic standards among its member states.

The cases regarding Poland and the European Union focus on crucial matters related to judicial independence, the rule of law, and fundamental rights within the EU. Several cases focus on Poland's judicial reforms, which were considered to undermine judicial independence and breach fundamental EU principles. As an example, the cases *European Commission v. Republic of Poland* (Case C-192/18) and *European Commission v. Republic of Poland* (Case C-619/18) deal with measures taken by Poland to reduce the retirement age for judges, making it dependent on the President's discretionary approval. These actions were deemed to undermine judicial independence and infringe the principle of irremovability. Due to the establishment of different retirement ages for male and female judges, these reforms also resulted in discrimination based on sex. Similarly, the *Joined Cases C-585/18, C-624/18, and C-625/18* determined that reforms permitting the President to select judges for a new chamber challenged the EU's fundamental rights safeguards and undermined judicial independence, emphasizing the breach of the primacy of EU law. Moreover, the case of the *European Commission v Republic of Poland* (Case C-791/19) dealt with Poland's disciplinary system that imposed penalties on judges based on their judicial decisions. This system was found to challenge EU law by infringing upon the rights to an independent judiciary and to an effective remedy. The case *A. B. and Others v. Krajowa Rada Sądownictwa* (C-824/18) brought up issues regarding the independence of the National Council of the Judiciary, the processes for appointing Supreme Court judges, and the adherence to rule of law principles in Poland.

Several cases also relate to Poland's non-compliance to EU rulings and obligations regarding judicial independence. In *Case C-204/21 R-RAP*, the European Commission requested interim relief against Poland for not implementing earlier rulings regarding judicial independence, emphasizing the EU's mechanisms for ensuring compliance. The Court's Grand Chamber ruling on 19 November 2024 (*Case C-814/21*) investigated the infringement of EU citizens' rights, particularly their political participation rights, and emphasizing that nationality-based restrictions challenge the democratic principles of EU law. Other cases, such as the *Joined Cases C-562/21 PPU and C-563/21 PPU*, clarified the interpretation of the European Arrest Warrant and highlighted the need to safeguard the right to a fair trial—this encompasses ensuring that the tribunal is both independent and impartial—during the execution of arrest warrants. Finally, in the cases *Miasto Łowicz v. Skarb Państwa – Wojewoda Łódzki* (C-558/18) and *Prokurator Generalny v VX, WW, XV* (C-563/18), the CJEU highlighted the significance of judicial independence regarding

disciplinary actions impacting judges and the safeguarding of effective judicial remedies. In general, these cases highlight the EU's firm stance on maintaining the rule of law and judicial independence within Member States, emphasizing that national actions must align with EU legal standards to guarantee the safeguarding of fundamental rights and the integrity of the legal system. The cases demonstrate the EU's progressive transfer from political dialogue to legal enforcement mechanisms, employing the judiciary—particularly the CJEU—to address systemic breaches of the rule of law. The legal and institutional disagreement between Poland and the EU reflects a contention regarding how to interpret and apply fundamental EU values, especially those relating to judicial independence.

4.2.2 Implementation of RLCR in the case of Poland

In 2020 (European Commission, 2020), Poland faced significant challenges in key institutional areas. Within the justice system, concerns about judicial independence remained due to ongoing reforms from 2015, such as changes to the retirement system for Supreme Court judges and the disciplinary regime for judges, which created uncertainty on their compliance to EU law. Despite CJEU rulings against certain legislative changes, problems remained regarding political influence on judicial appointments and the operation of the National Council for the Judiciary. Within the realm of anti-corruption, Poland possessed a strong legal basis for combating corruption. However, concerns remained about how effective asset disclosure systems and conflict of interest regulations were. To tackle these issues, efforts such as the proposed Law on the Transparency of Public Life were proposed; however, there were still implementation gaps. As for media pluralism, Poland's media regulator remained potentially subject to political influence due to limited regulatory protections against political control of media outlets, and the legal framework did not provide adequate transparency regarding media ownership. Lastly, institutional checks and balances were undermined by the use of expedited procedures in passing laws, particularly judicial reforms, which violated democratic oversight principles. Poland, despite these challenges, was subject to limited but ongoing scrutiny from the EU regarding rule of law conditionality. However, in 2020, it remained uncertain how effective this scrutiny was in addressing the issues at hand.

The 2021 report (European Commission, 2021) on Poland indicated that the justice system continued to face major challenges, particularly in terms of judicial independence. Judicial independence was perceived to be lacking, and although the EU initiated Article 7(1) TEU proceedings, reforms needed to protect judicial independence had yet to be resolved. The Court of Justice determined that modifications to how judges are appointed and disciplined challenged EU law, and the National Council for the Judiciary continued to be subject to political influence. The introduction of judicial reforms, such as changes to how the Supreme Court operates, produced only a limited positive effect due to the continued politicization of the judicial system and the consolidation of the roles of Minister of Justice and Prosecutor General in a single individual. Poland had created a strategic anti-corruption plan for 2018-2020 within the anti-corruption framework, but by 2021, no further plan had been issued. Concerns continued about the effectiveness of addressing high-level corruption, enhanced by the exemptions to public procurement rules that were introduced during the pandemic. Media pluralism and freedom have also been adversely affected, as the legal framework intended to strengthen media independence encounters challenges, especially from political influence over media outlets and a lack of transparency in media ownership. The system of institutional checks and balances kept declining, as expedited legislation impacted judicial and other independent authorities, further weakened by legal limitations on civil society space. The Ombudsman faced challenges stemming from political interference, while the measures implemented during the COVID-19 pandemic prompted worries regarding the legality of government actions. Despite these issues, the rule of law conditionality regulation seemed to have a limited immediate effect, as systemic issues in Poland continued.

The 2022 report (European Commission, 2022) on Poland noted that the justice system continued to face challenges concerning judicial independence, and the perception of that independence remained significantly low. The justice system reforms, which involved altering the judicial map, did not significantly alleviate serious concerns regarding the politicization of the judiciary, especially concerning the National Council for the Judiciary and the operations of the Disciplinary Chamber. Although Poland committed to dismantle the Disciplinary Chamber in accordance with EU rulings, challenges remained regarding the implementation of European Court of Justice judgments and concerns about the legitimacy of the Constitutional Tribunal. Within the anti-corruption framework, Poland's initiatives against corruption have limited advancements, as high-level corruption and foreign bribery continue to be significant issues. Although laws were enacted

to increase transparency, the effectiveness of these reforms was questioned especially because of ongoing concerns about corruption risks in public procurement and the lack of a standardized asset declaration system. Even though some legal reforms aimed at strengthening media independence were implemented, media freedom and pluralism remained vulnerable. Changes in licensing and growing worries about the independence of public service media posed challenges to media pluralism. The 2022 implementation of a state of emergency further restricted the right to access information, especially for journalists and humanitarian organizations. The process of expedited lawmaking, the restricted application of judgments from the European Court of Human Rights, and the ongoing decline of civil society all contributed to a further weakening of institutional checks and balances. These ongoing issues highlight the limited impact of rule of law conditionality regulation in effectively addressing systemic challenges in Poland. The design of the RLCR, which connects EU funding to breaches that affect the financial interests of the Union, partially explains its limited impact. As a result, it does not cover general infringements of rule of law principles unless a clear financial risk can be demonstrated. Although the RLCR has led to increased review and some reputational pressure, its effectiveness as a mechanism for driving substantial structural reforms in Poland remained limited during the period under analysis.

In the 2022 Rule of Law Report (European Commission, 2022), the importance of Poland addressing serious issues regarding judicial independence is underscored, especially those highlighted in the Article 7 TEU procedure and by the European Court of Justice's decisions. It advises Poland to divide the responsibilities of the Prosecutor-General and Minister of Justice, guaranteeing that the prosecution service operates independently. Moreover, the report proposes strengthening integrity rules, which would involve implementing lobbying regulations and establishing a uniform online asset declaration system for public officials. Poland is urged to ensure independent investigations and prosecutions, particularly in cases of high-level corruption, while preventing the introduction of clauses that would allow for impunity. Other recommendations involve increasing the independence of media outlets by implementing transparent processes for granting operating licenses, strengthening the governance and editorial independence of public service media, ensuring timely appointments in the Supreme Audit Office, and aligning the framework for civil society and Ombudsman operations with European standards (European Commission, 2022).

The 2023 report (European Commission, 2023) on Poland highlighted the justice system as a critical issue, with ongoing concerns regarding judicial independence. Although there were laws enacted to enhance various elements of judicial independence—such as reforms relating to judges' disciplinary measures—significant issues remained. These included the failure to execute rulings from the European Court of Justice and the ongoing politicization of crucial judicial entities such as the Constitutional Tribunal and the National Council for the Judiciary. Progress on the anti-corruption framework was limited, with no renewal of Poland's commitments to anti-corruption or measures to tackle high-level corruption. Despite the rise in corruption penalties, practical obstacles to effective investigations, like the extensive immunities granted to top executives, impeded progress. Moreover, no progress was made in the standardization of asset declarations or the strengthening of lobbying regulations, and concerns regarding corruption risks in public procurement remained. Concerning media freedom and pluralism, although there were some improvements, doubts remained about the functional independence of the media regulator, and no advancements occurred to guarantee equitable licensing processes for media outlets. Political influence remained in public service media, and journalists found their work becoming more challenging. Within the domain of institutional checks and balances, the practice of adopting laws without adhering to appropriate consultation procedures continued. As a result, Poland faced a growing number of European Court of Human Rights decisions awaiting implementation. The functioning of key institutions such as the Supreme Audit Office and the Ombudsperson remained under challenge, while civil society, though vibrant, continued to face limitations. These ongoing issues suggest that the effectiveness of rule of law conditionality regulation in addressing systemic challenges in Poland remains limited.

The 2023 Rule of Law Report (European Commission, 2023) highlights that Poland has made limited progress in addressing key recommendations from the 2022 report. Specifically, there has been no progress on separating the roles of the Minister of Justice and the Prosecutor-General, strengthening integrity rules, or ensuring independent investigations and prosecutions, especially in relation to high-level corruption cases. Furthermore, there has been no advancement in ensuring fair procedures for granting media licenses or strengthening the governance and editorial independence of public service media. Moreover, Poland has made some enhancements to the Ombudsman's operational framework, but broader issues faced by civil society remain unaddressed. The report advises ongoing endeavors to distinguish between judicial and

prosecutorial roles, strengthen integrity initiatives, guarantee a transparent media environment, enhance civil society and Ombudsman structures, and ensure prompt action regarding the operations of the Supreme Audit Office (European Commission, 2023).

Poland made notable progress in tackling the long-standing issues within its justice system, especially those related to judicial independence, as highlighted in the 2024 report (European Commission, 2024). Poland's commitment to the primacy of EU law and the implementation of EU and ECtHR rulings was reaffirmed with the adoption of a new Action Plan on the Rule of Law. This included reforms to the judicial disciplinary framework, designed to prevent the inappropriate application of disciplinary actions against judges. Poland enacted legislative reforms aimed at restoring the independence of the National Council for the Judiciary and took steps to establish the roles of the Minister of Justice and the Prosecutor General, thereby enhancing judicial autonomy. Nevertheless, challenges remain, especially regarding the independence of the Constitutional Tribunal and ongoing judicial appointments. In the context of anti-corruption measures, while the government initiated preliminary talks for a new anti-corruption strategy and advanced prosecutions of high-level corruption, broad immunities for top executives and impunity clauses remained, hindering efforts to enhance accountability. Changes in legislation aimed at safeguarding whistleblowers have been implemented, yet advancements regarding lobbying reforms and transparency in party financing have not been adequate. In relation to media freedom and pluralism, although there were advancements in the transparency of media ownership, concerns remained about the impartiality of the media regulator and the independence of public service media. Journalists continued to face challenges, especially regarding SLAPP suits and access to information. Lastly, there were some improvements in institutional matters, particularly regarding the Supreme Audit Office and the Ombudsperson's framework. However, the government continued to struggle with the issue of inadequate consultations during the law-making process. While the rule of law conditionality regulation has been crucial in pressuring Poland to undertake these actions, its overall effectiveness is still challenged, especially regarding the guarantee that reforms result in significant and enduring changes.

The European Union, in response to ongoing breaches of the rule of law, applied substantial financial penalties and suspended funds to Poland, utilizing various mechanisms to ensure compliance. In late 2022, following Poland's failure to achieve crucial "super milestones"

concerning judicial independence and anti-corruption reforms, the European Commission suspended access to the Recovery and Resilience Facility (RRF) and Cohesion Funds, totaling €59.8 billion (Csaky, 2025). Moreover, as per the Common Provisions Regulation, the Commission suspended all money available to Poland under cohesion and related funds, amounting to €76.5 billion. This action, combined with other conditionality measures, resulted in a total suspension of €136 billion—roughly 17% of Poland’s GDP (Csaky, 2025). The European Court of Justice also applied direct financial penalties, such as a €320 million fine for breaches related to the judges’ disciplinary chamber. The Commission was authorized to offset any unpaid fines against EU payments (Csaky, 2025). The implementation of these financial measures produced a concrete effect: after the government changed and judicial reforms were enacted in early 2024, Poland regained access to EU funds (Csaky, 2025). This demonstrated that suspensions and the threat of losing significant financial support can motivate member states to address rule-of-law deficiencies, even though the speed and extent of reforms are still influenced by domestic political dynamics.

While Poland has advanced in various areas, it still faces considerable challenges. Some progress has been made in separating the roles of Minister of Justice and Prosecutor-General, along with substantial advancements toward guaranteeing that the prosecution service operates independently from the Government. Moreover, advancements have been made toward the standardization of the online asset declaration system for public officials. There remains a need to fully enact the recommendation regarding more systematic follow-up by the Supreme Audit Office, which includes promptly appointing its College Members. Poland has advanced considerably in enhancing the civil society framework and has completed initiatives related to the Ombudsperson. Nevertheless, no advancements have been made in strengthening integrity rules through the establishment of lobbying regulations, examining the extent of immunity for top executives, or implementing mechanisms to guarantee independent and effective investigations into high-level corruption cases. In addition, some advancements have been made in guaranteeing equitable processes for awarding operating licenses to media organizations and strengthening the autonomy of public service media. However, there has been no advancement in eliminating impunity clauses from laws. In light of this, it is advisable for Poland to continue in efforts aimed at separating the roles of Minister of Justice and Prosecutor-General, strengthening integrity regulations through the establishment of lobbying guidelines and a standardized online asset declaration system, tackling issues of immunity for senior executives, and removing clauses that allow for impunity. Moreover,

it is important to maintain in the endeavors aimed at guaranteeing transparency in media licensing processes, strengthening the governance of public service media, and refining the legal framework for civil society (European Commission, 2024).

The extensive local and international media coverage of Poland's rule-of-law conflict with the European Union has highlighted both the complexity of the legal issue and its political consequences. International media have followed the European Commission's legal measures, such as lawsuits concerning the rulings of the Polish Constitutional Tribunal that questioned the supremacy of EU law (Camut, 2023; Notes from Poland, 2023). While the Polish government's attempts to promote rule-of-law legislation have been acknowledged, international observers stress that there is still considerable political opposition (Cienski, 2023). The EU's financial leverage tactics, including the threat of fund withholding, have intensified internal political conflicts in Poland, as noted by local media (Notes from Poland, 2021). Recent developments suggest a shift after years of tension and negotiations: the European Commission announced plans to conclude its rule-of-law case against Poland, and the EU formally closed Article 7 proceedings, recognizing actions taken by the new Polish government to restore judicial independence (Braun, 2024; Notes from Poland, 2024). Nevertheless, local news coverage highlights that the crisis regarding Poland's rule of law is far from being resolved, with continuing discussions about the depth and permanence of reforms (Notes from Poland, 2025). The penalty process of the EU, which impacts Poland and Hungary, illustrates the wider regional consequences of these disputes (Wanat & Bayer, 2021). These viewpoints demonstrate a careful international optimism, but local sources emphasize the difficulties in Poland's political and legal system.

The recent attempts by Poland to address its rule-of-law challenges demonstrate a complex interplay between internal reforms and external expectations from the European Union. Under the new government, Poland has begun implementing a number of reforms aimed to restore judicial independence, resolve the status of judges appointed under prior controversial laws, and reverse actions that weakened the rule of law. However, some of these measures have generated discussions about their legality and democratic legitimacy (Notes from Poland, 2025). Poland's compliance with the Rule of Law Conditionality Regulation demonstrates a trend of partial compliance and incremental reform, which is frequently influenced more by political pressures and broader EU negotiations—such as access to recovery funds—than by the RLCR itself. The RLCR acted as a

supplementary tool that strengthened existing rule of law mechanisms, but it did not possess the enforcement power necessary to effect systemic change independently. Its impact remained largely symbolic through 2024 without consistent enforcement and complementary political action from EU institutions.

Poland's progress under the Rule of Law Conditionality Regulation over the past five years has been analyzed, revealing a nuanced picture of incremental enhancement. The adoption of the Action Plan on the Rule of Law in 2024 (European Commission, 2024) represented a significant advance in addressing judicial independence within the justice system, yet challenges regarding judicial appointments and the Constitutional Tribunal remain. Poland has taken steps to combat corruption through new legislation, including protections for whistleblowers. However, ongoing issues regarding executive immunities and the transparency of asset declarations hinder the overall effectiveness of these initiatives. Regarding media pluralism, although there have been some improvements in the transparency of media ownership, political influence on public service media and regulatory issues remain challenging. Improvements were made in areas such as the Ombudsperson's framework regarding institutional checks and balances, but concerns emerged about democratic oversight due to the ongoing use of expedited legislation. Although the Rule of Law Conditionality Regulation has aided in these reforms, its overall effect on promoting long-term, systemic change is still limited.

The implementation of the Rule of Law Conditionality Regulation (RLCR) in Poland shows the dynamics of Europeanization through both top-down and bottom-up approaches. While the EU employs a top-down approach through financial conditionality to maintain rule of law standards, Poland's progressive and delayed reforms demonstrate the boundaries of this external pressure. At the same time, the bottom-up approach highlights the impact of domestic actors—such as political elites and the judiciary—on the pace and content of reforms. Poland's response, although under EU scrutiny, illustrates a complex interaction between external pressures and internal resistance. This indicates that the RLCR alone cannot overcome domestic political dynamics.

4.3. Assessing the effectiveness of the Rule of Law Conditionality Regulation

From 2020 to 2024, an analysis of Hungary and Poland's rule of law frameworks under the EU's Rule of Law Conditionality Regulation reveals that both countries are aiming to address the challenges. However, the regulation's effectiveness in promoting lasting, comprehensive reforms is unclear. In Hungary, the regulation has encouraged some advancements in judicial independence and anti-corruption, such as enhancing the National Judicial Council and creating the Integrity Authority. To address concerns regarding the rule of law in the EU and with the aim of unfreezing suspended EU funds, the Hungarian Parliament passed a package of judicial reforms in 2023 (Wahl, 2024). However, ongoing issues like weak enforcement mechanisms for high-level corruption, media concentration, and limited judicial reviews impede substantial reform. In June 2023 (European Parliament, 2023), the European Parliament passed a resolution voicing serious concerns regarding the decline of the rule of law and fundamental rights in Hungary. The resolution pointed to ongoing abuses of emergency powers, limitations on civil society and academic freedom, and lack of transparent legislative processes as contributing factors. It warned that the unfreezing of EU funds should occur only when there is complete legal and political certainty, particularly in light of systemic corruption and misuse of EU funds (European Parliament, 2023; Wahl, 2024). The European Parliament expressed its concerns about the rule of law in Hungary once again in January 2024, criticizing the Commission for unfreezing EU funds despite ongoing deficiencies (European Parliament, 2024; Wahl, 2024).

The European Commission's formal suspension of €6.3 billion in cohesion funds in December 2022, due to failures to address corruption, ensure judicial independence, and improve public procurement oversight (Council of the EU, 2023), marked a visible impact of the Conditionality Regulation in Hungary. Funding from the Recovery and Resilience Facility was also withheld, pending reforms. To address the situation, Hungary implemented 17 remedial measures in July 2022, including the creation of the Integrity Authority and judicial reforms enacted in 2023 (European Commission, 2024), with the objective of unblocking the suspended funds. Although certain concessions resulted in the partial unfreezing of €10.2 billion in December 2023, the European Parliament criticized this decision. They warned that ongoing systemic corruption and ineffective enforcement mechanisms continued to pose a risk to the EU budget (European Parliament, 2024; Wahl, 2024).

In a similar pattern, Poland has made gradual improvements, particularly with the introduction of the Action Plan on the Rule of Law in 2024 and reforms targeting judicial independence and anti-

corruption, including the establishment of whistleblower protection laws. Nonetheless, both countries continue to face significant challenges, especially regarding the independence of the judiciary, political influence on media, and the effectiveness of anti-corruption measures. The suspension of funds for Hungary by the EU and the limitations on Poland's progress highlight the partial impact of the conditionality regulation in leading substantial, long-lasting changes.

Hungarian and Polish media sources uncover common themes such as legal challenges, financial conditionality, political resistance, and the development of EU institutional responses, yet these occur within diverging national contexts. While both countries challenged the EU's legal authority—Hungary in a 2021 CJEU case and Poland through its Constitutional Tribunal in 2023—Hungary adopted a defiant narrative focusing on sovereignty, whereas Polish media included more internal opinion. In terms of budget sanctions, Hungary characterized the EU measures implemented in 2022 as driven by political motives. Meanwhile, Poland's responses in 2021 indicated internal governmental tensions between a confrontational stance and compromise. Following the 2023 elections, Prime Minister Donald Tusk's government proposed nine legislative initiatives aimed at restoring judicial independence and reinforcing the primacy of EU law, representing a significant political shift (Liboreiro, 2024). Due to the favorable development in Poland, the European Commission suggested concluding the Article 7 procedure that had been ongoing since 2017; the Council made this official in May 2024, determining that there was “no longer a clear risk of a serious breach of the rule of law” (Liboreiro, 2024). Although political resistance was evident in both states, Poland's media indicates increasing reform efforts relating to changes in leadership. Hungary lowered the relevance of institutional changes following the EU Court ruling. In comparison, Poland's Article 7 closure in 2024 represented a reassessment of its relationship with the EU. This development indicates a significant point in the relationship between the EU and Poland, standing in contrast to Hungary. These divergences highlight the influence of domestic politics on responses to EU rule-of-law mechanisms, even when faced with similar legal and institutional pressures.

While the Rule of Law Conditionality Regulation has contributed to some positive reforms in Hungary and Poland, its overall effectiveness in achieving lasting systemic change is still limited. The regulation in Hungary led to reforms aimed at enhancing judicial independence and combating corruption. Despite partial compliance with milestones, significant amount of EU funds, specifically, portions of the cohesion policy, maritime and fisheries, and home affairs funds-

remains frozen due to ongoing concerns over prosecutorial independence and anti-corruption enforcement in Hungary (Wahl, 2024). In June 2023, the European Parliament raised serious concerns regarding ongoing corruption, the misuse of EU funds, and the absence of legal certainty required to justify the unfreezing of suspended funds. MEPs highlighted that any unblocking should be conditioned upon authentic and enforceable guarantees (European Parliament, 2023; Wahl, 2024). In January 2024, these concerns were reinforced when the European Parliament voiced serious concerns over the Commission's decision to allow Hungary access to €10.2 billion in cohesion funds despite unresolved deficiencies. Parliament called for the use of all available measures, including infringement procedures, to protect the EU budget (European Parliament, 2024; Wahl, 2024). The regulation did not fully tackle issues related to executive power, media pluralism, and the enforcement of legal measures. Likewise, in Poland, although reforms to the justice system and anti-corruption measures were implemented, persistent problems regarding the Constitutional Tribunal, media independence, and political influence have impeded wider changes. Although both countries have advanced step by step, the EU's regulatory tools face challenges in addressing political resistance and systemic issues. Regulation has been important in stimulating reforms, but its long-term effectiveness in producing comprehensive and enduring improvements to the rule of law is still uncertain, as further developments continue to occur.

In order to safeguard the EU budget against breaches of the rule of law in Hungary, EU ambassadors have recommended that the Council implement measures under the conditionality regulation and these measures should notably address concerns related to public procurement, prosecutorial efficacy, and anti-corruption initiatives (Council of the EU 2022). The allegations focus on issues with public procurement procedures, audit and transparency standards, and inadequacies in regulating the use of EU funds and the Commission also emphasized widespread corruption and the absence of judicial independence (Wahl 2022). Due to concerns over judicial independence, the Commission concluded on December 22, 2022, that Hungary had failed to achieve the horizontal enabling condition on the EU Charter of Fundamental Rights (European Commission 2023).

Pech et al (2021) discusses that Poland's disregard for the rulings of the Constitutional Tribunal caused the European Commission to first implement its rule of law framework on January 13, 2016. Poland was the first EU member state to be subject to both the Council of Europe's special monitoring and the EU's Article 7(1) TEU procedure five years later (Pech *et al.* 2021). According

to the Rule of Law Conditionality Regulation, Poland has not yet been subject to direct financial sanctions. However, through various enforcement methods such as infringement proceedings, it pays more fines to the EU than any other member state (European Commission, 2024). Although Poland's judicial changes weakened judicial independence and constitutional review, civil society maintained the rule of law by mobilizing internationally (Grabowska-Moroz & Śniadach 2021).

Even though both countries have concerns with the rule of law, the EU might consider that Hungary's claimed financial mismanagement is more closely related to the requirements of the conditionality regulation, which are centered on safeguarding the EU budget. Although significant, Poland's concerns with the rule of law are more related to judicial independence than potential misuse of EU funding. This distinction highlights the various perspectives from which the EU addresses each country's challenges, influencing the application and enforcement of conditionality.

Conclusion

The thesis aimed to evaluate the effectiveness of the Rule of Law Conditionality Regulation (RLCR) in ensuring compliance with the European Union's core principles. The research was guided by two main questions: How has the EU's rule of law framework evolved, and what tools has it introduced to enforce compliance? Secondly, how effective is the RLCR in addressing systemic violations of the rule of law? The findings demonstrate that while the RLCR represents significant progress in the EU's legal and financial toolkit, it remains constrained by political resistance at the national level and the broader structural constraints of EU enforcement mechanisms. Although formal enhancements have occurred in Hungary and Poland, substantial systemic reforms remain elusive, particularly in areas where domestic political elites maintain authority over media and judicial bodies. The RLCR was confirmed to enhance EU enforcement capabilities while facing limits in achieving structural compliance.

Theoretical insights from Europeanization, particularly its top-down and bottom-up dynamics, enable in explaining the divergent outcomes observed in the two case studies. Operating as a top-down mechanism, the RLCR works by associating EU funds with compliance to rule of law standards, thereby applying direct pressure on member states. Nonetheless, the impact of these effects is influenced by the domestic political context. Resistance from political elites and nationalist narratives, particularly of a bottom-up nature, has greatly diminished the transformative potential of EU conditionality. This dynamic is exemplified by Hungary, where the dominance of the executive limited the possibilities for genuine reform. In contrast, Poland presents a more optimistic trajectory, especially following the change in political leadership in 2023, which created opportunities for closer alignment with EU standards. These findings emphasize that the effectiveness of Europeanization depends not just on the solidity of EU tools, but also on the presence of domestic political will, institutional openness, and civil society engagement.

The evolution of the EU's rule of law mechanisms, varying from the Maastricht Treaty and Copenhagen Criteria to the Article 7 procedure and RLCR, demonstrates an increasing institutional commitment to maintaining democratic governance within the Union. Tools including the Annual Rule of Law Report, the EU Justice Scoreboard, and the European Public Prosecutor's Office enhance the EU's capacity to monitor and enforce. As the case studies demonstrate, though, legal

innovations are not sufficient to address the issue of national governments. The RLCR signifies a crucial transition from normative persuasion to material conditionality; however, its implementation relies on the credibility, consistency, and political support of EU institutions, in addition to the domestic conditions in member states.

This study employed a qualitative, comparative case study design focusing on Hungary and Poland, selected for their structural similarities and diverse responses to the RLCR. The research provided a triangulated and empirically grounded assessment of the RLCR's implementation, drawing on legal texts, CJEU rulings, Commission reports, academic literature, and analysis of media materials. This method facilitated a thorough exploration of legal compliance, political resistance, and institutional adaptation over time. A “most similar systems” design was employed to help isolate key variables that influence the regulation’s effectiveness, with particular attention given to how political leadership, institutional resilience, and public discourse shape compliance outcomes.

The comparative analysis highlights that the RLCR's impact varies depending on the national context and is conditional and uneven. Hungary’s resistance and Poland’s shift toward realignment reflect broader tensions in the EU’s governance model. The results indicate that although the political costs of infringing the rule of law have increased due to legal-financial conditionality, this has not been sufficient to counteract democratic backsliding in situations where domestic compliance incentives are weak. Consequently, the RLCR should be regarded as a necessary yet limited instrument—it can initiate reforms under specific conditions but cannot ensure profound structural change without simultaneous changes in domestic political dynamics. These conclusions enhance the perspective that Europeanization is not an automatic or uniformly successful process but rather unfolds through complex and context-dependent dynamics.

Considered from a broader perspective, the results contribute to existing knowledge in several ways. The study first contributes empirical clarity to discussions regarding the EU's capacity to maintain its values by providing a thorough comparison of two significant cases. Secondly, it adds to Europeanization theory by demonstrating that enforcement outcomes rely on the interaction of supranational pressure and domestic politics, rather than solely on EU mechanisms. Third, this study addresses a significant gap in literature by focusing on the implementation phase of the RLCR, as previous research has focused more on the regulation's design than on its practical effects. Furthermore, the analysis provides insights for other EU and accession countries,

demonstrating that legal conditionality tools can drive reform when they are aligned with domestic change agents like reform-oriented governments or engaged civil society sectors. These insights relate to the ongoing debates about EU enlargement and the rule of law in candidate countries, with the RLCR potentially acting as a model for pre-accession conditionality.

Nevertheless, the study has its limitations. Limited to two case studies and the timeframe of 2020–2024, it may not consider the long-term effects of the RLCR or broader changes in EU governance. Moreover, the analysis's qualitative nature limits generalizability. At the same time, although the dependence on document analysis is thorough, it cannot completely reflect informal political dynamics or the influence of public opinion. Consequently, while the research provides solid insights into the RLCR's initial implementation, its conclusions in other contexts or future developments require further research.

Future research could extend this work in several directions. Valuable insights into the durability and adaptation of RLCR implementation would be provided by longitudinal studies that track its implementation over an extended period. Including additional member states, particularly those on the EU's periphery or in early stages of democratic backsliding—in comparative analyses could help in identifying broader patterns of compliance and resistance. Studying how civil society, transnational legal networks, and domestic courts mediate EU influence would enhance comprehension of the bottom-up dynamics of Europeanization. Lastly, employing mixed method approaches that integrate public opinion data and interviews with stakeholders could provide a more comprehensive understanding of the political and social contexts influencing the rule of law enforcement.

In conclusion, the Rule of Law Conditionality Regulation marks a significant, though imperfect, step forward in the EU's capacity to maintain its foundational values. It demonstrates the EU's evolving strategy for internal governance, which combines legal standards with financial leverage. Yet, as this study has shown, its success is ultimately dependent on national political transformations and the strength of democratic institutions within member states. As such, maintaining the rule of law in the EU requires not only effective instruments, but also sustained political engagement and active involvement with the domestic environments in which these tools operate.

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