IAI0610

DOCUMENTI IAI

PROMOTING DEMOCRACY IN THE EASTERN NEIGHBOURHOOD: THE LIMITS AND POTENTIAL OF THE ENP

by Kristi Raik

Paper presented at the International Conference on "The EU and the Eastern Neighbours: Democracy and Stabilization without Accession?", in cooperation with the Polish Institute for International Affairs (PISM), Centre for Peace Conversion and Foreign Policy of Ukraine (CPCFPU)
Rome, Centro Alti Studi Difesa (CASD), 29-30 May 2006

PROMOTING DEMOCRACY IN THE EASTERN NEIGHBOURHOOD: THE LIMITS AND POTENTIAL OF THE ENP

by Kristi Raik
Finnish Institute of International Affairs

One of the main aims of the European Neighbourhood Policy (ENP) is to support democratisation in the neighbouring countries. However, in comparison with 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 for meeting the conditions[1]. 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.

As we know, the carrot of membership is not offered to the ENP partners, and the EU also provides far more modest sums of assistance to neighbours than to candidates. To give an illustrative example, in 1991-2003 the EU allocated slightly larger funds to Poland (€5.7 billion) than to the whole Tacis programme (Technical Assistance to the Commonwealth of Independent States) (€5.5 billion). The ENPI will double the EU's assistance to the neighbouring countries from 2007 onwards, but the gap between candidates and neighbours will still remain huge.

It is argued in this paper that, in spite of shortcomings of the ENP as a tool for democracy promotion, there is scope for enhancing the EU's support to democratisation within the framework of ENP. The EU's efforts to promote democracy obviously need to respond to the different conditions and needs in the neighbourhood. The paper 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 that is a case of "re-transition", Moldova where we find prolonged transition, and Belarus that is an outright authoritarian regime. Based on the cases, I will then highlight the need to differentiate between stages of democratisation. The third section discusses the shortcomings of ENP and the EU's democracy promotion policies. Finally, the paper outlines some possibilities to develop the ENP into a more effective instrument for democracy promotion.

Growing differences within the eastern neighbourhood

Until recent years, the democratisation of former Soviet republics, with the exception of the Baltic states, was mostly stumbling or even moving backwards. Before the color revolutions in Ukraine, Georgia and Kyrgyzstan, an increasing number of experts

[1] Cf. Milada Anna Vachudova, *Europe Undivided: Democracy, Leverage & Integration After Communism* (Oxford: Oxford University Press, 2005), pp. 108-138.

started to question whether one should talk about the CIS as transition countries any longer or accept that they had established hybrid systems that fell into a grey zone between democracy and authoritarianism[2]. According to the widely used Freedom House classification, most of the CIS countries were "semi-free" and combined elements of democratic competition with authoritarian leadership.

The color revolutions disproved the pessimistic assessments and raised hopes about a renewed wave of democratisation in post-communist Europe. 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 of political freedoms as a "vaccine" against the spread of the "democracy virus". As a result, the differences among the CIS countries have increased[3]. These may be temporary cleavages, as the pressure to move towards democracy has also grown. For the time being we may distinguish between *three types of countries among the eastern ENP partners*, as described below. The key difference from the viewpoint of democratisation is the commitment of leadership to democratic reforms.

Renewed transitions of Ukraine and Georgia

First, 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 do not, however, disappear overnight. 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.

The re-transition countries are in some respects comparable with the east central European (ECE) countries in the early 1990s, as they have just started extensive political and economic reforms and at the same time aim to integrate with western structures. The governments and societies of these countries need similar support for implementing political and economic reforms as was given to the ECE countries since the late 1980s. There are notable differences, however, that make their transition more complicated and uncertain. First, there is not as strong and broad-based commitment to democracy among the political elites and the population as there was in ECE countries. Second, the previous regimes in the current re-transition countries were home-grown, as opposed to the externally imposed communist regime in east central Europe, and enjoyed considerable support among the people[4].

---

[2] E.g. Thomas Carothers (1999) *Aiding Democracy Abroad: The Learning Curve*, Carnegie Endowment for International Peace, Washington D.C.; Marina S. Ottaway (2003) *Democracy Challenged: The Rise of Semi-Authoritarianism*, Carnegie Endowment for International Peace, Washington D.C.; Steven Levitsky and Lucan A. Way (2002), "The Rise of Competitive Authoritarianism", *Journal of Democracy,* Vol. 13, No. 2, pp. 51-65.

[3] The 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).

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

Third, western support is much weaker than it was to east central Europeans 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 one has to acknowledge 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 of Moldova

Second, we find countries of *prolonged transition* that are relatively stable and have adopted some elements of democracy, but have not completed the transition – for example Moldova. There is considerable variation within this group; Moldova has always been one of the most democratic countries in the CIS and has recently moved closer to the re-transition countries. The Moldovan regime was never as repressive as that of Ukraine before the Orange Revolution, not to speak of Belarus. This is at least partly explained by the weakness of government: the leadership simply lacked the resources and capabilities required for imposing authoritarianism. On the other hand, the political opposition and civil society have also been relatively weak, not posing a serious threat to the semi-democratic government[5].

The two latest parliamentary elections, held in 2001 and 2005, were won by the Communist party. The 2005 elections marked a decisive turn: the communists renounced their orientation towards Russia and made a choice in favour of European integration. The implementation of the ENP Action Plan is now the main priority of the Moldovan leadership, which gives the EU considerable leverage on the reform process.

Ironically the same weakness that did not allow the Moldovan government to establish more authoritarian rule is also a hindrance to effective democratic and economic reforms. 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 to develop better skills of policy planning and implementation. Another major challenge is to carry out economic reforms that would make the country more attractive for foreign companies, help to curb the exceptionally high level of emigration and eventually lift Moldova from its present status of being the poorest country in Europe.

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, and illegal trade of drugs and arms. For many years the OSCE was the only Western institution engaged in attempts 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 in December 2005, that aims to cut down smuggling and customs fraud on the Transnistrian border.

The most serious threat to the Transnistrian regime would probably be successful democratisation and Europeanisation of Moldova. If Moldova were to become an

[5] Lucan A. Way characterises the Moldovan system as "pluralism by default"; see Way (2002), "Pluralism by Default in Moldova", *Journal of Democracy,* Vol. 13, No. 4, pp. 127-141.

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, and the former should not be seen as a precondition to the latter.

Authoritarian regime of Belarus

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 *preempting* political opposition – which differs essentially from the semi-authoritarian CIS leaders who have rather *reacted* against rising political competitors[6]. Unlike in Ukraine before the Orange Revolution or other semi-authoritarian CIS countries, the Belarusian opposition is completely excluded from public institutions.

Before 2006, the opposition was fragmented and unable to offer a viable alternative to Lukashenka's rule. It was a hugely important step that in run-up to the latest presidential elections of March 2006, 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 preemptive measures in order to ensure that nothing similar to the Orange Revolution will occur in Belarus[7]. 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 won 83 % of the votes were obviously falsified[8], but even according to independent surveys, Lukashenka continues to be supported by more than 60 % of the population, whereas the popularity of Milinkevich is just above 20 %[9]. The main reason for the popularity of Lukashenka is the relative stability and welfare provided by the current regime - although the country is poor in comparison with its western neighbours.

A democratic breakthrough is unlikely unless the popularity of Lukashenka falls and the opposition manages to increase its support. It is crucial for the pro-democratic groups to maintain alternative channels of information in order to increase general awareness about their goals, mobilise support and make people believe that they offer a credible alternative to the authoritarian regime. It is also necessary to delegitimise the president by making available uncensored information about the repression, violations of human rights and other kinds of misconduct by the regime.

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 gone through substantial economic reforms, and it is becoming more

[6] Vitali Silitski (2005), "Preempting Democracy: The Case of Belarus", *Journal of Democracy* Vol. 16, No. 4, pp. 83-97.

[7] See Vitali Silitski (2005), "Internal developments in Belarus", in Dov Lynch (ed.), *Changing Belarus*, Chaillot Paper No. 85, November 2005, European Union Institute for Security Studies, Paris; Pontis Foundation, *Anti-Revolution Legislation in Belarus: State is Good, Non-State is Illegal*, Legal Memorandum, Bratislava, 22 December 2005.

[8] OSCE/ODIHR: International Election Observation Mission. Presidential Election, Republic of Belarus – 19 March 2006.

[9] Independent Institute of Socio-Economic and Political Studies, http://www.iiseps.org/

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. Furthermore, Belarus has so far bought gas from Russia for a neglidgible price, $47 per 1,000 cubic meters, but now Gazprom is demanding a triple price from the beginning 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 the independence of civil society aid from the recipient country's government. Because of governmental control, 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. Aid may be channelled through neighbouring countries or NGOs based outside the target country. Events organised outside the target country and support for study trips to individuals are common forms of assistance in such cases.

Because of the strongly repressive nature of the current regime, one should not expect a democratic turn in Belarus, once it occurs, to be similar to the color revolutions. While it was possible in Ukraine and Georgia to reach a deal between the former powerholders and the opposition, the same is unlikely to happen in Belarus. The threat of violence is larger; 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". He identifies a number of domestic factors that were present in each case and thus help us predict future transitions. Accordig to his analysis, a democratic breakthrough is more likely to occur if the following 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.[10]

While all these factors contributed to change in the three cases, the situation in Belarus looks far less promising: Lukashenka enjoys wide popularity, the opposition is relatively weak, independent NGOs are not allowed to exist, 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

[10] Michael McFaul (2005) "Transitions from Postcommunism", *Journal of Democracy,* Vol. 16, No. 3.

"unquestionably homegrown" and to a large extent funded from domestic sources, international support was indispensable for the Yushchenko camp[11].
When assessing the opportunities of external actors to make a difference, it is of key importance to distinguish between different phases of democratisation. It is obviously most difficult for external actors to operate in a non-democratic environment. The use of any common instrument of democracy promotion – diplomacy, aid, political conditionality, economic sanctions or intervention[12] – 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 threat, 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, however, are unlikely to be attractive 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 significantly increase 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 nonviolent civic coalitions in bringing about change.[13] 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: businessmen, students, scholars, cultural groups, lower-level and local officials etc. In general, all forms of linkages with outside world tend to undermine the authoritarian leadership, whereas policies of isolation and sanctions are not likely to have a democratising impact[14].

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 that allows 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 being a successful example.
External actors have better opportunities to contribute to democratisation after the hectic and unpredictable time of breakthrough. In a country like Ukraine, where the leadership is committed to reforms and open to external influence, assistance from outside may be essential for the capability of government to actually implement reforms and make the new system function. External support is also needed in order to broaden support to democratisation among the population. In Moldova (and other similar cases), external actors, the EU in particular, may have a more decisive impact because the country is very dependent on foreign aid and at the same time the commitment of government to

[11] Taras Kuzio (2005) "The Opposition's Road to Success", *Journal of Democracy,* Vol. 16, No. 2, pp. 127-129.
[12] See Peter J. Schraeder (2002) "Making the World Safe for Democracy", in Schraeder (ed.) *Exporting Democracy. Rhetoric vs. Reality*. Boulder, London: Lynne Rienner Publishers, pp. 219-220.
[13] Freedom House (2005), *How Freedom is Won: From Civic Resistance to Durable Democracy*, New York.
[14] Levitsky and Way (2005), "International Linkage and Democratization", *Journal of Democracy,* Vol. 16, No. 3, pp. 20-34.

democratisation is uncertain. The EU can thus safeguard the continuity of the new European orientation of Moldova by offering support, benefits and rewards.

The limits of ENP as a tool of democracy promotion

The most important shortcoming of ENP 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 of enlargement: 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 also inherent in the ENP.

The second major problem inherent in the ENP is that the neighbours are doomed to stay in a relation of asymmetric interdependence with the EU. This type of relationship restricts their democratic self-determination, and it creates frustration and even hostility towards the EU. The same asymmetry characterises also the relations of candidate countries with the EU, but unlike candidates, the ENP partners do not have an end of 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 transpose its legal order upon neighbouring countries without a parallel institutional integration[15].

The ENP appears to be more dialogical than the relationship between the EU and applicant countries. The keywords of relations are partnership, mutual gains and 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[16]. 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. 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 was ready to build a closer relationship.

Thirdly, the ENP is a broad strategy that is of little help as far as practical work with each country is concerned. The broad framework needs to be filled with effective concrete guidelines for individual countries. The Action Plans that are bilaterally agreed with each neighbour take a step in that direction, but they outline far too 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 to do a lot of homework in order to "translate" the Action Plans into policy guidelines for their governments[17].

The fourth obstacle to effective democracy promotion is the fact that the EU is not clear about its overall strategic aims in the eastern neighbourhood, and there is lack of political will on the side of some member states to develop a more pro-active strategy.

---

[15] Sandra Lavenex (2004) "EU external governance in 'wider Europe'", *Journal of European Public Policy* 11:4.

[16] European Commission, European Neighbourhood Policy: Strategy Paper, May 2004.

[17] See Roadmaps of Ukraine and Moldova.

While the new eastern member states are eager to give all the possible support to the democratisation of the (new) eastern neighbours, including the prospect of membership in the EU, some old members are very sceptical about stepping up the Union's engagement in the region. In the aftermath of the latest enlargement and the French and Dutch "no" to the constitutional treaty there is a 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 old large member states: one does do not wish to irritate Russia or to let the European aspirations of some CIS countries harm relations with the largest eastern neighbour of the EU.

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 the US: in 1998-2004 the US gave over €1220 million of assistance to Ukraine and over €210 million to Moldova, whereas corresponding figures for the EU were €826 million and €115 million. Moreover, in Ukraine the EU directed a considerably smaller share of its assistance to democracy and civil society than the US. In the same period, the EU was the largest western donor to Belarus, but civil society was a far more important priority for the US that gave approximately four times more aid (€17.80 million) to Belarusian NGOs than the EU.[18]

Apart from problems related to the ENP, the EU's democracy promotion policies also contain many problems that are reflected in the ENP and limit its ability to promote democratisation in the neighbouring countries. The core problem is the "scattered and ad hoc approach" of the EU to democracy promotion: democratic principles "permeate all Community policies, programmes and projects", but in practice they have not been consistently followed[19]. The Commission aims to develop a more strategic and coherent approach 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 a successor of the European Initiative for Democracy and Human Rights (EIDHR) and complement and support the geographical programmes[20].

Two outstanding weaknesses of the EU's democracy assistance are support to civil society and democracy promotion in authoritarian countries. A common source of these weaknesses is the Financial Regulation of the EU[21]. The Regulation imposes tight financial control with auditing rules that are far stricter than the usual standards in both public and private sectors. The system has been criticised for raising the costs,

[18] For more detailed data, see Kristi Raik, *Promoting Democracy through Civil Society: How to step up the EU's policy towards the Eastern neighbourhood*. CEPS Working Document No.237/February 2006.

[19] Richard Youngs, Jean Bossuyt, Karijn de Jong, Roel von Meijenfeldt and Marieke van Doorn (2005), *No lasting peace and prosperity without democracy and human rights*, Brussels, European Parliament, 27/07/2005, pp. 14-15.

[20] European Commission, Commission simplifies external cooperation programmes, IP/06/82, 25/01/2006.

[21] See F.M. Partners Limited (2005) *Striking a Balance: Efficiency, Effectiveness and Accountability*, Report by F.M. Partners Limited on behalf of Open Society Institute Brussels, Concord, the Platform of European Social NGOs, SOLIDAR and the European Women's Lobby; Soto, Paul - Grupo Alba (2005) "The Commission could do better", the Greens – EFA in the European Parliament, May 2005.

increasing 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 payments - 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. Since the procedures are extremely slow, laboursome and costly, 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 working 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 its bureaucratic rules often pose insurmountable obstacles and political agreement among its institutions and member states is particularly difficult to reach. The EU is not alone with this challenge: the aid of Western governments is also focused on democratizing countries, while much less is done in non-democratic countries. However, the current EU assistance programs are more rigid than those of other donors. As noted above, it is essential in an authoritarian environment that civil society assistance is independent from the approval of the recipient country's government. This principle is followed by the EU under the EIDHR programme, but not under Tacis that has been the major assistance programme for the CIS countries, including Belarus. Even in non-authoritarian countries the involvement of government in civil society assistance contradicts the very idea of civil society as a sphere that is independent from government. It is, thus, most welcome that the European Commission has recently acknowledged the need to assist civil society directly, without the involvement of recipient country governments. Under the new system of EU external assistance, to be applied from 2007 onwards, it would be crucial to make this principle a rule in all civil society assistance.

What can the EU do more and better?

The most powerful instrument of democracy promotion in the eastern neighbourhood would be enlargement, but as we know, this tool is not available for the time being. The ENP is less effective and more problematic as a means to extend the EU's norms and values to the east. Nonetheless, the EU's democracy promotion policy in the eastern neighbourhood can be improved within the framework of ENP, through measures that do not require a major change of strategy.

First, as for Ukraine, Moldova and other neighbours that are willing to adopt European norms, the EU and the neighbours should make better use of the ENP Action Plans – which they are gradually learning to do. This means defining the priorities of the Action Plans more clearly and harnessing the documents better to the reform agendas of neighbour countries' governments. Regular monitoring of the implementation would also be a strong tool for promoting reforms. Ideally, it would be carried out by the Commission through yearly reports similar to those prepared on candidate countries. Since the Commission is currently not prepared to do this, the task should be carried out by other external actors[22] and/or domestic civil society[23].

[22] E.g. Michael Emerson has suggested democracy review by the Community of Democratic Choice, see "What should the Community of Democratic Choice do?" CEPS Policy Brief, March 2006.

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 and implementation of the ENP action plans. The EU can encourage public authorities to include NGOs in policy process and to seek for partners among non-state actors. The governments of Ukraine and Moldova, for example, would also need assistance and expertise in order to improve the legislative environment of NGO activity so as to create a more favourable taxation system and encourage local philantrophy.

Second, the EU should introduce systematic conditionality into its relations with neighbours, and hence systematically reward governments that are committed to democratisation by establishing a clear linkage between the progress of democratisation and overall assistance given to governments. At the same time, 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 they do in democratising countries. Thus, the EU should give more overall assistance to governments that are committed to democratic reform, and more democracy aid, with a focus on civil society, to countries that are non-democratic.

Third, 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 that would provide a valuable new instrument[24]. Many western countries channel some of their external aid through foundations that are formally independent from the state. In practice the foundations function as quasi-governmental actors that are publicly funded and to some extent supervised by the government. Their activity is in line with official foreign policy and thus helps to pursue the overall goals of external aid.[25] 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[26]. Another important model for the EU is the US National Endowment for Democracy.

In comparison with official foreign aid, foundations are more flexible and innovative and less bureaucratic, as they are not constrained by the same legal and procedural requirements as government agencies. They are therefore much better than governments at acting in non-democratic countries and supporting civil society. The establishment of a European democracy foundation has been discussed in the EU, and the European

---

[23] See Nicu Popescu, "The EU and South Caucasus: learning lessons from Moldova and Ukraine". A paper published by the Georgian Foundation for Strategic and International Studies, April 2006.

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

[25] See James M. Scott (2002) "Political Foundations and Think Tanks", in Schraeder, *Exporting Democracy.*

[26] See Dorota Dakowska (2002) "Beyond Conditionality: EU Enlargement, European Party Federations and the Transnational Activity of German Political Foundations", *Perspectives on European Politics and Society*, Vol. 3, No. 2, pp. 271-295; Swetlana W. Pogorelskaja (2002) "Die parteinahen Stiftungen als Akteure und Instrumente der deutschen Aussenpolitik", *Aus Politik und Zeitgeschichte* B 6-7/2002.

Parliament has expressed its support to the idea[27]. The ability of foundations to work in non-democratic countries should be stressed in particular with a view to the difficulties faced by the European Commission in promoting civil society and human rights in Belarus. An independent foundation would enable the EU to support Belarus in a much more effective and flexible manner than what is possible through the Commission programmes. In the meanwhile, the Commission should continue to focus on the type of assistance where it is relatively strong, namely aid to governments that carry out political and economic reforms.

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 the question of offering them the prospect of membership. Even the most ardent opponents of further enlargement can hardly oppose support to the democratisation of neighbouring countries. They need to acknowledge that the EU has no right to deny full membership to democratic European countries. The EU's policy towards the eastern neighbours puts into test the Union's continued commitment to its underlying goals and principles, above all the promotion of democracy and security through integration.

[27] European Parliament, *Report on the European neighbourhood policy*, A6-0399/2005, 7.12.2005, adopted by the Parliament on 18 January 2006. In February 2006, the Parliament's Democracy Caucus commissioned a more detailed proposal, see http://www.nimd.org/upload/eurodemofoundation.doc