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The Limits of the Transformative Power of Europe

Tanja A. Börzel and Vera van Hüllen

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THE LIMITS OF THE TRANSFORMATIVE POWER OF EUROPE

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Abstract

The EU's Eastern Enlargement is considered to be one of the (few) successful experiments of promoting good – both effective and legitimate – governance. By contrast, the EU's transformative power appears to be weak or non-existent vis-à-vis its (old) neighbors in the South and its (new) neighbors in the East. Both are not only marked by 'bad governance' but also lack a (credible) membership perspective. While the Western Balkans and Turkey have made significant progress towards good governance, both with regard to government effectiveness and democratic legitimacy, the European Neighborhood Countries (ENCs) appear to be stuck in transition or never got that far in the first place. Even when the effectiveness of their governance institutions has improved, they remain well behind the other regions and especially their democratic legitimacy is still wanting or even in decline. The paper shows that there is a correlation between an EU membership perspective and the successful transformation of neighboring countries. Therefore, it has been argued that the ineffectiveness of the European Neighbourhood Policy (ENP) is due to the lack of this 'golden carrot'. However, we argue that the prospects of EU membership stabilizes rather than drives the move towards effective and legitimate governance in candidate countries. Thus, a membership perspective is unlikely to either turn around negative or speed up positive developments in the EU's neighborhood. Even if the ENCs received a membership perspective, it would be unlikely to push them significantly towards democratic and effective governance as long as there is no endogenously driven process of change. Given the EU's preference for stability and state-building, the ENP does not provide an alternative for promoting good governance either. The ENP clearly lacks transformative power and where it might have some domestic impact, it risks consolidating rather than undermining authoritarian regimes by helping to strengthen their capacities for effective governance.

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1. Introduction¹

Research on the transformative power of Europe is thriving. With the borders of the European Union (EU) having moved eastwards, we have been awarded yet another real-world experiment on the transformative power of the EU. As in the case of the Central and Eastern European countries (CEEC), the EU seeks to transform the domestic structures of its neighbors in order to foster peace, stability, and prosperity. The EU's Eastern Enlargement is considered to be one of the (few) successful experiments of promoting good – both effective and legitimate – governance. By contrast, the EU's transformative power appears to be weak or non-existent vis-à-vis its (old) neighbors in the South and its (new) neighbors in the East. Both are not only marked by 'bad governance' but also lack a (credible) membership perspective. While the Western Balkans and Turkey have made significant progress towards good governance, both with regard to government effectiveness and democratic legitimacy, the European Neighborhood Countries (ENCs) appear to be stuck in transition or never got that far in the first place. Even when the effectiveness of their governance institutions have improved, they remain well behind the other regions and especially their democratic legitimacy is still wanting or even in decline.

The paper shows that there is a correlation between an EU membership perspective and the successful transformation of neighboring countries. Therefore, it has been argued that the ineffectiveness of the European Neighbourhood Policy (ENP) is due to the lack of this 'golden carrot' and that the design as an alternative to a membership perspective is fundamentally flawed: "[M]embership, or the prospect or hope of membership, appears to be a crucial condition of Europeanization" (Schimmelfennig 2009). While some of the Western Newly Independent States and the Southern Caucasus countries might foster hopes for being accepted into the club in a distant future, the EU has made it clear that all the Mediterranean countries could expect was increasing access without accession. However, beyond the question of availability of a membership perspective, its exact causal impact is not clear: We argue that the prospects of EU membership stabilizes rather than drives the move towards effective and legitimate governance in candidate countries. Thus, a membership perspective is unlikely to either turn around negative or speed up positive developments in the EU's neighborhood. Even if the ENCs received a membership perspective, it would be unlikely to push them significantly towards democratic and effective governance as long as there is no endogenously driven process of change. Given the EU's preference for stability and state-building, the ENP does not provide an alternative for promoting good governance either. The ENP clearly lacks transformative power and where it might have some domestic impact it risks consolidating rather than undermining authoritarian regimes by helping to strengthen their capacities for effective governance.

In order to substantiate our argument, the first part of the paper compares the trajectory of the new CEE member states with the Western Balkans and Turkey, which are in the pre-accession stage, as well as the Eastern and Southern ENCs, which lack a membership perspective in the first place. Accession conditionality did not make much of a difference in the case of the CEEC, which had already acquired a relatively high level of both statehood and democracy when the EU accepted them as potential members in 1991.

¹ Earlier versions of this paper have been presented at the 2011 EUSA Biennial International Conference and the Jour Fixe of the KFG. The authors would like to thank Thomas Dietz, Thomas Risse, Gary Marks, Liesbet Hooghe, Wolfram Kaiser, Julia Langbein, Diana Panke, and the participants of the KFG Research Colloquium "The Transformative Power of Europe" for their constructive comments, as well as Sören Stapel and Wiebke Wemheuer for their invaluable research assistance.

Starting from a lower level, Turkey and the Western Balkans have made significant progress towards both consolidating statehood and democracy after the EU recognized them as potential candidate countries in 1999. Yet, it is not clear what difference the membership perspective has made in this process. Domestic change in the CEEC and Turkey had been well under way when the EU put out the ‘golden carrot’. And the Western Balkans have been subject to external attempts of state-building and democracy promotion by international actors, among which the EU was not the only game in town. While certainly not being irrelevant, the EU appears to be a stabilizing rather than a transforming power.

The second part of the paper zooms into the ENCs to explore the domestic impact of the ENP, which the EU has set up as an alternative to accession to promote good governance. Unlike Turkey and the Western Balkans, there is no clear trend in the Eastern and Southern ENCs. Variations in the magnitude and direction of domestic change cut across the East-South dimension. If the ENP has deployed some domestic impact, its effect is not uniform. In the final part of the paper, we argue that these deviations are largely unrelated to the EU but reflect domestic developments.

The paper concludes with some critical reflections on the EU as a stabilizing rather than a transforming power, which is particularly problematic in the case of non-democratic regimes, which form the vast majority of the EU’s neighborhood.

2. Membership Matters, but When and How?

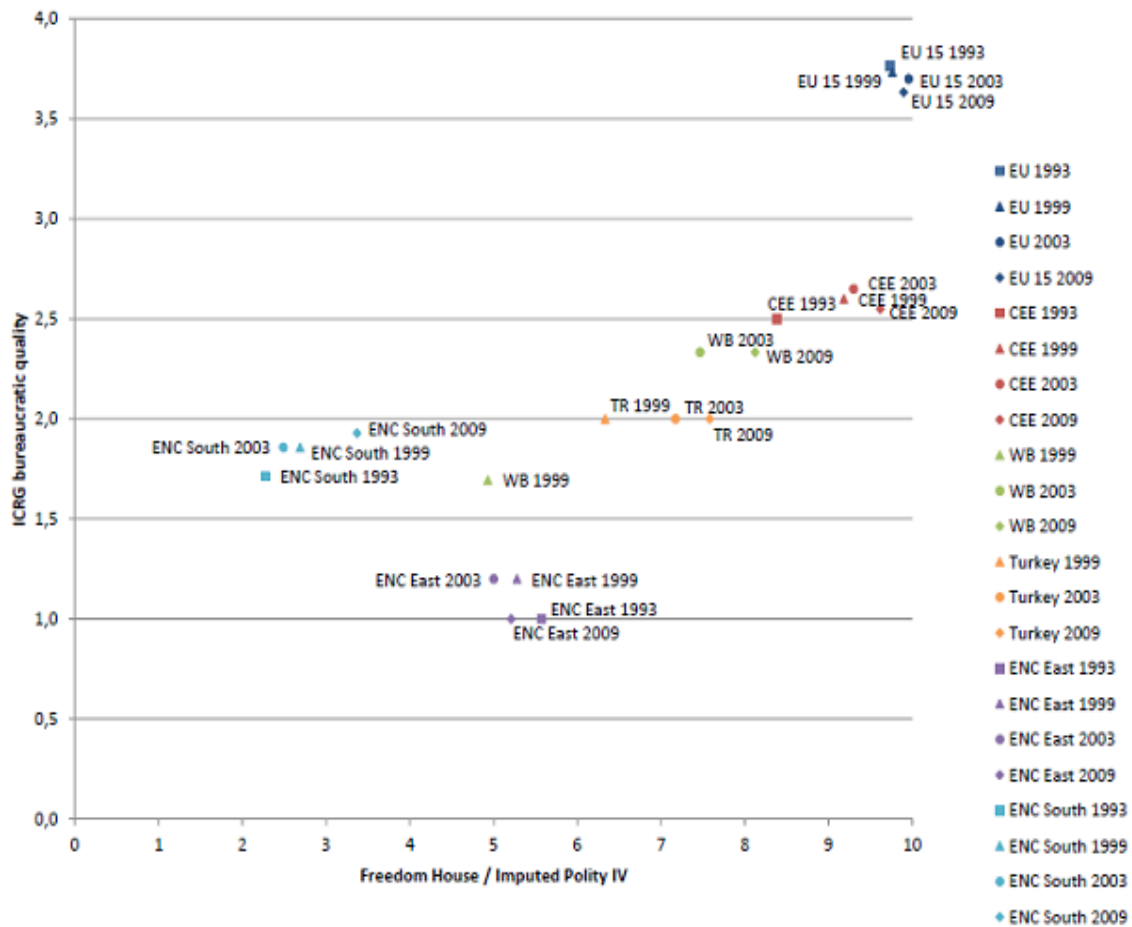
Since the end of the Cold War, the EU has sought to actively foster peace, stability and prosperity in the post-communist countries by essentially exporting its norms and principles of good governance. To make them adopt its constitutional principles and sectoral policies and adapt their domestic structures accordingly, the EU has developed a sophisticated tool box that heavily draws on ‘reinforcement by reward’ (positive conditionality) and ‘reinforcement by support’ (capacity-building) (Schimmelfennig et al. 2003; cf. Schimmelfennig/Sedelmeier 2005). Both instruments are linked in the membership perspective, which is conditional upon compliance with the EU’s Copenhagen Criteria and comes with comprehensive financial and technical assistance to strengthen the reform capacity of state institutions. The ‘golden carrot’ of membership is considered to form the core of the EU’s transformative power, which explains the success story of Eastern Enlargement, the differential progress of the Western Balkan countries and Turkey as well as the lack of improvement in the ENCs (inter alia Magen 2006; Schimmelfennig/Sedelmeier 2004). In the absence of a (consistent and credible) membership perspective, the EU is unlikely to have a transformative effect on governance in third countries.

Yet, a comparison of the effectiveness and democratic legitimacy of governance institutions across time and countries paints a more ambivalent picture. We still lack reliable data to draw causal inferences between the EU’s attempts to transform the domestic structures of accession and neighborhood countries, on the one hand, and changes in the effectiveness and democratic quality of their governance institutions, on the other. However, the data available suggest some interesting correlations that are supported by the emerging empirical research on Accession and Neighborhood Europeanization.

The literature has developed different indicators for the effectiveness and democratic quality of government institutions. While no data covers all (former) accession states and neighborhood countries, the indicators highly correlate. We use an indicator that combines the Freedom House 'Freedom in the World Index' with the Polity IV-'Score' to measure the democratic quality of government institutions (Hadenius/Teorell 2005). It thus covers procedural and structural elements of democracy and shows a higher validity and reliability than its constituent parts. For effectiveness, we rely on the 'Bureaucratic Quality' data of the 'International Country Risk Guide', published by the Political Risk Services Group. Next to tapping into the expertise of government, the autonomy of bureaucracy, as well as its recruitment and training, the indicator also evaluates policy formulation and day-to-day administrative functions and thus comes closer to our understanding of basic administrative capacity than some of the World Bank's 'Worldwide Governance Indicators' or the 'Bertelsmann Transformation Index'. In addition, both datasets reach back well into the 1970s/1980s and thus allow to investigate developments since the end of the Cold War, whereas most other potential indices measuring the democratic quality or effectiveness of governance start in the 1990s.

First, for the CEEC, membership might not have been so important, after all. Most of the CEEC, which joined the EU in 2004 and 2007, respectively, had reached a relatively high level of statehood and democracy when they received a membership perspective in 1993, which did not change significantly until they started negotiating their accession to the EU in 1999 (figure 1 on page 9). Only in Estonia, Latvia, Slovakia, and Romania, which all started well below the CEE average, we do see some significant improvements in democratic quality. Case studies confirm that accession conditionality was successful only in the cases of unstable democracies where democratic, authoritarian, and nationalist forces competed for power. While the prospects of membership and the threat to postpone it empowered liberal politics and locked-in democratic reforms in Slovakia and Romania (Spendzahorva/Vachudova 2012), the 'shadow of accession' has been hardly relevant in countries with strong democratic constituencies (most of the CEEC; see Schimmelfennig 2005; Vachudova 2005). The EU has certainly supported but definitely not driven the successful transition of the CEEC (cf. Kelley 2004; Sadurski 2004; Schimmelfennig et al. 2006).

Figure 1: Democracy and Statehood in Europe and Beyond (1993-2009)



Source: based on the 'Freedom in the World Index' (Freedom House), the 'Polity Score' (Polity IV), and the 'Bureaucratic Quality' data (Political Risk Services Group).

Second, Turkey (TR) and the Western Balkans (WB) have made substantial progress since the EU recognized them as potential candidate countries in 1999 and 2000, respectively. While they started at a much lower level of both statehood and democracy than the CEEC, they have moved ever closer. Similar to the CEEC, EU conditionality has certainly empowered liberal reform coalitions in Croatia, which is about to complete its accession negotiations, Macedonia, for which the EU agreed to open negotiations, as well as Montenegro, which received candidate status, and Serbia, which is about to follow suit. At the same time, the Western Balkans have been subject to comprehensive state-building and democratization efforts by other external actors, including the United Nations (UN) and the North Atlantic Treaty Organization (NATO) (cf. Elbasani in preparation), which makes it difficult to discern the effect of EU conditionality, on the one hand, and international capacity-building and democracy promotion, on the other. Moreover, Albania has been less responsive to EU conditionality and assistance than Croatia, Macedonia, and Montenegro, resisting necessary reforms to make its governance institutions more effective and democratically legitimate (Elbasani 2009) and relapsing in political crisis recently. Bosnia Herzegovina and Kosovo, finally, are seriously lagging behind and have not even applied for membership (Elbasani in preparation). Turkey, by contrast, has continued to make progress towards both statehood and democracy despite the declining credibility of its membership perspective since 2005 (Popescu 2010; Tocci 2005). Domestic reforms in Turkey started long before it received a membership perspective and appear to be as much endogenously driven as in the

CEEC and the Western Balkans (Parrot 1997). Finally, EU conditionality and assistance do not only empower liberal reform coalitions. The governments of Turkey and Albania, for instance, have been cherry picking issues from the EU's reform agenda for good governance that align with their political preferences and help consolidate their power (Elbasani 2009; Noutcheva/Düzgit 2012; Yilmaz 2011).

Third, the ENCs, which lack a membership perspective, overall have not made any significant progress towards good governance.² The seven Arab regimes in the Mediterranean show some progress towards more democratic governance, but they remain at a very low level. While governance is slightly more democratic in the six former Soviet Republics that form the Eastern Partners of the EU, their democratic quality has slightly decreased. Bureaucratic quality is higher in the Southern ENCs than in the East, but it is still far below the European average. Whereas it almost approaches the level of Turkey over time in the South, it stagnates at a very low level in the East. Whether the absence of democratic progress could be remedied with a membership perspective, however, is questionable. Conditionality is only an instrument. As long as the EU first of all seeks to promote stability (Börzel et al. 2008; van Hüllen/Stahn 2009; Youngs 2009a;), the prospect of joining the EU is unlikely to deploy any transformative power.

In sum, membership may matter but if it does, it is unclear whether before or after the EU offers the perspective to join. We do not know whether the membership perspective provides the crucial incentive for countries to initiate the domestic changes setting the trend towards effective and democratic governance or whether these countries only receive a membership perspective once they have aligned with the trend and made substantial progress. The CEEC and Turkey had already significant reforms under way, which seems to suggest that the prospects of joining the EU reinforced rather than induced domestic changes towards good governance. The Western Balkans, by contrast, scored considerably lower than both the CEEC and Turkey. Membership has been a means of last resort for the EU after previous attempts at state-building and democracy promotion appeared to have failed. Yet, the different trajectories of the seven Western Balkan countries (including Kosovo) cast some doubts on whether the 'golden carrot' alone is big enough to overcome domestic resistance against democratic change, on the one hand, and come to terms with problems of deficient state capacity and contested statehood, on the other (Börzel 2011).

We do not wish to argue that membership is irrelevant. However, it may well be that good governance is an important scope condition for the membership perspective to make a difference. Non-democratic and weak states face enormous misfit causing costs of change that are highly unpopular or threaten the power

2 Among the countries officially listed by the European Commission as participating in the ENP, we focus on six Eastern and seven Southern neighbors: In the East, we include all six ENCs in our investigation, namely Armenia (ARM), Azerbaijan (AZE), Belarus (BLR), Georgia (GRG), Moldova (MLD), and Ukraine (UKR). Regarding the Southern ENCs, we include Algeria (ALG), Egypt (EGY), Jordan (JOR), Lebanon (LEB), Morocco (MOR), Syria (SYR), and Tunisia (TUN) as seven Arab authoritarian regimes that have always been integrated into the EU's Mediterranean policy. We exclude Israel and Palestine, because they clearly have a status apart from the other Southern neighbors, which is not only due to the ongoing Middle East conflict. Israel has much higher levels of socio-economic development and democratic quality than the other Mediterranean neighbors and Palestine is simply not yet a state. We also exclude Libya, because the EU had sanctions in place until 2004 and since then, the EU and Libya have only slowly proceeded in establishing bilateral relations comparable to those with other Southern ENCs, clearly limiting any impact the EU might have had on domestic change.

of incumbent regimes. There are no liberal reform coalitions the EU could empower either. Finally, even if there was the political will to engage in domestic reforms, limited statehood seriously undermines the capacities to implement them. Conditionality is unlikely to work, since membership is too far away to provide credible and sizeable incentives for incumbent elites. More importantly, the EU is unlikely to provide a *credible* membership perspective in the first place. It recognized the Western Balkan countries as potential candidates despite, or rather because of their low levels of statehood and democracy. Yet, only Croatia, which has closed in with Bulgaria and Romania by now, has substantially progressed to stand a realistic chance to join the EU in the next years to come.

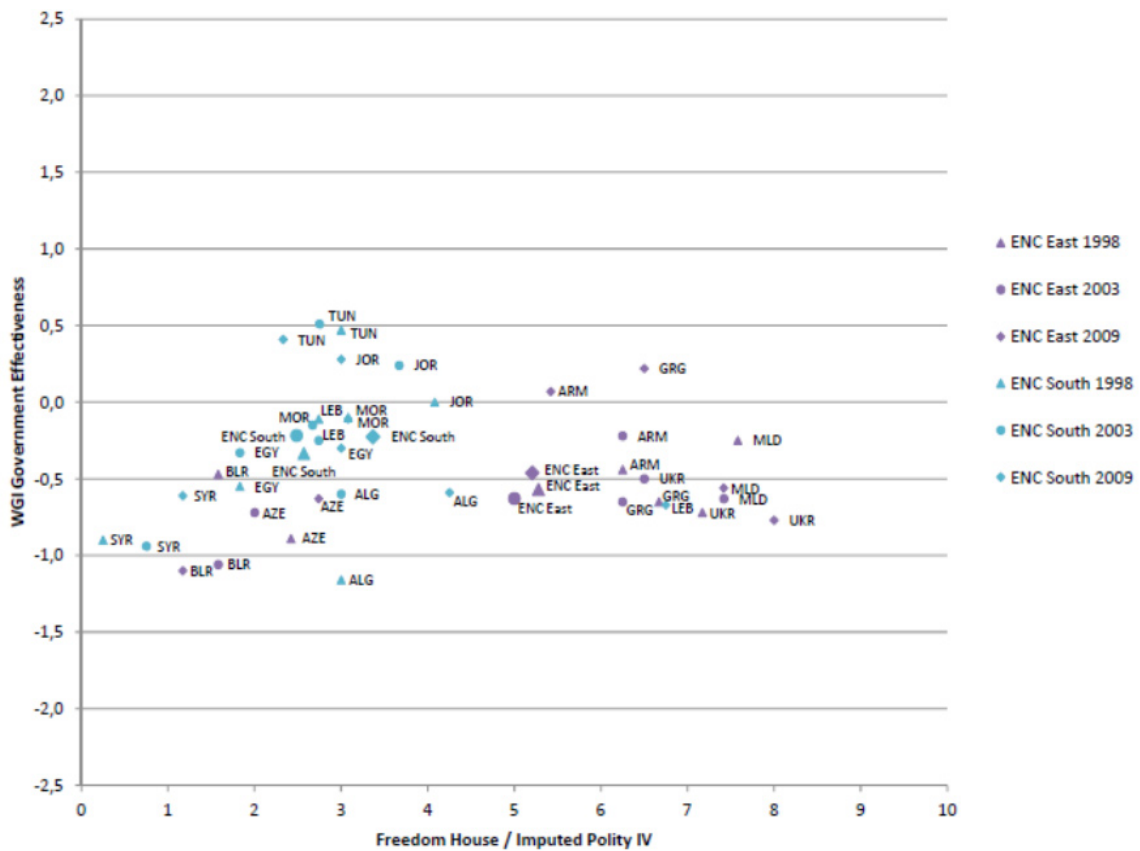
Marked by bad governance, membership is neither in the cards for the ENCs nor likely to make much of a difference since the ENCs lack endogenously driven processes of democratic change the EU could help consolidate.³ The question then arises whether the new ENP provides an alternative. After all, we do observe costly domestic change in line with the EU's demands for good governance in Turkey, the Ukraine, or the Southern Caucasus, which have no (credible) membership perspective (Börzel/Pamuk 2011; Gawrich et al. 2009; Yilmaz 2011). The next section zooms into the ENCs to explore alternative mechanisms of promoting good governance. On average, the seven Arab regimes in the Mediterranean, the three Western Newly Independent States and the three Southern Caucasus countries show little progress towards good governance. Yet, when zooming in, we find a much more nuanced picture within the European neighborhood.

3. Zooming into the European Neighborhood: Going Against the Tide?

As we have already seen, there are diverging trends regarding democracy in the neighborhood: While the Southern ENCs show on average a slight increase, the democratic quality of governance in the East rather declines, albeit at a significantly higher level than in the South. At country level, however, the variation over time is more significant for most countries and cuts across regional trends. There is hardly any change in the bureaucratic quality in both regions. The little variation we see on average is only carried by three countries in the South and one in the East while for all others, the bureaucratic quality remains constant over time. The indicator was valuable for a comparison between regions, but if we want to compare across countries, we need to switch to a more fine-grained indicator for the effectiveness of governance. Zooming into the European neighborhood, we therefore now turn to the 'World Bank's Worldwide Governance Indicator for Government Effectiveness' that highly correlates with the data used above but paints a more nuanced picture for the ENCs for the period of 1998-2009 (figure 2 on page 12).

3 The 'Arab Spring' has definitely opened a window of opportunity for domestically driven democratic change in the Southern Mediterranean, but as of October 2011, the outcome of regime change in Egypt, Libya, and Tunisia and the impact of democratic uprisings in other countries in the region on democratization is still open.

Figure 2: Democracy and Statehood in the European Neighborhood (1998-2009)



Source: based on the 'Freedom in the World Index' (Freedom House), the 'Polity Score' (Polity IV), and the 'World Bank's Worldwide Governance Indicator for Government Effectiveness' (World Bank).

Focusing on the patterns of change towards more or less democratic and effective governance, we identify four groups of ENCs (table 1 on page 13): First, countries moving away from the EU's ideal of good governance with decreasing levels of both democratic quality and effectiveness; second, countries with a decreasing democratic quality but which still manage to increase effectiveness and consolidate statehood; third, countries with the opposite trend towards more democratic but less effective governance; and fourth, countries that show progress on both dimensions, with increasingly legitimate and more effective governance. Interestingly, these trajectories cut across the two regions and are not systematically linked to the (initial) levels of democracy and statehood in the individual countries.

Table 1: Patterns of Change in Governance in the ENCs 1998-2009 (FH/PIV)

democratic effective	less	more
more	(2) Armenia, Georgia, Jordan	(4) Algeria, Azerbaijan, Egypt, Syria
less	(1) Belarus, Moldova, Morocco, Tunisia	(3) Lebanon, Ukraine

(1) Failing authoritarian states?

Four ENCs from the East and the South are marked by a decline in both dimensions of good governance: Belarus, Moldova, Morocco, and Tunisia score worse on both indicators of effective and democratic governance in 2009 than they did in 1998, albeit to very different degrees. Regarding bureaucratic quality, the magnitude of change varies significantly, with only a minor decrease in the case of Morocco and Tunisia and a major decline in the cases of Moldova and especially Belarus. Changes in the democratic quality also vary. While Morocco show almost no and Moldova only little change, the decline is much more pronounced in Belarus and especially Tunisia. We see the same pattern of change at very different levels of democracy and statehood. Levels of democratic quality are relatively high in Moldova and extremely low in Belarus, going even well below the average of the ENCs South, and Tunisia has a much higher level of bureaucratic quality than the other three and in fact all of the other ENCs. As Morocco and especially Tunisia start from relatively high levels of statehood and only experience a minor decrease in that dimension, they rather belong to the second group of consolidating authoritarian states.

(2) Consolidating authoritarian states?

For Armenia, Georgia, and Jordan, change in the two dimensions of governance diverged between 1998 and 2009 with a trend towards more effective but less democratic governance. The decrease in democratic quality is most pronounced in Armenia and Jordan, whereas the level is much more stable in Georgia. At the same time, Georgia makes the biggest leap towards more effective governance in the region, but by 2009, all three countries are well above their regional averages. Again, we see similar trajectories at very different (initial) levels.

(3) Failing democratic states?

Only two of the ENCs gain democratic but lose bureaucratic quality from 1998 to 2009: Lebanon in the South and Ukraine in the East. While the loss of bureaucratic quality is significant for Lebanon, it is marginal for Ukraine. Improvements in democratic quality are important for both countries, but the major increase in Lebanon is mainly due to measurement of one component, switching from an imputed to a proper 'Polity Score' in 2005 after 20 years of an 'interregnum' and 'interruption' period.

(4) Consolidating democratic states?

Finally, Algeria, Azerbaijan, Egypt, and Syria move into the same direction as Turkey and the Western Balkan countries, improving on both dimensions of effective and democratic governance. While the magnitude of change varies between these countries, they have in common that they all started from very low levels of both effectiveness and in particular democratic quality of governance. Algeria makes the biggest leap in both dimensions: in bureaucratic quality in particular between 1998 and 2003 and in democratic quality in particular between 2003 and 2009. While it remains far below the Southern average of effectiveness, it almost reaches the Eastern ENC's averages. Changes in both dimensions are much smaller in Azerbaijan and Egypt. While Syria experienced a significant move towards more effective governance, its democratic quality remains at an extremely low level in 2009, despite some improvement since 1998.

In sum, the different patterns of change cut across the two (sub-)regions and show no systematic relation with the initial levels of democracy and statehood and the magnitude of change. Zooming into the European neighborhood reveals significant variation across countries and more diverse variation over time than focusing on average scores of effective and democratic governance in the region suggests. If the EU and its ENP have an effect on (good) governance in its near abroad, it is clearly differential. If the EU is strongest in helping to stabilize ongoing change, it finds few endogenous dynamics towards more legitimate and effective governance that it could support. As a 'stabilizing power', it might rather consolidate negative developments in the region in line with its overall focus on stability. How can we account for the three country patterns that cut across the Southern and Eastern neighborhood? Are they the result of a differential treatment by the EU or do they rather reflect domestic developments?

4. EU External Governance – Does it Make a Difference?

The EU has developed a 'one-size-fits-all' institutional framework for promoting good governance in its external relations with (neighboring) countries (Börzel et al. 2007). The ENP brings together pre-existing policy frameworks which have, however, always relied on similar instruments and highly standardized provisions in line with the EU's global policy on human rights, democracy, and good governance. The Euro-Mediterranean Association Agreement (EMAA) in the South and the Partnership and Cooperation Agreement (PCA) in the East form the legal basis for political dialogue and democratic conditionality. The EU can provide capacity-building through various external cooperation programs. The European Neighborhood and Partnership Instrument (ENPI) has replaced the former (sub-)regional programs Technical Assistance to the Commonwealth of Independent States (TACIS) and *Mésures d'accompagnement financières et techniques* (MEDA) in 2007. In addition, the ENCs are eligible to a number of thematic programs such as the European Initiative for Democracy and Human Rights (EIDHR, 2000), Twinning (2003), and Technical Assistance and Information Exchange (TAIEX) (2006). The EU has never established a joint multilateral framework for all ENCs. Instead, the Euro-Mediterranean Partnership (1995) and more recently the Union for the Mediterranean (2008) co-exist with the Eastern Partnership (2009).

While the EU has developed a common institutional framework, it treats countries differently in the implementation (Börzel et al. 2008). This differentiation can take place in the content and objectives of specific measures, for instance focussing in one country on the fight against corruption and in another country on the respect for human rights. More fundamentally, the EU adjusts the depth of bilateral relations as part of its political conditionality, using the exclusion and inclusion into its policy framework as sanctions and rewards vis-à-vis individual countries. Thus, Syria and Belarus, which can be considered as the ‘bad guys’ of the ENCs, are the only ones which are not fully integrated into the institutional framework of the ENP as a result of EU sanctions (negative ex-ante conditionality). Neither the EMAA negotiated with Syria in 2004 and renegotiated in 2008, nor the PCA signed with Belarus in 1995 are currently in force. Although a PCA was signed in 1995, it never entered into force due to the authoritarian backlash under Alexander Lukashenko around 1996 (Mihalisko 1997). Similarly, the EU refused to sign the EMAA negotiated with Syria in 2004 because of the regime’s role in the Middle East conflict, and, despite a renegotiation in 2008, the signature is still pending (European Commission 2008). Azerbaijan and Egypt score almost as low on statehood and democracy as Belarus and Syria, however, their PCA/EMAA with the EU are in force and they participate fully in the ENP. They have developed Action Plans with the EU and benefit from all forms of technical and financial assistance, including the TAIEX and Twinning Programmes of the EU. This differential treatment cannot be explained by different trajectories because Syria, Egypt, and Azerbaijan all move slowly towards more effective and democratic governance while the opposite is the case for Belarus. So have Lebanon and Moldova without being downgraded in their relationship with the EU.

The EU is as inconsistent in rewarding progress as it is in punishing the lack thereof. The two ‘poster children’ of the ENCs, Morocco and Ukraine, were the first neighbors that have been elevated by the EU moving bilateral relations beyond the standard institutional framework of the ENP. In 2008, the EU and Morocco adopted a joint document establishing Morocco’s “*statut avancé*” in Euro-Mediterranean relations and serving as a road map for cooperation, complementing the EMAA and the European Neighborhood Policy Action Plan (ENP AP). In a similar vein, the EU and Ukraine agreed in 2009 on an “Association Agenda”, replacing the ENP AP in preparation of a new association agreement. Yet, despite the Orange Revolution in 2004/2005, Ukraine has not significantly progressed, neither with regard to statehood nor democracy. Nor has Morocco, which has rather regressed in both dimensions. Likewise, Georgia has made some significant progress in statehood but not in democracy, however, it is treated by the EU and US as an anchor for democracy in Russia’s near abroad (van Hüllen/Stahn 2009). Other countries that also have substantially improved in statehood and at least not declined on democracy have not received similar rewards. Interestingly, Algeria is the ENC that has improved most in statehood and democracy since the late 1990s. At the same time, it is the only Southern ENC with an EMAA in force that has kept its distance to the ENP, refusing to engage in the benchmarking and monitoring exercise of ENP AP and progress reports (Papadimitriou/Phinnemore 2003).

Overall, there is no consistent differentiation of the EU’s approach on the basis of different levels of democracy and statehood or the direction and magnitude of changes therein. While the EU might consider these factors for some countries, in other cases the EU’s differential treatment rather seems to be guided by geostrategic and economic interest, such as energy security in case of Azerbaijan (Börzel et al. 2008) and the (diverging) roles of Syria and Egypt in the Middle East Conflict (Youngs 2009a). As we have already seen, the different country patterns of change do not correlate with particular levels of statehood and

democracy either. The ENCs vary significantly in the effectiveness and democratic quality of their governance institutions both in line with and going against the regional trend (see above). This is because their trajectories are driven by domestic factors that are largely contingent and have hardly been influenced by the EU and its Neighbourhood Policy. In a first assessment of domestic developments and the EU's role, we discuss the driving forces behind major changes in statehood (Algeria, Belarus, Georgia, Lebanon, and Moldova) and the significance of improvements of democratic quality (Algeria, Azerbaijan, Egypt, Lebanon, Syria, and Ukraine).

The major decrease in government effectiveness in Lebanon is due to the resurgence of violent conflict in the aftermath of the assassination of Rafiq Hariri, Prime Minister of Lebanon, in 2005, marked by the Israeli-Lebanese war in 2006 and domestic violence surrounding the succession of Michel Suleiman to Emil Lahoud as President in 2008. In Moldova, the frozen conflict over Transnistria, where a Russian minority seeks secession to join the neighboring motherland, does not only challenge the monopoly of force of the Moldovan state but also undermines its overall stability. While the EU is certainly not responsible for the decline of statehood in the two countries, its attempts at conflict resolution in the context of the ENP have not made much of a difference either (Giandomenico 2012). Conversely, Algeria significantly improved in statehood when the civil war ended in 2002 and (political) life slowly returned to normal over the following years. The EU had remained conspicuously passive after the 1992 coup interrupting the electoral process in Algeria, and negotiations for an EMAA with Algeria were only suspended temporarily in 1997-1999 in light of the political situation and in particular the increased violence (Hugh 2002). However, bilateral relations with the EU have strengthened again in the post-conflict period, with the conclusion of the EMAA in 2002 and increased capacity-building under MEDA, especially since 2004. The EU has certainly not played a major role in ending the civil war, allowing the Algerian regime to govern more effectively again, but it might have supported the process of slowly consolidating statehood. The influence of external actors on the increase of government effectiveness is more obvious in Georgia, where pressure and assistance by the EU and other donors supported the Saakashvili regime in its fight against corruption (Börzel/ Pamuk 2011). Conversely, EU sanctions might have contributed to the loss in statehood of Belarus, even though this would have been an unintended consequence; the EU seeks to punish the low democratic quality of Belarusian governance institutions rather than undermining their effectiveness (van Hüllen/Stahn 2009). Turned positively, the Belarusian case could be interpreted as the absence of the EU's otherwise positive impact, as Belarus does not benefit from similar levels of capacity-building and is excluded from several EU programs such as TAIEX and Twinning. This would suggest that the EU indeed contributes to the overall positive trend for government effectiveness in the region, at least in those countries where it deploys its entire means at promoting effective governance and which do not face major challenges to statehood in the form of violent conflict.

Increases in the democratic quality of the incumbent regimes in Algeria, Azerbaijan, Egypt, Lebanon, Syria, and Ukraine are overall modest and clearly endogenously driven. Especially for Azerbaijan, the improvement over time is hardly significant. Improvements in Syria and Egypt start from extremely low levels and even after ten years of steady improvement, Syria still scores worst on democratic quality in the EU's neighborhood. As mentioned before, the significant increase in Lebanon is rather due to changes in measurement than due to actual improvements on the ground. This leaves Algeria and Ukraine. For Algeria, the improvement at very low levels has to be placed against the background of the end of violent conflict

around 2002. It has allowed the restoration of Algerian political institutions, including elections, which largely explains the improvements in democratic standards in Algeria. In addition, political rights and civil liberties are no longer overshadowed by the threat of domestic violence, reviving pluralism in media, civil society, and political participation. Algeria has been very cautious in actively engaging in the ENP, including parts of the EU's policy for promoting good governance (Papadimitriou/Phinnemore 2003), so the EU's role is at best weak. The effect of the ENP on democratization in Ukraine is equally weak and indirect. The democratization process in the Ukraine is endogenously driven. However, membership aspirations of pro-Western governments have made the EU an anchor for democratic reforms (Youngs 2009b), at least until Viktor Yanukovich took office in 2010, which has resulted in a democratic relapse. The Orange Revolution in 2004/2005 has led to a democratic breakthrough and the EU has not succeeded in reinforcing or stabilizing the democratic momentum of the color revolutions.

5. Conclusion

Despite its normative aspirations, the EU has sought to export security, stability, and economic prosperity rather than democracy to its Southern and Eastern neighbors (Börzel 2010; Schimmelfennig/Scholtz 2009; Youngs 2009a). The ENP can be considered a success in this regards, at least until recently. With a few exceptions, the ENC's have increased the effectiveness of their governance institutions. The stalling or recess of their democratic quality certainly contradicts the EU's goal of democracy promotion, but might be an unintended consequence of prioritizing stability over regime change. The EU cooperates with governments to strengthen the effectiveness of state institutions rather than cooperating with the opposition and civil society to enhance the democratic legitimacy of those institutions. In any case, the changes that go against this regional trend have been largely unrelated to the EU's good governance promotion. Thus, if the ENP has a domestic impact, it appears to stabilize rather than transforming existing governance institutions (Börzel 2010; Youngs 2001). In the case of the CEEC, the EU stabilized democracy because the governments with which the EU cooperated were already well advanced on their path towards becoming consolidated democracies. In the ENC's, by contrast, the EU has consolidated autocracy because the governments with which it cooperates did not engage in democratic change in the first place. As a result, EU's capacity-building has strengthened the effectiveness of non-democratic regimes and helped to improve their output legitimacy. The recent breakdowns of the authoritarian regimes in Tunisia, Egypt, and Libya happened less because but rather despite the EU's attempts to prevent political instability producing negative externalities, such as uncontrolled migration or energy insecurity.

It is far too early to tell whether the recent developments will reverse the regional trend in the Southern neighborhood leading to more democracy; it certainly means less stability, at least in the short run. The current democratic uprisings stand in stark contrast to the regional trend towards consolidating authoritarian states in the European neighborhood. Despite great hopes for political transformation after the end of the Cold War, the Eastern ENC's got stuck in transition and recently experience a back sliding in democratic standards – not only in Belarus, but also in Ukraine and Georgia after the color revolutions. It remains to be seen whether the breakdown of authoritarian regimes results in substantial and lasting democratic transitions ending the persistence of authoritarianism in the Middle East and North Africa. In any event, the ENP

has little to do with the current changes in the Arab world. The European Commission itself has acknowledged its failure in the Southern neighborhood apologizing that “Europe should have backed democrats not dictators”⁴ and promising “a sea change” to the ENP. Whether “greater differentiation” and “stricter conditionality” are enough of a “radical reform”⁵ to turn the ENP into a viable approach for the promotion of both effective *and* democratic governance, remains to be seen.

The initial refusal of the EU to impose sanctions on Libya and Syria to prevent the massive violence by which Gaddafi and Assad have sought or still seek to suppress the pro-democracy upheavals against their regimes once again demonstrates the EU’s inclination to prioritize stability over democracy. So does the attempt of the EU to come up with a coordinated response to the democratic changes in North Africa and the Middle East. While EU assistance shall focus on “deep democracy building”, including electoral reform, support for civil society, construction of an independent judiciary and a free press and media, and the fight against corruption, the preparations for Tunisia seem to indicate that the EU is most likely to concentrate on effective rather than democratic governance, particularly in the area of economic development and border control (Phillips 2011). This is certainly the case for its new energy strategy by which the European Commission seeks to negotiate energy contracts with third countries on behalf of the EU, including Tunisia, Libya, Egypt and Syria, and for which Energy Commissioner Oettinger made it very clear that the lack of democratic quality would not be an issue (Popp 2011).

In other words, the transformative power of Europe is not (only) curbed by the lack of a membership perspective for its Eastern and Southern neighbors, but by the EU’s preference for stability over transformative change.

4 Stefan Füle, EU Commissioner responsible for Enlargement and European Neighbourhood Policy, quoted in: Saatcioglu 2010.

5 Natasha Butler, Commission spokeswoman, quoted in: Söderbaum 2004.

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