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Promoting Democracy in the Eastern Neighbourhood – The Limits and Potential of the ENP

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One of the main aims of the European Neighbourhood Policy (ENP), launched by the European Union (EU) in 2003, is to support democratisation in the neighbouring countries.¹ However, in comparison with EU enlargement, which is probably the most effective tool of democracy promotion ever applied by an external actor, the ENP is a weak mechanism for spreading democracy. The effectiveness of enlargement is explained by a combination of the strong appeal of membership, a credible prospect and clear conditions for membership, and extensive support from the Union to

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¹ The ENP covers six neighbours in the east (Ukraine, Moldova, Belarus and the South Caucasus countries Armenia, Azerbaijan and Georgia) and ten neighbours in the south (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, the Palestinian Authority, Syria and Tunisia). However, in the cases of Belarus, Libya and Syria the ENP is not (yet) implemented in practice because of the authoritarian regimes in these countries.

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the candidates for meeting the conditions. It has been of huge symbolic as well as practical significance that the first criterion for membership, and a precondition for the start of accession negotiations, is functioning democracy and the rule of law.

The carrot of membership is not offered to ENP partners and in addition the EU provides far more modest sums of assistance to neighbours than to candidates.² The EU's assistance to the neighbouring countries will be doubled from 2007 onwards under the new financial instrument ENPI (European Neighbourhood and Partnership Instrument), but the gap between candidates and neighbours will still remain huge.

It is argued in this article that, in spite of the ENP's shortcomings as a tool for democracy promotion, there is scope for enhancing the EU's support to democratisation within its framework. The EU's efforts to promote democracy obviously need to respond to the different conditions and needs in the neighbourhood. The article therefore starts with a brief analysis of the state of democracy (or lack of it) in the neighbourhood, focusing on three cases that represent three types of neighbours in the east: Ukraine, a case of "re-transition"; Moldova, a case of prolonged transition; and Belarus, one of an outright authoritarian regime. Based on these cases, the need to differentiate between stages of democratisation will then be highlighted. The third section discusses the shortcomings of ENP and the EU's democracy promotion policies. Finally, the article outlines some possibilities for developing the ENP into a more effective instrument for democracy promotion.

Growing differences within the eastern neighbourhood

Until recently, the democratisation of former Soviet republics, with the exception of the Baltic states, was very uncertain or even moving backwards. Before the colour revolutions in Ukraine, Georgia and Kyrgyzstan, an increasing number of experts were questioning whether one could talk any longer about the CIS as transition countries or just had to accept that they had established hybrid systems that fell into a grey zone between democracy and authoritarianism. According to the widely used Freedom House classification, most of the CIS countries were "semi-free" and

² For example, in 1991-2003 the EU allocated slightly larger funds to one sole candidate country, Poland (euro 5.7 billion) than to the whole Technical Assistance to the Commonwealth of Independent States (Tacis) programme which was the main channel of aid to the CIS (euro 5.5 billion).

combined elements of democratic competition with authoritarian leadership.

The colour revolutions gave the lie to these pessimistic assessments and raised hopes of a renewed wave of democratisation in the post-communist space. Pro-democratic forces in many countries have been inspired by the revolutions and gained new belief in the possibility of change. On the dark side, several (semi-)authoritarian leaders, including those of Belarus and Russia, have tightened control over political opposition and civil society and introduced new restrictions on political freedoms as a "vaccine" against the spread of the "democracy virus". As a result, the differences between the CIS countries have increased.³ These may be temporary cleavages, as the pressure to move towards democracy has also grown, but for the time being three types of eastern ENP partners may be distinguished. The key difference from the viewpoint of democratisation is the commitment of leadership to democratic reforms.

Renewed transition

There are two post-revolutionary or "re-transition" (renewed transition) cases, Ukraine and Georgia, where the new leaders are committed to democratisation, but the system is unstable and fragile. The revolutions were a widespread reaction of citizens against corrupt and discredited leaders, and a popular call for a new political culture. The problems of the previous regime have not, however, disappeared. Above all, it is the high level of corruption – one of the main reasons for popular protest during the revolutions – that continues to plague both Ukraine and Georgia. Also, the new elites have not always lived up to the highest standards of democracy. Ukrainian leadership has by and large respected the basic rules of democracy, whereas the Georgian government of President Saakashvili has been criticised by several international observers for attempts to control the media and the judiciary.⁴

The re-transition countries are in some respects comparable to the Central-East European countries (CEECs) in the early 1990s, as they have just started extensive political and economic reforms and at the same time aim to integrate into Western structures. Indeed, the governments and

³ Freedom House classifies Ukraine as "free"; Moldova, Georgia and Armenia as "partly free"; and Belarus, Russia and Azerbaijan as "not free": *Freedom in the World 2006* <<http://www.freedomhouse.org/uploads/pdf/Charts2006.pdf>>.

⁴ See, for example, Freedom House, "Georgia", *Nations in Transit 2006* <<http://www.freedomhouse.hu/nitransit/2006/CountrySummariesNIT06.pdf>> .

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societies of these countries need the same kind of support for implementing political and economic reforms that was given to the CEECs as of the late 1980s. There are notable differences, however, that make their transition more complicated and uncertain.

- The commitment to democracy among the political elites and the population is not as strong and broad-based as it was in the CEECs.
- The previous regimes in the current re-transition countries were homegrown, unlike the externally imposed communist regimes in East-Central Europe, and enjoyed considerable support from the people.⁵
- Western support is much weaker than it was to CEECs in the late 1980s and early 1990s.

It is worth noting, however, that the Baltic countries received little support from the West in their fight for independence and were not seen as potential members of the EU and NATO until the latter half of 1990s. The Baltic countries thus serve as an encouraging example to the other former Soviet republics, although it has to be acknowledged that their historical, social and economic preconditions for democratisation were in many respects better than in the rest of the former Soviet Union.

Prolonged transition

Moldova is an example of a "prolonged transition" country in that it is relatively stable and has adopted some elements of democracy, but has not completed the transition. There is considerable variation within this group which includes two other eastern neighbours covered by the ENP: Armenia and Azerbaijan.⁶ Moldova has always been one of the most democratic countries in the CIS. The Moldovan regime has never been as repressive as that of Ukraine before the Orange Revolution, not to speak of Belarus. This is at least partly due to weak government: the leadership simply lacks the resources and capabilities required to impose authoritarianism. On the other hand, the political opposition and civil society are also relatively weak, not posing a serious threat to the semi-democratic government.

⁵ 44% of Ukrainians voted for Viktor Yanukovitch, the rival of "orange forces", in the final round of presidential elections in December 2004, and his Party of Regions won 32% of votes in the parliamentary elections of March 2006.

⁶ The group also includes Bulgaria and Romania (which are likely to join the consolidated democracies in ECE soon), several Western Balkan countries, and possibly Russia, although it is questionable whether Russia is still in the process of democratic transition or whether it has established a relatively stable semi-authoritarian regime.

In 2005, Moldova's communist leadership renounced its orientation towards Russia and opted for European integration. The implementation of the ENP Action Plan is now the Moldovan government's main priority, giving the EU considerable leverage on the reform process.

Ironically the same weakness that kept the government from establishing more authoritarian rule is also a hindrance to effective democratic and economic reform. Moldova's capacity to implement EU norms and absorb external assistance is limited. One of the main challenges is therefore to strengthen the state and help the government develop its policy planning and implementation skills. Another major challenge is to carry out economic reforms that would make the country more attractive for foreign investment, help curb the exceptionally high level of emigration and eventually lift Moldova out of its present status as the poorest country in Europe. The EU can ensure the continuity of Moldova's new European orientation by offering support, benefits and rewards.

One of the reasons for the weakness of the state and the economy is the unresolved status of Transnistria, the breakaway region of Moldova that has been a *de facto* separate state since the early 1990s. The authoritarian regime of Transnistria has survived thanks to military assistance from Russia and the presence of Russian troops, as well as illegal trade in drugs and arms. For many years, the Organisation for Security and Cooperation in Europe (OSCE) was the only Western institution engaged in attempting to solve the conflict, together with Russia and Ukraine. The EU has only recently become a major player in the conflict, most notably through the Border Assistance Mission to Moldova and Ukraine, started up in December 2005, which aims to cut down smuggling and customs fraud on the Transnistrian border.

The most serious threat to the Transnistrian regime would probably be the successful democratisation and Europeanisation of Moldova. If Moldova were to become an attractive model in the eyes of the population of Transnistria, it would be far more difficult for the Transnistrian leaders to maintain their current position. The attempts to solve the Transnistrian conflict should thus not be prioritised over the promotion of political and economic reforms in Moldova, nor should the former be seen as a precondition for the latter.

Authoritarian regime

In Belarus, President Lukashenka has gradually created one of the most repressive and totalitarian regimes not just in Europe, but in the world. Lukashenka has developed an increasingly extensive policy of pre-empting political opposition – which differs radically from other semi-authoritarian

CIS leaders (such as those of Moldova and Ukraine before the Orange Revolution) who have rather reacted against rising political competitors.⁷ Again unlike in Ukraine before the Orange Revolution or other semi-authoritarian CIS countries, the Belarusian opposition is completely excluded from public institutions.

Till 2006, the opposition was fragmented and unable to offer a viable alternative to Lukashenka's rule. A huge step towards change was taken during the run-up to the presidential elections in March 2006, when the pro-democratic groups joined forces behind a common candidate, Aleksandr Milinkevich. In the campaign and the demonstrations that followed the elections, the opposition was stronger and better organised than ever before. However, Lukashenka strengthened repressive and pre-emptive measures to ensure that nothing similar to the Orange Revolution can occur in Belarus. As opposition candidates had hardly any access to the public media and were not allowed to campaign freely, Lukashenka managed to maintain his popularity. The official election results that claimed Lukashenka had won 83 percent of the votes were obviously falsified, but even according to independent surveys, Lukashenka continues to be supported by more than 60 percent of the population, whereas the popularity of Milinkevich is just above 20 percent.⁸ The main reason for Lukashenka's popularity is the relative stability and welfare provided by the current regime – even though the country is poor in comparison to its Western neighbours.

A democratic breakthrough is unlikely unless Lukashenka's popularity declines and the opposition manages to increase its support. It is crucial for pro-democratic forces to maintain alternative channels of information in order to increase the general awareness of their goals, mobilise support and convince people that they offer a credible alternative to the authoritarian regime. The president must also be delegitimised through the dissemination of uncensored information about the regime's repression, human rights violations and other kinds of misconduct.

Another, perhaps even more important factor for democratisation is the economy. The Belarusian economy is not sustainable. Unlike all the other post-communist countries, Belarus has not undertaken substantial economic reforms and it is becoming more and more difficult to sustain the current socialist model. More than half of Belarusian industry is estimated to operate at a loss, but closing down unprofitable factories and introducing structural reforms would cause social unrest that could be fatal for Lukashenka.

⁷ V. Silitski, "Preempting Democracy: The Case of Belarus", *Journal of Democracy*, vol. 16, no. 4, 2005, pp. 83-97.

⁸ Independent Institute of Socio-Economic and Political Studies, Minsk <<http://www.iiseps.org/>>.

Furthermore, Belarus has so far bought gas from Russia for a negligible price (\$47 per 1,000 cubic meters), but the price is likely to increase as of 2007, which would also be a hard blow for the regime.

In an authoritarian country such as Belarus, external support to democratisation obviously needs to be directed to civil society, independent media and pro-democratic opposition. It is crucial to ensure that aid to civil society does not have to be approved by the government. Because of the attempts by the government to control all external aid, it is impossible to give assistance to pro-democratic groups through formal and open channels. It is also very difficult to support non-political groups that are autonomous and do not work for the regime. Donors have no choice but to work secretly and indirectly. Some of the aid may be channelled through neighbouring countries or NGOs based outside the target country, but it is also essential to support activity on the ground.

Because of the strongly repressive nature of the current regime, a possible democratic turn in Belarus would most likely not be similar to the colour revolutions. While it was possible in Ukraine and Georgia to reach a deal between the former powerholders and the opposition, a similar scenario should not be expected in Belarus. The threat of violence is greater; one can expect a Romanian type of violent breakthrough rather than another flower or singing revolution.

Supporting different phases of democratisation

Although Western states and organisations have become increasingly active in promoting democracy abroad, there is consensus among democratisation scholars that domestic factors continue to be decisive for the success, failure or absence of democratic reforms.

Michael McFaul concludes from his work on three recent cases of democratic breakthrough – Serbia, Georgia and Ukraine – that western democracy aid had no decisive impact on these events, although it did play "a visible role". According to his analysis, a democratic breakthrough is more likely to occur if the following domestic preconditions are in place: the regime is not fully authoritarian but allows some civic freedom; the incumbent leader is unpopular; there is a united and organised opposition that is able to mobilise mass protest; independent NGOs are able to monitor elections and expose fraud; there is at least some independent media; and the regime is not united and cannot rely on the military, police and security forces in case of mass demonstrations.⁹

⁹ M. McFaul, "Transitions from Postcommunism", *Journal of Democracy*, vol. 16, no. 3, 2005.

While all these factors contributed to change in the three cases (Serbia, Georgia and Ukraine), the situation in Belarus looks far less promising: Lukashenka enjoys broad popularity, the opposition is relatively weak, independent NGOs are not allowed, and the media as well as police and security forces are under the president's firm control. The decisive role of domestic factors does not mean, however, that external support does not matter. Taras Kuzio, for example, argues that although the Orange Revolution of Ukraine was "unquestionably homegrown" and to a large extent funded from domestic sources, international support was indispensable for the Yushchenko camp.¹⁰

When assessing whether external actors can make a difference, it is of key importance to distinguish between different phases of democratisation. It is obviously most difficult to operate in a non-democratic environment. The use of any common instrument of democracy promotion – diplomacy, aid, political conditionality, economic sanctions or intervention – involves major problems. Diplomatic measures are unlikely to be effective unless they are accompanied by substantial sticks or carrots. Possible sticks, such as economic sanctions or military threats, are costly and likely to have negative implications that may turn against the initial purpose. Carrots, for example political and economic cooperation and trade benefits, can only be effective if they are tied to credible conditionality and offered as a reward for democratic reforms. The rewards are unlikely to be attractive, however, to an authoritarian leader who will most probably lose power as a result of such reforms.

What remains is democracy assistance focused on the media and pro-democratic groups that work for change. A recent Freedom House report urges international donors to increase significantly assistance to political reform-oriented NGOs. Based on a comparison of the pre-transition environment in 67 countries where transition has occurred, the study underlines the central role of non-violent civic coalitions in bringing about change.¹¹ External aid alone does not create such coalitions, but it does help them to get organised and active. It is also important to maintain and promote contacts with the population and different groups in society:

¹⁰ T. Kuzio, "The Opposition's Road to Success", *Journal of Democracy*, vol. 16, no. 2, 2005, pp. 127-9.

¹¹ Freedom House, *How Freedom is Won: From Civic Resistance to Durable Democracy*, 2005 <http://www.freedomhouse.org/uploads/special_report/29.pdf>.

businessmen, students, scholars, cultural groups, lower-level and local officials, etc. In general, all forms of linkages with the outside world tend to undermine authoritarian leadership, whereas policies of isolation and sanctions are not likely to have a democratising impact.

It is not easy for outsiders to play a role in the breakthrough phase either, not least because the pace of events poses a major challenge. Donors need to be present on the ground and have sufficient financial and administrative flexibility to allow them to react to changing circumstances and assist key actors, which is not a strength of EU assistance programmes. Diplomatic measures may have to be decided upon and carried out within hours – the EU's contribution to resolving the Ukrainian crisis during the Orange Revolution in late 2004 is a successful example of this.

It is easier for external actors to contribute to democratisation after the hectic and unpredictable time of breakthrough. Once reform-minded forces have come to power, external assistance may be essential for their ability to implement reforms and make the new system function. In many cases, for instance Ukraine, external support is also needed to broaden support for democratisation among the population.

The limits of ENP as a tool of democracy promotion

The ENP has a number of limits as a democracy promotion tool. The most important is that it does not offer strong incentives for the neighbours to implement reforms in accordance with EU norms. The ENP shares many similarities with the EU's enlargement policy, but lacks the most important element: the goal of accession. The main common denominator is the extension of the EU's values and norms through conditionality. The candidate countries' relations with the EU are determined by their success in adopting the internal EU system. A similar logic, although in a weaker form, is inherent in the ENP.

The second major problem is that ENP neighbours are doomed to stay in a state of asymmetric interdependence with the EU. This type of relationship restricts their democratic self-determination and creates frustration and even hostility towards the EU.

The same asymmetry also characterises the relations of candidate countries with the EU, but unlike candidates, for the ENP partners there is no end to asymmetry in sight. The EU tries to practice extended governance over the neighbours, but it is not willing to extend its system of governance and include the neighbouring countries. Sandra Lavenex highlights this problem by making a distinction between the institutional and legal boundary of the EU: the EU tries to transpose its legal order upon

neighbouring countries without a parallel institutional integration.¹²

The ENP appears to be more dialogical than the relationship between the EU and applicant countries. The keywords of relations are partnership, mutual gains, mutually agreed goals and joint ownership. While candidate countries have no choice but to adopt the whole set of EU norms, each ENP country negotiates a "tailor-made" plan. The Union stresses "ownership" on the side of partners and their freedom to choose how far they want to deepen their political and economic ties with the EU.¹³ Yet the EU is economically and politically far stronger than the neighbours, and it does set conditions: the closeness and depth of relations depends on the extent to which the neighbours adopt EU norms. Furthermore, the EU decides which carrots and sticks to use to make the neighbours follow its rules. The Union's position may be described as "we do not impose anything, but if you want closer cooperation, do as we say". Many of the neighbours would choose a far closer relationship if they were able to satisfy the EU's conditions and if the Union were ready to build a closer relationship.

Third, the ENP is a broad strategy that offers little help as far as practical work with each country is concerned. The broad framework needs to be fleshed out with effective concrete guidelines for individual countries. The Action Plans that are bilaterally agreed with each neighbour are a step in that direction, but they outline long lists of priorities and say little about how to prioritise among the priorities and how to actually implement them. The neighbour countries themselves have a lot of homework to do to "translate" the Action Plans into policy guidelines for their governments.

The fourth obstacle to effective democracy promotion is that the EU is not clear about its overall strategic aims in the eastern neighbourhood, and that many member states lack the political will to develop a more pro-active strategy. In the aftermath of the last enlargement and the French and Dutch "nos" to the Constitutional Treaty, there is serious concern that the Union would not be able to function with an ever-growing number of member states. In the case of eastern neighbours, there is also an important external reason for caution, shared in particular by the large old member states: the wish not to irritate Russia or to let the European aspirations of some CIS countries harm relations with the EU's largest eastern neighbour.

¹² S. Lavenex, "EU external governance in 'wider Europe'", *Journal of European Public Policy*, vol. 11, no. 4, 2004.

¹³ European Commission, "European Neighbourhood Policy: Strategy Paper", May 2004.

Fifth, as noted in the introduction, the financial assistance offered to neighbours is limited and, what is even more significant here, only a small share of assistance goes to democracy and civil society. For example, the EU's contribution to Ukraine and Moldova has been modest in comparison with that of the US: in 1998-2004 the US gave over 1220 million euros in assistance to Ukraine and over 210 million euros to Moldova, whereas corresponding figures for the EU were 826 million and 115 million euros, respectively.¹⁴ Moreover, in Ukraine the EU directed a considerably smaller share of its assistance to democracy and civil society than the US.¹⁵ In the same period, the EU was the largest Western donor to Belarus, but once again civil society was a far more important priority for the US, which gave approximately four times more aid (euro 17.80 million) to Belarusian NGOs than the EU.¹⁶

More generally, the democracy promotion policies of the EU also involve a number of problems that are reflected in the ENP and limit its ability to promote democratisation in the neighbouring countries. The core problem is the EU's "scattered and *ad hoc* approach" to democracy promotion: democratic principles "permeate all Community policies, programmes and projects", but in practice they have not been consistently followed.¹⁷ The Union has systematically applied democratic conditionality only through enlargement. Strategic and economic concerns often override the aim to promote democracy and human rights in EU external relations.

Two outstanding weaknesses of the EU's democracy assistance are, first, in support to civil society and, second, in democracy promotion in authoritarian countries. A common source of these weaknesses is the EU's Financial Regulation.¹⁸ The Regulation imposes tight financial control with auditing

¹⁴ OECD, *International Development Statistics (IDS) online* <www.oecd.org/dac/stats/idsonline>. For more detailed data, see K. Raik, *Promoting Democracy through Civil Society: How to step up the EU's policy towards the Eastern neighbourhood*. CEPS Working Document no. 237 (Brussels: CEPS, February 2006).

¹⁵ *Ibid.*

¹⁶ *Ibid.*

¹⁷ R. Youngs, J. Bossuyt, K. de Jong, R. von Meijenfeldt and M. van Doorn, "No lasting peace and prosperity without democracy and human rights", Brussels, European Parliament, 27 July 2005, pp. 14-15.

¹⁸ See F.M. Partners Limited, *Striking a Balance: Efficiency, Effectiveness and Accountability*, Report by F.M. Partners Limited on behalf of the Open Society Institute Brussels, Concord, the Platform of European Social NGOs, SOLIDAR and the European Women's Lobby, 2005; P. Soto, "The Commission could do better", the Greens/EFA in the European Parliament, May 2005.

rules that are far stricter than the usual standards in both the public and private sectors. The system has been criticised for raising the costs, increasing the uncertainty and reducing the effectiveness of NGOs that seek funding from the Commission. The extensive and complicated reporting requirements pose a further extra burden on both recipients and the Commission. Altogether, the procedure takes such a long time – several years from programming until actual payment – that local conditions and needs may change radically during the period, and few NGOs in transition countries are able to plan their work so long in advance. For all these reasons, it is particularly difficult for small NGOs to apply for EU funding. It is indeed common knowledge among activists in the neighbouring countries that the procedures of EU aid programmes are very unfavourable for NGOs. Most organisations prefer to work with other donors that are more flexible and less bureaucratic.

It is particularly difficult for the EU to support civil society in non-democratic countries where the same bureaucratic rules often pose insurmountable obstacles and political agreement among institutions and member states is extremely hard to reach. As noted above, in an authoritarian environment it is essential that democracy assistance be independent of the approval of the recipient country's government. The EU has followed this principle under the European Initiative for Democracy and Human Rights programme (EIDHR), but not under Tacis, the major channel of assistance to CIS countries. Even in non-authoritarian countries, government involvement in civil society assistance contradicts the very idea of civil society as a sphere that is independent of government. It is thus most welcome that the European Commission recently acknowledged the need to assist civil society directly, without the involvement of recipient country's governments.¹⁹ It would be crucial to make this principle a rule in all civil society assistance.

The Commission aims to develop a more strategic and coherent approach to democracy aid now that it is reforming the whole structure of external assistance programmes. Democracy promotion should become an integral part of different geographical instruments, including the ENPI. In addition, the Commission has proposed a new thematic programme on democracy and human rights that would be the successor to the EIDHR and complement and support the geographical programmes.²⁰

¹⁹ European Commission, Commission simplifies external cooperation programmes, IP/06/82, 25 January 2006.

²⁰ *Ibid.*

Can the EU do more and better?

As noted above, the most favourable cases for external democracy promotion are countries that have achieved a democratic breakthrough and are governed by reform-minded leaders. The EU's best opportunities for advancing democracy in the neighbourhood are in countries such as Ukraine, Georgia and Moldova, which are willing to adopt European norms. In such cases, the EU has a few options for making its action more effective.

The EU and the neighbours should make better use of the ENP Action Plans – something they are gradually learning to do. It is important to translate the priorities of the Action Plans into more concrete and realistic guidelines and harness the Action Plans more effectively to the reform agendas of neighbour countries' governments. The ability of neighbours to implement the Action Plans obviously depends on the competence and commitment of officials, and it is therefore essential to strengthen the capacity of the institutions responsible for implementation.

The ENP could also be developed into an effective tool for promoting cooperation between civil society and the state. This would require consistent inclusion of civil society on the agenda of political dialogue between the EU and neighbouring governments, as well as the involvement of NGOs in the preparation, implementation and review of ENP Action Plans. The EU could encourage public authorities to include NGOs in domestic policy processes. The governments of Ukraine and Moldova, for example, would also need assistance and expertise to improve the legislative environment of NGO activity so as to create a more favourable tax regime for them and encourage local philanthropy.

The EU could also introduce systematic conditionality into its relations with neighbours and consistently reward governments that are committed to democratisation. This can be done by establishing a clear linkage between progress in democratisation and overall assistance given to governments. It could also offer other "carrots" such as visa facilitation and access to the internal market, but it is more complicated to link these rewards systematically to democratisation mainly because of the difficulty in reaching political agreement among member states, keen on protecting their borders and markets.

When it comes to conditionality with regard to assistance, it is worth stressing that democracy aid as such is not conditional – it is neither offered as a carrot to reform-minded countries nor used as a stick against non-democracies. Civil society and independent media need at least as much, if not more, aid in repressive societies such as Belarus as in democratising countries. Thus, the EU should give more overall assistance to governments

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that are committed to democratic reform, and more democracy aid, with a focus on civil society, to countries that are non-democratic.

The EU needs better instruments for assisting civil society and in particular pro-democratic groups in authoritarian countries. Several experts have called for the establishment of a European democracy foundation for this purpose.²¹ Many Western countries channel some of their external aid through foundations in the donor country that are formally independent of the state but that are, in practice, quasi-governmental actors, publicly funded and to some extent supervised by the government. Their activity is in line with the official foreign policy of the donor state and thus helps to pursue the overall goals of external aid. In comparison with official foreign aid, such foundations are more flexible and innovative and less bureaucratic, as they are not constrained by the same legal and procedural requirements as government agencies. The most significant foundations of this kind are the German *Stiftungen* that have made an essential contribution to democratisation in many countries, including Eastern Europe. Another important model for the EU is the US National Endowment for Democracy.

Establishing a new foundation would be most important in relation to non-democratic countries such as Belarus where the EU is currently able to do very little to promote change. An independent foundation would enable the EU to support Belarus in a much more effective and flexible manner than is now possible through existing Commission programmes. In the meanwhile, the Commission should continue to focus on the type of assistance in which it is relatively strong, namely aid to governments that carry out political and economic reforms.

Conclusion

The EU's increasing engagement in the eastern neighbourhood has far-reaching implications for the future of Europe: the more effectively the Union promotes the Europeanisation of its neighbours and extends its system of governance to the neighbourhood, the harder it becomes to avoid

²¹ U. Ahlin, "The EU needs a policy on Belarus", *CER Bulletin 45*, (London: Centre for European Reform, December 2005/ January 2006); J. Boratynski, *European Democracy Fund*, Concept Paper (Warsaw: Stefan Batory Foundation, 10 March 2005); D. Lynch, "Catalysing Change", in Lynch (ed.) *Changing Belarus*, Chaillot Paper no. 85 (Paris: European Union Institute for Security Studies, November 2005); *EU Democracy Assistance to Belarus: How to Make Small Improvements Larger and More Systematic*, Policy Brief (Bratislava: Pontis Foundation, 24 March 2005).

the question of offering them the prospect of membership. In other words, if the ENP is successful in democratising the neighbours, it will inevitably increase pressure to continue enlargement. Even the most ardent opponents of further enlargement can hardly oppose support for the democratisation of neighbouring countries. They need to acknowledge that the EU has no right to deny full membership to democratic European countries. The core challenge of the EU's policy towards the eastern neighbours is to maintain the Union's commitment to its underlying goals and principles, above all the promotion of democracy and security through integration.