

# DEMOCRACY'S PLIGHT IN THE EUROPEAN NEIGHBOURHOOD



# DEMOCRACY'S PLIGHT IN THE EUROPEAN NEIGHBOURHOOD

## STRUGGLING TRANSITIONS AND PROLIFERATING DYNASTIES

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Cover photo: Taken by Serouj on the fifth day of Armenian presidential election protests, the photo shows a peaceful rally at the Opera (Freedom) Square in Yerevan, 24 February 2008.

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## PREFACE

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In recent years many analysts have focused their attention on an apparent 'backlash' against democracy and democracy promotion. Worldwide there is now a widespread contention that new challenges and obstacles have arisen to further progress in democratisation. FRIDE and CEPS have previously cooperated on exploring the general nature of the 'backlash'.<sup>1</sup> In this volume we turn to a more specific European neighbourhood focus, and explore the general issues relating to democracy's travails in more detail in the countries to the south and east of the European Union.

The underlying question is whether, in an era of democratic pessimism, the European neighbourhood can offer any more optimistic conclusions. Parts of the region remain subject to the gravitational pull of the basic democratic values and fundamental freedoms at the heart of the European Union. Yet even here there are uncertainties over the strength and extent of this pull factor. In the Balkans there remain serious obstacles to achieving well-functioning democratic governance systems, even among new member states such as Bulgaria and Romania. While the European neighbourhood policy proclaims its objective to widen the democratic space beyond its frontiers, and countries such as Georgia and Ukraine have manifest European ambitions, the EU's unwillingness to extend official membership perspectives dampens the incentives for democratic reforms. The 'colour revolutions' have become disappointing experiences. The EU itself suffers from acute problems of reconciling its enlargement and deepening with democratic legitimacy. This dampens the credibility of further expansion. In the EU's Southern Mediterranean neighbourhood, there have been attempts by France to re-energise the Barcelona process, but here securitisation appears to be the pre-eminent dynamic.

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<sup>1</sup> P. Burnell & R. Youngs (eds), *Democratisation's New Challenges*, London: Routledge, 2009, forthcoming.

In this context we asked a group of experts to write short essays covering fifteen different case studies from across the neighbourhood region, assessing a common range of questions:

1. Is democratisation now in retreat, or just stagnating? Do we risk exaggerating the importance of recent setbacks? Why did the colour revolutions in Eastern Europe stumble, rather than lead to a cascade of imitators?
2. What is happening to the normative appeal of democracy? Are there emerging ideological competitors to liberal politics? Do serious, sustainable alternatives to democracy exist?
3. What is the changing impact of certain structural factors, such as the perceived threat of radical Islam in countries of Muslim culture, corrupt state capture, energy resources and rent-seeking behaviour, and the movement towards multipolarity? How does the financial crisis impact on political trends?
4. How have external democracy promotion efforts evolved and been received? Is international democracy promotion running out of steam?
5. Is the influence of the 'Europeanisation' process on democratic practice still advancing? What has been the impact of the slowing of the EU's enlargement process, alongside the limited scope of its neighbourhood policy?

Our chapters address these specific questions in three groups of states. First, those countries in or close to the European Union: Bulgaria, Romania, Serbia and Turkey. Second, states of the former Soviet Union: Georgia, Ukraine, Armenia, Moldova, Russia, Azerbaijan, Kazakhstan and Belarus. Third, three Arab states of the southern Mediterranean: Morocco, Algeria and Egypt.

We have leant heavily on our authors to offer short and sharp essays that hone in directly on the most pertinent recent developments and policy implications for European democracy promoters. We are honoured as editors to have been able to assemble a group that includes experts renowned for the analysis of their respective countries. Our aim has been to benefit from this wealth of experience and knowledge to offer accessible accounts to policy-makers and those interested in the general political challenges that today beset the European neighbourhood.



As will become apparent, our case studies offer no simple, uniform answers to these questions. In an introductory overview, Michael Emerson draws out some of the key points of comparison across our case studies in an attempt to respond to the questions we set our authors. In particular, he distinguishes between those countries struggling with democratic transition, on the one hand, and those more deeply resistant to democratic norms, on the other. The headline conclusions are that very different dynamics are at work in different parts of the neighbourhood; the EU's traction is diminishing in some places but offers under-utilised potential in others; and that broader factors such as the financial crisis may still ultimately have positive or negative effects on democracy. The initial overview chapter draws out some pointers for future European policy. But we offer no simple prescription. We hope that the reader takes from the accounts offered by our team of experts a realisation that overly dramatic interpretations of current events are best resisted.

Richard Youngs



# 1. THE LONG AND HAZARDOUS ROUTE TO DEMOCRACY: INTRODUCTION AND CONCLUSIONS

*MICHAEL EMERSON*

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This book is a sequel to *Democratisation in the European Neighbourhood*, published by CEPS in 2005,<sup>1</sup> at the time of the so-called ‘colour revolutions’, which were just unfolding in Georgia (rose), Ukraine (orange), Lebanon (cedar) and even in Kyrgyzstan (tulip). There was also talk of democratic ‘springs’, if not revolutions, in countries such as Egypt and Syria. These movements received sufficient media attention to make the ‘colour revolution’ language take off as a powerful political idea, to the delight of democrats worldwide and to the consternation of authoritarian leaders.

Our book of 2005 even concluded:

In the European neighbouring regions from the former Soviet Union states to the north and the Arab world to the south there develops a fresh momentum to the democratic transition, with apparent contagion of ideas and revolutionary behaviour in which 2004-05 may mark the beginning of something reminiscent of major historical episodes on the European continent such as 1789, 1848 and 1989.<sup>2</sup>

These conclusions turned out to be a little premature at best. The colour revolutions have disappointed to say the least, and a powerful

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<sup>1</sup> M. Emerson (ed.), *Democratisation in the European Neighbourhood*, CEPS Paperback, CEPS, Brussels, 2005.

<sup>2</sup> *Ibid.*, p. 12.

counter-attack has been mounted by the authoritarian leaders, led explicitly by Vladimir Putin in Russia, and followed in less obvious ways elsewhere. One of the contributors to our 2005 book, however, Ghia Nodia from Georgia, was even then sober and prescient enough to have warned that “Georgia may become a kind of banana republic where every ruler is accused of authoritarianism, to be removed through a ‘revolution’ by another ruler who then recreates the system in a somewhat different style”.<sup>3</sup>

Political scientists have attempted to capture these swings in the apparent fortunes of the democratic cause, with titles that caught the mood of the day, ranging from *The End of History* by Francis Fukuyama<sup>4</sup> to “The End of Transition”<sup>5</sup> and “The Democracy Backlash”<sup>6</sup> of Thomas Carothers. The scholarly debate has come a long way since the optimistic teleology of Fukuyama’s *End of History*. While his hubris was soon discredited, there remained an optimism among analysts in the 1990s that the ‘democratic community’ was set on a course of steady incremental expansion. In recent years this view has come to be questioned as the facts suggest the need for more sober reflection. The world’s most respected democracy experts have dissected the ‘democracy backlash’ (Carothers) or ‘rollback’ (Diamond).<sup>7</sup> They have pointed to a range of disquieting trends: a stalling of the ‘third wave’ expansion of democracy; the increased skill and determination of autocrats to neutralise democracy support; the prospect of other political systems performing better than democracy on development goals and consequently gaining more legitimacy; and the West’s loss of power to influence democratic reform around the world.

A new book, edited by Peter Burnell and Richard Youngs,<sup>8</sup> sets out a critical assessment of the ‘democracy backlash’ proposition. The work of a

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<sup>3</sup> Op. cit., p. 3.

<sup>4</sup> F. Fukuyama, *The End of History and the Last Man*, New York: Free Press, 1992.

<sup>5</sup> T. Carothers, “The End of the Transition Paradigm”, *Journal of Democracy*, Vol. 13, No. 1, January 2002, pp. 5-21.

<sup>6</sup> T. Carothers, “The Backlash against Democracy Promotion”, *Foreign Affairs*, March/April 2006.

<sup>7</sup> L. Diamond, “The Democratic Rollback”, *Foreign Affairs*, March/April 2008.

<sup>8</sup> P. Burnell & R. Youngs (eds), *Democratisation’s New Challenges*, London: Routledge, autumn 2009, forthcoming.

group of democracy experts here concludes with a plea for a more nuanced understanding of the current challenges to international democracy. In debating the 'backlash', care must be taken to distinguish between factors of an underlying structural nature and those linked to, say, the changeable policies of successive US administrations. Different factors are at work: an apparent rise of competing ideologies for democracy; multipolarity; smarter authoritarian techniques to resist democracy support; and a post-Iraq delegitimisation of democracy promotion. Overall the trends are mixed, with some notable democratic regressions existing alongside other states making notable progress towards democratic consolidation. It is not true that the current challenges to democracy are unprecedented. One must not generalise from the singular factor of Russia's reaction to the colour revolutions – often what people have in their mind when they refer to the backlash. Polls show that citizens across the world continue to seek more participatory and open governance. It is doubtful whether Russia, China or political Islam present ideological alternatives to democracy that gain wide support and aspiration. Whether the financial crisis will boost or hinder democratisation also remains uncertain. In short, there are serious challenges, but their nature and extent vary between regions and countries.

It is this conclusion that inspired us to delve deeper into the dynamics that prevail more specifically within Europe's neighbourhood.

Our starting assumption is that the process of achieving democracy is in any case a long and hazardous one, which in many European countries took one, two or even three hundred years to mature. While history may appear to have been accelerating under the impact of economic integration, the mobility of people and modern communication technologies, it remains true that democratisation is tied up with the deepest of societal developments over generations.

We have attempted to draw out of recent and current developments a set of narratives from fifteen case studies in three primary political regions: states in or closest to the European Union, states of the former Soviet Union and states of the Arab world. Each of these reveals something about the fundamentals of democratisation's uneven course in the European neighbourhood. It is a story that is far from monolithic, and also far from 'the end' of anything. From these studies there is ample confirmation that democratisation is invariably a long struggle, over decades and even generations. For this reason it may be useful to begin with a short reminder of the historical emergence of democracy in Europe, from ancient Greece

two millennia ago to the more recent political history of Europe since the 17<sup>th</sup> century.

### **Historical perspectives on the emergence of democracy in Europe**

Contemporary political experiences in the European neighbourhood confirm that democratisation is a process deeply bound up with the foundations of political culture and societal identity, and that the challenges to democratic reform are formidable where these foundations of democracy are weak, or only newly born, or even virtually non-existent. If Europe stands for a strongly entrenched but diversified model of democracy, and seeks to promote the extension of democratic practice into its near neighbourhood and beyond, it is reasonable to ask how Europe itself became democratic, over what time horizon and with what kind of dynamics.

The democracy of Athenian Greece began with a popular uprising against the rulers in 508 BC and an effective regime change. This led to developments in political philosophy and practice to the point where the word 'democracy' was invented. The ideals of that time included personal freedoms and equality before the law, the election and rotation of public offices, public assemblies that could exercise direct democracy, the supreme authority of the courts of law and the avoidance of corruption. Nonetheless democracy was still a controversial proposition, contested by Plato, who preferred the 'philosopher king' model. Aristotle for his part was prescient in his portrayal of political dynamics, which finds some echoes in current experiences of the post-communist transition:

When there came to be many men alike in their excellence, they ceased to put up with kingship and instead, seeking something shared, established a polity. As they became worse and began to make a profit from common affairs, oligarchies arose, for they made wealth something honorable. Then these oligarchies changed first into tyrannies, and from tyrannies into democracies. For by always bringing power to ever fewer people in search of base profit, they made the multitude stronger, which attacked [the ruler], and democracies arose. Now that city-states have become

even larger than before, it is not very easy for any system of government but a democracy to come into existence.’<sup>9</sup>

The reputation of Athenian democracy passed into the lasting political awareness of Europeans as soon as the continent emerged from its dark ages, when classical studies became the essence of higher education under the Renaissance.

Ancient Rome made its contribution too, with for example Marcus Aurelius advocating a polity that assured equality of rights and freedom of speech. He advocated ‘kingly’ government, however, which respected the freedom of the governed. Both Plato and Marcus Aurelius were thus advocating regimes that emphasised respect for the equality and civil liberties of the people, without democracy, however, which risked degenerating into a tyranny of the people.

The first democratic political event recorded in Europe after the dark ages of the first millennium was at Uppsala in Sweden in 1018, where an assembly established the principle that the power of the king resided with the people; in this case the people were rejecting the king’s request to go to war with Norway. The first legal basis for human rights in Europe was the English Magna Carta of 1215, and later the Habeus Corpus Act of 1679 and the Bill of Rights of 1689. In the late 17<sup>th</sup> and 18<sup>th</sup> centuries there were contrasting developments. England was progressively curtailing the power of the monarchy versus the parliament, with supporting philosophical contributions in favour of liberty and human rights published by John Locke. The Polish-Lithuanian Commonwealth established the first constitution in 1697. The city states of Italy, Switzerland and the Hanseatic League tended more towards oligarchic government. Machiavelli argued in support of civil liberties to limit the power of the Roman Catholic Church and the Pope. The French Enlightenment, led by Voltaire who had been influenced by John Locke during a stay in England, was struggling against feudalism, absolute monarchy and also the power of the Church. Voltaire’s advocacy had a wide reach across the continent, and he served as political adviser to Frederick the Great, King of Prussia, also influencing Catherine

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<sup>9</sup> Aristotle, “Politics”, ref 1244, 11-12, text in English reproduced in Thomas R. Martin, with Neel Smith & Jennifer F. Stuart, *Democracy in the Politics of Aristotle*, edition of 26 July 2003 ([http://www.stoa.org/projects/demos/article\\_aristotle\\_democracy?page=10&greekEncoding=](http://www.stoa.org/projects/demos/article_aristotle_democracy?page=10&greekEncoding=)).

the Great in St Petersburg. He advocated civil liberties and the rule of law, but not democracy, for this was the time of the 'enlightened despot'.

The breakpoint then came with the wave of violent revolutions and regime changes, led by the French Revolution of 1789 with the guillotining of the monarchy, alongside the American Revolution that cut away from the King of England and established a republican constitution in 1788 and a Bill of Rights in 1791. De Tocqueville provided intellectual and ideological linkages between Europe and the new United States, publishing his "Democracy in America" in two volumes in 1835 and 1840. In the first half of the 19<sup>th</sup> century Europe saw repeated waves of revolutionary violence aiming at varying blends of political liberties and independence. John Stuart Mill's tract "On Liberty", published in 1859, was an influential philosophical contribution. From then on until the First World War there was a broad sweep of political developments, ranging from extension of the right to vote to expansion of the power of parliaments, as the bourgeoisies of Europe grew in their power and determination to be represented at the time of industrial revolution. This even spread to Russia, where the absolutist tsarist monarchy gave way to an alliance of bourgeoisies and aristocrats that pressed for and secured a first parliament (the first Duma) in 1906 in a protest against the scandalous clique of oligarchs that were colluding with Rasputin to influence the tsar. But this was too little and too late. The Bolsheviks wanted stronger stuff and got it.

The fragile European democracies of the post-First World War period were vulnerable to the social tensions created by the Great Depression, and so arose the forces of fascist totalitarianism in Germany, Italy, Spain and Portugal, paralleling the grip of communist totalitarianism in the Soviet Union.

And so on into the post-Second World War period, with the cause of democracy and human rights led first by the Council of Europe, establishing the Convention on Human Rights and Fundamental Freedoms and the Court of Human Rights in Strasbourg in 1948. The European Conventions were largely following the UN Declaration of Human Rights of 1947, but with the crucial difference that Europe created a supreme court enabling the individual to take his state to court over infringements of his rights, with its judgments having binding supranational force.

Unlike human rights, democracy remained uncodified. However, when it came to the enlargement of the European Union to include post-communist states, something systematic had to be done. The EU's



'Copenhagen criteria' adopted by an EU summit (in 1995) stipulated that the new member states would have to demonstrate their commitment in theory and practice to the principles of democracy, human rights and the rule of law. This led to the long and arduous process of accession negotiations, with the Commission publishing regular reports on the performance of the applicant states according to a grid of institutional tests, with a certain model of democracy having de facto to guide the pen of the drafters of the Commission's assessments. This exercise seems to correspond to the dictum that democracy is impossible to define, but one can recognise it when one sees it, just as one can recognise undemocratic practice. Important supporting contributions are being made by international NGOs, such as Freedom House, which publishes an exhaustive "Nations in Transit" annual volume for all European and Central Asian former communist states, with quantified gradings according to an extensive definition of democracy under: *Electoral process, Civil society, Independent media, National democratic governance, Local democratic governance, Judicial framework and independence, and Corruption*.<sup>10</sup> While this NGO is supported by the US government, Europeans find no reason to dissent from the content of its work, which implies a trans-Atlantic consensus over the meaning of democracy.

While these developments in the EU have been driven by concern for the new post-communist democracies, it should be remembered that not all the old democracies of the EU are always in complete conformity with the European democratic model under any of its variants. In the 1990s a neo-fascist party in Austria led by Jorg Haider did alarmingly well in the polls and entered a coalition government. The EU was so concerned that it devised an amendment to the treaties, creating a procedure under which a member state deviating grossly from European political norms and values could have its voting rights in the Council of Ministers suspended. The Berlusconi regime in Italy is coming under criticism inter alia for the prime minister's business control of both TV and newspaper media.

While this has been a brutally short account, there still emerge several major points that are relevant for the purpose of the present project.

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<sup>10</sup> Freedom House, *Nations in Transit 2009, Democratization in East Central Europe and Eurasia*, New York.

First, European perceptions of democracy stretch back over the experience of several recent centuries, with intellectual links even further back to ancient Greece and Rome. European democracy has deep philosophical and ideological foundations that have proved sustainable over history.

Second, by comparison, the alternative ideologies of fascism and communism led to tragic failure. Fascism was based on national patriotism, chauvinism and ethno-racism, which descended into totalitarianism, genocide and war. While communism was a beautiful egalitarian and democratic idea in theory, and yielded impressive advances in public education and health care, it also slid into totalitarianism, with murderous purges and a disastrous effect on the economy.

Third, there have nonetheless been major cleavages in European political philosophy between the enlightenment and liberal democracy schools, in which the former embraced civil liberties and equalities, human rights and the rule of law *without* representative democracy. From Plato's 'philosopher king' to the 'enlightened despot' of the 18<sup>th</sup> century, through to the undeniable problems of some of Europe's newest democracies, there have been warnings about the hazards of democratic governance and the advantages of strong and enlightened leadership.

Fourth, these warnings and alternatives are being effectively used by some of today's authoritarian regimes for self-justification. Yet these regimes seem incapable of producing any overarching political ideology. Today Russia is making the most energetic attempt to create an alternative ideology, but again this is based on the siren calls of national patriotism and enemy images with a slide into ethno-patriotism bordering on racism. The term chosen for public use during Putin's presidency, 'sovereign democracy', is seen to have nothing democratic behind it beyond the wish to be independently different from Western democracy. Even the use of democracy in this term seems to imply recognition of the normative quality of core democracy. As for Medvedev's presidency, the 'rule of law' is given headline billing, without mention of the word democracy, and might be viewed as seeking an implicitly 'neo-enlightenment' model, i.e. a 21<sup>st</sup> century variant on Europe's 18<sup>th</sup> century enlightenment.

Fifth, Europe has a long tradition of democratically motivated regime change by revolution, ranging from the full-bloodied French revolutionary model of 1789, to the 1848 model of regime overthrow contagion across the continent, through to the cascading collapse of communist regimes some

twenty years ago. But it has also seen many of these regime changes go astray, including, most dramatically, the short-lived liberal democratic moments at the beginning of the French revolution of 1789 and the Russian revolution of 1917, and many cases of failed revolutions and counter-revolutions. The pertinence of this for today is that one should not be so surprised when a given wave of revolutions, such as the 'colour revolutions' of five years ago, fail to live up to initial euphoric expectations; moreover today's authoritarian leaders in the European neighbourhood may be understandably fearful of those nice-sounding democracy and civil society promotion programmes of the West.

## **Current narratives from the European neighbourhood**

### *From countries in or close to the European Union*

We concentrate on four cases – Bulgaria and Romania as new member states since 2007, Serbia as seeking membership in due course, and Turkey as a long-term accession candidate. All four cases have seen the process of Europeanisation at work, in which movements towards the broad European model of democracy have been accelerated or intensified by the conditionalities of accession negotiations. But this accelerated development has more recently shown signs of stagnation or even partial reversibility.

The story of Bulgaria is presented by Gergana Noutcheva as a case study in the hazards of only partial reform measures in the early stages of the post-communist transition. There was a failure to secure thorough replacement of the former communist elites, allowing new interest groups to be formed who gained access to monopoly rents and then sought to protect these by any means, including links with criminal networks in a mafia underworld. Bulgarian society had access to reasonably fair elections but until recently failed to elect majorities for comprehensively reform-oriented governments. The EU accession process secured just sufficient apparent reforms to allow accession to go ahead on 1 January 2007, whereupon the pressure from Brussels was off, and reforms stagnated or even went into reverse. A conventional wisdom was formed that the EU accession process could be influential during the negotiation stages, but lost all force after accession. This depressing message was gaining ground until a new and unprecedented twist to the relationship with the EU emerged. Bulgaria's misappropriation of EU funds reached such conspicuous proportions that in 2008 the EU sent in its anti-fraud squad (an agency called OLAF), which produced sweeping criticisms to the point that

the European Commission suspended significant amounts of funding. At this point Bulgarian public opinion woke up, and while the government reacted defensively, public opinion was jubilant at the tough measures being taken by Brussels, and identified the Commission and not their government as the defender of their interests. The political consequences were not immediate, but by July 2009 a new government was formed that swept away the previously ruling and discredited parties. While Gergana Noucheva is cautious about the likely consequences of this political change, it seems clear that there is a new game at play. The role of the EU as substantial financier, backed up with incorruptible investigative powers, may have produced a tipping point, with a new political set of checks and balances in which public opinion and the EU combine to produce a boost to the clean-up of Bulgaria's democracy.

Romania was twinned with Bulgaria in acceding to the EU on 1 January 2007, after having been detached from the main group of fast transition countries who made it in 2005. The story, recounted by Alina Mundeï Pippidi, is also one in which the basic institutions of democratic government are in place, but degenerate into a system of distributing public goods to the advantage of particular groups and ruling parties. In this case there has been the extraordinary spectacle of the parliament mounting anti-anti-corruption efforts. But whereas the presidency in Bulgaria was part of the debased system, in Romania President Basescu has been waging what the author describes as an anti-corruption civil war against parliamentarians. The list of specific corruption charges against ministers and parliamentarians makes impressive reading. The headline feature of this struggle has been the fate of Monica Macovei as minister responsible for the independent anti-corruption agency (DNA). She was a highly popular and respected personality, only for the parliament to try to dismiss her or to weaken the agency's powers. The parliament went to work with its anti-anti-corruption measures in February 2007, attempting explicitly to undo measures taken at the insistence of the European Commission as a condition for accession. The author is surprised that Romania did not receive as tough a treatment as Bulgaria, although that could still come. The conclusion drawn by the author is that sustainable democratic reform in Central and Eastern Europe has mainly come through emulation and diffusion, rather than to rely on negotiated conditionality with the EU. If conditionality is the main driver of reforms, this becomes unsustainable after accession. The author, out of modesty, includes no account of the campaign she led with NGOs publicly blacklisting

parliamentary candidates before the 2004 elections, who were seen or seriously suspected of corruption, which forced the withdrawal of many of them. It should also be borne in mind that Romania's former communist regime under President Ceausescu was for decades the most brutally repressive of all Central and Eastern Europe, and the only one to be overthrown in a violent bloodbath. If the recent story has been one of short-term relapse after accession, it is nonetheless one of a continuing struggle for serious democracy, rather than a collapse or suppression of any such efforts.

Serbia is ranked under most measures as being in the same league as Bulgaria, Romania or other Balkan states such as Croatia, as countries with a consolidated pluralistic democracy, but still suffering from deep corruption through gross 'state capture'. This is defined by Vesna Pesic as a system of effective power of the ruling political parties to divide and distribute amongst themselves the resources of the public sector. The electoral process, since the end of the Milosevic regime a decade ago, has itself been free and fair, while media freedoms have been sustained, and civil society is vigorous. Yet this system has democratically produced parliaments and governments that systematically abuse their powers. The author describes this as a 'bastard transition'. Yet there is an ongoing struggle between those who want clean government and those who wish to protect the corrupt state capture system. A key question is why the democratic electoral processes have not won this struggle. A theme in the Serbian case is how the struggle for or against state capture is aligned with other cleavages in Serbian society and politics, between pro-Europeans and ultra-nationalists who warm more to Russia and its link to the culture of the Orthodox church; between those who do or do not support the sending of indicted war criminals to The Hague, and between different intensities of feeling over the independence of Kosovo. The tragic severity of this struggle was witnessed by the assassination in 2003 of Prime Minister Zoran Djindjic by criminals associated with conservative anti-European 'patriots'. Since then the struggle goes on, with recent electoral victories for the pro-European reformist forces, but without their gaining sufficient majority power in the parliament to push through a radical clean-up.

The case of Turkey, recounted by Senem Aydin Duzgit, has seen the EU accession process and democracy-related conditionalities also at play as a key influence and anchor, especially during 2000-05. But two further features, absent in the preceding cases, leave heavy imprints on Turkey's incomplete democratic transition: the role of civil-military relations and the

rising force of political Islamisation. Turkey's politics of the second half of the 20<sup>th</sup> century were punctured by a succession of military coups, seemingly once a decade. Turning points in the substantial demilitarisation of politics were seen in the transition to democracy in 1983, reversing the 1980 coup, followed by success in the 1990s in the civil war against the PKK Kurdish separatists. The intensity of the perceived PKK threat has been and remains an important factor governing the feasibility of democratic reforms. The issue of Islamisation rose to the top of the political agenda with the election in 2002 of a single party AKP party government. Initially, this was seen as a highly positive development in Brussels, as the AKP government pushed through successive reform packages driven by the EU's Copenhagen criteria. It was also seen as a model development by those concerned with the prospects for democracy in the Muslim world, and in Turkey's Arab neighbourhood in particular, where democratically-oriented Islamist parties have been at the forefront of challenging authoritarian regimes.

Since 2005, however, the author sees grounds for increasing concern over Turkey's democratic consolidation, as all of the three drivers just mentioned have gone into reverse. The EU accession process currently stagnates under the influence of French and German leaders who explicitly oppose full membership and instead propose a 'privileged partnership', with the erosion of the EU's reformist influence and credibility. In addition, the Iraq war has destabilised the Kurdish issue, and PKK violence and the military response is back. Finally we see the rising strength of Islamisation at both grass-root and top political levels, the latter witnessed in 2008 by the election of Abdullah Gul (with a headscarf-wearing wife) as president, followed by attempts (albeit unsuccessful) at the Constitutional Court to ban the governing AKP party. In conclusion, the author's message is one of considerable concern for Turkey's democratic consolidation, observing a weak underlying normative appeal of democracy for much of the population, and growing mistrust between the secularist establishment and Islamists.

### *From former Soviet republics*

We first look at Ukraine and Georgia as hosts to Europe's two celebrated colour revolutions, followed by Armenia and Moldova where the struggle for better democracy is very much alive. We pass then to states where democracy is practically extinguished, starting with Russia as self-

appointed leader of the opposition to democracy, followed by Azerbaijan, Kazakhstan and Belarus.

George Knutsishvili's account of Georgian politics since the Rose Revolution, notes that after the revolution President Saakashvili introduced constitutional changes that greatly enhanced his powers at the expense of the parliament, alongside measures of extra-legal expropriation of much of the wealth of those who had become rich in the first wave of post-communist privatisation. The Rose Revolution won excess credit from the west from the start. The regime became a "hybrid mutant power conglomerate". Georgia's vibrant civil society was partly instrumental in the popular uprising that Saakashvili succeeded in exploiting, and many civil society leaders initially joined the government. Remarkable progress was seen in reducing petty corruption and liberalising the economy. But the harsh social impact of these measures and opposition to Saakashvili's arbitrary rule was mounting when Georgia suffered a devastating military defeat in the August 2008 war with Russia, which Saakashvili had been provoked into initiating. At any event this brought in its wake a new phase in Georgian politics. Before, Saakashvili could steamroller the opposition. Now, civil society is actively involved in mediating solutions. The external threat is used to justify exceptional and authoritarian measures, yet what emerges is a "weird velvet authoritarianism".

Ukraine's Orange Revolution is the subject of a more nuanced and complex reading by Alexander Bogomolov and Alexander Litvynenko than the usual external frame of analysis, which asks whether the system has lived up to the expectations of 2004, or whether it has simply got bogged down in irreconcilable political rivalries. For the authors, the Orange Revolution marked a new and authentic level of social mobilisation and self-reflection on Ukraine's past, present and future. The possibility of political competition was at stake. The nature of the ensuing political competition continues to be conducted as a zero sum game by party leaderships, consisting of opaque multi-layered cliques, whose success is based on their perceived mastery of selling the private interests of their oligarchical supporters as political projects. A more adequate political representation of the new diversity in society and expanded middle classes has not yet been achieved. Thousands of medium-sized entrepreneurs, who have built their businesses on real economic production rather than corrupt rent-seeking, now represent a values-driven group. They are not yet politically effective, but their time ripens. At the same time the expectations created by the Orange Revolution have exposed the poverty of unreformed

state institutions, revealing a crisis of bureaucracy. Medium-level civil servants come to appreciate the need for more transparent governance. Ukrainian democracy is seen in the maturing of civil society, with the normative appeal of democracy working its way from the bottom up, even if such tendencies have not yet reached a tipping point. The collapse of the attempt in June 2009 of the Yulia Tymoshenko and Viktor Yanukovich blocs to form a political alliance was due to both internal dissent within the two parties and fierce criticism from civil society and the media. The authors conclude that Ukraine's democratic advance, which has been very real in the ways just described, is still entering a period of serious risk in terms of its sustainability. At this point the European Union's Eastern Partnership initiative seems to reflect a view that the region has become some kind of ambiguous political space whose problems are going to sort themselves out in due course. Ukraine needs more than this to support its fledgling democratic self-consciousness, especially because Russia for its part has another strategic objective.

Armenia and Moldova follow logically as two countries that have been edging towards colour revolutions. Richard Giragosian views Armenia as a relatively plausible site for a real struggle for democracy because of the absence of petro-riches. It has nonetheless been an outstanding 'kleptocracy' for the extent to which the ruling clique has kept its hands on the country's meagre resources. Yet the elections of early 2008 marked a turning point. The opposition became united under the leadership of Levon Ter-Petrosian, the former president who had been ousted by the two earlier incumbents, President Robert Kocharian and Prime Minister Serzh Sarkisian. Underlying factors were resentment of income inequalities due to rampant corruption and denial of employment opportunities, and constitutional reforms that raised the expectations of the population. Ter-Petrosian was instrumental in pulling the population out of their political apathy and uniting the previously fragmented opposition. In the elections of 2008, the carefully scripted game was for the prime minister to succeed the president (with elements here from the Putin-Medvedev model). Protests over irregularities in the election, which gave Sarkisian a first-round victory, were followed by sustained street demonstrations day after day and night after night, reminiscent of the Orange Revolution. However, in this case the incumbent leadership responded with heavy-handed police intervention that left 10 dead, followed by a month-long state of emergency that resembled martial law. Yet the repression of opposition demands for real democracy in Armenia



no longer seems possible. The leadership's overreaction was counter-productive and has not quelled the demands or vigour of opposition movements. Richard Giragosian concludes that while the crisis remains unresolved, a new transition era in Armenian politics seems to have begun. The struggle is engaged for something more like real democracy over a corrupt clique seeking to organise a quasi-dynastic succession.

Since independence Moldova has seemed to steer a middle course, avoiding either consolidated authoritarianism or a radical colour revolution movement. Instead there has been political pluralism, with elections more or less free and fair and uncertain in their outcomes, and indeed changes in the political colour of governments. The ethnic pluralism of Moldova, with significant Russian and Ukrainian minorities, is compounded by the fact that the Moldovans of Romanian-Moldovan culture are themselves divided into groups favouring Moldovan statehood alongside those more inclined to become part of Romania again. All parties are broadly pro-European, even if for the communist party, ruling from 2001 to 2009 this has been more of the lip service variety. The leadership is active in playing politics with both the EU and Russia. However, Moldova has a border now with the EU and not with Russia, and many Moldovans acquire Romanian and therefore EU citizenship. Avoidance of Belarus or Azeri-style authoritarianism seems also attributable to the dispersal of economic power, without an industrial or resource base offering the basis for state capture or the buying in of a leadership clique on a decisive scale. The Transnistrian conflict however is viewed by most Moldovans with indifference, and has had none of the regime-consolidating role that has been seen in Azerbaijan over Nagorno-Karabak. Such features of the Moldovan political landscape appeared quite stable until the April 2009 parliamentary elections, when the communist leadership resorted increasingly to authoritarian methods. When the election results were protested in the street the government and police responded repressively, to the point where opposition parties were provoked into even more vigorous political protest. With the election failing to deliver a majority to the communist party, a fresh election was convened for July. At this point the number two personality on the communist ticket, Marian Lupu, defected from the communists and joined a previously marginal social democratic party, with the alliance of democratic parties achieving an improved score, and able to control the formation of a ruling coalition, but without a clear majority. It was already clear that the Moldovan electorate had brought an end to the creeping authoritarianism of the communist

leadership. Even the title of the chapter by Nicu Popescu and Andrew Wilson changed as this book was under preparation, with the key words amended from 'incremental authoritarianism' to 'fragile pluralism', which almost seems to be signalling a regime change.

Russia is the most explicit and important instance case of 'backlash' against western precepts of democracy. There were two turning points, corresponding roughly to the beginnings of Vladimir Putin's two terms as president. Under Boris Yeltsin Russia had been making a rather chaotic transition towards the western model of pluralist party politics and civil liberties. Putin came to power seeing Russia then as a weak state, risking worse, and suffering from a very feeble international standing. He immediately set to work to re-establish a 'vertical of power', for example scrapping the election of regional governors in favour of their nomination by the Kremlin. The oligarchs were warned to keep out of opposition politics, with the imprisonment of Khodorkovsky serving as a message. At the same time a hugely powerful clique of favoured business leaders and apparatchiks were co-opted into the power structure, effectively lured by the available petro-wealth that the state could distribute. The terms 'managed democracy' and 'sovereign democracy' were introduced into public discourse to suggest a different and authentically Russian political order. The second turning point was Putin's response to the Georgian and Ukrainian colour revolutions around 2004-05. Putin interpreted these as western-inspired, if not directly supported, regime changes. The model was a direct threat to his political objectives. He therefore decided on legislation to clamp down on NGO activity that could threaten his vertical of power. Domestic NGOs were subject to onerous registration and inspection conditions, while western NGO activity was made virtually impossible. At the same time the Russian government went about creating its own instruments of soft power, for deployment with officially funded information and advocacy offices set up in Paris and New York, and more substantially through funding Russian associations and activists in the near abroad, including in hyper-sensitive places as Crimea. Some argue that this effort is characterised by ideological emptiness. However, in Elena Klitsounova's view, Russian soft power should not be underestimated. The strong presidential regime and resistance to foreign democracy promotion has serious attractions for a number of post-Soviet states, including Azerbaijan and certainly Central Asia.

The petro factor has been an even more fundamental factor in shaping political developments in Azerbaijan, both structurally and

instrumentally, according to Leila Alieva. However the post-Soviet period had begun with a popular front government that aimed at real democracy and, for example, facilitated the creation of some 300 NGOs, which were even given free offices in Baku to get started. But early in 1993 the Popular Front was overthrown by Heidar Aliev's coup, which may be viewed as the first democratic 'backlash'. As the oil/gas boom followed, Heidar Aliev used the resources of the petro-state to buy in a ruling elite, which was consolidated by state ownership in the petro sector, establishing a structure that wielded a monopoly of power. Petro-corruption provided not only resources to buy the loyalty of the elite, but also blackmail opportunities to curb possible moves of individuals into opposition. Petro resources provided the basis for far stricter control of elites than in Ukraine or Georgia. Civil society was also weakened by job opportunities for young western educated professionals in the petro sector. The domestic concentration of power was further facilitated by the oil/gas price boom of the early 2000s. The population benefited from some trickle-down of the oil/gas boom and thus a feel-good or feel-better factor. Heidar Aliev, with his KGB experience, was adept at consolidating control over all the power ministries and agencies. The Nagorno-Karabak conflict added to the legitimisation of the regime, with its nationalist-patriotic discourse, and rationale for strict government controls. Aliev correctly understood the pragmatic nature of US and EU policies, whose oil interests spurred the case for regime stability. The dynastic succession from Heidar Aliev to his son Ilham in 2003 has seen the effective continuity of Heidar's politics, with huge propaganda images of him as father of the nation now on display everywhere, with his son no doubt the beneficiary. The authors' conclusion is that if major resource riches are developed before the establishment of strong democratic institutions and culture, the 'oil curse' upon democracy will surely follow.

Kazakhstan has obvious features in common with Azerbaijan, in particular its petro-wealth, which allows the buying-in of an elite and the consolidation of a strongly presidential regime that could stamp out major political opposition. Kazakhstan's major relationships with its two big neighbours, Russia and China, are further factors curtailing Western attempts to push the pace of democratisation. On the other hand Kazakhstan's multi-ethnicity is a factor that causes fault-lines in society, constraining the authoritarianism of President Nazabayev. There are limited media freedoms and a relatively open society, even if Nazabayev, president for the entirety of the post-Soviet period, has suppressed all

significant political opposition and continues without term-limits to his office. The relatively open society goes with Nazabayev's aim to establish a favourable image of his regime in Europe and the world, as witnessed by his strategy document "Path to Europe" published in 2009, and winning agreement on Kazakhstan's forthcoming presidency in 2010 of the OSCE. Kazakhstan thus promotes the image of a 'neo-enlightenment' form of authoritarianism, with the rule of law and certain room for civil liberties, but without representative democracy as a prospect for a long period to come. Neil Melvin sees the transition paradigm as having reached a dead end in Kazakhstan, and the need for Europe to focus on the alternative paradigm of long-term socio-economic development as the motor for democratic reform is more plausible. Here the EU can play a role, and could for example offer Kazakhstan inclusion in the Eastern Partnership, helping shape a modernisation characterised by civil society.

Belarus's Alexander Lukashenko, president since 1994, has been branded Europe's 'last dictator', but this title is under challenge, as others in the petro-state group become ever more consolidated in their authoritarianism, while Lukashenko's regime is itself under pressure for change. Until recently his personal rule was being reinforced, notably with the removal of term-limits for his presidency by referendum in 2004, and his re-election in 2006. This election nonetheless saw a certain surge in civil activism, even if the opposition candidates failed to gain more than 25% of votes, and thereafter the regime clamped down on opposition leaders and closed down many civil society NGOs. But other major changes in the political environment push for change, including the enlargement of the EU to Belarus's frontiers, the end of Russia's energy subsidies, and the catastrophic fall in Russian demand for Belarus' export of industrial goods resulting from the current economic crisis. It has been forced to obtain credit from the IMF. The regime's corruption has become more conspicuous and tarnishes the leadership's image of custodian of a social contract with the people. A new generation among the ruling elite, led by the president's son Viktor, push for a more open and pragmatic policy that would help improve relations with the EU. The EU is opening a Delegation in Minsk, and Belarus was invited in 2009 to join the Eastern Partnership. Relations with Russia worsened sharply as Lukashenko refused to endorse Russia over the war with Georgia in 2008. All these developments lead Balazs Jarabik and Vitali Silicki to conclude that Belarus has now entered a buffer-zone between Russia and the EU, no longer qualifying for description as a Russian satellite. Democracy has not yet come to Belarus

but the prospects for a real struggle seem far more propitious now than ever.

### *From the Arab world*

Of the three Mediterranean Arab states studied – Morocco, Algeria and Egypt – the first has succeeded best in projecting a reputation for prudent political liberalisation. The European Union has on these grounds awarded Morocco with ‘top-of-the-class’ ranking among the Mediterranean neighbouring states, with the signature in October 2008 of a new ‘advanced’ political framework agreement. Kristina Kausch sees a picture of consolidated semi-authoritarian rule by the monarch, corresponding to the notion of ‘smarter authoritarianism’. There has been liberalisation in politically non-threatening degrees, with a somewhat wider space for political parties, civil society and the media, while real political opposition has been kept firmly under control. Civil liberties have been legislated, but with many loopholes the regime can exploit. Electoral processes have been formally competitive, but with significant limitations to pluralism. The moderate Islamist Justice and Development Party has achieved a significant presence in parliament, as opposed to the more radical Justice and Charity movement, which operates outside the official political process. The effective powers of the parliament are very weak, and even government ministers are doubled by the real power-holders among the Makhzen – the patronage network of the palace. There are only rare instances of open coercion or violent repression, and these are usually well covered-up or explained with resourceful public relations. Elites have been co-opted, and civil society promoted through government-controlled NGOs (GONGOs). Counter-terrorism measures, facing the real threat of the ‘al-Qaida in the Islamic Maghreb’ and other terrorist organisations, have been instrumentalised for justification of authoritarian controls. The EU seems to be hoping for gradual but credible democratisation, but this is not happening, and the EU seems to have no traction over political reform, with its conditionalities and incentives lacking decisive strength. The timescale for political reform is nowhere explicit: is it a matter of decades or generations? In the meantime is there a sustainable model of relative political enlightenment over civil liberties without real political pluralism, with the timescale so stretched that change is hardly perceptible? The constitutionalisation of the monarchy is an old and long story in European political history, and one that seems to have a long run ahead of it in Morocco.

The Algerian story has been a rougher one, ever since the very difficult and violent de-colonisation episode. In 2009 President Bouteflika was elected for his third term of office, which has been interpreted as another instance of democratic backlash, and an end to political alternance, driven by oil rents and anti-terror factors. But this thesis is contested by Hakim Darbouche. His narrative of Algerian politics sees the Chadli presidency of the 1980s first ushering in economic liberalisation, ending in 1989 with institutional reforms that ended the political monopoly of the FLN, and introducing a degree of effective pluralism. But the army high command was still the ultimate arbiter of politics, as dramatically shown in 1992 with the overthrow of the Islamist party FIS on the verge of its electoral victory. Bouteflika became president in 1999 as the army's choice. He was quite successful with amnesties that sought to heal the wounds of civil war, in achieving a degree of reconciliation with France and economic progress. However, in his second term beginning in 2004 Bouteflika progressively gained the upper hand over the army, consolidating the civilianisation and rationalisation of executive power. This is a precondition for the institutionalisation of politics in Algeria, but needs supporting with measures to entrench the rule of law, where Bouteflika's record is still disappointing. The distribution of oil rents created a new elite, thus also diluting the power of the army. Bouteflika's political success in winning a third term in office, with the aid of constitutional reforms, should not be interpreted as a democratic backlash, since in the absence of viable democratic institutions and an effective civil society, the alternative would have been the return of the military to pre-eminence in the power structure.

Egypt experienced a nascent democratic spring of considerable vigour in the period 2004-05. This was a period of mobilisation and diversification of political opposition, with both old forces (the Muslim Brotherhood) and new ones (the Kifaya movements) at play, with vocal support from the media. The ruling regime was forced to make limited concessions. The 2005 parliamentary elections were the turning point, however, when the regime was seriously threatened by the prospects of major Muslim Brotherhood success. This led to an abrupt end to the democratic spring, with the incarceration of Muslim Brotherhood leaders, and military tribunals taking over cases that the civil courts were supposed to address. There was even the penalisation of judges contesting election fraud. The de-liberalisation process continued with constitutional reforms in 2007, which extended the emergency powers of the president, ended the

judicial supervision of elections, and banned the participation of religious parties. Dina Shehata analyses the causes of this de-liberalisation, placed in a context of decades, which since the 1960s has seen successive cycles of liberalisation, de-liberalisation and repression. This time there have been important influences coming from the politics of Egypt's neighbours, including the successes of radical Islamist parties Hamas in Palestine and Hezbollah in Lebanon, and the Iranian threats to Arab regimes via their support for Hezbollah and Hamas. Also at play were the decline of the normative political reputation of the United States during the Bush presidency and the disastrous democratic regime change by war in Iraq. Nonetheless the story is not over. In recent years opposition groups and civil society have become increasingly vibrant, and with the growth of middle class interests the greater pluralisation of society will surely continue, and with it the underlying demands for democratic liberalisation. For the author external actors should concentrate their efforts on economic and civil society development, while keeping clear of direct involvement in constitutional matters.

### **Two primary categories**

Looking at these case studies analytically, rather than in conventional regional groupings, two primary categories may be distinguished, between struggling transitions and various species of autocratic dynasties (see table below). While these two categories now seem on the whole to be quite robustly differentiated, there are some borderline cases that could be candidates for a category-switch, to which we shall return.

#### ***Struggling transitions***

For this first category of countries the term 'transition' is still relevant, even if the process has been going on for two decades now, and proves to be longer and more painful than had initially been anticipated. It embraces countries that have exited communism and are both in principle and in many substantive practices aiming at the European model of democratic politics, but whose democracies are vitiated by deep defects, mainly in the realm of corrupt state capture of economic assets. Identification with Europe is a general feature and the leverage of EU conditionality is relevant, albeit with varying degrees of force.

Table 1. *Struggling transitions and proliferating dynasties*

	<b>Struggling transitions</b>	<b>Proliferating dynasties</b>
<b>In or close to the EU</b>	Bulgaria 3.04 Romania 3.36 Serbia 3.79 Turkey (rest of Balkans)	
<b>Former Soviet Union</b>	Georgia 4.93 Ukraine 4.39 Armenia 5.39 Moldova 5.07	Azerbaijan **** 6.25 Belarus *** 6.57 Kazakhstan ** 6.32 (Uzbekistan) ** 6.89 Russia * 6.11
<b>Arab Mediterranean</b>	(Lebanon) (Palestine)	Morocco ***** (Jordan) ***** (Syria) ***** Egypt *** (Libya) *** Algeria **

\*\*\*\*\* Monarchy

\*\*\*\* Republican dynasty (father-to-son succession)

\*\*\* Potential republican dynasty (father president without term-limit, son politically prominent)

\*\* Presidency without term-limit

\* Presidency subject to term-limit, but with faked compliance, and circumvention in practice (alternating presidency and prime minister).

*Note:* The dynasties are rated by stars according to their institutional quality as dynasties, rather than the strength or quality of their authoritarianism. The numerical ratings are taken from Freedom House, Nations in Transit 2009, where the scale is from 1.00 (= the most democratic) to 7.00 (=the most authoritarian).

( ..... ) countries in brackets are not subject to case studies in this volume.

Into this category we place the countries in or close to the EU – Bulgaria, Romania, Serbia and Turkey, and several but not all of the European former Soviet republics – Georgia, Ukraine, Moldova, Armenia.

These are all countries in which the pursuit of sound democracy is an ongoing struggle. Success is not assured, but the normative appeal of democracy is evident, even if its advocates are fighting continuous battles either amongst themselves (as in Ukraine), or with those who prefer the corrupted order (as in Serbia or Romania).



Notably absent are the driving forces that are common in the second category of proliferating dynasties: petro-riches and radical Islam.

Turkey is a complex case, reminding us that our primary categories are of course simplifications. Its present AKP government is that of a moderate and democratic Islamist party that likes to make comparisons with Europe's Christian democratic parties. But there is also a residual role of the military lurking in the background as guardian of Turkey's Kemalist secularism, should the Islamists go too far. In addition, the resurgence of PKK terrorist acts puts stress upon the observance of human rights by the security forces. But overall the vibrancy of Turkey's political pluralism keeps it in the category of a democracy struggling at an advanced stage of transition towards the European model.

The general characteristics of the struggling transitions are seen in the opposition between two contradictory forces. On the one hand there is the appeal that European democratic norms and models hold for society, and on the other hand the hazards of the partial or imbalanced progress of the political and economic reform processes that are at the basis of corrupted systems.

The case studies show how the Europeanisation process can in turn be driven by some combination of two different paradigms: conditionality and emulation. Conditionality is massively at play for countries that are acceding or candidate states, and here the whole rule book is thrown at them by the European Commission, with regular reports resembling term reports at school. By contrast the countries with European aspirations but without membership perspectives have to rely on emulation. The relative force of the two paradigms is a matter of debate. The cases of Bulgaria and Romania show clearly how, when the force of conditionality ends upon accession, there was earlier a degree of forced and unsustainable compliance with the European norms, which is reversible. While this reversibility has tended to become an accepted view, the Bulgarian case has produced a new conditionality mechanism, with withdrawal of EU funding applied in the absence of adequate steps to de-corrupt their use. Given the considerable importance of this funding for the poorest member states, this mechanism can have real leverage. Also noted in the Bulgarian case was the response of public opinion, which was so incensed by the gross corruption of the political leadership and its probable links with criminal gangs that it effectively allied with the European Commission. Nonetheless

the analysis of the Romanian case suggests that long-term emulation has to be the basic mechanism for the sustainability of sound democracy.

‘Emulation’ is essentially the same as what was described in an earlier paper as a ‘gravity model’ of democratisation.<sup>11</sup> The term ‘gravity model’ originated as a theorem of economics to explain the intensity of trade relations between countries as a function of geographic proximity and economic weight. For its democratisation variant the explanatory factors are again proximity, both geographic and in terms of cultural and historical identity, and then the perceived attractiveness of the political regime of the neighbour.

Of particular significance here is the split between Russia and its other European former Soviet states – Ukraine, Moldova, Armenia and Georgia. For all these four latter countries Europe stands not only for democracy and human rights, but also for freedom from Russian hegemony. For Ukraine the Slav cultural and historic commonality with Russia is of course a massive fact, but the heavy-handedness of Russian national patriotic discourse and efforts to reintegrate the former Soviet space fits uneasily with Ukraine’s cultural and regional diversity.

The theorem of partial or poorly sequenced reforms as a hazard for democracy seems to be the main explanation of the struggling transitions, or what one of our authors calls ‘bastard transitions’. At the heart of this hazard has been processes of privatisation moving relatively fast in comparison with the maturing of democratic governance. Privatisation can be achieved speedily in a ‘big bang’, as was the case in Poland and Russia, but even at a more measured pace it can be largely done within a decade. But if there is little or no pre-existing democratic tradition, the time-scale for a maturing of comprehensive political reform is surely much longer, and a matter of generations rather than years or a decade or so. Newly empowered leadership groups in such cases have found the temptation to use their powers for enrichment overwhelming, when simple administrative decisions allocate arbitrarily hugely important shares of the nation’s economic assets. But the processes of corruption have become more complex and sophisticated, with control rather than ownership of economic assets offering the possibility for enrichment of the power-

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<sup>11</sup> M. Emerson & G. Noutcheva, *Europeanisation as a Gravity Model of Democratisation*, CEPS Working Document No. 214, CEPS, Brussels, November 2004.

holders. This has led to the phenomenon of state capture as described in several case studies, whereby political parties entering into government divide and allocate the spoils of office, with party loyalists being rewarded with remunerative positions in state enterprises and government departments. Further, close links develop between the oligarchs and political leadership, with ample opportunities to trade mutual advantages. These features are also prevalent in our second category of authoritarian dynasties, but in those cases one observes a cumulation of corruption with other features that result in authoritarianism rather than just perverted, distorted or dysfunctional democracy.

The colour revolutions, or street protests in alliance with opposition leaders that overthrow corrupted regimes, are to be seen as attempts to break out of these forms of rotten democracy. But their recent record, in Georgia and Ukraine, has disappointed.<sup>12</sup> Georgia reverted to heavy-handed authoritarianism, masquerading as democracy through the eloquent speeches to western audiences in fluent English by President Saakashvili, until the war in August 2008, leading on to new political dynamics with an uncertain outcome. Ukraine slipped into dysfunctional democracy, with chronic instability and conflict between leadership groups. But Armenia and Moldova are both cases where there emerge rising underlying societal demands for cleaner democracy.

Our reading of these struggling democracies is in general one in which popular demands for cleaner democracy are vibrant, and while these demands are not yet met, neither can authoritarianism acquire sufficient critical mass to dominate. It leaves open the question of possible slippage between our two primary categories, of the struggling transition and authoritarianism. Moldova has been closest to having seen such a slide into authoritarianism, or effectively towards the Belarus model. This slide seems now to have been reversed, and in the next section we will even consider whether the Belarus regime may be risking a slide in the opposite direction.

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<sup>12</sup> The Kyrgyz 'tulip' revolution saw an ephemeral democratic opening, which has now been clearly closed down.

### *Proliferating dynasties*

For this second category we adopt an elastic concept of dynasty. It starts with some old, regular monarchical dynasties such as that of Morocco, to which can be added Jordan.

It includes some new apparent dynasties, where ageing and authoritarian presidents have paved the way for family succession, such as has already happened in Azerbaijan and Syria, and is at least the subject of speculation in Egypt, Libya and Belarus where the sons of the presidents already have major political roles, to which group might also be added Tajikistan and Uzbekistan.

This group overlaps with other regimes that have also seen term limits removed to permit presidents-for-life, as in Algeria, Egypt and Kazakhstan. Tunisia is also clearly in this category, as is the rest of Central Asia.

Finally, there is the case in which the letter of the law over term-limits for the president may be respected, but where the intention of the constitution is abused with a system of alternation between the posts of president and prime minister by a single individual. A further feature is the informal 'family' succession in which the incumbent president selects his successor to be partner in this conspiracy against the constitution, and organises some formal elections to endorse the process. This regime has been worked out in practice by Putin in partnership with Medvedev, and could in theory run on for life. Given the comparative youth and robust health of Putin (55 years) and Medvedev (43 years), it might mean adding up to another three decades in office to the first decade already served. Prime Minister Putin illustrated the nature of the regime in September 2009 with the following words: "There was no competition between us [with Medvedev] in 2007 and we won't have any in 2012 [upon the next presidential election]"<sup>13</sup>.

These several species of dynasties have several common features of note. All are consolidated authoritarian regimes that are able to control affairs to exclude any meaningful political pluralism and democratic competition, although all go through the motions of formal or façade democracies with the usual institutions and elections.

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<sup>13</sup> *Financial Times*, 12-13 September 2009.

All are countries where identification with Europe and its norms is weak, or even negative in terms of identifying with other competing political concepts or images, such as Eurasianism, sovereign democracy, managed democracy, or Arab democracy. Russia is a complex hybrid case here, identifying itself as both European and Eurasian, indeed insisting that it is Europe, while purporting to define its own alternative European normative order. Kazakhstan is also projecting a Eurasian discourse with its 'path to Europe' programme, reminiscent of Morocco's bid for EU membership in the 1970s.

All are countries in which the transition paradigm has withered away, or is now at a dead-end. This is because there is no longer (if there ever was) a sense of movement towards the liberal-democratic model of society and politics, and the authoritarian dynasty is strongly entrenched.

However, some of these states strive for a certain 'neo-enlightenment' branding, with relatively open societies and the avoidance of brutal repression. Some observers, in particular from the NGO community, argue that these are just a matter of international public relations efforts.

What explains authoritarianism? The basic motives are surely lust for power and wealth. But the questions we must pursue are the means by which authoritarianism is sustained against the pressures for open and equal political participation.

Among the explanatory factors, petro-riches is a factor of some significance, but clearly not at the level of any mono-causal explanation. Among the countries studied, Azerbaijan, Algeria, Kazakhstan and Russia are petro-states, to which Libya could be added. Of all these cases Azerbaijan is the one where our author most stresses the mechanisms by which the petro-riches provide the basis for political control by an authoritarian leadership together with a co-opted elite. The mixing of state control and corruption further serves to solidify the loyalty of a favoured elite, given its potential for the blackmailing of dissenting voices.

Several states are using the enemy image and consequent need for ultra-nationalist patriotism as a bonding agent with the population. This is strongly developed in Russia, using a variety of threats including NATO expansion, US missile defence plans in Eastern Europe, and the conflict with Georgia that had been simmering for years before the war of August 2008. The Azeri regime has instrumentalised the Nagorno-Karabak conflict to bolster its popular legitimacy, as has Morocco over the Western Sahara.

Islam features in one way or another in almost all the authoritarian dynasties. But this is a complex and multi-faceted matter. Most of the states of Islamic culture studied here are using counter-terrorism or counter-Islamic radicalism to justify severe security regimes. The terrorism of suicide bombing and other acts of murderous violence are realities or credible threats almost everywhere. But the dynamics of political Islam are a complex interplay between on the one hand moderate and democratically-oriented Islamist parties and groups, and on the other hand factions or parties that are both radical and violent.<sup>14</sup> In both Morocco and Egypt, for example, democratically-oriented Islamist parties have sought significant political participation, but have been either repressed or restricted to marginal roles. This in turn has damaged their political credibility to the benefit of more radical Islamist movements, which in turn feeds the justification of extreme security regimes. The secular-Islamist divide can also be a source of serious political tension, as in Turkey, Egypt and Algeria, undermining democratic practice or adding a justification of repression.

### **Conclusions - an ongoing struggle**

There is virtually no well-functioning democracy in the neighbourhood of the European Union,<sup>15</sup> which now finds itself surrounded by states that fall broadly into either one of two categories. In one category there are the states that have seen the post-communist political transition processes go astray and take on various guises of distorted, perverted, or dysfunctional democracy. This group includes the newest member states of the EU. On the other hand there is a set of authoritarian regimes in which the concentration of power has become increasingly consolidated, as witnessed in the various forms of dynastic succession.

One might be tempted to see these developments as confirming certain views, currently in circulation, that the colour revolutions of 2004-05 failed and that the influence of the European Union as a promoter of democracy is also failing, even for some of the new member states.

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<sup>14</sup> M. Emerson, K. Kausch & R. Youngs (eds), *Islamist Radicalisation: The Challenge for Euro-Mediterranean Relations*, CEPS Paperback, CEPS, Brussels, 2009.

<sup>15</sup> This excludes the case of Israel as an advanced economy and a vibrant democracy.

After reviewing in some depth what has actually been happening in these neighbouring states, we prefer to take a different and more nuanced view.

The colour revolutions of 2004-05 may not have matched up to the expectations and euphoria of the moment, but they have still marked important steps in the political history of these states, and reveal the deepening role of civil society in sustaining the struggle for better democracy.

The colour revolutions episode has also seen a parting of the ways among other neighbouring states. Russia has mounted its own counter-offensive against the European model of democracy at home and abroad, and this meets with a positive echo in various authoritarian states, most of all in Central Asia. On the other hand in Eastern Europe there are several new candidates warming up for colour revolutions, for example Armenia and Moldova, to judge by the powerful street protests against electoral irregularities and popular indignation over corruption and income inequalities. These countries all have some sense of European identity, even if membership of the European Union is not on the horizon.

The authoritarian states, which have formal or informal dynasties, have a considerable degree of commonality across several explanatory or supporting features: petro resources, political Islam as a suppressed form of opposition, and radical Islamic groups as a source of terrorism that lead to repressive counter measures. These states also have little or no sense of European identity; on the contrary, most stress their 'otherness', be it on secular nationalist or Muslim cultural grounds.

It remains for the European policy-maker to draw conclusions for democracy promotion strategies.

The demands for democracy from societies in the struggling transition countries are increasingly vocal. This process may be a struggle, but it always has been so in the historical emergence of European democracy. The EU will continue to set the standard, but emulation rather than conditionality may be the most effective and durable mechanism. Nonetheless, the EU is developing new leverage on some new member states through control of its funding, and its associated political role in allying with civil society and public opinion in their struggle against corrupt governance. But the EU also needs to develop systematic methods to address serious democracy deficits in any member state, new or old, and here the European Parliament might best take the lead.

For the authoritarian states without a European perspective, there may well be a long period ahead when a brand of 'neo-enlightenment' may be the most plausible positive scenario, i.e. one in which representative democracy remains a very thin and formalistic affair, but where the improvement of civil liberties and respect for human rights is achievable. Some states, such as Morocco and Kazakhstan, seem to be heading in that direction, or at least are seeking to promote an image and expectations of this order. For many of the authoritarian countries of the neighbourhood, the transition paradigm has reached a dead end. A different scenario is needed, focusing on long-term socio-economic development and the emergence of new middle class and educated elite interests as the future drivers of democracy. This seems implicit in the actual policies of the European Union, which focus most attention on human rights, and barely still mention the word democracy. A more deliberate and positive framing of such policies is called for.

Finally, the European Union needs to develop a more open and constructive posture towards moderate and democratically inclined Islamist opposition parties in several Arab states. These parties have been tending to gain popular support and legitimacy, while being widely repressed or given only token political roles. These repressive tendencies are storing up trouble, causing the moderate opposition elements to be discredited, to the advantage of more radical groups. This is a vicious circle, leading to further repressive measures in the name of countering radical Islam and terrorism. Through their diplomatic acquiescence with the policies of authoritarian leaders, the European Union is undermining the cause of democracy as well as its own political reputation as advocate of democracy and human rights.<sup>16</sup>

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<sup>16</sup> This theme is addressed in detail in Emerson, Kausch & Youngs, *op. cit.*



**PART I**  
**STATES IN OR CLOSE TO**  
**THE EUROPEAN UNION**

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## 2. BULGARIA: RULE OF LAW WANTED

*GERGANA NOUTCHEVA*

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“Other countries have the mafia... In Bulgaria, the mafia has the country.”

Atanas Atanansov in the *New York Times*, 15 October 2008.

**B**ulgaria joined the EU on 1 January 2007 with serious unanswered questions about the quality of its domestic governance. Two issues in particular cast a shadow over the picture of this new democracy – massive high-level political corruption and the curious incompetence of the authorities to tackle organised crime. Linked to both problems is the still lumbering and inefficient judicial system that fails to create the perception among Bulgarian citizens that it stands as a guarantor of social justice rather than a protector of private interests. While it is normal for unconsolidated democracies to experience certain difficulties on the road to democratic governance, the case of Bulgaria stands out for the persistence of these problems and the suspicion of close ties between the political establishment, big business and even the criminal networks of the underworld. The special cooperation and verification mechanisms put in place by the European Commission at the time of Bulgaria’s accession is a reflection of the deep concerns that the rule of law in the country is not yet up to EU standards.

The first two years of Bulgaria’s membership in the EU showed that if reforms were slow to deliver results before accession, they stagnated and even went in reverse after accession. The Transparency International corruption perception index showed a worsening trend in 2007 and 2008, with Bulgaria’s score dropping to 3.6 in 2008 from 4.1 in 2007. The country dropped from 57<sup>th</sup> place in 2006 to 72<sup>th</sup> place in 2008 in the world ranking of

corruption-clean countries.<sup>1</sup> In February 2009, the European Commission reported a downward trend in initiated proceedings and convictions in high-level corruption cases by the Bulgarian judicial authorities in the course of 2008.<sup>2</sup> No significant change was observed for the same year with regard to the prosecution and trial of organised crime cases, even though high-profile mafia killings have declined.<sup>3</sup> Notwithstanding the protracted reform of the judicial system in Bulgaria, the doubts about its efficiency, professionalism and impartiality in delivering verdicts remain.

Perhaps the most embarrassing episode in the country's post-accession record to date was the colossal mishandling of EU funds that compelled the European Commission first to threaten to suspend aid to Bulgaria in July 2008, and then to permanently withhold €220 million of pre-accession funding (PHARE programme), freezing another €300 million of post-accession funding in November 2008.<sup>4</sup> The Commission further withdrew the accreditation of two government agencies charged with disbursing EU money for failure to guarantee sound and transparent management of EU funds. For Bulgaria, the poorest EU member state with a GDP per capita standing at 29% of the EU average and an underdeveloped transport and institutional infrastructure, this development is dismal.

### **The politics of partial reform**

What have been the reasons for the slow progress in improving the rule of law in Bulgaria? Bulgaria was one of the laggards of Central and Eastern Europe in initiating and sustaining institutional and policy reforms in the 1990s. Bulgarian society was not prepared for a deep and fast transition to

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<sup>1</sup> See the Transparency International Corruption Perception Index (CPI) available at [www.transparency.org](http://www.transparency.org). The CPI Score relates to perceptions of the degree of corruption as seen by business people and country analysts, and ranges between 10 (highly clean) and 0 (highly corrupt).

<sup>2</sup> See the Interim Report from the Commission to the European Parliament and the Council on Progress in Bulgaria under the Cooperation and Verification Mechanism, European Commission, COM(2009) 69final, Brussels, 12.2.2009, p. 5.

<sup>3</sup> Ibid., p. 6.

<sup>4</sup> See Kerin Hope & Theodor Troev, "Bulgaria Loses €520m EU Funds", *Financial Times*, 26 November 2008.

democracy or a market economy and did not produce clear pro-reform political majorities at election times. As a result, the communist-era elite not only continued to govern at all levels in the critical first years of transition but also took the opportunity to profit economically from the situation at a private level. While the country began a process of economic liberalisation and democratisation, the reform steps were very timid and not comparable to the commitment of other Central European countries to fast and deep modernisation.

Partial reform proved fatal, as it created groups with vested interests in blocking further reform and obstructing the introduction of clear and fair rules for everyone in the system.<sup>5</sup> In a seminal work on the politics of post-communist transition, Joel Hellman (1998) challenges the conventional wisdom of initial reforms breeding further reforms through the gradual empowerment of a pro-reform constituency, and argues that in some post-communist countries the 'net winners' of the early transition period were able to gain access to monopoly rents and, being unwilling to share those gains with other societal groups, thus become the major impediment to comprehensive reforms in the later years of transition. In the case of Bulgaria, this meant that the agents of incomplete change – whether in business, the judiciary, public administration or politics – have had to balance two contradictory objectives: on the one hand, supporting Bulgaria's preparations for EU membership as this opens a new window of opportunity for increased profits, and, on the other hand, guarding their privileged positions by not allowing a loss of control of the rent-seeking opportunities in specific sectors/niches. Bulgaria's accession preparations to the EU can be explained by this model of partial reform – just enough to make it to the club but not enough to be a respectable member of it.

Corruption and clientalism are the outward face of rent-seeking. Bribery is used in hospitals to obtain services from medical staff; in schools and universities from teachers; in municipalities from local officials; on the roads from traffic police; in courts from judges; in public agencies from civil servants, especially those in charge of public procurement or

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<sup>5</sup> See Joel Hellman, "Winners Take All: The Politics of Partial Reform in Post-Communist Transitions", *World Politics*, Vol. 50, No. 2, 1998, pp. 203-34; Venelin Ganey, "The Dorian Gray Effect: Winners as State Breakers in Post-Communism", *Communist and Post-Communist Studies*, Vol. 34, No. 1, 2001, pp. 1-25.

European fund administration, and so it goes on. Nevertheless it was the scale of high-level political corruption left unpunished that sent shock waves to the Bulgarian public and to the Brussels bureaucracy. The year 2008 stood out for the number of corruption scandals in Bulgaria, with very few consequences for the alleged perpetrators. In January 2008, it was revealed that the Director of the State Fund for Republican Road Infrastructure (Veselin Georgiev) had been channelling construction projects to his brother's company (estimated at 120 million leva) in a clear breach of conflict of interest regulations. When two employees of the Road Infrastructure State Fund were caught with bribes of 25000 leva each, one of them being directly in charge of the EU Funds Directorate, Georgiev was forced to resign. In response, the European Commission stopped disbursing money for infrastructure projects in Bulgaria in February 2008. The ultimate loser here of course is the average Bulgarian citizen, who continues to use a road network in desperate need of investment and improvement.

In March 2008, an even bigger scandal erupted, involving leaks of information about ongoing investigations into criminal networks by the Interior Ministry and directly implicating the Interior Minister, Roumen Petkov, a top civil servant in the Bulgarian Socialist Party, who was in charge of fund-raising for the party coffers. For weeks Petkov refused to resign but circumstances forced him to reconsider after it was revealed that at the end of 2006 he had secretly met two businessmen with criminal dossiers – publicly known to be two of the biggest mafia bosses in Bulgaria (the brothers Galevi) – to ensure calm in the criminal underworld in the run-up to the planned EU accession in January 2007.<sup>6</sup>

In July 2008, days before the publication of the European Commission monitoring report on Bulgaria, an OLAF (European Anti-Fraud Office) report to the Bulgarian authorities was leaked to the press providing detailed information about a criminal network of companies around two businessmen – Nikolov and Stoikov – involved in the misappropriation of EU funds. The report asked the Bulgarian government why no criminal charges had been brought against them. From OLAF's point of view, the evidence was there and inaction on the case could only be equated with

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<sup>6</sup> See Theodor Troev & Kerin Hope, "Minister pays price for Bulgaria shootings", *Financial Times*, 17 April 2008.

vested interests within the state institutions to protect the individuals implicated in the affair.<sup>7</sup> Public media in Bulgaria identified Stoikov as one of the sponsors of the political campaign of Bulgaria's President Georgi Parvanov.<sup>8</sup>

All these cases are just the tip of the iceberg; a lot more is believed to be going on under the surface. In fact, they are only examples of what has been known by the Bulgarian public for years and what the leader of the Turkish minority party Ahmet Dogan publicly admitted himself a while ago – that there are 'circles of firms' around each political party that fill the party treasuries in exchange for publicly financed projects and favourable legislation. In the early transition years, the process of privatisation of state-owned assets provided ample opportunities for office-holders to create and nurture their cronies. With privatisation over, it is EU funds that have become the focal point for a great deal of these murky exchanges.

The Bulgarian transition has also been marred by a high degree of criminality that the state apparatus has either been unable or unwilling to tackle seriously. Successive Bulgarian governments have argued that they are doing everything they can to limit criminal activity and bring to justice the perpetrators of shocking mafia-style murders that gripped the country in the years before Bulgaria's EU accession. As yet there have been no judicial convictions in any of the high-profile show cases, a fact that remains inexplicable for the external observer. In April 2008, another shocking murder occurred, taking the life of Georgi Stoev, a well-known writer on the criminal world in Bulgaria in recent times. Days before he was shot dead, Stoev had announced on TV that he had more interesting information to disclose. The logical question is: if evidence about the criminal acts of certain individuals is available, why are the state institutions not doing more to sanction them? Either the capacity-building efforts of the pre-accession process were in vain or the suspicion of close links between some political circles and criminal networks holds true. The political leadership of the country has not done enough to convince the public that the state authorities work professionally and in the interests of the citizens only.

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<sup>7</sup> "Bulgaria's Shame", *Financial Times*, 20 July 2008.

<sup>8</sup> See Theodor Troev & Kerin Hope, "Bulgarians ponder impeaching leader", *Financial Times*, 19 July 2008.

### **The limits of the EU's transformative power**

The EU factor was instrumental in getting a reform dynamic underway in the late 1990s and maintaining the pressure on successive governments until Bulgaria's EU accession.<sup>9</sup> In the year prior to joining, the possibility of postponing accession by one year was legally conceivable, if not politically feasible, and the European Commission managed to turn it into a credible threat by pushing the political leaders in Sofia to keep moving on the reform of the judiciary and on the fight against corruption and organised crime.<sup>10</sup> With accession a reality on 1 January 2007, the only available instruments at the Commission's disposal remained the threat of activating the three safeguard clauses from the Accession Treaty, the monitoring mechanism of verifying progress on commitments in the area of rule of law undertaken at the time of signing the Accession Treaty and the possibility of withholding EU funds in cases of proven mismanagement. Of all three, the refusal to disburse earmarked money was by far the most serious and politically damaging for Sofia.

While Bulgaria is not the only EU member state ever to be accused of the embezzlement of EU funds, the scale of such wrongdoings in the country has been such that the European Commission made it a political question in 2008 and linked it to the annual reporting on the country's rule of law performance. In July 2008, the Commission issued a special report on the management of EU funds in Bulgaria, drawing public attention to the gravity of the problem and calling for "credible, structural corrective actions and a fundamental reform."<sup>11</sup> This warning was later turned into action by cutting funds in the face of continued foot-dragging and minimal results, notwithstanding the stated good intentions of the Bulgarian authorities on numerous occasions. In an interview published in the daily *Dnevnik* in November 2008, Catherine Day, the Secretary General of the

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<sup>9</sup> See Gergana Noutcheva & Dimitar Bechev, "The Successful Laggards: Bulgaria and Romania's Accession to the EU", *East European Politics and Societies*, Vol. 22, No. 1, 2008, pp. 114-144.

<sup>10</sup> See Gergana Noutcheva, *Bulgaria and Romania's Accession to the EU: Postponement, Safeguards and the Rule of Law*, CEPS Policy Brief No. 102, CEPS, Brussels, May 2006.

<sup>11</sup> See Report from the Commission to the European Parliament and the Council on the Management of EU funds in Bulgaria, European Commission, COM(2008) 496 final, Brussels, 23.7.2008.

European Commission, asked for a profound change of the system of EU fund management and expressed the concerns of Brussels about the links between the management of those funds and politics.<sup>12</sup>

In fact, the Commission's 2008 reports articulated publicly what many Bulgarian citizens had been thinking privately for some time. And while the immediate reaction of the political establishment to Brussels' criticism was defensive, denying political involvement in EU fund management and citing unfair treatment, double standards and disappointment with the harsh tone, the Bulgarian public was jubilant at the tough measures announced by the European Commission. The government was quick to announce that all lost EU funds would be compensated by national funds from the budget surplus whereas business organisations and civil society groups openly demanded EU rules in spending Bulgarian taxpayers' money. In short, the Bulgarian population identified the actions of the European Commission, and not those of the Bulgarian government, with the public interest.<sup>13</sup>

Yet, this external support for the rule of law and good governance in the country has not been able to bring about deep political change though empowering the champions of democratic reform in the domestic context. The centre-right political opposition in the country has not managed to capitalise on Brussels' criticism by leaning on the powerful wave of public discontent in the aftermath of the Commission sanctions. In fact, the Stanishev-led coalition government representing the Bulgarian Socialist Party, the party of the ex-king NDSV and the Turkish minority party DPS (Movement for Rights and Freedoms) has survived seven no-confidence votes in the Parliament since coming to power in 2005. Relying on a stable parliamentary majority and facing a weak and fragmented political opposition, the three-party coalition has enjoyed a very comfortable parliamentary life throughout its mandate. Outside parliamentary politics, however, popular support for the political parties in government has

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<sup>12</sup> See interview with Catherine Day, "Politicheska volya ima, no sistemata ne raboti" [There is political will but the system does not work], *Dnevnik*, Sofia, 28 November 2008.

<sup>13</sup> See interview with Ivo Prokopiev, "Sanktsiite na Brjuksel sa v interes na grajdanite i biznesa" [The sanctions of Brussels are in the interest of the citizens and business], *Dnevnik*, Sofia, 27 November 2008.



sharply declined, with the exception of the Turkish minority party, which has a stable electorate.

The main political beneficiary of the latest corruption scandals has been the centre-right political party GERB (Citizens for European Development of Bulgaria) of the populist Mayor of Sofia Boiko Borisov, which has steadily been gaining political ground since its foundation in 2006 and which won the most seats in the European Parliament elections in 2007. That GERB represents a true opportunity for change is highly unlikely, given the opportunistic nature of party formation in Bulgaria in the last decade. GERB positions itself as an anti-systemic party that stands for clean politics and a break with the old practices of party clientalism but it is yet to show how it will behave in office.

What has been most regrettable in the Bulgarian transition story is that civil society has remained fairly weak and has grown more disillusioned with politics over time. As a result, there has been marginal domestic pressure on office-holders to raise governance standards and improve the quality of public life in the country. Elections could have been the time to show discontent with the ruling parties but the sanction vote has not been sufficient to change the nature of politics in Bulgaria profoundly. Political parties coming to power have always had a disappointing performance record, leading Bulgarians to despair and to trust the EU institutions more (58%) than their national ones (34%), as the latest Eurobarometer data confirm again.<sup>14</sup> It is for this reason that the European Commission sanctions of July-November 2008 were extremely popular among Bulgarian citizens, feeling disempowered to influence patterns of change from within.

## Conclusion

Bulgaria's democratisation is a partial success story that leaves much to be desired in terms of good governance. In theory, the fundamental conditions of democracy do exist in the country – free and more or less fair elections, relatively independent media, checks and balances within the institutional set-up to guarantee the separation of powers between the legislature, the executive and the judiciary, freedom of association and a high number of

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<sup>14</sup> See Standard Eurobarometer 70, January 2009 (available at [http://ec.europa.eu/public\\_opinion/archives/eb/eb70/eb70\\_bg\\_nat.pdf](http://ec.europa.eu/public_opinion/archives/eb/eb70/eb70_bg_nat.pdf)).

civil society organisations. Yet this does not amount to a system in which the rule of law always prevails. External actors have been key in helping put in place the formal requirements of a democratic system, but for the system to produce good governance, a change of mentality from within is needed. The political class needs to start regarding public office as a service to the citizens rather than as a fast-track to personal enrichment. Society itself needs to demand more of its designated representatives and to persistently put pressure on public institutions at all levels to deliver quality services on a daily basis. External incentives and disincentives can still be part of the process, and a welcome corrective, but alone, they will not be able to achieve much. Improvement is possible but it will come slowly and incrementally.

### 3. ROMANIA: OUTSMARTING THE EU'S SMART POWER

*ALINA MUNGIU-PIPPIDI*

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If ever a test case was perfectly designed for Europe's smart power, it is the situation of Romania, Bulgaria and Slovakia. These countries break the circularity of the argument over the EU's transformative power. They were not invited to join the EU after they were successful in their transitions, but rather as their transitions hung in the balance and the power struggle between the old and the emerging elites was far from over. They were invited in the express hope that EU accession would be a strong enough incentive to drive these transitions back on track with greater speed and purpose. And considerable success followed in all three cases, most notably in Slovakia. They managed to accede by the deadline and, despite immediate setbacks after accession, their democratic institutions resisted. Nevertheless doubts persist that their Europeanisation is no more than superficial, lacking any real substance. Romania is a particularly challenging case. It had the worst Freedom House Nations in Transit democracy scores of all EU accession countries, and these did not improve convincingly after joining. According to Freedom House, Romania is still the only accession country on the wrong side of the consolidation dividing line. Even the accession process presented a far from linear evolution: Freedom House downgraded Romania three times during this interval.

Romania has of course come a long way since the time of Nicolae Ceausescu's dictatorship. Its evolution is all the more remarkable since it was the only East European country with a bloody revolution (one thousand dead in circumstances that remain unclear) and a transition dominated by former communists. Ion Iliescu, a reformed apparatchik with barely disguised authoritarian tendencies, has won three out of the first four presidential mandates, using the army and vigilante coal miners to

defend his regime. As there was no organised opposition under Ceausescu's harsh regime, the challenger elite has encountered significant difficulties in providing a viable political alternative. The entry of Romania into the EU is due to high popular support for accession, which brought all parties to a common denominator and made accession a common political project. But Romania's current problems are also rooted in the opportunistic behaviour of its elites. The country had barely entered Europe when its political class started to undo reform commitments made to Brussels.

### **Corruption battles**

Romania succeeded in becoming a member of the European Union on 1<sup>st</sup> January 2007. In the immediate aftermath of Romania's accession, on 2<sup>nd</sup> January 2007, the battle started against Justice Minister Monica Macovei, who had been the champion of anticorruption measures agreed with the European Commission. The Senate voted a motion against Minister Macovei, denouncing the 'failure' of justice reform. The motion had been prepared in December 2006, but was postponed until Romania's accession, as Macovei was Romania's most trusted minister within European Union institutions. On February 13<sup>th</sup>, 81 senators, more than just the opposition members, voted against Minister Macovei. However, as there was no constitutional procedure for the Parliament to dismiss a minister in Romania except by dismissing the entire cabinet, the result of such a no-confidence motion was not binding for the Prime Minister, National Liberal Calin Popescu Tariceanu. The phrasing of the motion was particularly embarrassing for Romania, as it was practically an inventory of legislation passed following Romania's commitments to Brussels in order to make the country accepted in the EU.

As public opinion sided with Macovei, who also enjoyed huge support from international media and the European institutions, she was not dismissed outright. Negotiations and pressures dragged on for a few more weeks, with the European Commissioner for Justice and Home Affairs making public statements in her favour. But in the end, the PM dismissed her anyway. Her successor spent less than a year in office, chiefly trying to fire the head anticorruption prosecutor (office of DNA) – but he was himself fired by President Traian Basescu when charged in a corruption case. The fight between an informal parliamentary majority, formed by all the parties except the president's Democratic Party and the

directly elected President Traian Basescu supporting the anticorruption bodies, lasted for four years, until the 2008 election returned a new majority. Its culmination came in 2007, when two thirds of the Parliament impeached Basescu, on grounds judged to be insufficient by the Constitutional Court. A month later he was constitutionally reinstated by a popular vote, with two thirds in his favour this time. But the conflict remains emblematic of Romania's trouble-ridden politics. It boils down to a conflict over the rule of law; a clash between the directly elected national leader and Parliament; the open defiance of Brussels and the forfeit of the promises Romania made to be accepted into the EU. But as Romania has enjoyed robust economic growth since 2001, reaching a peak in 2008, when other countries were hit by the crisis, the political troubles have for a long time not translated into economic ones. The 2008 national elections actually saw the demise of radical populist parties: the Greater Romania Party had its base eroded by the more recent New Generation Party, and none of them made it to the electoral threshold. Joining forces in 2009, they managed to send two representatives to the European Parliament. They applied to join the Popular Party group, however, suggesting that they are more opportunistic than radical.

Corruption had surfaced as the chief concern in Romania by 2002-2003, under the government of Social-Democrat Adrian Nastase, which was also a key time for EU accession. The rise in public concern over this issue coincided with the alleviation of older and more critical fears, such as hyperinflation. Under Nastase, currently indicted on several counts, and defending himself by means of parliamentary immunity only, corruption had openly become the *modus operandi* of the government. Until then it had been more hidden.

'Corruption' in postcommunist societies is generally systemic and goes beyond mere bribery. It cannot be understood in the same terms as corruption in developed Europe, where a bribe is inseparable from graft: in postcommunist Europe bribery is often a way of opening access to excluded contenders in a distribution system that is anything but random. Postcommunist corruption can best be defined as the discretionary distribution of public goods as a ground rule by a non-autonomous state for the benefit of particular groups or individuals. These public goods included nearly everything, as at the beginning of transition everything belonged to state property - but gradually diminished as privatisation progressed and market institutions have consolidated. Inequality before the law remains a crucial component of post-communist corruption and

distribution of public funds, including the remarkable new resources of EU money (which replace the resources from privatisation) persists in being anything but random, even after accession. Passing 'special' legislation to favour certain economic interests is another important feature. By 2003, Romania's top businesses also headed the catalogue of unpaid loans to state banks, debts to the tax authorities or the social security budget, almost without exception. Money for local governments strictly followed party lines, causing two thirds of them to migrate to the government party in just one electoral cycle (the Social-Democrats) in order to obtain funding. In other words, even if the country formally complied with EU requests (basically adopting legislation or creating new institutions without any serious attempt at implementation) Romania's economic and political orders were clearly particularistic and pre-modern. The 2004 elections put an end to the Social Democrat majority, but they did not deliver a sufficient majority to President Basescu, whose party did not put on a convincing performance to change this situation. His main 'instrument' was Minister Macovei and her revamped Anticorruption Agency, but the Parliament, with some help from the Constitutional Court, managed to stall all investigations directed at top politicians by reinventing immunity for MPs and ministers (which had been dropped upon 2003 constitutional reform).

By autumn 2007 however, due to efforts by prosecutors (that were strongly encouraged by Brussels), nine ministers and eight MPs were under investigation by the National Anti-Corruption Directorate (DNA). In June 2007, Justice Minister Tudor Chiuariu, the successor to Ms Macovei, had tried to fire the prosecutor in charge of political cases. Politicians have repeatedly tried to control the DNA's activity by modifying its legal status or scaling back legal anticorruption instruments. A new law was passed in late March 2007, decriminalising certain aspects of bank fraud that were previously under the jurisdiction of the DNA. The law is likely to be applied retroactively, so decriminalisation would apply to bank officers that received kick-backs for granting illegitimate loans, leading to the dismissal by the DNA of numerous cases that were pending. The culmination of this anti-anticorruption activity came in October 2007, when, according to the President of Romania, a draft emergency ordinance was prepared to close down the DNA and merge it with the department against organised crime within the General Prosecutor's Office. The DNA was originally set up as an independent agency at the special request of the European Commission. Meanwhile, despite being subordinated by a Parliament Act to the General Prosecutor, it has so far preserved its

separate organisation, with its Chief Prosecutor remaining independent and its own judicial police force being directly subordinated. Due to its special legal status, it is better organised and far ahead, in terms of performance and resources, of the rest of the General Prosecutor's office. Merging with the rest would not only have created the opportunity to fire its chief, but would have ended the privileged status the EU had accorded it for so long and brought it into line with the rest of the Romanian judiciary.<sup>1</sup> The president made a live TV appearance appealing to the government not to enact the ordinance; the European Commission also showed its discomfort, though much of it through informal channels, so in the end the ordinance was not promulgated.

Politicians investigated by the DNA invariably claim that the investigation is a political witch-hunt. One frequent theme is that the former party of President Basescu, the Democratic Party (DP), is spared by the DNA. There is no credible evidence to back this allegation. A review of the cases from the three main political parties shows that no party was spared. The Social Democratic Party had Adrian Năstase (former president of SDP) sent to trial for accepting bribes, blackmail and influence traffic; Șerban Mihăilescu (MP, former Minister Secretary General of the Romanian Government) was tried for accepting bribes (cash and hunting rifles); Ioan Stan (MP) is under investigation for exercising undue influence as a party leader in order to obtain funds, goods and other undue advantages; Miron Mitrea (MP and former minister of transport) is indicted for accepting bribes. Other MPs and SDP mayors are also facing indictment. They make up the most numerous group, but they were also far more years in government than any other party. From the Democratic Party the DNA charged Gheorghe Falcă (mayor of Arad and godson of the president of Romania) for the crimes of accepting bribes and abuse of office against the public interest; Ionel Manțog (former secretary of state), for accepting bribes, making false statements and abuse of office; Stelian Duțu (MP) for abuse of office against the public interest; Cosmin Popescu (former secretary of state) for intellectual forgery and for aiding a criminal; as well

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<sup>1</sup> European Commission reports assess the DNA positively, "The work of the National Anticorruption Directorate (DNA) shows a positive track record over the past six months". See February 2008 report, p. 4 (see [http://ec.europa.eu/dgs/secretariat\\_general/cvm/docs/romania\\_report\\_20080201\\_en.pdf](http://ec.europa.eu/dgs/secretariat_general/cvm/docs/romania_report_20080201_en.pdf)).

as other mayors and lower-ranked politicians. At the beginning of the year the National Liberal Party had only a few mayors and regional leaders under investigation. However, since remaining in government by themselves the NPL and DAHR seems to have given in to temptations of all kinds. Minister Macovei claimed that her conflict with PM Tariceanu was due to her opposing 'special destination' bills being passed by the government. Bills of this kind generally provide exemptions of every kind: a number of companies are exempt from the general bankruptcy law (although Romania's EU engagement prohibits it from any state help to businesses), a certain privatisation is exempt from general privatisation law and its safeguards, a certain tender is organised by different rules than general procurement legislation, which was brought in line with EU law and is therefore very demanding. The Romanian media as well as YouTube showed video and audio recordings of Liberal ministers for Labour and Agriculture engaged in shady dealings. In a video recorded by prosecutors the minister for Agriculture is seen accepting an envelope of cash and a basket of salami. The National Liberal Party Labour minister was also tapped when pressurising a regional official to grant public contracts to his son's newly set-up company.

This deep linkage between business and politics, well-known in Italy, especially before the *mani pulite*, is difficult to fight and the combat waged by Basescu and Macovei had all the features of a civil war. In 2005 a new director of the tax office, Sebastian Bodu was appointed, with the result that companies finally paid their dues. He was sacked by PM Tariceanu two years later, simply for warning that new legislation (which favoured certain car importers) is against competition *acquis*. There were also steps back on procurement legislation and on the politicisation of the administration, which had never really gone away before returning in force. A long-awaited revision of the criminal code ended in lighter sentences for corruption. The Commission opened infringement procedures for a few other notorious cases, all of the same type: the formal transposition of EU demands is followed by complete subversion in practice, generally due to clientelism. How could the head of a government with nine ministers indicted for corruption, for instance, allow the newly created telecommunications agency to be independent and not politically controlled, in an area so rich in graft opportunities?

Unfortunately, corruption in Romania is not only related to parties and businesses, but cuts across the most important institutions of society. Romanian media has gradually been captured, after having been largely



free and fair at the end of the 1990s. After 2006, concentration in media ownership continued to increase in Romania. Three owners enjoy more than two-thirds of the TV political news market. One is the controversial businessman Sorin Ovidiu Vantu, who owns the daily *Cotidianul*, the investigative magazine *Academia Catavencu*, and a radio station at the head of his influential television channel, the all-news Realitatea. Vantu also started his own news agency, Newsin, and a business TV channel. Mr Vantu has so far managed to escape conviction, despite been charged on several counts. He was the patron of Romania's largest national investment fund (the FNI), a sort of pyramidal game that collapsed in 1999, leaving him with a fortune. Dan Voiculescu, another oligarch in the media landscape, as well as a politician, owns three TV channels, a daily, and a financial weekly that openly wage his political battles for him. The national screening agency for Securitate files, the CNSAS, exposed Mr. Voiculescu as an informant to the communist police in 2006. He is also notorious as having worked for an agency that laundered Ceausescu's money in the 1980s. Naturally, the agenda set by this kind of media looks like a permanent war on anti-corruption, not on corruption.

### **EU measures**

The obvious question at the end of this review is why the European Commission, pushed to the end of its tether by the lack of commitment from Romania's political bodies, did not activate the safeguard clause that had been specifically created for the accession of Romania and Bulgaria to protect the EU from these countries' eventual breach of assumed legal commitments. It would have been the first time such a tough post-accession mechanism was introduced, but the penalties proved inadequate relative to the monitoring mechanism. Activating the clause means at worst that Romania's court sentences would no longer be recognised in the European Union. Bad publicity aside, this move would not directly harm the government or the parliament as much as it would affect European companies doing business in Romania. Although the idea of applying the clause was discussed at the Commission, it was promptly dropped and relegated to the 'lessons learned' chapter for further accessions. The Commission was more innovative in the case of Bulgaria, which saw its EU funds cut - but in Romania evidence of direct fraud is scarce. Seeing the systemic distribution of public funds, fraud is hardly necessary for Romania's top 'business politicians', who prefer to do things legally and to

hire lawyers to defend them from the Commission infringement mechanisms.

There is an additional, political reason why the EU seemed paralysed in the face of Romania's negative developments. Now part of EU, Romanian parties relate to their respective European families on an equal footing. The Liberals in the EP thus defended the Liberal Party, even in its worst decisions. Social Democrats behaved somewhat better, trying to convince their Romanian counterparts that they needed to clean up their act. As for President Basescu, he is largely unknown at the European level and enjoys little trust. While Macovei was known and trusted, having worked for the EU institutions before becoming a minister, Basescu remains a mystery; a populist president from New Europe, and a committed transatlanticist with little record on EU integration. Some of his enemies' criticisms, who compare him to Putin (or Sarkozy) might not have been without consequence for his PR at the EU level. His failure to reappoint Macovei after the 2008 elections has further engendered mistrust, as well as the appointment of some of his relatives and close relations to various positions controlled by him. Although likely to be reelected in 2009, his victory will be seen by many as too ambiguous to cheer for.

Should we therefore conclude that Romania was just 'not ready', and a one year delay of the EU accession date would have allowed reformers like Ms Macovei to consolidate their gains? Hardly so: one year is unlikely to have changed the deep-seated malaise reported there. The conclusion is rather that conditionality prompts unsustainable change, a change that does not survive the lifting of sanctions. The deep Europeanisation of Eastern Europe seems to have been achieved more by emulation and diffusion than by the reward and punishment mechanism related to accession. At the end of day, democracy promotion succeeds by helping the domestic drivers of change, not by doing their job for them. Only Romanians themselves can do this.

## 4. SERBIA'S STATE CAPTURE

VESNA PEŠIĆ

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Serbia has achieved a 'semi-consolidated democracy' status in the Freedom House ranking of 2008.<sup>1</sup> Among the ex-communist countries of Eastern Europe, Serbia is classified in this second-highest group of states, sharing the same regime-type status as its neighbours Romania and Croatia, which have slightly better scores than Serbia, and with Montenegro, Albania and Macedonia, which have lower scores.

These generalised indices reflect both Serbia's positive and negative trends on the road to a consolidated democracy. To illustrate these trends the indices of democratisation can be divided into two categories. The first is electoral democracy. The second relates to democratic institution-building - the need for an effective parliament, a transparent, responsible and efficient government, independent regulatory bodies preventing corruption and independent judicial institutions.

In the first category, Serbia has shown positive trends over the last nine years since the 2000 transition. It has consolidated electoral democracy to the point of no return. No serious party or association would now question elections as the only legitimate way to choose citizens' representatives for the main decision-making bodies. No observers, domestic or foreign, questioned the fairness of the numerous elections held in Serbia since 2000. This positive evaluation is due to the full guarantees of freedom of speech, the press and the right to assembly. To this should be added the extensive range of civil society organisations, both foreign and domestic, which have played a significant role in the democracy-building

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<sup>1</sup> Freedom House, *Nations in Transit, 2008 - Democratization from Central Asia to Eurasia*, New York/Washington, D.C./Budapest, 2008.

process. Conditions for their activities have been improved by the passing of a new law governing NGOs in June 2009. This law had been postponed for years, eliciting constant complaints from the NGO sector.

The media are generally independent and have not proved an obstacle to free and fair elections. But their broader role, meant to control the government and investigate corruption, has undergone some regression. The recent intimidation of journalists (the case of Dejan Anastasijevic, a journalist of the weekly *Vreme*, and the editors-in-chief of the radio show *Pescanik*) and the media alignment with specific political parties, their tycoon financiers and the secret service, all demonstrate a negative trend.

Serbia introduced a new constitution in November 2006. Observers such as the Venice Commission see it as a step forward from the old document of the Milosevic era. Important improvements include a package on human and minority rights and the consequent reduction of ethnic tensions in Serbia. Weaknesses have also been pointed out. An ethnic community that still suffers broad discrimination is the Roma community. Shortcomings also include the inadequate guarantees of judicial independence and the 'party' selection of MPs from the electoral lists. Criticism has been aimed at the relatively limited degree of decentralisation, regionalisation and guarantees for the autonomous provinces. The most recent criticism was directed at the Serbian parliament's failure to approve the Statute of the Autonomous Province of Vojvodina. Serbia remains a highly-centralised country, a feature that has become an obstacle to deeper democratisation and economic development. There is a huge and growing gap in development between north and south-east Serbia: the ratio in economic wealth between the developed and undeveloped part of the country is 7:1.

Among Serbia's key failures in democratisation are the lack of rule-of-law and weak countervailing institutions. These weaknesses are connected with widespread and systemic corruption. From 2002-2006, Serbia made some progress in fighting corruption by passing new laws on regulatory and controlling institutions. But these positive trends were halted in 2008 because the laws curbing corruption were sabotaged and left unimplemented. In autumn 2008, the Serbian parliament passed a law establishing an Agency against Corruption and elected its Council. However, its inception has been scheduled for 2010 so it still has no influence. Political stagnation is corroborated in the EC Progress Report on

Serbia, published in November 2008. The criticisms regarding the political and legal institutions voiced in the Report are nearly identical to those expressed in the 2007 Report. The Report notes weaknesses in the work of all chief institutions: parliament, government, public administration, regulatory authorities, judiciary and the civilian oversight of the armed forces. It highlights the high level of corruption and the insufficiently-effective struggle against it – Serbia has fallen down Transparency International's corruption index. The report ascribes such failings to the non-transparent funding of political parties, disrespect of the conflict prevention law, officials' failure to declare their assets, the lack of an anti-corruption office and inefficient monitoring of privatisation procedures and budgetary expenditure by independent institutions.

The main cause of Serbia's poor advancement in institution-building is the specific form of corruption in the country. The phenomenon of *state capture* is described in detail elsewhere.<sup>2</sup> In Serbia, state capture signifies the power of the ruling parties (those forming the coalition government) to divide the state and the whole public sector amongst themselves as spoils, which every ruling party freely disposes of, without control. This division of party spoils is conducted at all levels of authority. One may note the consolidation of this bastard child of transition. It undermines state institutions and the public good for the sake of political party leadership interests in collusion with the interests of the tycoons. They are secretly funding all major parties, thus corrupting state institutions. In the past two or three years, many citizens have become aware of the reality of state capture but no serious attempts have been made to confront it.

Within the limbo of corrupt state capture, in which private and party interests override public interests, democratic institutions have become so weak that they are teetering on the brink of chaos and disintegration. This refers both to the government and the parliament. The parliament has been almost constantly paralysed. The ruling majority has been unable to operate normally. The weakening of the institutions leads to constant delays in fulfilling EU accession requirements. The parliament blockade has impeded the adoption of necessary laws; the government has failed to

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<sup>2</sup> More on the onset and attributes of state capture in my paper *State Capture and Widespread Corruption in Serbia*, CEPS Working Document No. 262, CEPS, Brussels, March 2007 ([www.ceps.eu](http://www.ceps.eu)).

fulfil its own plan and submit the laws to the parliament for adoption. As the director of the Serbian EU Integration Office (SEIO) noted, in 2008 Serbia managed to complete only 29% of its accession-related tasks. This dramatic situation has improved somewhat in 2009, however. The statute of the parliament was changed and obstruction was curbed. Parliamentary efficacy has improved and 50% of EU accession-related tasks have now been completed. The 'road map' to inclusion on the Schengen white list is almost complete. On 16 June 2009, the EU proposed giving the green light for visa elimination to Serbia, Montenegro and Macedonia, starting in 2010.

### **Weak EU traction**

Traditionally, Serbia has been ambivalent in its relations with the West. Throughout Serbian history to the present day two political positions, pro and contra Europe have been in tension. The forces against the West believe that Europe is an enemy of Serbia's national interests. They look for support from Russia as a real friend, culturally close and belonging to the same Orthodox Church worldview, which is suspicious of the 'Catholic West'. The pro-European position advocates the modernisation of Serbia, naturally by relying on the West and progressive European values, culture and economy. There is no doubt that in the critical times after the fall of the Berlin Wall and the dismembering of Yugoslavia, Serbia under Milosevic chose the anti-European position. Seeking to enlarge its territory and unite as many Serbs as possible, it was extensively involved in the 1991-1995 ethnic war in Croatia and Bosnia and Herzegovina.

With the fall of Milosevic in October 2000, it was thought that pro-European forces would assume the decisive role. The candidate of the anti-Milosevic Democratic Opposition of Serbia (DOS), Vojislav Kostunica, won the position of president of Yugoslavia, and by the end of the year, DOS won the Serbian parliamentary elections and Zoran Djindjic of the Democratic Party (DS) became Serbia's prime minister. Djindjic was a true reformer and strongly pro-European. Because of this orientation and his able and energetic leadership, he was a threat to the conservatives - the anti-European 'patriots'. They plotted against the prime minister and assassinated him in March 2003.

In the parliamentary elections of 2003, the same pro and contra EU polarisation appeared: the nationalists of the Serbian Radical Party (SRS) became the strongest individual party. However, the pro-European parties were able to create a coalition government led by Vojislav Kostunica. In the

presidential elections of 2004, Boris Tadic, president of the DS, won against Tomislav Nikolic of the SRS. In November 2005, the EU approved the feasibility study by which negotiations on the Stabilisation and Association Agreement (SAA) with Serbia (and Montenegro) could begin. Although, during Kostunica's government 15 Serbs accused of war crimes turned themselves in and were extradited to The Hague Tribunal, SAA negotiations were stopped in May 2006 because Ratko Mladic had not been arrested and extradited to The Hague Tribunal. Serbia claimed that it could not locate Mladic. It maintains this claim, insisting on its clear political will and its extensive, constant efforts to arrest Mladic. Cooperation with the ICTY has remained the biggest problem for Serbia's advancement towards EU integration. It has also been the source of negative attitudes toward the EU. Although the SAA was subsequently signed and ratified by the Serbian Parliament, it was immediately 'frozen' by the EU because Ratko Mladic had not been imprisoned.

The 'historical' battle between pro and contra EU forces was present in all subsequent elections. Following the parliamentary elections in January 2007, the SRS was again the strongest individual party, but the pro-European parties were able to create a coalition composed of Kostunica's Democratic Party of Serbia (DSS), the DS of Boris Tadic (as the strongest party in the coalition) and the G17 plus, with Kostunica as prime minister. In the 2008 presidential elections, Boris Tadic once again defeated Tomislav Nikolic of the SRS. In March 2008, the second Kostunica government fell because of Kosovo's declaration of independence.

New parliamentary elections (May 2008) were especially important because the main issue was whether Serbia should sign the SAA and join the EU, despite the fact that the majority of EU countries supported Kosovan independence. The EU helped Serbia's pro-European coalition by offering Boris Tadic signature of the SAA. This happened just before election day. For the first time in Serbian history, the "List for Europe" became individually the strongest political force winning the most seats in parliament. But it did not receive sufficient votes to create a parliamentary majority. A pro-EU government was created by convincing Milosevic's Socialist Party to change sides from 'contra EU' to 'pro EU'. Being defeated on the EU question once again, the SRS split in two on the occasion of the SAA ratification by parliament. Tomislav Nikolic, who was in favour of ratification of the SAA, created a new party accepting Serbia's future in the EU on condition that Kosovo remain part of Serbia.

Kosovo has been the crucial issue in Serbia's relations with the EU since the beginning of talks on Kosovo's status in September 2006. All major parties have rejected the Ahtisari proposal for a "controlled independence" of Kosovo. They have all agreed to incorporate Kosovo in the constitution as part of Serbia. They have all agreed that Serbia will never recognise Kosovo as an independent state. The only dispute has been over whether EU support for Kosovan independence means that Serbia must refuse all further talks about EU integration, including the signing of the SAA. Kostunica is against the SAA, while Tadic coined a "Kosovo and Europe" stance, insisting that these two issues are not connected. Boris Tadic and his "List for Europe" won elections under the slogan "Kosovo and Europe". Serbia got a 'pro-European' government, which declared that the fight for Kosovo and EU integration were equally-important priorities. The ambivalent, and in the long term, contradictory goals contained in the slogan "Kosovo and Europe", reflects the still-hazy vision of Serbia's future. Serbia has not relinquished its ambivalence about its priorities: should it focus on the Serbian national issue (now represented by the 'defence of Kosovo' and the 'defence of the Republika Srpska' line), or aim towards development, modernisation and EU membership?

Serbia prioritised the 'defence of Kosovo' in 2008, focusing its foreign policy solely on that issue. It continually declares that it will never recognise Kosovo. However, the impression is that given the tough impact of the economic crisis Serbia will expedite the EU integration process. This suggests that Serbia's hesitations on which way it should go will become more practical and less 'existential'. Right now, it must obtain the money it lacks. Serbia can only turn to the EU for aid and this is why one may expect European rhetoric to prevail in the immediate future. Whether EU traction finally wins or not will depend on Serbia's ability to break with the past. It simply means extraditing Ratko Mladic (and Goran Hadzic) to the International Criminal Tribunal for the former Yugoslavia (ICTY), as the final two accused who remain uncaptured out of 46 in total, and on a more functional and pragmatic treatment of Kosovo.

### **Serbia and the global crisis**

It is difficult to predict how much influence the global crisis will have on Serbia. It is certain that it has already influenced the Serbian economy, which has fallen into deep recession and is predicted to contract by 6% in 2009. There is no doubt that the Serbian economy and the financial



situation is in freefall. Everyday life is dramatically worsening: many people are not able to pay their debts; job loss and an already-high unemployment rate are increasing; economic activity is declining; salaries are shrinking; prices are rising because of private and state monopolies; credits are extremely expensive, thanks to a 13% interest rate to prevent inflation; illiquidity is spreading (the accounts of 60,000 small and medium companies have been blocked); investments are low; import and exports have suffered a 25-30% decline; and the budget deficit is rising, despite two rebalancing adjustments already having been approved. The government has introduced measures against the crisis but their effectiveness is hard to gauge. A new stand-by arrangement with the IMF was recently signed and a three-billion-dollar credit to save Serbia from bankruptcy has been approved.

But the global crisis is not only economic. It is also a crisis of *meaning* that characterises today's developed world. So, the main question for Serbia is whether the crisis will help the Serbian political elite introduce important changes, such as taking responsibility for the public interests and needs of the citizens, or whether it will continue with its own decay and corruption. To initiate key changes, Serbia must completely unblock its future, and above all, its stance towards EU integration. This means that Serbia must break with its past and its 19<sup>th</sup> century nationalistic ideologies.

After the last elections, despite the victory of the pro-European forces, it has become clear that the confusion in Serbian policies remains. In principle and in rhetoric, Serbia wants to join the EU, especially during election campaigns which are rife with promises of "a better life and higher standards". As soon as the elections pass, the pro-European government begins to stray. It postpones resolving the intricate centuries-old Serbian national issue that provides cover for huge corruption and misuse of authority. As said, the EU helped Serbia last year, before the elections, to elect a progressive government by signing the SAA. Now, a majority of EU countries are giving support to Serbia, but just 'in principle', being disappointed with Serbia leaders' rhetoric on Kosovo, the International Court of Justice, military neutrality and the rejection of NATO. They will do little to convince the Netherlands to unfreeze the SAA agreement with Serbia, since the new Serbian government did not do enough in 2008 to get closer to the EU, including through cooperation with the ICTY. The primary *conditio sine qua non* for joining the EU - handing Ratko Mladic over to the ICTY - is the key step in breaking with the past, because Mladic, too, is part of the 'national issue' that has to be resolved.

The key question is whether the crisis will force the present government to act against a captured-state system; in this system, all democratic and independent institutions are deeply dependent on and under pressure from political parties and their bosses, who decide which laws will be passed and whether they will be applied. More often than not, they are not applied. But now, with the economic collapse, the uncertainties many face, the procrastination and sabotage of the laws and the direct damage to the citizens of Serbia caused by endemic corruption, huge dissatisfaction is rising among the population with the governing political elite. This is demonstrated not only in numerous polls, but also by the behaviour of the people during the elections in two local Belgrade communities in June 2009. Only about a third of the constituency turned out to cast a vote, sending a clear message of disapproval to the government and the leading parties. The second message is that if the pro-European parties in the coalition, and especially the DS of Boris Tadic, continue with their false promises and fanciful lies about preparing for the EU, the conservatives will gain power with the new party of Tomislav Nikolic. His party, the Serbian Progressive party, has already won elections in both local communities in Belgrade, one of which was a stronghold of the DS for the last 12 years.

If the present ruling elite gets the message from the citizens in time and understands that the crisis has not only changed the economy for the worse, but also the lives and minds of the people, they will introduce the necessary changes. If it does not learn from the crisis, Serbia will stay where it is now – in a hazy, unfinished democratic and economic transition, lagging seriously behind in its EU integration.

## 5. TURKEY: INTERNAL AND EXTERNAL CHALLENGES OF DEMOCRATISATION

*SENEM AYDIN DÜZGİT*

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**A**fter losing the battle for democratic consolidation in the 1990s, a decade full of mounting tensions thanks to the rise of Islamist politics and PKK violence, Turkey entered a more optimistic era of democratic reform from 2000 onwards with the growing strength of the EU anchor and shifting internal dynamics.

The credibility of EU conditionality towards Turkey with the granting of candidacy status to the country and the prospect of accession negotiations, was among the major reasons behind the democratic reform process that was first initiated with a record number of 34 constitutional amendments in October 2001, to be followed by a new Civil Code in January 2002 and three 'harmonisation packages'<sup>1</sup> adopted in the follow-up to the Copenhagen Summit of 2002. The legislative changes introduced significant reforms, particularly in the field of human rights, protection of minorities, freedom of expression and freedom of association. They were later followed by four subsequent reform packages and two sets of constitutional amendments, all aimed to improve the democratic standards in the country.

In addition to the EU anchor, domestic actors also played a crucial role in triggering the reform process. The AKP, after having come to power as a single-party government in the November 2002 elections, was very effective in translating the strengthened conditionality into real change in

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<sup>1</sup> A term of reference for a draft law consisting of a collection of amendments to different laws designed to amend more than one code or law at a time, which was approved or rejected in a single voting session in the parliament.

the domestic sphere, both to guarantee its survival vis-à-vis the secularist establishment and to grant legitimacy to its heavy emphasis on democracy in its political ideology. Civil society also had a prominent role in promoting political reform in the country by making use of the extended public space facilitated by EU accession, which strengthened their claims for a more democratic Turkey. Reforms were also made possible by the decrease in adoption costs for traditional veto players such as the Turkish military and security establishment after the defeat of the PKK by the Turkish military, helping in turn to create an environment more conducive to political reform, particularly in the area of human rights and minority rights.

Things, however, started to change from 2005 onwards, with changes in both the external and the internal environment. The last two years of the AKP's first term in office, and especially the party's second term in government, can be considered as a period in which democratic consolidation stagnated in Turkey.

### **A stagnating democracy**

Little was done on the democratisation front during the last two years of the party's first term in office. Despite occasional and rhetorical lip service to Turkey's commitment to EU accession and, in a related fashion, to the reform process, no substantial moves were made in this direction. AKP's second term in government promised more hope on this front. Soon after coming to power, the party started preparations on the drafting of a new 'civilian' constitution with expanded individual rights and freedoms. This was a significant move, considering the primacy accorded to state over society in the 1982 constitution. The constitution project, however, was abruptly put on hold in early 2008 and followed by a proposal from the Nationalist Action Party (MHP) to lift the ban on the wearing of headscarves in universities by a constitutional amendment. The AKP immediately joined this much-disputed MHP initiative, with the result that the amendment was later taken to the Constitutional Court by the staunchly secularist Republican People's Party (CHP). The lifting of the headscarf ban in higher education could indeed be considered as a positive and necessary step, had it not been separated from broader constitutional reform, suggesting that some freedoms were being ranked above others. This initiative caused severe tensions on the political scene and added to secularist concerns that the AKP was gradually Islamising Turkish society.

Political tensions in the country reached a peak with the attempt to close down the AKP at the Constitutional Court in March 2008, on the grounds that “the AKP had become the centre for activities against secularism”. Even before the court case, the AKP was often perceived as attempting to appease the forces of status quo in Turkey, for example through its reluctance to abolish outright Article 301 of the Penal Code, which regulates offences that involve “insulting Turkishness, the Republic, the parliament and state institutions”; or to undertake any reform relating to the Kurdish issue. This perception was strengthened after the court case, and it is often argued that there is now a *modus vivendi* between the party and the state establishment, especially on the Kurdish issue, on which the AKP discourse became even more nationalistic after the closure case. In the end the Court decided not to close down the party, but also concluded that the AKP had become the focal point for activities against secularism in Turkey. This is in fact a key concern of the secularists in the country, who fear that the government’s ‘piecemeal administrative decisions’ and ‘social influence’ will promote religiosity to the extent that the advances of the secular republic in areas such as gender equality will ultimately be eroded.<sup>2</sup>

There has been progress on some issues, such as the law on foundations, which was further revised in favour of non-Muslim community foundations; the launching of a state channel that broadcasts solely in Kurdish and the investigation opened against a neo-nationalist gang named ‘Ergenekon’, accused of engaging in plans to stage a violent uprising against the government.<sup>3</sup> However, these steps fall short of tackling the real democratic challenges that trouble Turkish politics and society. The Kurdish issue and its related human rights implications, along with the growing polarisation between secularists and Islamists – against a background of creeping Islamisation – remain the nodal points around which any substantial efforts at democratic consolidation will have to be made.

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<sup>2</sup> Murat Somer, “Moderate Islam and Secularist Opposition in Turkey: Implications for the World, Muslims and Secular Democracy”, *Third World Quarterly*, Vol. 28, No. 7, 2007, p. 1278.

<sup>3</sup> The investigation led to some strong opponents of the AKP including a prominent journalist, being taken into custody, which raised concerns that the government was using this investigation to suppress oppositional forces.

### Normative appeal of democracy?

It could be argued that the normative appeal of democracy is in fact weak in the case of Turkey. At the level of political parties, a strong rhetorical commitment to democracy as a political system can be observed. This, however, does not often translate into a normative value upheld by the main political parties in their enacted/proposed policies and their positions on certain issues.

In the case of the AKP, it has often been argued that the party upheld democracy as a normative value, regardless of the prospect of EU accession. Prime Minister Erdoğan's repeated statement that in the case of a rebuff from the Union, they would continue the democratic reform process by naming the Copenhagen criteria as the "Ankara criteria" was probably the most commonly cited evidence in this regard.<sup>4</sup> As the above discussion suggests, the waning of the reform zeal, particularly as EU accession prospects weaken, seriously clouds this assumption. Furthermore, it can also be observed that the undemocratic institutional measures for which the party elite was heavily criticised in the past are now utilised by the AKP itself, to strengthen its authority over the political system and the masses.

For example, until recently, one of the public institutions much-criticised by the AKP was the office of the presidency, which was attacked for using its undemocratic powers as granted by the 1980 constitution in exercising its control over universities and appointing rectors that were not democratically elected, but those who were closer to the ideology of the state establishment. The main 'legitimising' discourse of the party to such criticism was one that relied heavily on democracy. In its second term in government, however, instead of making any attempt to reform the undemocratic powers of the presidency, the party condoned the new president from the AKP cadres, Gül, making full use of his powers to appoint rectors regardless of the university elections.<sup>5</sup> Thus, instead of

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<sup>4</sup> See, for example, Michael Emerson et. al., "The Reluctant Debutante: The EU as Promoter of Democracy in its Neighbourhood", in Michael Emerson (ed.) *Democratisation in the European Neighbourhood*, CEPS Paperback, CEPS, Brussels, 2005, p. 189.

<sup>5</sup> *Milliyet*, 30 December 2008.

reforming the key undemocratic measures of the 1980 institution, in some cases the party makes full use of them to strengthen its hold on power.

A normative commitment to democracy also seems to be problematic for the main opposition party. Despite its rhetorical commitment to democratic values, the CHP, currently the major party of the secular left, as it defines itself, seems to be almost indistinguishable from the ultra-nationalist MHP in its defensive nationalism and its reluctance to embrace democratic reform.<sup>6</sup> This leaves the AKP with little opposition to push it towards a more democratic reform-oriented agenda. This weak normative commitment is also on display in intra-party democracy, where both parties, among others, have an organisational structure that is heavily reliant on the authority of the party leader and where little dissent is allowed.

A mixed picture emerges when observing where civil society stands in relation to democratic values. It is largely accepted that civil society activity in Turkey increased considerably from the late 1980s onwards. However, analyses reveal that such an increase has not necessarily led to an increased internalisation of democratic norms by civil society actors. In fact, studies show that they overwhelmingly ‘instrumentalise’ democracy for their own rational ends with low degrees of normative commitment. For example, while the discourses of the main economic civil society actors, namely the business associations TÜSİAD and MÜSİAD, uphold respectively a ‘liberal modernity’ and a ‘conservative modernity’ open to globalisation and the EU as an alternative to the state-centric structure of Turkish modernity, their claims to modernity as such seem to be much stronger than their commitment to democracy.<sup>7</sup>

There are also problems regarding the normative appeal of democracy among the masses in general, creating an environment that may hamper democratic consolidation. A recent study suggests that a majority of the Turkish population does not uphold democracy as a ‘normative

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<sup>6</sup> Ziya Öniş, “Conservative Globalists Versus Defensive Nationalists: Political Parties and Paradoxes of Europeanization in Turkey”, *Journal of Southern Europe and the Balkans*, Vol. 9, No. 3, 2007.

<sup>7</sup> Fuat Keyman, “Civil Society and Democratization in Turkey”, paper presented at a seminar on Democracy and Democratization in Turkey, Universidad Autónoma de Madrid, 21-23 November 2008.

value', but instead has a 'sectarian' approach to democracy, meaning that the rights of those perceived as one of 'them' are upheld while the rights of those denoted as 'others' are disregarded. For example, while 43% of the respondents in the study were in favour of the abolition of the headscarf ban in universities, only 11.4% of the public seem to support the right to education in Kurdish.<sup>8</sup>

### Europe as an external anchor?

The EU played a crucial role in the triggering of the democratic reform process between 2000-05. It can be argued that one of the main ways through which it did this was the application of a relatively credible policy of conditionality: by making EU accession a more realistic prospect, mainly through granting candidacy status to the country and taking the decision to open accession negotiations. Turkish accession has always been a subject of controversy in the EU. The intensity of the debate, however, grew as the accession perspective of Turkey became more 'real' (especially with the opening of accession negotiations) and as the internal discussions regarding the future of the European order were put under the spotlight with the referenda over the Constitutional Treaty. The mixed signals on the future of Turkish accession turned more towards the negative when prominent EU leaders such as Nicolas Sarkozy and Angela Merkel expressed their reluctance to admit Turkey as a full member.

In addition to this, the Cyprus problem continues to hamper the credibility of EU conditionality in Turkey by feeding into the mass perception of the EU in Turkey as an 'unfair' arbiter that solely punishes Turkey in the conflict. In December 2006, the European Council decided to suspend negotiations in eight chapters of the *acquis*, on the grounds that Turkey was violating its commitments under the customs union agreement and the additional protocol by refusing to open its ports to Cypriot vessels. This is now a precondition for the provisional closure of each negotiated chapter.

The survey data show accordingly that in Turkey "people seem to have become less convinced of the potential benefits and eventual likelihood of membership, all resulting in overall lower levels of support

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<sup>8</sup> Ali Çarkoğlu & Binnaz Toprak, *Değişen Türkiye'de Din, Toplum ve Siyaset* [Religion, Society, and Politics in a Changing Turkey], TESEV, Istanbul, 2006, pp. 27-28.



for membership in the EU".<sup>9</sup> While support levels for membership were just above 70% between 2002 and 2005, this figure dropped to 57% in the first half of 2006, dropping further to 42% in the second half of 2008.<sup>10</sup> Another study finds that a clear majority of the population does not believe in the sincerity of the EU in admitting Turkey as a full member. Approximately 50% of the respondents argued that Turkey would not be accepted as a full member even if it fulfilled all the conditions for accession.<sup>11</sup> The danger that this holds for democratic reform is that it reduces the electoral incentive for the adoption of costly reform to attain EU accession, ties the hands of the domestic reformers among the elite and civil society and thus also undermines the power of the Union as an effective external anchor for democratic reform.

On top of this general problem of the credibility of EU conditionality, there is also a more specific problem that weakens the power of the EU in the democratisation of the country. It can be argued that the *Leyla Şahin v. Turkey* case in which the European Court of Human Rights in November 2005 rejected the appeal to allow the wearing of the headscarf in universities can be considered a 'turning point' in the AKP's perception of Europe in the promotion of democratisation in Turkey. A recent study suggests that this case led to a serious reassessment among certain segments of the party as to how far Europe could contribute to changes in Turkish secularism through an agenda of democratisation and human rights.<sup>12</sup>

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<sup>9</sup> Ali Çarkoğlu, "Changing Mindsets of Turkish Public: Should Turkey be a Member of the EU?", *Annals of Japan Association for Middle East Studies*, Vol. 22, No. 2, December 2006.

<sup>10</sup> Ibid. and Standard Eurobarometer 80, Country Report: Turkey, autumn 2008.

<sup>11</sup> Hakan Yilmaz, "Europeanization and its Discontents: Turkey, 1959-2007", forthcoming in 2009 in a volume to be published by Springer (Germany), in cooperation with the Constantinos Karamanlis Institute for Democracy (Athens, Greece).

<sup>12</sup> Senem Aydın & Ruşen Çakır, "Political Islam in Turkey", in Michael Emerson & Richard Youngs (eds), *Political Islam and European Foreign Policy: Perspectives from Muslim Democrats of the Mediterranean*, CEPS Paperback, CEPS, Brussels, 2007.

### Structural constraints

One of the main drivers of democratic reform in the Turkish case was the military defeat of the PKK in the late 1990s. The ceasing of terrorist activity had significantly contributed to the lowering of adoption costs of certain political reforms in the field of human rights and the protection of minorities. Largely thanks to the political instability in Iraq, the PKK renewed its terrorist activities in 2007, culminating in the Turkish military's intervention in Northern Iraq in February 2008. The renewal of PKK terrorism enhances nationalist fervour among the public and the political parties, hindering substantial reform, particularly in the field of minority rights.

Another structural constraint that currently stymies the reform process is the state of civic-military relations in Turkey. Although significant institutional reform has been undertaken in this realm, the issue is far from being resolved. This is mainly due to the fact that the classic 'democratic control of armed forces' approach as upheld by international institutions such as the EU and NATO is insufficient for the Turkish case where in addition to institutional privileges, the military's "legal, moral and political grounds for watching over the regime are formidable".<sup>13</sup> This was most recently observed in the reactions of the Turkish military to the possibility of Gül's presidency where the armed forces were described as an institution that "has a stake in the debate" and that will "make its position clear when necessary".<sup>14</sup>

Furthermore, the current state of the economy does not look promising for the prospects of Turkish democracy. It is well-known that the AKP benefited from a highly favourable international economic climate when it first came to power in 2002. The economy had also by then started to reap the benefits of the structural reforms carried out by the previous coalition government in the aftermath of the 2001 economic crisis. The tide has now turned for the worse. The AKP will have to find novel means of tackling the challenges to continued economic growth and job creation in a

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<sup>13</sup> Ümit Cizre, "Problems of Democratic Governance of Civil-Military Relations in Turkey and the European Union Enlargement Zone", *European Journal of Political Research*, Vol. 43, No. 1, 2004, p. 110.

<sup>14</sup> *Radikal*, 28 April 2007.

highly unfavourable global economic environment, to sustain the support of the middle classes that play a crucial role in the moderation of its ideology.<sup>15</sup> Unemployment rates are rising rapidly and growth predictions are shrinking by the day. The party seems very reluctant to acknowledge the presence of an economic crisis. If, however, the crisis deepens in the Turkish context, the appeal of nationalism and populism will undoubtedly increase as it did in the past, reducing the appeal of democratic reform.

Probably the greatest impediment to the consolidation of democracy in Turkey is the growing Islamist-secularist divide. There is a huge degree of mistrust between the secularists and the Islamists in Turkey. The ambivalence in the AKP's ideology as to where the party stands with respect to the role of Islam on issues that lie at the heart of secularism in Turkey (i.e. the public role of Islam) fosters fears among the secularists that the party has a hidden agenda of Islamising Turkish society. Its recruitment policies at both the central and the local levels, which rely heavily on ideological/communitarian ties and party policies that promote societal Islam (such as turning a blind eye to illegal Koran courses) enhance this perception. Indeed, as the famous Turkish scholar of Ottoman and Turkish history, Şerif Mardin, recently put it, the promotion of Islamic/conservative social values by the AKP, combined with social pressure backed by a new Islamic middle class, creates a strong potential for the increasing Islamisation of Turkish society.<sup>16</sup> Such a possibility makes the secularist segments of Turkish society increasingly wary of democratic reform, fearing that more liberalisation will only contribute to the further Islamisation of Turkish politics and society.

## Conclusions

It might be argued that Turkey is an example of a currently stagnating democracy due to a combination of both domestic and external factors. The low degree of normative appeal of democracy among both society and the

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<sup>15</sup> Şevket Pamuk, "Globalization, Industrialisation and Changing Politics in Turkey", *New Perspectives on Turkey*, No. 38, 2008.

<sup>16</sup> Ruşen Çakır's interview with Şerif Mardin in Ruşen Çakır (ed.), *Mahalle Baskısı: Prof. Dr. Şerif Mardin'in Tezlerinden Hareketle Türkiye'de İslam, Cumhuriyet, Laiklik ve Demokrasi* (Small-Town Pressure: Islam, Republic, Secularism and Democracy in Turkey from the View of Şerif Mardin's Theses), Istanbul: Doğan Kitap, 2008.

main political parties at large; the growing Islamic-secular divide that inhibits democratic development, the growing appeal of nationalism, the state of civic-military relations and the state of the Turkish economy currently weakens the prospects for democratic consolidation. On the external side, the EU is increasingly losing its power as the main external anchor of Turkish democratic reform, due to a weakening policy of conditionality and the resulting loss of confidence in the EU. This combination of domestic problems and the weakening of the EU anchor has the potential to return Turkey to the political upheaval of 1990s: an era lost to political and economic instability, rife with Islamism and Kurdish secessionism.

**PART II**  
**STATES OF THE FORMER**  
**SOVIET UNION**

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## 6. GEORGIA'S DEGENERATIVE TRANSITION

*GEORGE KHUTSISHVILI*

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Once upon a time – admittedly not so long ago historically – Mikhail Saakashvili, Viktor Yushchenko and their closest allies were perceived in the East as bringers of democracy, and as Western ‘Messiahs’ whose ultimate mission was to democratise Russia. They envisioned themselves as latter-day American-style founding fathers; their idea of a free, prosperous and law-based democratic future set them apart from the ‘cowboys’ around them who were governed by mob rule. Their message to their own societies was clear: you may have misgivings, but we will not be swayed, as we know we are doing the right thing for everyone’s future. Since 2004, Saakashvili’s favourite phrase has been “Whatever happens, we will bring this battle to an end”. The initial achievements of Georgia’s ‘Rose Revolution’ were impressive: among other improvements, petty corruption was significantly reduced; power and gas supplies were ensured; many roads rebuilt and buildings repaired; and the corrupt traffic police were dismissed entirely and replaced with a reliable mobile patrol. No less impressive was the agreement signed with Russia regarding the closure of Russian military bases stationed in Georgia since Soviet times. It was announced that EU and NATO memberships were just around the corner, and EU symbols and flags appeared in public places alongside the newly-adopted national ones, as though Georgia was already an EU member. It was only later that the revolutionary leaders’ lack of understanding of democratic ideals and principles, and their disinclination to follow them, became apparent.

November 23, the date of the revolution, is celebrated in Georgia as a national holiday. However, the old enthusiasm for this date is long gone. For the leader of a revolution to be true to his name as both a revolutionary

and a self-proclaimed initiator of democratic reforms, these reforms must be prominent during the revolutionary party's time in office. The introduction of fair elections is of paramount importance, legitimising the revolutionaries' belief in democracy by ensuring that future leaders come to power democratically. Such a change would also prevent the establishment of a destructive pattern of recurrent revolutions. Georgia's political structures still need to be reformed before a change in power can take place through elections; a non-revolutionary process. The 'revolutionaries' have shown that they are unwilling to create an environment that would allow oppositional political thought to gain a foothold in society. Non-state TV channels cannot function without state interference, and domestic business is kept under state tutelage. Since the May 2008 elections, the ruling United National Movement – the president's party – has had a constitutional majority in the new parliament, with only a nominal and practically non-functional minority opposition. The government perceives this as another victory for democracy in Georgia: political alternatives are seen as unnecessary if the ruling majority is doing a 'good job.'

A comparison between early 2004 and mid-2009 shows a dramatic deterioration in perceptions of the now widely-discredited 'colour revolutions'. Instead of the hoped-for open societies with developing market- and law-based state systems and the ability to promote democracy, the former Soviet countries have become authoritarian power conglomerates badly in need of democratisation themselves. Georgia's ailing economy and almost non-existent agricultural industry are unable to provide sufficient support to the process of social reform.

### **A path paved with good intentions**

In the years following Georgia's colour revolution, the wider world gave too great a credence to information provided by the government and the government NGOs (GONGOs). This led to an inaccurate perception of the true state of affairs, and subsequent unrealistic expectations of future development. The Bush Administration gave the Georgian leadership unconditional support, which assisted it in centralising power.

After the January 2004 inauguration of the almost unanimously-elected president Saakashvili, constitutional changes were introduced. These changes shifted the balance of power away from the parliament and towards the president. An ultimatum was then issued to those who had

profited under the Shevardnadze regime, forcing them to yield part of their fortune to the state in exchange for a guarantee of safety. Although this was technically illegal, international observers were still blinded by the euphoria of a popular victory and took a rather benign view of the Georgian government's arrogant, risky manoeuvres. The leaders insisted on their need of an extraordinary amount of credit in order to have the maximum possible resources to carry out the difficult reforms and ensure democratic rule. Improvements in financial management and extreme forms of 'fundraising' led to a ten-fold increase in revenue in a two-year period. Remarkably, the majority of resources and international aid were allocated to military spending: over \$1 billion in the first half of 2008 alone. However, Georgia's resounding defeat in the August 2008 war demonstrated in spectacular fashion how inefficiently the augmented defence budget had been allocated and managed.

The August 2008 war divided Georgia's political situation into a 'before' and 'after'. Before the war, it had been relatively easy to manipulate elections; oppress TV companies; marginalise the opposition and ignore criticism, all the while retaining international support. After August, it seemed unlikely that this situation would continue. Georgia's leaders sensed that a fundamental change had taken place; a change that was not merely the inevitable reconsideration of unconditional US support under the new administration. International media perceptions of Georgian policies had become largely negative; this negativity spread and coloured people's views of the country as a whole. This feeling remained until spring 2009, when passive US and EU support was gradually reestablished, although Georgia had fallen down the list of international priorities. However, nobody in Georgia itself had any doubt that the authorities would resort to whatever repressive measures they deemed necessary to retain their power if a real threat emerged from the growing opposition movement or from public protest.

The leaders of the 'Rose Revolution' have demonstrated that they can learn lessons and diversify their approach, which has come as a surprise to everyone. A banner demanding president Saakashvili's resignation has been hanging outside parliament since the mass protest on 9 April 2009, throughout the subsequent opposition activism, but there has been no police intervention to remove it. Nor was there even any attempt to halt the demonstration itself. However, groups of 'unidentified' masked people have threatened and attacked demonstrators on several occasions, mostly during the hours of darkness. Although a number of these individuals have



been photographed or recognised, there have been no effective investigations into the matter. It seems that the long-lasting stalemate may end in a temporary reaffirmation of the status quo.

Independent civil society organisations have become increasingly involved in the process of mediation that aims to find a solution to Georgia's political crisis. This intervention is deemed necessary because the ruling party does not have enough legitimisation nor is it representative enough to ensure national stability and sustainable development. In addition, the opposition fails to offer a viable alternative given its lack of clear vision and public support, and its inability to raise sufficient funds to guarantee the necessary political changes.

### **A retrospective view of civil society**

Civil society in Georgia is primarily associated with the non-governmental sector, which for most of the population means NGOs. To date, Georgia has had no experience of significant formal trade union activities, which have – along with some religious institutions – shaped so much of the Western concept of civil society.

In the mid-1990s Georgia's non-governmental sector began to flourish thanks to Western assistance, a development encouraged by Zurab Zhvania, the then-Speaker of Parliament. The civil sector supported the newly-independent state's proclaimed move towards Western values. Freedom of expression was curbed to a greater extent by the stereotyped opinions of the masses than by direct government regulations. The official stance toward NGOs was liberal, although large grants required the government's tacit approval or GONGO partnership. After the first serious political crisis during Shevadnadze's rule in 2001, the 'young reformers' group, led by Zhvania and Saakashvili, created a political opposition that invested in certain NGOs and media outlets that went on to play a vital role in the events of autumn 2003.

After the 'Rose Revolution', many of its active protagonists with prominent roles in civil society took up key posts in the government, parliament and the presidential administration. In the immediate aftermath, Rustavi-2 TV declared that the Georgian civil sector had become 'disintegrated and hollow', indicating that the ambitious leaders had formerly been at the core of Georgian civil society. Yet the media's claim also proved that the new government had a certain political credo, which could be interpreted as follows: Georgian civil society turned into a

democratic government in order to democratise the country. Once this function had been fulfilled, there was no longer a need for a strong non-governmental sector or a free media. In theory, the new leaders' entry into government was supposed to lead to the development of a democratic power structure rather than bureaucratisation or even authoritarianism.

The 'logic' for the government's approach was that once democracy had been established and the devoted democrats were firmly in power, there was no longer any reason to tolerate the opposition. Seemingly, the only argument against applying this theory was that Georgia's Western supporters - on whom the country's survival largely depended - insisted on the existence of the the opposition. Since the death of wealthy TV mogul Patarkatsishvili removed the main critical challenge from the media, the political opposition was increasingly tolerated, although it was periodically accused of having links to Moscow. The government's attitude also explains the partiality of the judicial system, and the fragility of private property rights in Georgia.

When it comes to foreign policy, relations with Russia are a huge problem. But the Russian question is not being addressed rationally: formal appeals for dialogue have traditionally been combined with irritating, counter-productive moves, making the prospect of territorial integrity more unrealistic than ever before. These failures have increased the Georgian public's level of discontent with the government; the August 2008 war with Russia led the population to despair of their country's prospects.

### **The challenge of becoming a civil nation**

One positive change under the new administration has been the government's restraint of the fundamentalist trends developing within the Georgian Orthodox church, the civil institution with the most - and the most consistent - authority in the country. Non-mainstream churches and confessions and religious minority groups felt much safer under the new leadership. It was expected that a similar feeling of security would develop among ethnic minorities and other vulnerable groups, hopefully leading to reconciliation between the secessionist communities. However, in practice, a state system that barely defends human rights and is selective in its application of justice proved to be an unfavourable atmosphere for the encouragement of social integration among ethnic minority groups.

The existence of stereotypical attitudes in Georgia toward secessionist Abkhaz and South Ossets highlights the challenge of successfully

integrating different ethnic groups into society. Prior to the revolution, most public discussions of the unresolved conflicts with Abkhazia and South Ossetia degenerated into lengthy and ultimately fruitless debates on how the conflicts should be qualified: as ethnic; ethno-political; ethno-territorial; political or something else entirely. The idea of 'ethnic' conflict has always been dismissed; the government does not perceive Georgian society as capable of fomenting xenophobia or suppressing minorities. The problem was usually classified as political and Russian-imposed. It was maintained that if Russia ended its battle with Georgia and left the country to its own devices, Abkhaz and Ossets would be able to live harmoniously in the same state. This unrealistic and counter-productive assessment of the situation is indicative of the Georgian tendency to relieve itself of responsibility for a problem by shifting this responsibility to a powerful external party. This approach removes the need for uncomfortable dialogue with persistent minority communities. Shevardnadze had to reject 'Georgian-Abkhaz' and 'Georgian-Osset' as potential labels for the conflicts. Aware of the likely consequences, he avoided the label 'Georgian-Russian', and instead the situation became known in official domestic and foreign channels as the rather unwieldy 'Conflict in Abkhazia, Georgia'. Saakashvili went through the same process, although his policy was much more proactive (and self-fulfilling) in illustrating the chilling reality of the Georgian-Russian conflict. This made the resolution of the Abkhaz and South-Osset issues a rather unrealistic outcome for the near future.

Power politics, zero-sum games, strong rhetoric, the feeling of an external threat and a black-and-white interpretation of reality have made militarised mindsets increasingly common among Georgia's population. When televised political debates need to cite an expert, they usually opt for Carl von Clausewitz; when a strong, successful statesman is required, Ronald Reagan is the politician of choice; and if the history of Europe is under discussion, Otto von Bismarck is quoted. It is likely that the Georgian government lamented the end of George Bush's presidency, and hoped that John McCain would replace him. President Obama has been viewed mostly in terms of his stance towards Russia. Also under consideration are the potential consequences for Georgia if the US example prompts the West to negotiate existing problems with Russia using a soft power language that the Georgian administration deems too subtle for use in dealing with such a country.

## Georgia and the global economic crisis

So far, Georgia appears to have been largely unaffected by the global economic crisis. This apparent paradox is due to the ephemeral nature of its economy. The stability that the Georgian *lari* (GEL) has enjoyed since its introduction in 1995 can largely be attributed to stabilisation measures undertaken by the National Bank of Georgia. These actions followed the IMF's recommendations and required the injection of huge sums of hard cash each year. As a result, inflation rates have been low. Since the August 2008 war, foreign aid (\$4.5 billion in total) has played a pivotal role in stabilising the domestic financial market and the banking industry. How much longer the Georgian economy can stave off the effects of the global crisis thanks to internal manoeuvres and foreign support remains to be seen, but some experts believe that time is running out. If the economy encounters difficulties, public discontent will no doubt increase significantly, and the opposition would channel this sentiment to urge the president's resignation and early presidential elections.

The government is currently attempting to minimise media coverage of economic difficulties, thus limiting the material the opposition can use against it. At the same time, it is trying to satisfy the primary needs of the basic consumer market, and avert debates regarding housing, poverty and social issues by maintaining that Georgia is under external threat. Every so often, high-ranking officials reveal Russia's plans for an invasion of Georgia and subsequent regime change. A recent example of this is the discussion of Russia's alleged plans to invade the Baltic States, Ukraine or Georgia in order to restore its domination over its 'disobedient' pro-Western neighbours.

## Conclusions

Georgia's Rose Revolution leaves as its legacy an unusual power phenomenon. There has been an attempt to establish a kind of 'velvet authoritarianism', based on stagnant stability and maintained by continual references to an external threat: Russia. The idea of this threat justifies the authoritarian political system that has been implemented, and is reminiscent of the Brezhnev era, although on a smaller scale. There is an unwritten agreement between the power and the people, a policy of mutual non-interference unless money is at stake: wealth should be shared rather than used for political ends. A loyal citizen does not criticise the government's policies and tactics. A loyal citizen should not question how

it can be possible to declare that escape from Russian domination is the goal while more and more strategic assets and energy systems are being transferred to Russian control. The power phenomenon that is developing in Georgia pushes the established boundaries of what can only be termed 'imitational' or 'façade' democracy.

## 7. UKRAINE'S BOTTOM-UP DEMOCRACY

*ALEXANDER BOGOMOLOV &  
ALEXANDER LYTVYNENKO*

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The key concerns regarding Ukraine's progress since the Orange Revolution of 2004 are the governability and consistency of the nation's domestic and foreign policies. This discussion boils down to the issue of whether the nation's political class, which demonstrated democratic aspirations in 2005, is capable of living up to its commitments. Could it instigate further progress? Or will it continue to be chronically immersed in domestic rivalries that jeopardise Ukraine's credibility as an international actor? Western powers are assessing the country in terms of its performance. This is nothing unusual, as governments tend to see the world as an interplay of teams of politicians, officials, diplomats and economic agents rather than of societies and cultures. But such an approach is too superficial for a serious assessment of a nation's democratic progress, which requires events to be looked at from the perspective of society.

### **The social meaning of the revolution**

First and foremost is the question of what the Orange Revolution meant for Ukraine. Seen from the domestic perspective, the Orange Revolution addressed issues that went beyond democratic transition. In a period of post-imperial transition, Ukraine faced the challenge of refounding a civic nation. In this sense, its powerful social mobilisation has made it a great success. On a wider global scale, the November 2004 events produced a new revolutionary ethos by changing public views on what constitutes a modern age revolution in places as far apart as Moldova, Lebanon and

Vladivostok.<sup>1</sup> This provides a contrast to the persistent historic prototype of the 1917 Russian Bolshevik coup with its strong emphasis on mass violence and terror. The revolution sparked a process of re-assessing national history. Even Ukraine's aspirations for EU integration and NATO membership have become an instrument of the nation's ongoing self-reflection.

However, the Orange Revolution seems to have highlighted the country's regional divides, leading to prolonged discussion among experts and politicians on Ukraine's east and west, which 'never shall meet'. Most of these impressions could, however, be attributed to the tactics of the major political forces and the modes of mobilisation they used during the 2004 presidential campaign, coupled with the amplifying effect of the media. A more careful analysis shows that the reason why the east of Ukraine - primarily Donbas - voted for Russian-backed Viktor Yanukovich, while the West did not, stems not so much from linguistic identity, or supposed pro-Russian sentiments, as from the social structure. Most of Donbas and some other eastern urban areas are populated by communities with a dominant working class culture and a particularly high level of capital concentration. Contrary to the popular belief that Ukraine is politically divided into the predominantly Russian-speaking east, the bilingual centre and the Ukrainian-speaking west, linguistic identity in Ukraine shows no direct correlation to the way in which people conceive of themselves as a community or nation.<sup>2</sup>

The Orange Revolution has done much to ensure the public endorsement of representative democracy as an institutional and legal arrangement. While the introduction of a democratic electoral system that forms the basis of a representative democracy is basically a legal reform,

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<sup>1</sup> In large-scale civic protest rallies on 14 December 2008 - January 2009 in Vladivostok over the rise of car import duties, protestors used orange flags and methods of civic mobilisation similar to those of the Orange Revolution.

<sup>2</sup> Opinion polls published by the Kyiv-based Razumkov Centre (31 May - 18 June 2007) revealed that out of the 37% of the adult population that is Russian-speaking, 72% think of themselves as patriots of Ukraine, 46% uphold 'Ukrainian traditions' and only 11% consider themselves affiliated to 'Russian traditions', while for bilinguals the latter ratio is 75% to 2%. See Alexander Lytvynenko & Yuriy Yakimenko, "Russian-Speaking Citizens of Ukraine: 'Imaginary Society' as it is", *Zerkalo Nedeli* 18 (697), 17-23 May 2008 (<http://www.mw.ua/1000/1550/62942/>).

which may also be modelled on external prototypes, the appropriation of it as a public value, as part of local political culture, requires significant social innovation. The failures of the Orange parties can hardly undermine the importance of this achievement, which remains unique in comparison with other post-Soviet countries, apart from the Baltics. Russia stands as the greatest contrast to Ukraine. The former country's backslide into authoritarianism was largely due to the lack of public endorsement of the superimposed model of representative democracy. Russian voting therefore still represents a mere test of loyalty.

The events of 2004 have opened up more avenues for civil society development, while specifically highlighting the role of the middle class in the advancement of democracy. A large community of citizens is immersed in daily political debates and civic actions, as events run by the Maidan are becoming a powerful matrix shaping social and political behaviour. However, Ukrainian civil society has already come up against the limitations of representative democracy. Real public participation – the very notion of a participatory democracy – still remains an issue, while the channels of communication between civic society and the government remain limited to the media and organised protests. This will hardly change while populism in both rhetoric and practice is still capable of winning more votes than a serious reform programme, and the middle class is not represented in parliament. Nonetheless, the mounting anti-populist trend in public opinion indicates that this situation will not continue indefinitely.

### **The shallowness of reform**

The Orange Revolution has also highlighted the deficiencies of the old institutions of government inherited from Soviet times and only superficially modified by the (pre-2004) Kuchma regime. The most obvious case in point is the system of distribution and delegation of powers at every level. The national government struggled with a poorly designed 2004 constitutional reform meant to make Ukraine a 'parliamentary-presidential republic'. The elite change failed to produce a regime change – Orange parties came to power without a clear vision of what needed to be done. Some 18,000 government officials were replaced on the principle of political loyalty, which has only served to reduce the institutional efficiency of the state. The professional level of civil servants has dropped, while the prevailing institutional culture and underlying philosophy of the civil



service have remained largely unchanged since Soviet times. The system has not been capable of assimilating modern, Western ideas of public administration. There is no clear divide between political and administrative functions, the procedures are poorly defined, and the entire technical organisation of the decision-making process is weak. Disregard for formal procedures, which results from an excessive politicisation of the public administration, is undermining the latter's rational foundations. There persists a crisis of bureaucracy in an important social institution. However, this crisis is not new. Rather, it continues the pan-Soviet trend that took root in the late Brezhnev period. The opening up of the public sphere in the aftermath of the Orange Revolution has made the poverty of the unreformed state institutions only too obvious.

The newly introduced proportional electoral system has made parties the main units of political competition. Internal democracy within parties, however, is still very weak. Parties continue to resist civil society's pressure to open up their electoral lists. Major political blocks continue to seek power-sharing arrangements behind the scenes. This includes the latest attempt by the leadership of the two major parties – the Party of the Regions (PRU) and the Tymoschenko Bloc (BYuT) – to forge a lasting political alliance. By amending the constitution to provide for in-house presidential elections, two-round parliamentary elections and an extension of the current parliament's term of office, this deal would effectively drive other groups out of politics and seriously decrease civil liberties and public participation. In June 2009, the deal was halted by media and civil society criticism.

A profound lack of democratic culture within the elites continues to pose the most immediate threat to democracy. This negative phenomenon is, however, mitigated by a high level of competitiveness (including within the political blocks themselves). The collapse of the Tymoschenko-Yanukovych power-sharing deal highlighted, among other things, a crisis of power relations within the large political blocks. This resulted from the contradiction between the authoritarian mode of their internal organisation and the competitive nature of the private interests forming their resource base, as well as a strong consensus in society against authoritarianism. On the other hand, the crisis has shown that with the current quality of the elites, their dominant cultural models and political behaviour, any attempt at power consolidation can only take the form of a backslide into authoritarianism. Paradoxically, the Tymoschenko-Yanukovych deal could mean that Ukraine will finally 'speak with one voice'. The European

Commission seemed to welcome this, but Ukrainian society almost unanimously interpreted this development as a threat.

The quality of Ukraine's ruling elites is now increasingly called into question both externally and internally. This is largely a result of the nature of the 1990s privatisation campaign, which led to a high level of rent-seeking behaviour and corruption – in 2008 Ukraine was ranked 134<sup>th</sup> out of 180 states on Transparency International's corruption perceptions index. The entrepreneurial practices of the early 1990s did not appear overnight after the country had adopted its free market course. Rather, they developed in the Soviet grey market environment, which did not allow for much initiative in the production industries. Heavy industries inherited from the Soviet times (gas, oil, energy sector and metal works, machine building, chemistry, transport) that formed the bulk of the newly accumulated capital have developed as non-market assets. Meanwhile, those who acquired these industries in the best cases gained their market skills as grey market traders. Early Soviet market reforms also started not from production but trade. When the mass privatisations rapidly unfolded, domestic venture capital was in short supply, while foreign investment had been limited by various risk factors, including local political obstacles. Assets were hence distributed non-economically and it soon became clear that it was easier to get rich by acquiring more for less than by investing seriously at a risk of losing.

The fact that the ownership of assets acquired in the course of mass privatisation lacks legitimacy in the eyes of society is another source of investment uncertainty and a stimulus for continued rent-seeking behaviour. A major source of the persistence of both rampant corruption and rent-seeking are the assets that still remain largely undivided, primarily land resources. The country's economy and livelihood, however, are not limited to the oligarchic large businesses. Thousands of medium scale entrepreneurs who built their fortunes in a competitive, not rent-seeking, but often rent-paying environment, and who represent a value-driven, moderately nationalist social group that is largely critical of the current government but has so far remained politically cautious, will not miss their chance to have a say in the nation's democratic advancement. The time is now ripe.

### **Bottom-up change**

For the nation's political culture, an important innovation has been the advent of public politics – politicians of all colours have eagerly embarked on a challenging enterprise of openly competing for voters. Political competitiveness had indeed been threatened in 2004, but the Orange Revolution helped preserve and enhance the level of competition among the elite groups. Since then, party politicians have embraced a type of political behaviour that comes close to the Schumpeterian competitive elites' model of democracy. Limited though this may seem from a modern Western perspective, it is a big improvement for people who are still tempted by authoritarian methods of governing. Public politics are also essential to continued civic nation-building processes. Every nation needs its own set of heroes, foes, victories and failures that evolve over time. Although they have been branded 'soap opera politics' in Ukraine's specific media environment, the events of the last five years have fuelled the nation's ongoing self-reflection.

The level and quality of democracy in Ukraine since the Orange Revolution have been defined by the increasingly mature civil society rather than the high offices. Hence, the normative appeal of democracy is also working from the bottom up. When banks unilaterally increased interest rates owing to the global financial crisis, the middle classes, whose businesses and livelihoods depended on loans, organised legal support groups to defend their rights in courts, meticulously following the so far dysfunctional redress procedures. Mid-level government officials increasingly appreciate greater transparency in the workings of the civil service as they have realised that this shields them from unwarranted political risks. These developments, however, have not yet reached a tipping point.

The issue of more adequate political representation – both at parliamentary and local self-government levels – of the nation's growing social diversity, and particularly of the middle class, still remains under-discussed in public. While political competition continues to be seen as a zero sum game, major political parties represent opaque multi-tier clique structures with authoritarian chieftains on top. Their leadership is based on the perceived mastery of selling the private interests of their rank and file oligarchic members to the electorate under the guise of political projects, with rhetoric in lieu of ideology and no vision for the nation's future. Every elite group presents its own version of the 'national interest', while its

actual political behaviour is primarily motivated by narrowly defined group and even industry-specific interests. As a result, many key areas are lacking meaningful progress, including: local self-government; decentralisation; land reform; reform in the energy, health and housing sectors; judicial reform; and the development of small and medium-sized businesses. Most of these areas have not been addressed because of the group interests of the current political elites, or because the appropriate reforms appear to be too resource-consuming and risky. Some progress has been made in reforming the higher education and defence sectors. While tactical thinking dominates the political scene, major strategic issues that stand to define the nation's future are often reduced to the level of political bargaining chips. Only pronounced external threats affecting more than a single group's interests can produce a short-lived consensus, as has been the case with the 2009 'gas war' with Russia.

### **The European dimension**

Developments since the Orange Revolution have highlighted the importance of external allies for Ukraine's democratic advancement. While Ukraine has forged some strong alliances and useful partnerships at the bilateral level, relations with the European Union and leading countries of the 'old' Europe remain problematic. Hence, the EU's role vis-à-vis Ukraine's democratic advancement is controversial. To be sure, most of the setbacks in Ukraine-EU relations could be attributed to the Ukrainian elite's domestic and diplomatic failures. However, in order to move forward, Ukraine badly needs greater exposure to Europe as a cultural community and a repository of knowledge and skills, particularly in the areas of the social sciences, the humanities and governance. Above all, democratic forces within the country need Europe's moral authority and approval. In this context, it is not only the EU's lack of political will to accept Ukraine's membership, but also its reluctance to offer concrete benefits – such as visa liberalisation – that is so harmful for Ukraine's fledgling democratic self-consciousness.

Much like its predecessors, the EU's new policy instrument, the Eastern Partnership, still projects no clear vision of the region's future and carefully avoids addressing the target countries' current major concerns, such as the complexity of their relations with the former metropolis. The EU's approach presumes that the region's numerous problems will somehow fade away, with the former Soviet 'space' settling down on its

own terms while the EU's policy continues to oscillate between cautiously measured engagement and withdrawal. Russia, on the other hand, does have a strategy towards both its Western former Soviet neighbours and the EU itself. Both Russia and the EU, albeit for different reasons, fail to appreciate the former Soviet nations' growing diversity and the varied pace of their paths to political modernisation. They still conceive of those nations as some politically ambiguous 'space' wedged between 'Europe' and whatever remains of the collapsed empire. EU officials even propose a common vision with the other side of the 'space' and might even devise a unified policy approach toward this putatively problematic area. This stems from the shared need to "reach stability in those countries that are neighbours of both the European Union and Russia", as stated in José Manuel Barroso's address at the May 2009 Russia-EU summit. Clearly such a policy on the part of the EU prioritises security over democracy - but does it hit the target?

If current policy approaches remain the same - and so far there has been no indication otherwise - the EU's role as a prototype and stimulus for the region's ongoing democratisation will be increasingly compromised. With Ukraine needing Europe much more than Europe needs it, Ukraine's democratic advancement could then be at serious risk; the EU, in turn, may be faced with an increasingly volatile neighbourhood instead of the stability that it strives to achieve.

## 8. ARMENIA'S CRISIS FOR THE NON-DEMOCRATS

*RICHARD GIRAGOSIAN*

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Two decades after a wave of sweeping democratisation that promised to usher in a period of stability and security, a series of recent setbacks has thrown such initial optimism into question. In countries ranging from Asia to the Middle East, previous gains in democratisation have been reversed, suggesting that the path to democracy is neither as certain nor as conclusive as once thought. Moreover, these setbacks reveal that forging resilient democracy requires much more than electoral reforms alone, but necessitates a much broader and deeper institutional framework bolstered by the rule of law. Even more crucially, durable democracy must be rooted more in democratic institutions than in the less predictable hands of individual 'democrats'.

For the still vulnerable states of the former Soviet Union, a disparate set of authoritarian leaders now share a common goal: to adapt to the threat of democratisation, mostly through a defensive and increasingly repressive response to demands for democracy by marginalising any opposition, muzzling dissent and manipulating the media. From this context, the so-called 'colour revolutions', or more aptly, the 'revolutions of fruits and flowers', of Georgia, Ukraine and Kyrgyzstan, have only spurred a more concerted reaction by other post-Soviet authoritarian regimes to preempt the emergence of any credible opposition and prevent the development of a vibrant civil society. It was this reaction, most notably in the cases of the more authoritarian states of Russia, Belarus and Azerbaijan, which has now come to define the current stage of transitional politics in many of the former Soviet states.

In the case of Armenia, however, there are still signs of hope. Although the chances for democracy in Armenia are continuously stifled,

both internally and externally, the outright defeat of democracy is far from certain. Since the onset of a serious post-election crisis in early 2008, which culminated in a violent confrontation between the authorities and the opposition that left at least ten people dead and many more wounded, Armenia remains plagued by lingering political tensions, exacerbated by profound political polarisation and mounting economic disparities. The Armenian authorities are also hindered by a lack of legitimacy and a 'crisis of confidence' that only undermines their political mandate and impedes their reform programme. But as the Armenian government remains either unwilling or unable to surmount this unresolved political crisis, the potential for true democratic change now rests with the combination of a 're-awakened' Armenian population and a newly unified and active opposition.

### **Armenia in transition**

Like many of the other post-Soviet states, elections in Armenia have been increasingly marred by political violence and overall instability. In some cases, such as in Ukraine, Georgia and Kyrgyzstan, elections have also served as triggers for actual revolutions. In all cases, the challenges of transition, including the stable transfer of power inherent in the process of political succession, have been exacerbated by the fragility of democratic institutions and the weakness of the rule of law. In the case of Armenia, this has been compounded by electoral shortcomings, as the country's first free and fair presidential election was the last time the country's elections merited such praise. Despite a record of tainted elections, entrenched corruption and a 'closed' authoritarian political system, however, Armenia has now entered a period of transition, driven by a newly unified opposition and a population no longer content with its previous apathy and disengagement from politics.

Armenia's transition began in late 2007, during the campaign for presidential elections. Although this transition was first evident only during Armenia's February 2008 presidential election, its roots went much deeper, stemming from a serious internal confrontation between the opposition and the authorities. This confrontation represented a new degree of intensity in Armenian politics, largely due to the unexpected return to politics of former President Levon Ter-Petrosian. The former president, as the new leader of a unified opposition, was determined to confront the closed political system head-on, by setting a new challenge to

the carefully scripted hand-over of power from outgoing President Robert Kocharian, who was constitutionally barred from seeking another term, to his chosen successor, Prime Minister Serzh Sarkisian.

After a ballot marred by widespread voting irregularities and violent incidents of voter intimidation and outright assaults, official returns gave Sarkisian an overwhelming victory, thereby avoiding a second round run-off ballot. Although the election results were immediately contested, Ter-Petrosian and the opposition condemned the process as much as the results of the election. After public calls for a vote recount went virtually unheeded, with the authorities agreeing to only a few symbolic recounts in marginal districts, the opposition demanded fresh elections. At the same time, Ter-Petrosian mobilised his supporters and led them onto the streets, launching a series of rallies and demonstrations aimed at maintaining pressure on the authorities.

### **Back to the future**

Unlike earlier political crises, the two key differences that endowed the 2008 post-election crisis with an unexpected significance included a newly united opposition and an abrupt end to the traditional apathy of the population. This first factor was a considerable achievement, especially as Armenia's traditionally fractured and marginalised opposition was able to unite behind the charismatic leadership of former president, Ter-Petrosian. After spending a decade in political seclusion, Ter-Petrosian emerged in 2007 in a surprise move to challenge the country's ruling elite by putting himself forward as a presidential candidate. The return of the country's first post-Soviet president awakened many observers and threatened to upset the long-planned transition from Kocharian to Sarkisian. Ironically, the Ter-Petrosian campaign represented a direct threat to both Kocharian and Sarkisian, the very same leaders who forced him to resign in 1998 amid nationalist recriminations over Ter-Petrosian's alleged willingness to adopt an unacceptably moderate approach to the unresolved Nagorno-Karabakh conflict with neighbouring Azerbaijan.

Given the circumstances of his forced resignation, as well as the authorities' concerted attempts to link much of the country's problems to his administration, Ter-Petrosian faced an uphill battle throughout the presidential campaign. His efforts were also hindered by the overwhelming power of the incumbency, which was exerted through the use of administrative resources leveraging the influence of state resources and



offices. As a result, Ter-Petrosian faced a pronounced disadvantage in both articulating his platform and countering the authorities' assertions. Yet the disparity between the rival Ter-Petrosian and Sarkisian campaigns was most profound in terms of access to the media, with the country's broadcast media dominated by an overly pro-government bias and alternative opposition and independent media outlets under pressure and threat. It was against this backdrop that the elections were won outright by Sarkisian.

Although the election results were disputed, the most significant development of the pre-election period was the public perception that the opposition had been denied a fair contest, leaving the ordinary voter with little choice and even less voice. This also fuelled the second factor of the post-election crisis, a dynamic 're-awakening' of the population, now mobilised by the opposition in mass rallies and public demonstrations. Much of this new energy was channelled into the streets, driven by a sense that public demands and personal rights were blatantly ignored or denied by the authorities. It was at this crucial point that Ter-Petrosian was able to reach far beyond the core group of his supporters and opposition activists, bridging the normally apathetic and politically uncommitted citizenry. For the first time, an Armenian political leader was able to forge a broad-based consensus bolstered by a platform for true political change rather than simply a personal pursuit of power.

### **Armenia's post-election crisis**

In strategic terms, the demonstrations were crucial, not only to pressure the authorities but also to sustain the opposition's momentum. But the real key stemmed not from the opposition strategy, but from its tactics. These tactics involved, first, a combination of daily demonstrations of between at least 20-30,000 protestors rallying in daylight hours and some 2-3,000 of the most determined demonstrators setting up overnight vigils, complete with tents and supplies. A second effective tactic was to broaden the opposition campaign as much as possible, with university students and young activists joining the protestors. Significantly, at this point, opposition ranks swelled with people not necessarily turning out to support the opposition, but to oppose the authorities.

Although the post-election crisis continued to escalate with several weeks of massive demonstrations, the real tipping point for outright violence and instability was in the hands of the authorities and, more

specifically, expressed through the likelihood of a dangerously excessive over-reaction by the security forces. In an unusual meeting with senior military officers and security officials, Armenian President Kocharian strongly condemned the opposition for attempting to “seize power by illegal means” and vowed that he was “determined to take all measures to ensure law and order in the country.” Kocharian was reportedly not pleased by the performance of the security services, however, and urged them to be more vigilant and active, worried that the wave of demonstrations would prevent his successor from taking office.

As tension mounted, opposition demonstrators staged increasingly serious mass protests, overnight vigils and even hunger strikes. In turn, the authorities, acting on the orders of Kocharian in his last days in office, over-reacted to the crisis, culminating in an open and violent clash between opposition demonstrators and riot police on 1 March 2008 that left at least ten people dead, many injured and even more arrested.

The confrontation prompted the authorities to introduce a one-month state of emergency, complete with sweeping restrictions on the media and on the freedoms of assembly and speech. Yet the state of emergency only deferred, rather than defeated the confrontation between the state and the opposition. By resorting to the imposition of virtual martial law under the terms of a state of emergency as an immediate reaction to the crisis, the authorities only fanned the flames of political discontent. Interestingly, it also demonstrated an inverse relationship between regime security and state stability, whereby each step to secure the regime posed an equal and corresponding move toward destabilising the state by further limiting its claims to legitimacy and public trust.

### **Key differences**

Moreover, there were several aspects to the post-election crisis that were especially worrying and also particularly new, representing a watershed for both the course of democracy and political transition in Armenia. As with previous elections in Armenia, 19 February 2008 presidential contest was marred by allegations of serious voting irregularities, ranging from voter intimidation to flagrant vote buying. But unlike previous elections, the incidents of politically-related violence were particularly severe, ranging from attacks on opposition supporters to assaults on journalists. Such political violence is characteristic of the country’s political culture, which has become increasingly dominated by abusive and intolerant

political discourse, marked by heated personal attacks rather than sober policy debate. This also mirrors the dominance of personality over platform and the tendency for confrontation over accommodation that has come to define the recent years of Armenian politics.

But even more dangerous was the linkage between the politicised violence and a deeper undercurrent of social discontent, driven by increasing inequalities in wealth and income and fuelled by unrestrained corruption. Although the foundations of social discontent have tended to be obscured by a combination of general public apathy and the veneer of economic growth, the failure to overcome or even address these challenges has only exacerbated and sustained a continuing crisis. In this way, the confrontation was less about the election results alone, and more deeper levels of internal discontent.

A second factor that distinguished this election from others was its context of broad transition. More specifically, a broad transition that included the May 2007 parliamentary election, as well as the February 2008 presidential context, came in the wake of important constitutional reforms, which not only introduced a number of significant institutional reforms but also raised the standards and expectations for political performance generally. Against the promise of political change inherent in these reforms, however, the most serious obstacle was rooted in the Armenian political system itself, which was already plagued by a profound lack of legitimacy and a serious resistance to political change among the country's small ruling elite. In this context, the political reality was that the adoption of political reforms, no matter how impressive or influential, was insufficient to achieve real democratisation in Armenia. More significant was the absence of political will and commitment to change that was needed to implement true political reform in Armenia. In this context, Armenia's 2008 presidential election was a watershed contest, not only in terms of electing a new president, but because it revealed a deeper political battle between a ruling elite resistant to change and a much larger populace no longer satisfied with the promise of gradual or evolutionary reform.

The 2008 election was also different for a third important reason; as much as the election ushered in a new post-Kocharian period, it was also the end of an era, with the emergence of a new political elite. In this context of political elites, Armenia resembles both its neighbours, as the situation in Georgia and Azerbaijan also reflects the triumph of strong personalities.

### **The aftermath of Armenia's post-election crisis**

Even prior to Armenia's post-election crisis, politics in Armenia were polarised by competing affiliations to a narrow set of political leaders and parties. For the past decade, such political polarisation manifested itself in a division between supporters of the ruling elite and the largely fragmented opposition. In terms of national politics, neither camp demonstrated much more than a desire to simply attain or maintain power, offering little in terms of strategic vision or policy alternatives. At the same time, there has been an equally profound economic divide, with widening inequalities in wealth and income. But most importantly, it is the combination of this political polarisation and economic divisions that leads to the deep fissures within Armenian society as a whole. Against this backdrop, the Armenian government faces a serious 'crisis of confidence'.

Until the challenges of political polarisation, socio-economic inequalities and entrenched corruption are overcome, the population's mounting discontent may reach a point of no-return and erupt into real social unrest. And until the Armenian authorities recognize the severity of this threat, the result will be not only a lack of legitimacy, but a profound democratic deficit for years to come.

The post-election crisis in Armenia, after the wave of demonstrations and public protests over the February 2008 presidential election, is now comprised of three specific trends. First, the crisis remains unresolved, with little likelihood of a return to the pre-election status quo, as the Armenian people have expressed a new sense of civic empowerment. This is also rooted in the opaque and closed nature of the Armenian political system, where dissent is seen as a direct threat to the state rather than as a characteristic of a healthy democracy. Within such a closed political system, there is no mechanism for expressing political discontent, which exacerbates underlying tension and fuels more radical politics.

Second, the crisis revealed a growing level of discontent, frustration and anger over the mounting inequalities and disparities of wealth and income (and of power) in today's Armenia. The roots of that anger and frustration were not only in the politics of selection over election or from being denied any choice or voice in politics. The eruption of public anger and outrage was equally tied to years of widening disparities in wealth and income, and a pronounced lack of economic opportunity, or even hope for the future. And third, the crisis has ushered in a new period in Armenian politics, driven by strident demands for reform and progress. This is the

challenge for the Armenian authorities – to move forward toward a more open and fair political system based on consent and accountability, and not maintained by fear and repression. Moreover, the Armenian government must now learn to govern – not just rule – the country. Thus, as the political crisis remains far from resolved and is likely to continue, there is still a very real chance for a potentially unprecedented period of change, possibly marking the last page of this chapter of Armenian politics.

## 9. MOLDOVA'S FRAGILE PLURALISM

*NICU POPESCU & ANDREW WILSON*

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In its short democratic history, Moldova had avoided most of the extremes of other post-Soviet states. It has never had a consolidated authoritarian regime where elections cease to matter, as in Belarus, Central Asia, Azerbaijan and arguably even Russia. Nor did it have any outburst of democratic pluralism comparable to the 'colour revolutions' in Georgia and Ukraine. However, after the general elections in April 2009 Moldova suddenly came close both to an (unprepared) colour revolution and an (unplanned) authoritarian crackdown. Neither was fully consummated, leading to further elections in July 2009, which produced another surprise when the ruling Communist Party was defeated and pushed into opposition.

Moldova can therefore claim credit as the only post-Soviet state (the Baltics aside) with an uninterrupted cycle of legal and constitutional transfers of power through elections since its independence in 1991. Nevertheless, Moldova's political system remains over-centralised with very few checks and balances such as a free and independent media, a clear separation of powers or a system of political parties firmly believing in democracy. Moldova's relative pluralism might be surprising, but it is also fundamentally fragile.

### **Elections versus selections**

Moldova's first president, Mircea Snegur left office peacefully after a free and fair election in 1996. The second president, Petru Lucinschi left after a constitutional reform, after which he was not voted in for a second term. The Communist Party of Moldova also lost the elections in July 2009 after eight years in power and attempts to perpetuate their power through less than democratic means.

Moldova is also the only state in the Commonwealth of Independent States that is formally a parliamentary republic (since 2000), where the president is elected by the parliament. Despite eight years of rule by the Communist Party since 2001, with its obvious authoritarian tendencies, elections in Moldova have never become a mere formality. Moldova and Ukraine are the only CIS countries where elections matter, and election outcomes are uncertain. In 2006 the opposition won elections in Gagauzia – an autonomous region in the south of Moldova. More importantly, after the local elections in 2007 two thirds of local councils were won by the opposition, including the capital Chişinău where a young anti-communist with dual Romanian-Moldovan nationality, Dorin Chirtoacă of the Liberal Party (born in 1978), was elected mayor. It is hard to imagine the capital city going to the opposition in any other CIS state except for Ukraine. In fact, all major changes of regime since Moldova's independence in 1991, if not every change of government, have come after contested elections that were broadly free, if not always fair.

Despite these apparent achievements, however, Moldova's political system remains less pluralistic than that of Ukraine after eight years of the Communist Party being in power.

### **Moldova's communist government 2001-2009**

The Party of Communists of the Republic of Moldova (PCRM) first came to power after the 2001 elections, when they won 49.9% of the vote and 71 out of 101 seats. The PCRM secured a comfortable re-election in 2005 with 46% and 56 seats. However, in order to secure the re-election of Vladimir Voronin they needed the support of some opposition parties. In the resultant deal, they promised a set of measures to democratise the political system. But after their setback in the 2007 local elections and with opinion polls predicting a much tighter parliamentary election in 2009, the Communists began to backtrack on many of their commitments to democratise.

Most Moldovan parties, including the Communists, pay lip-service at least to 'European values'. There is no local discourse of 'sovereign democracy', or opposition to 'foreigners' defining what is democratic and what is not. The legitimacy of the international community is high. EU membership is supported by 72% of the population and is the uncontested

foreign policy priority of the country.<sup>1</sup> The EU-Moldova Action Plan is the cornerstone of the government's programme and most of the laws adopted by parliament are screened for correspondence to the *acquis communautaire*. The country's foreign policy is 'multi-vectoral', but the pro-European vector has been relatively stable, and the Russia-friendly discourse of the Communist government sounds more like Bulgaria or Slovakia's careful foreign policy, rather than the fundamentally Russocentric foreign policies of Armenia or Belarus.

But zooming in on Moldovan realities reveals a less rosy picture. Pro-Europeanism is shallow. Laws that correspond to the *acquis* are poorly implemented. Moldovans are happy to adopt laws, reform the customs service, and implement new phytosanitary standards that help their exports to the EU. But when it comes to ensuring freedom of the media, non-interference of the police in political struggles or fighting corruption, standards are either stagnating or have gradually deteriorated under the Communist government. Police harassment, kompromat, increasing pressure on NGOs, media and political parties had all been part of the government's toolbox, especially in the run up to the general elections in spring 2005 and 2009. In late 2008, PRO TV, the main TV station not controlled by the Communist Party, was under threat of non-prolongation of its license, and ultimately only gained a short-term continuation until after the vote. The police and prosecutors office opened criminal cases against several opposition leaders.

In such a tense atmosphere, when the preliminary results of the 5 April 2009 elections were announced showing a landslide victory for the Communist Party, thousands of people went out to protest on the streets. A few hundred violent protestors, possibly incited by government provocateurs, attacked and looted the presidential palace and the parliament building. The government responded with a severe crackdown in the following days. Hundreds were arrested, dozens were beaten and tortured, four people died, allegedly in police detention. A huge propaganda campaign against the opposition was unleashed, and tax authorities started to investigate and harass opposition parties and newspapers, and some of the more independent NGOs. The government accused Romania of staging a coup d'état, expelled the Romanian

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<sup>1</sup> Institute for Public Policy, *Public Opinion Barometer*, March 2009 ([www.ipp.md](http://www.ipp.md)).



ambassador and some two dozen Romanian journalists, took virtually all Romanian TV channels off the air, and introduced visas for Romanian citizens.

The severity of the crackdown only underlined the fragility of democratic developments in the post-Soviet space, and demonstrated how effectively the Moldovan government has gradually implemented an incremental, 'below-the-radar' centralisation of the political system. However, the crackdown dissipated as quickly as it appeared. Within a few days most people were released. And by June virtually all those arrested were released, while the local opposition parties and the media became even more outspokenly critical of the Communist Party. The violent tensions of April quickly transformed into a political crisis by May 2009.

Despite the Communists' victory, they were one vote short of the 61 deputies out of 101 needed to elect a new president, and to the complete surprise of most observers were unable to obtain the extra vote through either co-option or coercion of the opposition. After two failed attempts to elect a president in late May and early June, parliament had to be dissolved and new elections announced for 29 July. In early June the Communists received another blow, when Marian Lupu announced his departure from the party in disagreement with the April-May crackdown and the increasingly authoritarian tendencies of the party. Lupu had been number two on the Communist Party list for the April elections, former Communist-backed speaker of parliament in 2005-2009 and the most likely Communist Party candidate for the presidency (until the Communists promoted the technocratic Prime Minister Zinaida Greceanii instead). Lupu was also the most popular Communist Party member after Vladimir Voronin and one of the most popular politicians in Moldova. Lupu took over the small Democratic Party as a vehicle for the July elections, and managed to attract a few young and respected professionals to its ranks.

The July election results proved a surprise. Most predictions had suggested a narrow victory for the Communist Party and renewed deadlock in the new parliament. But the final results showed a narrow victory for the opposition. The overall result was 48 MPs for the Communist Party and 53 for the combined opposition. Compared to April, the Communists had lost 12 seats (from 60 to 48), the three liberal parties lost one (from 41 to 40), and Marian Lupu's Democrats gained a decisive thirteen. Clearly, the shape of the future governing coalition was now in their hands.

A few days after the elections Marian Lupu decided to join the three liberal parties and create a governing coalition dubbed the 'Alliance for European Integration', thereby pushing the Communists into opposition. The main priorities of the Alliance were to dismantle Voronin's 'power vertical', enforce the rule of law, accelerate the process of European integration, improve relations with Romania and Ukraine, and continue Moldova's strategic partnership with Russia. At the time of writing it is not clear whether the Alliance for European Integration would be able to elect a new president, since they need at least eight votes from Communist MPs. Failure to do so would lead to yet more elections some time in 2010.

### **Moldova's fragile pluralism**

For its first two decades, Moldova was a steadier performer than virtually all other post-Soviet states. It did not see any great leaps forward through revolution, but nor did it suffer the sharp democratic regressions visible elsewhere. Under Voronin, Moldova was neither a consolidated authoritarianism nor a fully-fledged democracy. It was stuck in between. Moldova is not as centralised as Armenia, Azerbaijan, Russia or Belarus. There is therefore hope that, with international support, Moldova can pull back from the crisis it faced in 2009.

The reasons for precarious pluralism are both domestic and external. Moldova is a politically diverse and divided society. Some 30% of the population are from national minorities (Ukrainians, Russians, Gagauz and Bulgarians); but the majority Moldovan/Romanian population is also divided into roughly three identity groups that correlate strongly with political preferences. The first group of Moldovans consider themselves fully Romanian and call their language Romanian, and consider the very term Moldova to be a 'Stalinist', i.e. Soviet invention. Many also question whether Moldova is a state at all, and support unification with Romania. The second group are those Moldovans who acknowledge that there is some kind of Moldovan political nation, that Moldova should remain a state separate from Romania, but acknowledge that the language spoken in Moldova is Romanian. The third category is those Moldovans who consider themselves to be Moldovans, consider that they speak Moldovan, and are often anti-Romanian.

These cleavages have ensured that no one community in Moldova has been strong enough to dominate the state or to impose its will on other parties and enforce authoritarian rule. Add to this mix the different

political aspirations of the minorities, and the result is what Lucan Way has called 'pluralism by default'.<sup>2</sup> All governments have had to engage in different degrees of cooptation and balancing between more than one community. Most governments have had eclectic flirtations with more than one group, which de facto has ensured some kind of check on executive power.

Moldova may be relatively poor, but it benefits politically from a relative dispersal of economic power. Its people are (forced to be) self-reliant. Unlike Ukraine or Russia with their concentrated economies, Moldova has little industry, and is predominantly rural and poor. Moldova has a huge number of migrant workers: perhaps up to 600,000 (out of a population of 3.8 million), more or less equally split between Russia and the EU. According to the World Bank, official remittances (i.e. those tracked through the banking system) made up 36.2% of GDP in 2007.<sup>3</sup> Perversely, the population is therefore less dependent on the state for survival. Moreover, Moldova has no real big businesses or rent-supplying monopolies, through control of which a small group could win control of the country. The one big exception, MoldovaGaz, has been 50% + 1 owned by Gazprom since 1999.

In such an environment, state capture takes different forms to other resource-rich post-Soviet states. State institutions are captured to create business or political advantages and to harass business opponents, but the state itself has fewer resources than its counterparts in Russia or Azerbaijan. Businesses that support the opposition have been harassed. However, enforcing political control over every business in the country is close to impossible.

Perhaps paradoxically, the existence of the secessionist conflict over Transnistria has not made any substantial impact on Moldova's quality of democracy. Such conflicts are often exploited to mobilise societies and to justify emergency governance. Armenia, Azerbaijan, Russia and Georgia have all used this tactic. But the Transnistria conflict has not led to any populist politician taking the banner of national reunification to

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<sup>2</sup> Lucan A. Way, "Pluralism by Default in Moldova", *Journal of Democracy*, Vol. 13, No. 4, 2002, pp. 127-141.

<sup>3</sup> See <http://economie.moldova.org/news/moldova-hooked-on-remittances-114028-eng.html>

marginalise domestic opposition, fight internal and external enemies or militarise and radicalise society. The Moldovan electorate is largely indifferent to the Transnistrian issue. Only 2% of the population think that Transnistria should be priority number one, and only 10% name Transnistria as a top three priority.<sup>4</sup> In comparison, in Azerbaijan some 53% of the population name Nagorno-Karabakh as the first priority.<sup>5</sup> In Moldova the Transnistrian conflict is ranked in 8th to 10th place of priorities in most opinion polls. The existence of a secessionist conflict has therefore not provided fertile ground or excuse for political centralisation as has been the case for most other post-Soviet countries facing secessionist challenges. This disengagement of the population from the Transnistrian issue has been facilitated by the lack of any significant number of Internally Displaced Persons (IDPs) (as is the case of Azerbaijan and Georgia), or spillover effects from the conflict, such as terrorist attacks across the country (Russia and Chechnya), and by the fact that the conflict does not pose any visible threat to the survival of the state (as is the case of Armenia). Certainly the government uses the issue of Transnistria to divert attention from other pressing problems. TV news and print media are dominated by news about Transnistria. However, such media distortions have only a limited impact on what society expects from their government. The Transnistrian issue played only a marginal role in the events of 2009 – other than being used by Russia to draw Voronin closer.

External factors have perhaps been even more important as an explanation for Moldova's relative political pluralism. External actors are more influential in Moldova than in any other CIS state. On issues such as external trade, public opinion, foreign policy orientation, remittances flows or geography – Moldova has been the CIS state most exposed to the European Union. Support for EU accession is the highest among the CIS states<sup>6</sup> (though Georgia's support for NATO and EU accession combined is higher). European Moldova does not have a shared border with Russia, but does have one with the EU. Over 50% of external trade is with the EU

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<sup>4</sup> Institute for Public Policy, *Public Opinion Barometer*, October 2008.

<sup>5</sup> *Azerbaijan in 2007: sociological monitoring*, Azerbaijan/Baku: Friedrich-Ebert-Foundation, Brussels, 2008.

<sup>6</sup> See Nicu Popescu & Andrew Wilson, *The Limits of Enlargement-lite: European and Russian Power in the Troubled Neighbourhood*, ECFR Policy Report, 2009, p. 28.

(among the other CIS states only Russia matches this number), and only around 15% is with Russia.<sup>7</sup> And Russia's share of Moldova's trade has been in steady decline in recent years. Many Moldovan citizens (perhaps up to 200,000) hold Romanian passports, which makes them EU citizens able to travel and work in most of the EU. Moldova is also the only CIS state that is more dependent on remittances from its migrants in the EU than those in Russia. Migrants to the EU have also tended to have different political expectations and preferences than migrants to Russia.

The idea of European integration is also an uncontested foreign policy objective for most societal groups. This gives the EU some traction with public opinion, and undermines the popularity of discourses modelled on 'sovereign democracy'. In fact most citizens would rather see the EU govern Moldova than Moldovan political elites. In such an environment the government cannot contest the normative appeal of European values. It can only fake adherence to them and try to bandwagon on the popularity of the EU idea (as the Communists, let alone the other parties, actively do). In addition, the EU ambassadors to Moldova have been quite interventionist in criticising anti-democratic abuses. In June and December 2008 they published open letters in which they raised questions about the democratic credentials of the Communist government, especially the involvement of state institutions in the process of political competition, the pressures on independent media and the freedom of expression. During Moldova's political turmoil in the aftermath of the April elections when the EU Special Representative on Moldova spent months mediating between the political parties, he was the only channel for dialogue between the competing political forces.

Moldova's immediate neighbours, both Romania and Ukraine, play an important role. Moldova's small national media market is heavily penetrated by media from Russia, Romania and Ukraine. Thus, while local media is heavily biased in favour of the government, there is some degree of media pluralism. Russian TV channels exercise particular influence over the Moldovan public as they are among the most popular media outlets in the country. Putin has high approval ratings in Moldova, and many international events such as the August 2008 war in Georgia or the

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<sup>7</sup> In 2007, 50.6% of Moldovan exports went to the EU, which provided 45.6% of imports, compared to 17.3% of exports to Russia and imports from Russia of 13.5%.

Ukraine-Russia gas crisis in January 2009 are viewed through the prism of Russian interpretations. Thus one can talk of a certain degree of Russian soft power in Moldova. Due to tense Moldovan-Russian relations in 2004-2007 over Transnistria, Russian media have been rather critical of the Communist Party, which has balanced its internal media dominance. In addition, some parts of the population are heavily exposed to Romanian media. Their number is much smaller than Russian TV viewers, but still this provided some further degree of pluralism. In fact, Romania's President Traian Băsescu also enjoys high approval ratings in Moldova, less than Putin but higher than Voronin.

Russia has, however, had less success in exporting the ideology of 'sovereign democracy' or the practice of 'political technology' to Moldova. Local demand is also weak, particularly for the former. Neither Voronin nor Moldova's chief 'political technologist' Mark Tkachiuk uses many of the ideological tropes of 'sovereign democracy'. To an extent, the opposite has been true. The Communists had some success in copying the main themes and techniques of the Orange Revolution in their 2005 campaign. So did the opposition. This meant there was more to be gained politically from aping 'Orange' reformism than Putinist authoritarianism; but it also meant that a potential breakthrough effect to strengthen Moldovan democracy was weakened by dispersal across the political spectrum.<sup>8</sup>

In 2009 Russia openly backed the Communists, and persuaded the far left parties to stand down. On the eve of the election Voronin held a summit with Russian president Medvedev; the Russian ministers for foreign affairs and economy came separately to Chişinău to express support for the governing party; and even the new Russian Patriarch Kirill held two widely publicised meetings with President Voronin in a show of support. During the post-election crackdown against the opposition, media and NGOs, Russia publicly expressed its support for the actions of the Moldovan government on numerous occasions. The threat of a broader rapprochement between an increasingly authoritarian Moldova and an increasingly friendly Russia helped re-energise the opposition.

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<sup>8</sup> Luke March & Graeme P Herd, "Moldova Between Europe and Russia: Inoculating Against the Colored Contagion?", *Post-Soviet Affairs*, Vol. 22, No. 4, 2006, pp. 349-379.

### **The limits of incremental authoritarianism**

Moldova has been so weak and poor as a state that it has been very dependent on international support for most of its existence. Requests for macroeconomic assistance from the IMF, or negotiation for trade access and grants from the EU have provided the international community with stronger leverage than in states like Ukraine or Azerbaijan, let alone Russia. Moldova has also always needed EU and US support for conflict settlement in Transnistria. Moldova could not go it alone in enforcing authoritarian rule, partly because of this external conditionality. The Communist government has always had to play a more careful balancing game in comparison to most other post-Soviet governments.

However, despite relatively strong societal and economic links between the EU and Moldova, the April 2009 post-election crisis highlighted some of the limits of EU influence. As society became increasingly polarised after the looting of the parliament and the subsequent crackdown, the EU engaged in mediation between the opposition and government. However, it felt constrained in its ability to criticise anti-democratic abuses by the government for fear that this would make Moldova turn increasingly authoritarian and adopt a closer rapprochement with Russia. This showed the limits of EU transformative power and its ability to enforce conditionality when local semi-authoritarian regimes feel that they have other foreign policy options should the EU become an 'uncomfortable' partner.

In order to deflect EU pressures for democratisation, the Communist government has sought to play Russia against the EU. It has sought to extract benefits from cooperation with the EU for geopolitical reasons and via implicit threats to realign itself with Russia, rather than by implementing genuine reforms. This has partly undermined the power of EU conditionality and pressures, and has widened the political space for creeping authoritarianism. Thus the ultimate cause of democratic slippage have not been any normative challenge or Russian style sovereign democracy, but rather the fact that Voronin's implicit threats to change Moldova's foreign policy vector into a more-Russian stance have undermined the monopoly of EU pressures for democratisation, making them less effective than in the Western Balkans, or in countries like Slovakia under Mečiar.

However, in the end the check on the policies of incremental authoritarianism of the Communist Party came from the Moldovan

electorate. External pressures, primarily from the EU, made Moldova's slide into authoritarianism less pronounced than in most other post-Soviet states, but it was local voters that imposed the final check on the Communist Party by voting against it in July 2009. In short, internal and external factors have converged to prevent Moldova sliding into authoritarianism, but together they have also ensured that its pluralism remains fragile.



## 10. RUSSIA'S RESPONSE: SOVEREIGN DEMOCRACY STRIKES BACK

*ELENA KLITSOUNOVA*

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This chapter assesses the interplay between internal and external factors that might help to understand why Russia sees itself as a democratic state but is seen by many commentators as a rising non-democratic power. The chapter is not so much about political development within Russia as the issue of Russia's response to Western democracy promotion policies towards the country and its neighbourhood.

It has already become accepted practice to discuss the last eighteen years of Russia's political development by comparing and contrasting trends during the two terms of President Yeltsin with those of the two terms of President Putin. For many working in democracy aid, the attractiveness of this comparative approach is that it allows them to construct a "democratisation - rollback" dichotomy and then use this dichotomy to assess the highly fluid process of Russia's post-Soviet transition.

The process of democratisation started in the years leading up to the collapse of the Soviet Union, and the transformation of Russia's political system was very much part of (or even a trigger for) a domino-effect process of anticommunist breakthroughs in Eastern Europe. In the early 1990s the country appeared to have made a decisive break with the past, starting afresh with a new political system. The Russian political system lacked many key attributes of a liberal democracy, and not so many within and outside Russia would consider Boris Yeltsin a perfect democrat. Yet, the country moved towards a political opening, featuring multiparty elections followed by an attempted democratic consolidation. In the official discourse of Yeltsin's presidency, 'Europe' and 'the West' were presented as examples of an advanced politico-economic model that Russia should

adopt. Many in Russia were optimistic about the possibility of positive and rapid democratic change and the ability of the West to contribute positively to such change. Not surprisingly, at that time democracy assistance from the West was carried out with the approval (or at least with the indifference) of the Russian government.

After a rocky reform period in the 1990s, Russia entered the new millennium with a new president, new political rhetoric, and a new political practice. Many power structures that shape political institutions and processes have since been dramatically changed. While Russia is still on a path to reform, from the very beginning Putin's agenda has been more insistent on protecting Russia's self-defined interests as well as on restoring the ability of central state agencies and actors (and of the office of the president in particular) to project authority across the whole country. As Dmitri Trenin puts it, "control was the key word of the Putin presidency":<sup>1</sup> for the Russian leadership, in the hierarchy of political challenges facing Russia, centralisation and preserving control came before advancing pluralism.

For the topic at hand it is also important to note that in the course of the 2000s Western political influence within Russia was severely reduced, both in rhetoric and in practice. The Russian leadership continuously insisted that Russia had made a "European choice". Russia's "European choice" and partnership with the West, however, emerged as a predominantly economic matter rather than one of political values and identity. From its very early days, Putin's agenda on political reform was less committed to political rapprochement with the West than before: Putin's political reforms were in the business of saving the Russian state, not recreating it in the image of foreign Western models.

Pro-democracy and pro-Western rhetoric was replaced by the argument that, throughout the years of post-Soviet transition, the West often intervened in Russia's internal affairs for purposes far removed from the promotion of democracy. Sensitivities about potential political manipulation and interference from abroad existed in Russia even in the 1990s, when the country was surprisingly open to international political influence. By the beginning of Putin's second term, it became clear how

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<sup>1</sup> Dmitri Trenin, "The Legacy of Vladimir Putin", *Current History, Russia and Eurasia*, Vol. 106, No. 702, October 2007.

many Russian policy-makers remained deeply concerned about this issue and how many of them were dissatisfied with the formal and informal rules regulating how democracy aid was carried out in Russia. In 2006, Thomas Carothers already noted that: "the most systematic and forceful resistance to Western democracy aid has come from Russia".<sup>2</sup>

Just two of many factors contributing to this situation can be highlighted. First, it is a bitter irony that while the Russian leadership declared that it was working hard to accumulate power, large chunks of democracy aid to Russia, and even the aid directed at state institutions, were aimed at attempting further to distribute power, by trying to strengthen those parts of the state and society that may limit executive power. These two agendas clashed, and aid promoters lost opportunities either to appeal to the Russian government for support or to advance their top-down programmes. Over time, it also became clear that they did not succeed in adjusting aid programmes to the dramatically changing circumstances. Certainly, some aid providers tried to respond to the new situation by putting more focus on a primarily bottom-up approach. But the majority of them seemed to prefer to cut democracy aid programmes, arguing that neither the Russian government nor the public was interested in far-reaching changes.

Second, the Kremlin saw the 2003-05 wave of so-called 'colour revolutions' in Georgia, Ukraine, and Kyrgyzstan not as a breakthrough in democracy but rather as regime change sponsored by the West in order to advance geopolitically into the post-Soviet space – and Russia's immediate neighbourhood.<sup>3</sup> And for many in Russia, the radicalism and extremism of these revolutions looked to be traumatic political experiences that the country would better to avoid in order to stay on a route of gradualist and moderate political change.<sup>4</sup>

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<sup>2</sup> Thomas Carothers, "The Backlash against Democracy Promotion", *Foreign Affairs*, March/April 2006.

<sup>3</sup> Leonid Gankin, "Nizkopoklonstvo pered Vostokom" [Kowtowing to the East], *Kommersant*, 24 February 2005.

<sup>4</sup> For an example of this line of argumentation, see the text of the interview of President Putin to the Slovakian TV channel CTB on 22 February 2005 (available at [http://www.kremlin.ru/appears/2005/02/22/2118\\_type63379\\_84394.shtml](http://www.kremlin.ru/appears/2005/02/22/2118_type63379_84394.shtml)).

The 'colour revolutions' seem to have been the turning point in the Kremlin's attitude toward international democracy assistance. From that point, Russian policy-makers started to invest more in developing policies aimed, firstly, to reduce Western political influence within Russia and, secondly, to re-assert Russia's political influence within its post-Soviet neighbourhood. Russia's 6-8% economic growth, largely based on the unprecedented rapid rise in hydrocarbon revenue since 2003, as well as the monopolisation of control over major economic assets in the country, provided the Kremlin with favourable conditions with which to play out this scenario.

Within Russia, the centralisation of state institutions has intensified in proportion to the leadership's efforts to design institutional arrangements that would control the links between state and society and channel societal demands in carefully managed directions. In the field of party politics, more and more deliberate efforts were invested into making institutional changes which would weaken everyone but the dominant pro-presidential United Russia party. Other parties were co-opted into the formal or informal hierarchy of the Russian government or marginalised, thus losing their role as influential political actors.<sup>5</sup> With regard to the NGO sector, the Kremlin's plans also became noticeably more ambitious during Putin's second presidential term. Putin's administration started to deal with NGOs in a more proactive manner and established several new institutions to serve as forums for both government and NGOs. As a result, the "public councils and chambers" boom hit Russian regions and ministers in 2004-2006. In addition, those 'policy intellectuals' who supported the Kremlin advanced the idea of the importance of developing networks of 'friendly' NGOs as well as of offering the third sector in Russia larger amounts of domestically-sourced funding.

At the same time, the Russian leadership repeatedly stressed that it strongly opposed the foreign funding of Russian political activities. The 'NGO law' of 2006 - arguably the strongest and most widely discussed incarnation of this approach - was just part of the broader reform package aimed at introducing amendments to the Civil Code, the law on non-profit

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<sup>5</sup> Vladimir Gelman, "From Feckless Pluralism to Dominant Party Politics: The Transformation of Russia's Party System", *Democratization*, Vol. 13, No. 4, pp. 545-561.

organisations, the law on public associations, and the law on closed administrative territorial formations. The entire reform package was relevant to regulating the work of both Russian and international NGOs and dramatically changed the environment in which aid promoters operated: it provided Russian governmental agencies with many new opportunities to exert tighter control over foreign assistance aimed at developing NGOs within the country. Finally, on the rhetorical level, since early 2006 Putin's administration started to promote the concept of 'sovereign democracy' - the notion that the form and functioning of Russia's political system must be determined by Russian citizens themselves.<sup>6</sup>

In short, the leadership's objective was to continue a Kremlin-designed trajectory of political reforms while making the country less susceptible to Western leverage - and to do all this without losing the state's international standing. In Russian official discourse the country's preferable political system is still described as a democracy - at first "managed democracy" and then "sovereign democracy". In practice, in the course of the 2000s, the Kremlin has managed, through a succession of skilful manoeuvres, first to weaken any system of checks and balances against presidential power and then to build a dominant party-based non-competitive political system in the country,<sup>7</sup> a system that has proved stable even during the 2008-09 economic recession.

Outside Russia, Kremlin policy-makers faced the daunting task of keeping, and in some cases returning, Russia's political leverage over its immediate neighbours. Part of the Kremlin's more assertive policy towards its post-Soviet neighbourhood undoubtedly stemmed from its belief in the need to counterbalance the rhetoric and practice of 'democratic transformation' as pushed by the Bush administration - rhetoric and practice which, in Russia's view, were instrumental in promoting American

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<sup>6</sup> Vladislav Surkov, "The Nationalization of the Future", *Expert*, Vol. 43, No. 537, 20 November 2006.

<sup>7</sup> Thomas F. Remington, "Putin, the Parliament, and the Party System", in Dale R. Herspring (ed.), *Putin's Russia: Past imperfect, future uncertain*, 3<sup>rd</sup> ed., Lanham: Rowman & Littlefield, 2007, pp. 53-73; Vladimir Gelman, "Party Politics in Russia: From Competition to Hierarchy", *Europe-Asia Studies*, Vol. 60, No. 6, August 2008, pp. 913-930.

unilateralism, undermining Russia's position, and transforming the regional balance of power.<sup>8</sup>

After many years of almost total neglect of foreign policy in the post-Soviet domain, Russia found itself in a highly competitive environment, where political and policy ideas sponsored by the West invigorated the post-Soviet space and seemed to find supporters among Russia's neighbours. Some scholars have noted that the 'colour revolutions' marked "a crisis of legitimacy for Russian influence in the former Soviet Union"<sup>9</sup> and sent out the message that the Kremlin's 'soft power'<sup>10</sup> had been in decline.

The Russian leadership, however, was able to pull together a quick response. It committed substantial resources to developing 'soft power' infrastructure to project and protect Russian influence beyond its borders. In 2005, the international television network "Russia Today" was set up "to improve Russia's image in the world". The same year, the directorate for interregional and cultural ties with foreign countries was established within the presidential administration of Russia, to deal mainly with the challenges in Russia's post-Soviet neighbourhood. Pro-Kremlin policy intellectuals began to advocate the need to exert Russian influence in the post-Soviet space through forging relations and tactical alliances with a wide range of legitimate political parties and NGOs in neighbouring countries.<sup>11</sup> Noticeable investments were made in NGO infrastructure within and outside Russia, and organisations started mushrooming in the

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<sup>8</sup> For an in-depth analysis of the relationship between Bush and Putin administrations, see Hans-Joachim Spanger, *Between Ground Zero and Square One, How George W. Bush Failed on Russia*, PRIF Reports, No. 82, Frankfurt, 2008.

<sup>9</sup> Jeffrey Mankoff, *Russian Foreign Policy: The Return of Great Power Politics*, Rowman & Littlefield, 2009: 295.

<sup>10</sup> Joseph Nye defines "soft power" as a state's "ability to attract others by the legitimacy of its policies and the values that underlie them" together with the "ability to achieve its goals without resorting to coercion or payment". Joseph Nye, "The Decline of America's Soft Power", *Foreign Affairs*, May/June 2004.

<sup>11</sup> Gleb Pavlovky, *Russian Foreign Policy in the Post-Soviet Space* (<http://www.kreml.org/other/77935249>).

region with Russian support.<sup>12</sup> It would seem that Russian policy-makers have learned the lesson and are eager to continue developing the country's soft power infrastructure. Elected in May 2008, President Medvedev not only openly declared Russia's desire to have its own sphere of influence and responsibility, but also set up a Federal Agency for the Commonwealth of Independent States' Affairs, which will engage in international humanitarian cooperation and contacts with compatriots. According to its creators, Russia "has every resource to expand its influence in the Commonwealth using peaceful methods", and the organisation is to become an analogue of the American USAID, promoting Russia's influence in the near abroad through active cooperation with NGOs.

Yet, while Russian soft power instruments may predominate on paper in a wide variety of policy areas, they seem to lack power in practice. The Georgian crisis of August 2008 clearly showed Russia's limited ability to expand influence over its immediate neighbours by pulling only on the levers of soft power. And the situation is likely to become even more complicated in the near future. As a result of the crisis, the Russian cabinet has already announced budget cuts, so establishing and expanding new areas of external aid on a shrinking budget will be extremely difficult.

At the moment, some institutional features of Russia's political model seem to be attractive to quite a number of regimes in the post-Soviet region. Moscow's impetuous rebellion against the "intervention of democracy promoters" seems to be viewed with some sympathy in many post-Soviet capitals. Nevertheless, it is important not to overestimate Russia's political attractiveness. With a younger generation of politicians soon to come to power, Russia's leadership is likely to lose a large part of its capital of personalised relationships with post-Soviet political elites. The ongoing world economic crisis may dramatically change the structures of interest and power in the region and thus undermine the effectiveness and attractiveness of non-competitive political regimes. And last but not least, the EU's serious attempts at projecting its own political influence far beyond its borders may also change the expectations of political actors populating the EU-Russia common neighbourhood.

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<sup>12</sup> For more detailed information, see Nicu Popescu, *Russia Soft Power Ambitions*, CEPS Policy Brief No. 115, CEPS, Brussels, October 2006.

Certainly, in years to come Russian leaders will have to decide what they are willing to stake to maintain their influence in the face of growing European criticism of Russian policies in the shared EU-Russian neighbourhood. While Russia's support or opposition to the various governments in its surroundings seems to be instrumental in bolstering the country's economic and security interests, European policy-makers argue for the urgent need to counter-balance what they fear is a coherent Russian 'anti-democratic' foreign policy.

In short, these competing visions<sup>13</sup> have already left their mark on the relations between Moscow and Brussels, which are now more distant and mistrustful of one another than at any time since the beginning of the EU-Russia dialogue. These divergent views are also likely further to complicate relations between Russia and those of its neighbours that have signed up for Europeanisation through joining the Eastern Partnership. Thus, one of the many challenges that Russian policy-makers will have to face is how to establish a long-term basis for the stability and continuity of Russia's political influence in the post-Soviet region in the face of an advancing European neighbourhood policy.

## Conclusion

The first decade of the 21<sup>st</sup> century witnessed a dramatic shift in Russia's approach towards the Western policy of democracy promotion. At the beginning of the drift Russia's leadership welcomed this policy in the hope that it would result in Russia's modernisation and integration into the Western political system. The second half of the decade saw Russia's key policy-makers exhibiting an almost allergic reaction to any sign of democratisation pressure on their country or its immediate neighbourhood. In the view of the Russian leadership, too many cases of democracy promotion had become deeply intertwined with both a hazardous regime change and a dangerous transformation of balance of power in the region. The Kremlin's negative response to democracy promotion therefore came

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<sup>13</sup> For a detailed analysis of the discursive asymmetry between Russia and the EU, see Andrey Makarychev, "Neighbours, Exceptions and the Political: A Vocabulary of EU-Russia Inter-subjective (Dis)connections", in Michael Emerson (ed.), *The Elephant and the Bear Try Again: Options for a New Agreement between the EU and Russia*, CEPS Paperback, CEPS, Brussels, 2006, pp. 15-40.



from both inside and outside Russia: Russian policy-makers started to make more serious efforts to develop policies aimed, first, to reduce Western political influence within Russia and, second, to re-assert Russia's political influence within its post-Soviet neighbourhood.

The window of opportunity to engage Russia in political reforms along the lines of Western templates in the 1990s and 2000s has now closed. The Russian leadership has sought to regain self-confidence and establish long-term bases for the stability and continuity of a dominant party-based non-competitive political regime. In view of this, US and EU policy-makers have completely failed in their policy towards Russia. Moreover, the Western obsession with democracy promotion in the post-Soviet space grew commensurate to Moscow's anxiety to counterbalance this policy, which was viewed as instrumental in serving the US and the EU's security and economic needs. For its part, Russia's efforts to re-assert influence over its immediate neighbours caused many in the West to see Russia as a rising anti-democratic power. As a result, Russia is now more distanced from both the US and the EU in its foreign policy than at any time since the beginning of the millennium. Finding a way out of this trap needs substantive efforts from actors on all sides.

# 11. AZERBAIJAN: POWER IN THE PETRO-STATE

*LEILA ALIEVA*

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**A**zerbaijan has emerged as an independent post-Soviet state bearing many of the legacies of the other former Soviet republics, but with a few peculiarities, the most notable of which is its abundant oil and gas resources. The EU's democracy promotion policies have not taken into account the extent to which the oil factor has impeded reform, nor have they succeeded in separating energy interests from the larger democracy agenda in Azerbaijan. Azerbaijan's use of oil wealth to obtain legitimacy, both externally and internally, coupled with the legacy of Soviet institutions, and the failure of international donors to temper the obstacle of oil, have all contributed to the parlous state of freedoms in the country. The failure of democratic forces to adjust strategies to counteract the ruling regime's clientelistic use of energy resources has further consolidated autocracy.

## **Oil revenues and democracy**

Democracy promotion became even more difficult after 2003, when presidential elections were held following the death of President Heidar Aliyev. The rise in world oil prices from \$11 per barrel in 1998 to \$140 in 2008 increased the flow of revenue to the country and deepened the political interests of external actors. The issue of succession became highly critical for all actors involved - both internal and external. Many favoured the continuation of the status quo out of fear that developments would otherwise put oil contracts and exploration deals at risk. The scenario of the 'appointed' successor was also favoured as a measure against the possible instability of a redistribution of resources. As a true autocrat, Aliyev had not allowed the emergence of any one political figure in his surrounding

circle capable of demonstrating leadership capabilities. As the state's ownership of the country's oil resources provided informal control over the energy sector by the president and his family, hereditary succession to Aliyev's son Ilham became the 'natural' scenario.

The significantly flawed presidential election of 2003 caused a split in the team of OSCE observers. Some 135 observers refused to sign the favourable assessment of the rest of the observer team and demonstrated outside the OSCE office in Warsaw in protest. The unprecedented use of state violence against the protesters, during which one person died and hundreds more were arrested, was met with silence from the EU and the US, both of which recognised the election results. Norwegian Ambassador Steinar Gil's protest at the election violence was a lone voice among Western democracies. Despite of the fact that elections were at least as manipulated as in neighbouring Armenia and Georgia, the reaction to the violence by Western democracies was much milder in the case of Azerbaijan.

The inaugural speech of the new President Ilham Aliyev sent a clear message to both local and foreign actors that he would continue with the policies started by his father. Taking into account a trend of increasing control over the economy, politics and the media, which characterised the final years of the late President Aliyev's rule, this sounded discouraging. The message was that there would be no significant departure from existing oil policies or the politically-motivated redistribution of resources.

Ilham Aliyev inherited a rather stable regime, based on the political patronage created by his father, which he had to 're-fill' with the oil revenues. The lack of any degree of power diffusion during the parliamentary elections in 2005 meant that the increasing inflow of oil revenues allowed the new leader to strengthen the system of patronage. The national budget increased tenfold, from \$1.2 billion in 2003 to \$12 billion in 2008.

Some of Ilham Aliyev's government's initiatives deserved international praise, such as its joining the Extractive Industry Transparency Initiative and the creation of the State Oil Fund in 2003. But the use of the country's oil revenues to strengthen the network of political patronage trumped economically rational considerations. State investment went into mega-construction projects, and was easily misappropriated. Oil

revenues were distributed to the ministries as the primary power base of the regime, creating a “budget within the budget”.<sup>1</sup> Patronage was extended through raising police salaries and through special stipends, pensions and awards for the loyal representatives of the intellectual, cultural and sporting elite. Resources were also spent on the creation of museums, parks and hospitals – named after the family members of the president in all regions of the republic. The accumulation of oil revenues in the nine years from December 1999 to January of 2009 amounted to \$20 billion. Almost half of this was spent in the period between 2003 and January 2009, or in only five years.<sup>2</sup>

While diligently building the state institutions required by European organisations and US agencies, among them the Council of Europe, OSCE, and the various agencies of the USAID, the authorities continued to exert pressure on the opposition and the independent media. Major opposition parties such as the Musavat and the Popular Front, along with one of the leading opposition newspapers, “Azadlyq,” were deprived of their offices in central Baku. The arrests and harassment of journalists became more frequent, confirmed by the observation of the media monitoring group the Turan agency, in election years. The editors of the three most popular opposition newspapers, “Azadlyq,” “Gundelik Azerbaijan” and “Realnii Azerbaijan” were imprisoned, along with two other journalists. The editor of the popular critical journal “Monitor”, Elmar Huseynov, was killed in 2005.

Politically, foreign policy choices such as resistance to Russian pressure, increased the leadership’s sense of self-importance and served as a source of legitimacy. In terms of geopolitics, being at the centre of competition between regional powers such as Russia and Iran, increased the value of the country in the eyes of the West and afforded more room for manoeuvre in which to resist democracy.

This particular understanding of priorities in the country’s relations with the EU and the US influenced policy choices in several situations, such as the suppression of public protests. Unlike in Georgia or Ukraine, the attempts at ‘velvet’ revolution were met with brute force. Politically, this

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<sup>1</sup> Azer Mehdiyev, “Oil Revenues and the State Spending”, Entrepreneurship Development Foundation, Information Bulletin No. 2, Baku, 2007.

<sup>2</sup> Interview with Ilham Shaban, economic expert, Baku, 15.02.09.

bolstered a perception by the leadership that it could always 'get away' with the use of violence. The preference of the ruling elite for 'evolution' rather than 'revolution' was shared by almost all external actors. Even George Soros, after meeting with President Ilham Aliyev in 2005, spoke to the local press about the impossibility of such revolutions in Azerbaijan.

The fear of undermining the status quo in Azerbaijan on the part of the US and European actors was most evident when a group of public activists and media journalists presented an initiative to create an independent TV channel prior to the 2005 parliamentary election. Although at first supportive, when it came to implementation foreign agencies withdrew their promises to finance the project.

### **Mobilisation strategies**

How much did the failure of opposition and civil society activists to mobilise the electorate contribute to the decline of democracy in Azerbaijan? The issue is one that engenders intense debate. Unlike in neighbouring Georgia, Azerbaijan's opposition had few charismatic leaders. The consistent failure of the opposition to counter the state machinery of falsification gradually contributed to a decline in their popularity. There has been a discrepancy between the voters' support for the opposition, on the one hand, and the latter's inability to provide voters with strategies to protect their votes, on the other hand. The opposition became discouraged by the clear message from all powers, both regional and extra-regional, that there was no sufficient incentive to support change. The high expectations of the opposition, supported by the broad 'protest electorate' that the 'Aliyev era' was over, proved unfounded.

The opposition miscalculated the power of the regime and its monopoly over oil resources. High economic dependency of citizens on the state militated against protest. Even the representatives of small- and medium-sized business, which could form the power base for liberal parties, were vulnerable to having their businesses shut down by the authorities if they were spotted in demonstrations or supporting the opposition. The arrests of two senior officials on the eve of the 2005 election, Minister of Health Ali Insanov and Economic Development Minister Farhad Aliyev (no relation to President Aliyev), showed how ruthless the authorities were towards all possible dissent or opposition from within the government. The government's reaction to opposition, the limited access to jobs for members of the opposition and their families and

the absence of significant independent economic classes, set Azerbaijan's political conditions apart from those of Ukraine or Georgia. Recruitment among the emerging class of young entrepreneurs was also complicated, as very few were ready to give up their jobs, status, or levels of comfort to place themselves at risk of imprisonment or of losing their jobs, like members of a 'traditional' opposition.

Civil society was another factor differentiating Azerbaijan from Georgia or Ukraine. Azerbaijan civil society, which was on the rise in the early 1990s, did not receive Western support in the same way as it did in Georgia. In fact, Azerbaijan received three times less aid for institution-building than neighbouring states. The lack of funding for NGOs meant that young people educated abroad, who were one of the critical factors of political change in other republics, were recruited by the oil companies or international organisations, which ensured their isolation from the social movement as a whole.

### **EU policies**

After the end of the cold war, the EU was slower than other regional powers to become involved in the South Caucasus, not least because of its 'realist' approach to foreign affairs, prioritising Russia at the expense of the three South Caucasus states. The competition between the Iranian-Islamic, the Russian-autocratic and the Turkish-secular democratic models was clearly overshadowed by other, more pragmatic aspects of EU foreign policy. With the delay in Turkish integration into the EU, the coming to power of the AKP in Turkey and the weakening of its influence as a beacon of westernisation in the post-cold war Caucasus, the fate of democracy mainly depended on the political support for reforms and the amount, direction and timing of aid from the US and Europe.

In spite of the shift in EU policy towards its neighbours, with numerous initiatives and programmes implemented in the Black Sea states and the South Caucasus, the EU has not yet become a significant actor in Azerbaijan - despite an increasing volume of trade. By excluding any real prospects of membership, the EU offers few integration options to the

country resisting Iranian and Russian influence.<sup>3</sup> In addition, the EU's aid policy did not take into account the influence of oil resources on the state and democracy building. The aid policies of the EU and the US did little to target the 'oil curse' problem. On the contrary, the representatives of Western aid agencies and institutions would even justify a lesser amount of aid to Azerbaijan's civil society due to the availability of rich natural resources.

On the other hand, 'the strong state first' approach to the Caucasus region seems to have taken over policy circles in Brussels and Washington, in particular after the failure of Yeltsin's democratisation efforts in Russia. All this, along with the interest in alternative energy resources and diversified transport routes, has meant that stability at any expense has been preferred over other scenarios leading to change.

The EU's principal methodological dilemma towards democracy promotion in the oil rich state is to separate, in its policies and instruments, the resistance to change among the small group of elite controlling resources from the nation's broader aspirations for change. Finding a solution to this dilemma would increase the EU's weight as an actor in the international arena, and in areas of vital importance, such as the Caspian basin.

### **Political responses to the economic crisis**

Not unlike other resource-dependent economies, the Azerbaijani economy is vulnerable to external shocks. Analysts and observers have tried to anticipate the political responses to the decline of oil production expected to start in 2011. The International Crisis Group (ICG), in its report on the Nagorno Karabagh conflict,<sup>4</sup> even warned of the possibility of Azerbaijan launching a war around 2011 to distract public attention from the hardships associated with economic decline.

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<sup>3</sup> "A Future Vision of the Caucasus Caspian Region and its European Dimension", Caspian Caucasus Commission, *Turkish Policy Quarterly*, Vol. 6, No. 3, Fall 2007 ([http://www.esiweb.org/pdf/esi\\_turkey\\_tpq\\_id\\_113.pdf](http://www.esiweb.org/pdf/esi_turkey_tpq_id_113.pdf)).

<sup>4</sup> International Crisis Group, *Nagorno Karabagh: Risking War*, Europe Report No. 157, 14 November 2007.

Azerbaijan's GDP shrank 2.6% between January 2008 and January 2009, according to the country's State Statistical Committee. Officials, however, denied that the crisis would have any significant impact on the economy, due to the flow of petro-dollars. Independent experts point to the real reasons why the effects of the world crisis are delayed, which is due to the mainly 'closed' and informal character of the economy. The anticipated effect of the rapid spending of oil revenues and income from the informal economy, putting pressure on the consumer market that will lead to the natural fall in consumer prices, as the experts suggest, might be used in an official propaganda effort to strengthen the regime. But this decline will also be accompanied by a rise in unemployment.

The referendum on changes to the constitution of the Azerbaijan Republic can also be viewed as a political response to the economic shocks, both ongoing and expected, in the coming years, including a fall in world oil prices, the decline in oil production and the negative effects of the global financial crisis on the country. Among other proposed constitutional changes, the key measure is to lift the presidential two-term limits, which would legally secure the durability of the current regime for unlimited periods of time.

Yet, it will be hard to prevent social unrest if the government does not reform its self-interested economic policies, which are characterised by rampant corruption. An unlimited presidential term will also give rise to radical and extremist movements. For example, the reports of the interior ministry about discoveries of vast stores of illegal arms in the region have become more frequent. A resort to war as a means of distracting attention from domestic problems cannot be excluded. Although the probability is low, the fact that Armenian forces still occupy Nagorno Karabagh, in the eyes of general public this would justify an attempt to go to war. The most recent opinion polls confirm that the Karabagh issue tops the ratings of the most urgent problems in Azerbaijan.

## **Conclusions**

The case of Azerbaijan is a good illustration of the concept of the 'resource curse', or 'paradox of plenty'. At the same time, it also shows that this is not simply the influence of oil resources as a structural factor determining an inevitably unfavourable scenario for democracy-building. Rather it is the result of a combination of structural effects, rational policy choices, the use of oil as a political tool, the defective mobilisation strategies of the



opposition and civil society, and the mis-design of external aid to the country.

Oil revenues contribute to the asymmetry between state and society, as such enormous resources are only at the disposal of the small group in control of oil and of the economy in general, as opposed to under-funded civil society and opposition forces; a situation aggravated by miscalculations about the far-reaching influence of oil in the strategies of the latter.

For the EU, Azerbaijan may well become a test case for the development of new democracy promotion policies and instruments in states with such a structural obstacle as oil wealth. Europe cannot afford to 'lose' Azerbaijan, not just because of its importance as an energy producer, but due to its traditions of modernisation and Europeanisation. There is significant reform potential, including a secular and educated population, a civil society, a liberal opposition and, in spite of the unfavourable conditions for the development of freedoms, independent journalists, lawyers, a number of other institutions and strong European aspirations.

Reform would require two major adjustments in Azerbaijan. A distinction needs to be more clearly recognised between the structural resistance to reform of the oil-controlling elite and the openness of the majority to reform. The interest-based policies of the EU also need to be separated from the values-based, democracy promotion policies. The calibrated and compensatory nature of aid, directed at neutralising the asymmetry of the state versus society, needs to send clear political messages about the seriousness of democracy promotion, conveying high expectations in this regard to Azerbaijan as one of the ways of increasing the effectiveness of the EU in the East.

## 12. KAZAKHSTAN: MODERNISATION FIRST

*NEIL J. MELVIN*

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Since independence, Kazakhstan has been led by President Nursultan Nazarbaev - the former First Party Secretary of the Kazakh Republican Communist Party during the Soviet era. President Nazarbaev has forged a strong form of presidential rule. The political dominance of the president - backed by the security agencies and important economic and political actors - has led to the marginalisation of political opposition and tightly constrained opportunities to criticise the ruling regime. The political order in Kazakhstan is generally viewed as authoritarian and is subject to criticism for violations of human rights and for failing to meet its international commitments in the area of democracy.

The reality of centralised political power in Kazakhstan, the importance of the country for the international community due to its abundant energy resources and the geopolitical significance attached to Kazakhstan by the Russian Federation, by China and by the West, means that promoting democratisation by seeking to ensure that the country abides by its international commitments is unlikely to succeed. Those seeking to promote democratisation from outside inevitably face opposition from the domestic authorities. At the same time, the political support and alternative opportunities available to Kazakhstan through its relationships to Russia and China, among others, will mean that the international community will lack the necessary consensus to press change on the country.

The situation in Kazakhstan, and indeed Eurasia more broadly, over the last decade suggests that earlier approaches to encouraging democratisation are unlikely to succeed. Something new is required. This approach should aim to combine social and economic progress with

political reform. That is, democratisation will ultimately have to come from within Kazakhstan, rather than being introduced from the outside world. This is not to suggest that the international community cannot provide effective democracy assistance. Rather, it is to be realistic about what that assistance can achieve on its own. In promoting a new approach to democratisation in Kazakhstan, the European Union has a key role to play.

### **Building a presidential political order**

As was the case with the other former Soviet Central Asian republics, the liberalisation of political power that followed the collapse of the Soviet Union proved somewhat brief. Within the first few years of independence, the leadership of Kazakhstan moved to assert centralised control over the country and to weaken and then destroy all sources of serious opposition.

The initial political challenge was to prevent the emergence of an ethnic-based political movement focused upon the non-Kazakh and Russian-speaking communities concentrated in the north, the east and in the capital, Almaty. In the first decade of independence, ethno-political movements were demobilised through manipulation of elections and the Constitution, and through the creation of institutions to manage ethnicity (the Assembly of the Peoples of Kazakhstan). Leaders of the Slavic movement were harassed and even violently attacked. Eventually they left politics or emigrated. Later, ethnicity was depoliticised as the ruling elite promoted 'the Kazakh model of interethnic relations' built upon the paternal role of the president as the arbiter of all issues and protector of ethnic communities.

Parallel to the drive to undermine ethno-political movements, the ruling elite in Kazakhstan moved to marginalise and then eliminate other forms of opposition. Laws on political parties were adopted ensuring that opposition forces found it difficult to organise and impossible to effectively contest elections. The ruling group increasingly turned to the OTAN party (now Nur OTAN) of the president, built on the patronage power of the executive. The Constitution was revised to enable President Nazarbaev to remain in power unencumbered by term limits. Restrictions on the media were tightened. By the end of the 1990s, significant challenges for political power from outside the ruling elite had ceased. Thus, in the parliamentary election of August 2007, Kazakhstan became a one-party state – although de facto power had long been monopolised under the presidency.

While Kazakhstan is an authoritarian political order, the country presents something of a paradox within the context of Central Asia.<sup>1</sup> Kazakhstan is more open than most of its neighbours. Indeed, the concentration of political power at the centre of the Kazakhstani political order and in the person of the president was not the only story of the first two decades of independence. Kazakhstan followed a relatively liberal form of economic development, promoting the private sector and encouraging a dispersal of economic resources, as well as seeking integration into the global economy. Thus, even though the state has remained the key economic actor in Kazakhstan, a variety of individuals and groups - at the regional and national level - have acquired significant resources.

Further, while the presidential system of power dominates the country, it is not a monolithic or entirely stable order. There are limits on the power of the regime and it cannot act with total impunity. Concerned about Russia's reaction if the Kazakhstani state were to clamp down on the predominately non-ethnic Kazakh northern and eastern provinces, Nazarbaev has been unable to extend centralised control into all corners of Kazakhstan. While the president has marginalised opposition, he has not been able to eliminate its sources. Kazakhstan continues to be animated by struggles articulated by regionally-based interests, patronage and loyalty networks (often involving familial elements) and business concerns.

As a result of these struggles, there are spaces for criticism, although carefully circumscribed. The media, notably the newspapers, provide opportunities for restricted forms of debate. There are openings in the Kazakhstani regime to promote new agendas, provided these elements do not challenge the established order in the country directly. On occasion, factional struggles spill over into direct challenges to the political regime.

In 2001, the country experienced an important impulse for political change in the form of the drive by a technocratic group of regional politicians and businessmen to promote a rival political movement - the Democratic Choice for Kazakhstan. Although such initiatives have, to date, been contained, such events highlight the complex power dynamics in Kazakhstan. The authoritarian order that was forged under President

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<sup>1</sup> Freedom House categorises Kazakhstan as a "consolidated authoritarian regime". Freedom House, *Nations in Transit 2009*.

Nazarbaev in Kazakhstan is thus different in important ways from those in the neighbouring Central Asian states.<sup>2</sup>

### **Democratisation in Kazakhstan**

Although there are spaces for liberalism in Kazakhstan, the prospects of a process of democratisation emerging currently appear unpromising. While the current leadership is prepared to entertain, on occasion, a very limited and controlled opening up of the country, this times-often seems aimed more at countering international criticism than because of a genuine commitment to political change.

The failure to promote real political change raises questions about the international approach to this issue. In Kazakhstan, the international community has been strongly concerned with the monitoring of elections and support for the creation of democratic institutions. The focus has been on strengthening legislation, efforts to reform the judiciary and parliament, to create political parties and so forth. There has been some progress in these efforts, but reform has generally been limited and subject to reversal as the political wind changes.

This strategy has increasingly been a source of tension and even anger, not just in Kazakhstan but more broadly in Eurasia. It has been challenged as 'interference in internal affairs' and 'regime change'. Opposition to this approach to fostering political change has been one of the contributory factors of the political marginalisation of the OSCE. The fierce challenge to this model of democracy promotion in Eurasia after the collapse of the Soviet Union has led some to conclude that it had run its course by the beginning of the 21<sup>st</sup> century.<sup>3</sup>

What is needed is an approach more tailored to the realities of contemporary Kazakhstan. In the past, the international community has largely failed to engage its democracy promoting efforts with an indigenous and deep-seated movement in this direction, despite providing

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<sup>2</sup> Neil J. Melvin, "Authoritarian Pathways in Central Asia: A Comparative Analysis of Kazakhstan, the Kyrgyz Republic and Uzbekistan", in Yaacov Roi (ed.), *Democracy and Pluralism in Muslim Eurasia*, London: Frank Cass, 2004, pp. 119-42.

<sup>3</sup> Thomas Carothers, "The End of the Transition Paradigm", *Journal of Democracy*, Vol. 13, No. 1, 2002.

substantial support for fledgling civil society. An approach to democracy promotion that acknowledges the key role of socio-economic dimensions to the process of democratisation is likely to have a far greater prospect of success in Kazakhstan.

Recently, authors have developed new insights into the key role that modernisation – urbanisation, rising levels of education and of income – plays in promoting mass political participation.<sup>4</sup> Noting that in recent years the world has moved from a period of democratic boom to one of democratic recession, some analysts have concluded that it is unrealistic to assume that democratic institutions can be set up in all circumstances. Instead, democracy is far more likely to emerge and take root under certain favourable conditions.

Socio-economic modernisation is therefore seen to be a key development in the promotion of broad political participation. Integration into the world economy is also important, bringing with it growth and the foundations of modernisation; primarily the creation of middle classes that press for liberal democracy – although other social groups, such as trade unions, can also be important. This revised theory of modernisation challenges past assumptions. Industrialisation does not lead automatically to democracy; modernisation is not linear. But there are key political moments – ‘inflexion points’ – when world views are changed. These changes bring with them the development of greater individualism and greater tolerance of difference.

### **The EU and democratisation in Kazakhstan**

The EU has gradually developed its engagement with Kazakhstan. The country has been the hub of European activities in Central Asia since an EU delegation opened in the country in 1994. In 1999, Kazakhstan was among the first of the states in the region to conclude a Partnership and Cooperation Agreement with the EU. In December 2006, Kazakhstan and the European Commission signed a Memorandum of Understanding on Energy. Kazakhstan is also a partner country in the EU-supported Baku Initiative.

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<sup>4</sup> Ronald Inglehart & Christian Welzel, “How Development Leads to Democracy: What We Know About Modernization”, *Foreign Affairs*, March/April 2009.

In 2007, the European Union launched the initiative “The EU and Central Asia: Strategy for a New Partnership”. The Strategy was subsequently elaborated through national priority documents agreed with the governments. The Strategy contains important commitments to democracy in the region. Democratisation issues are reportedly raised by the EU in bilateral political contacts, through the human rights dialogue and via the principal assistance programmes within the Strategy, which concern education, water and the rule of law.

Despite the overt commitment to promoting democracy in its engagement in Kazakhstan and the rest of Central Asia, the EU Strategy in fact lacks clear political focus and does not offer a way to reconcile and prioritise the broad and often contradictory aims of the Strategy itself. The relatively small amount of assistance available for the region under the European Commission Indicative Programme 2007-10 within the context of the Regional Strategy Paper for Central Asia for the period 2007-2013, also means that the resources for democracy promotion are meagre.

The way in which the EU has approached democracy promotion in Central Asia has been strongly criticised, with some commentators seeing the EU as selling out on its democracy commitments for the sake of energy interests in the region.<sup>5</sup> To date, there has been relatively weak coordination between the political strategy of stronger engagement and the agenda of promoting democracy. Many policy-makers within the EU seem to have drawn the conclusion that promoting democracy in Kazakhstan and other Central Asian countries will be fruitless and, in fact, will prevent the Union from pursuing key energy and security interests – and from being able to challenge Russia. As a result, a debate over values versus interests has framed discussion of the EU policies in the region, without offering a way forward.

In fact, policy-makers have looked at the experience of democracy promotion in Central Asia in the past 18 years and drawn the wrong conclusions. Central Asians are not genetically or culturally averse to democracy, but it is important to be realistic about the conditions under which democratisation can emerge. Poor societies, with little prospect of

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<sup>5</sup> Gordon Crawford, “EU Human Rights and Democracy Promotion in Central Asia: From Lofty Principles to Lowly Self-Interests”, *Perspectives on European Politics and Society*, Vol. 9, No. 2, 2008, pp. 172-91.

significant socio-economic change in the near and medium term, are not strong candidates for a deep-seated and sustainable process of democratisation.

Kazakhstan, however, offers a different prospect. While Kazakhstan is currently far from democratic, the likelihood of significant future wealth generation in the country as a result of the exploitation of hydrocarbons suggests that the country will see the emergence of socio-economic conditions more conducive to democratisation in the decades ahead.

Not only does Kazakhstan offer the best prospects for a future democratisation process in Central Asia, but the country's current leadership is anxious to promote many of the domestic and international policies that are likely to strengthen this development. Ahead of the 2010 Chairmanship of the OSCE, Kazakhstan has launched its policy of a *Path to Europe*. While intended in large part to head off criticism of the country's political and human rights situation, the Path to Europe signals a clear ambition to build a closer relationship with Europe and to emulate European social and economic development in important ways.

The combination of the prospects for substantial social and economic change in Kazakhstan, coupled with the willingness of the current leadership to foster links to Europe and develop a close partnership to achieve these aims are the reasons why the EU should make Kazakhstan a priority in its strategy in Central Asia. No other country in the region offers this prospect.

The situation in Kazakhstan provides the EU with an opportunity to develop a new approach to the issue of democratisation, one which will allow the Union to play to its strengths as a normative and soft power actor.<sup>6</sup> Relations with Kazakhstan should focus on a range of policies in the areas of education, trade, business, energy, environment, transport, and strengthening civil society (including working with professional and business associations). Through these engagements, the EU should seek to draw Kazakhstan into close involvement with European institutions and organisations.

The aim should be to help to shape the form of modernisation in Kazakhstan so that Kazakh society becomes thick with the institutions of

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<sup>6</sup> Neil J. Melvin, *The European Union's Strategic Role in Central Asia*, CEPS Policy Brief No. 128, CEPS, Brussels, 28 March 2007.



civil society (including legal, social, environmental, professional, business and political groups), develops a highly educated workforce and becomes a country with a strong international perspective. The EU should also aim to ensure that modernisation develops as a process in which wealth is broadly distributed across the population and invested in the country rather than used to fund the consumption of the elite.

A key element of this engagement will be relations with the president and the intertwined elite groups that support him. At this level, there is little appetite for the emergence of mass-based democratic politics, not least because the ruling elite might be displaced by such a system. In Kazakhstan, democracy today carries negative connotations and is associated with chaos, criminality and corruption. There is though a willingness to see a strengthening of rule of law, at least in areas that would protect the ruling group, for example property rights and a degree of political security from arbitrary state actions, particularly those by the security services.

The president and key parts of the elite present themselves as pursuing an enlightenment role – advancing the nation while protecting its citizenry from the ravages of the mob. Ahead of the possible emergence of a genuine and deep-seated democratisation movement, there may be opportunities to work with the ruling regime within the framework of an ‘enlightened modernisation’. Initiatives in this direction would help to lay down and strengthen the basis for democratic politics. This suggests that the existing rather weak and unfocused EU Rule of Law initiative and the human rights dialogue should be strengthened.

Such initiatives would have the advantage of providing a more positive context within to raise individual human rights cases and to advance sectoral improvements in the rule of law. It would also be a means to counter the anti-democracy ideology promoted by Eurasian elites, which have sought to stress the destructive, chaotic and corruption of ‘democratic rule’ – as practised in the region in the early 1990s – as opposed to the idea of democratic governance as being a legitimate, effective and a restrained form of governance as it is understood in Europe.

While socio-economic change leading to modernisation in Kazakhstan offers the best prospect for creating the conditions for democracy, it is not in itself a guarantee of democratisation. Many other hydrocarbon-rich countries have achieved high per capita income for the general population while resisting and containing democratisation. The

best prospect for achieving a breakthrough in Kazakhstan is to ensure that the EU, within the context of friendly relations and a broad engagement, is clear about the need to support greater openness and pluralism in the country, and at key moments – such as leadership transitions or threats of backsliding – stands firm on these principles.

## Conclusion

Existing democracy promotion initiatives in the former Soviet Union have largely reached a dead end. Freedom House notes that there has been a serious deterioration in democracy within the region in recent years.<sup>7</sup> Clearly a new approach is required to meet this challenge. The priority accorded to the promotion of democracy has been further reduced, for many in the region, by the serious problems that confront the country due to the global economic crisis. As we look to the future, however, the rising levels of wealth in Kazakhstan, the consolidation and expansion of the private sector, the opportunities for developing a strong and high quality higher education sector (and study abroad) and the continued flow of wealth from the energy sector look set to promote significant socio-economic change. These are precisely the sorts of developments that can provide the conditions for the onset of a sustainable democratisation process.

Nevertheless, history shows there is nothing predetermined about the emergence of democracy – in the final count politics must play the key role. It will be the domestic politics of Kazakhstan that will ultimately determine the character of the polity. Here, the international community can help. Engagement can accelerate modernisation and the international community can seek to influence the form of socio-economic change in Kazakhstan.

The EU – perhaps in cooperation with the United States – needs to develop an integrated programme of activities that links ‘modernisation’ policies with a realistic but firm political approach. In this regard, it will be important to take advantage of key political openings. One such opportunity is the decision by Kazakhstan to Chair the OSCE in 2010 and to

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<sup>7</sup> Freedom House, *Nations in Transit* 2009.

accept as part of this a variety of human dimension commitments.<sup>8</sup> The leadership transition that will come with the eventual departure of President Nazarbaev will also be a critical period.

Following such an approach is a tall order and will demand significant commitment from the EU. In particular it will require astute and well-informed political engagement and a willingness to deal with the fact that political change can move backwards as well as forwards. The EU does however have some carrots to encourage Kazakhstan to maintain a course of democratisation at key moments and in difficult times. The prospect of becoming a closer political partner of the EU through participation in initiatives such as the Eastern Partnership, the European Neighbourhood Policy, the Black Sea Synergy, the Energy Community and others could provide useful incentives for Kazakhstan to cooperate. Such a package could offer the real prospect of promoting democratisation in Kazakhstan at a time when the democratic project is in crisis in Central Asia and beyond.

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<sup>8</sup> Neil J. Melvin, "The European Union, Kazakhstan and the 2010 OSCE Chairmanship", *Security and Human Rights*, Vol. 20, No. 1, 2009.

## 13. BELARUS: INTO THE BUFFER ZONE

*BALAZS JARABIK & VITALI SILICKI*

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**A**fter the 2004 enlargement of the European Union, interest from several of the new member states put Belarus on the political map in Brussels. Five years on, the EU is becoming a major external player in the country's political development. Several factors have persuaded eccentric president, Alexander Lukashenko, to change the country's political course. These include the global economic crisis; the phasing-out of Russian subsidies; and the change in Moscow's political stance from treating Belarus as a close ally to adopting a more aggressive tone. These circumstances have prompted Lukashenko and his team to try and change the framework of power in Belarus. Whether or not they have the luxury of time to achieve this remains to be seen.

### **Belarus' survival instinct**

Belarus gained independence in 1991 after the fall of Communism. The country underwent a half-hearted liberalisation period, thanks to a small, nationalistically-minded opposition, which lacked both the experience necessary to carry out a transformation, and a large enough support base in the Sovietised Belarusian society. The mass uprising against reform and liberalisation of 1994 brought populist maverick Alexander Lukashenko to power. He used his mandate to eliminate nascent democratic institutions, suppress the free media, crack down on opponents and reintroduce instruments of economic and political control. In exchange for loyalty and abstention from political and social activism, Lukashenko provided a social contract that guaranteed Belarusian citizens basic survival and indeed, during the more affluent mid-2000s, brought them relative prosperity. Many Belarusians saw this contract as a safer option than the risks and uncertainties of reform. Often referred to as a 'jail with an open door', Belarus's semi-closed society was further stabilised by the offer of exit

options for those who refused to buy into the social contract - for example, emigration or temporary employment abroad in countries with no language barrier such as Russia.

The colour revolutions served to strengthen the Lukashenko regime's repressive component. Aware of the downfall of weak post-Soviet autocrats who failed to survive the manipulation of free but largely unfair elections, Lukashenko prevented similar mobilisations and electoral regime changes by eliminating factors that would aid them. Presidential term limits were removed following a controversial 2004 referendum - the opposition claimed that removal of the two-term clause from the constitution could have been prevented had votes been counted fairly. By the time Lukashenko prepared to run for his third term in 2006, the government had closed down over 100 major NGOs and made their operation without official registration illegal; banned distribution of most independent media; arrested and isolated most active opposition leaders capable of mobilising the population; enforced arbitrary 'hire and fire' rules in public companies; and reinstated ideological indoctrination in schools and universities.

These counter-reform tactics relied on demoralisation and fear. Images and stories of political and economic instability, even chaos, portrayed in the media following the 'rose' and 'orange' revolutions made the majority of Belarusians afraid of the very idea of regime change. The opposition was small. Based on independent pollsters' estimates of the two opposition candidates' real share of the vote in the 2006 presidential elections, it was supported by about 25% of the population. Its elite failed to offer any option other than opposition to Lukashenko, which meant that this sector of society, deprived of hope and effective leadership, was largely left to adapt to political reality. Following the 2006 elections, opposition supporters largely retreated into private life, with many young activists leaving Belarus to pursue their studies. At the same time, the opposition elite became entrenched in petty leadership battles and controversies of little relevance to their supporters.

### **Pre-emptive autocracy**

Like most contemporary autocracies, the Lukashenko regime lacks a coherent legitimising ideology. Instead, it gives the system some semblance of democracy by manufacturing consent. Formally competitive elections take place, and the existence of opposition parties is tolerated as they have

no actual say in government affairs. Unlike the Russian government, Lukashenko's regime has never created a fully controlled opposition to dance to its tune. The regime's discourse of democracy is laden with excuses for the 'abnormality' of Belarus' political system compared to those found elsewhere in Europe. Such excuses are usually based on the claim that this politically 'young' country must take its own 'specific path' to democracy and modernisation, and not merely ape Western prescriptions and standards.

Belarus' lack of a participatory democratic culture stretches back to the tradition of state paternalism that began in the post-war Soviet period. It was cemented by the 'old' Communist social contract: swift modernisation and industrialisation of the Belarusian republic financed by massive capital investment from the Kremlin, in exchange for unquestioning political loyalty and the rejection of a distinct Belarusian identity. This created a moral basis for anti-Communist resistance and a pro-European political agenda later on. The core of opposition in Belarus is a largely cultural construct – a substratum of society that has resisted linguistic Russification and cultural Sovietisation, preserving a Belarusian identity and associated pro-Western political connotations. However, since the mid-1990s government policies have severely restricted the space available to express this identity.

Most Belarusians are not politically ideological. Political preferences are based on opportunities for personal economic survival and advancement. This approach is heavily supported by regime propaganda and its control system of rewards and punishments. As previously stated, Belarusians generally find the state-offered minimum criteria for survival preferable to the uncertainty of a more liberal and potentially more chaotic society and economy. In the mid-2000s, the majority of citizens believed that Belarus had greater need of a 'strong hand' than a rule of democratic law, and felt that the country was heading in the 'right' direction under Lukashenka. These beliefs have had logical consequences: support for European integration as a political alternative to post-Soviet order has decreased dramatically during the past decade.

### **Toward a pragmatic approach?**

Over the past ten years, Belarus's position in Transparency International's corruption perception ratings has suffered a steep decline: in 2003 it was perceived as the 36th 'cleanest' country in the world; in 2008 it was 151st. It

is debatable whether this assessment accurately reflects the growth of corruption or only the better identification of corrupt practices in Belarus' unreformed economy. However, the trend definitely illustrates the proliferation of conspicuous consumption among the ruling elite, and its members' tendency to transform themselves into 'state capitalists'. Although Lukashenko originally portrayed himself as the champion of 'clean' government, an anti-corruption crusader fighting crooked state bureaucracy, he was eventually forced to reconcile himself with the nomenklatura and offer them increased opportunities for enrichment. This concession was a necessary device for the non-coercive control of the elite when a significant number of them defected to the opposition in the early 2000s, and rumours of the state bureaucracy turning against Lukashenko were growing. Toleration of official corruption was also necessary to make government service more attractive to the younger generation, who could not easily be bought off by nominally low government wages.

This new contract guaranteed the nomenklatura's loyalty during the 2004 and 2006 electoral campaigns. Crucial for Lukashenko, these campaigns saw him eliminate term limits and secure his own re-election. Nevertheless, intra-elite disputes over assets and bureaucratic rents controlled by the different government sectors increased. By mid-2007, a power struggle had broken out between a number of these factions, which included the group controlled by Lukashenko's older son Viktor and the president's loyal supporters from his native province of Mahileu, and other factions related to law enforcement agencies such as the Security Council, the Interior Ministry and the KGB. These groups used their clout to arrest and prosecute 'unwanted' opponents. When some of the country's top officials were publicly beaten up by plain-clothes KGB thugs, Lukashenko was forced to intervene personally. He used the opportunity to carry out a major purge in the KGB and other agencies, and to eliminate those at the top who were too closely connected to Russia, a precaution motivated by worsening relations with the Kremlin.

The bureaucratic tussle ended with the victory of Viktor Lukashenko's relatively open-minded faction. Its supporters now occupy top posts in the presidential administration, and are helping to steer Belarus onto a more pragmatic economic and foreign policy course. This generational change in the ruling elite paved the way for dialogue between Belarus and the European Union and, by the end of 2008, brought about a limited political liberalisation. The regime's pragmatists, such as Uladzimir Makey, Head of presidential administration, are offering an alternative to

Lukashenko's politics of pre-emption: they are attempting to demonstrate a greater openness by engaging in dialogue with both the opposition and Belarusian citizens. However superficial this dialogue may be – the government seems more prepared to invite independent experts to discuss the improvement of Belarus's external image than to change economic policies – it has helped to garner a greater commitment to liberalisation from government officials. For example, the distribution of printed media produced by several opposition parties is now permitted. However, Lukashenko is wary of this increased openness, and has warned state officials not to take exercises in democracy seriously. On balance, the new elite is not a team of fully-fledged reformers, but a coalition of pragmatists who understand what the boss expects from them: to find a formula for the regime's survival that will please the West, yet will not result in ceding much (if any) domestic control. Furthermore, the government's new tactics have left the opposition at a loss by challenging it to present its own vision for Belarus's future; something that it has not been able to articulate well.

### **European efforts to promote democracy**

Since the early 1990s, the regime has successfully countered efforts by international donors to promote democracy in Belarus. The EU has not put significant financial backing into such efforts. Since Belarus gained independence, only the US has been in a position to provide practical assistance with the democratic transition. European countries have not always made available the necessary funds, nor have they always cooperated fully to aid civil society and the independent media. However, from 2001 to 2006, the West presented a more or less united political front towards the Lukashenka regime. This was the time when Russian subsidies were at their peak, but civil society and the independent media's capacity for resistance was decreasing due to a lack of external aid. By restricting the activities of independent organisations in Belarus, the government successfully eroded the efforts to assist democratic tendencies, and effectively pushed donors to deliver aid outside Belarus. As a result, Belarusian civil society activists and journalists have spent significant periods of time abroad and formed external institutions which, although they have mushroomed, have had no serious impact inside the country itself.

In 2006, coordinated efforts to promote free and fair elections resulted in increased civic engagement. This showed that alternative political



discourses and opinions do exist in Belarus. Events after these elections, in particular the leadership disputes within the then-united opposition and changes in Russia's political stance, inspired a policy of engagement with Poland and Lithuania, the two European countries most active in the promotion of Belarusian democracy. The EU has at last increased its presence in Belarus, opening a delegation in Minsk in 2008, and has become more flexible about delivering aid in Belarus. It has also put more conditions for aid in place – the November 2006 non-paper of the European Commission “What the EU can bring to Belarus” contained the 12 conditions still being used by the EC as benchmarks to measure cooperation. It has also established socialisation and engagement schemes, such as supporting the exiled European Humanities University in Vilnius and giving scholarships to exiled students. Although democracy assistance programmes have received continuous support, the EU and other European countries have gradually phased out their political support for Belarus' opposition. Thus, the foundations for dialogue between Lukashenko's regime and Europe have been laid down.

### **Financial crisis and the Russian dimension**

Recent changes in energy prices have had a significant impact on Belarus's political affairs and foreign policy. The Kremlin's sudden decision in 2006 to move towards a realistic European market price for gas supplies to Belarus prompted the Belarusian government to reconsider the basic tenets of its economic and foreign policy, as well as its contract with the population. The regime could no longer rely on guaranteed revenue from the purchase of subsidised energy from Russia and its partial re-sale to the West at market prices. It managed to obtain an agreement from the Kremlin to phase in 'European' gas prices over a four-year period. This concession was purchased with the decision partly to privatise the Belarusian gas distribution network Beltransgaz, a prized asset for the Russian energy monopolies.

Belarus faced an even more significant challenge when, in the second half of 2008, world energy prices began to drop as a result of the global financial crisis. Belarus did not immediately feel the benefit of the reduced prices due to the peculiarities of its agreement with Russia, but encountered a severe deterioration in its balance of payments as a result of the abrupt fall in profitability in the energy sector. Moreover, the crisis turned finding a solution to the balance of payments problem into a

political issue, as loans could only be obtained from government lenders (such as the Kremlin) or intergovernmental agencies (such as the International Monetary Fund). Most importantly, Belarus faced a dramatic decline in demand from the Russian market, a grave threat to the economy of the country that survived on cheap Russian energy and exports to the Russian market.

This difficult situation was one of the main factors behind Lukashenko's engagement in dialogue with both the EU and the US (from whom the Belarusian government tried to secure a \$5 billion loan at the end of 2008). The acceptance of the IMF's offer of a \$2.5 billion stabilisation loan, announced on 31 December 2008, may not have been conditioned by political obligations, yet it came against guarantees of further economic reforms that began in 2008. These mostly consisted of macroeconomic adjustment measures such as currency devaluation and the improvement of conditions for private enterprise, which was also necessary to absorb the newly-unemployed workers of failing state companies. The financial crisis has forced Lukashenko to abandon his anti-Western stance, although his regime has so far failed to come up with ideological formulations to explain these shifts in policy to the population. The regime continues its geopolitical manoeuvring, attempting to ensure that Russia does not radically downscale its financial support. In February 2009, Lukashenko signed an essentially meaningless deal on joint air defence systems with Moscow that paved the way for a stabilisation loan from the Kremlin and for Russian military procurement programmes for Belarusian companies. It is not clear, however, if the Kremlin has the resources to offer Lukashenko the loans that the regime needs.

Russia has always been a mixed blessing for Lukashenko, and has used its status as an energy superpower to support authoritarian structures against the 'contagion' of democracy in the former Soviet Republics. On the positive side, the Kremlin wholeheartedly supported Lukashenko's re-election campaign and helped protect Minsk from the revolutionary threat it faced from its west and south. Yet, once the 'orange' scare was over, the Kremlin became more demanding, stipulating that Minsk pay for political patronage with loyalty and increased integration into the Russian fold. The 2006–2007 energy conflict set in motion the regime's partial transformation, as Lukashenko tried to offset a decrease in Eastern financial support with Western loans and investment. The real turning point in Russia–Belarus relations was the August 2008 war in Georgia. Moscow was infuriated by Lukashenko's failure to show outright support for the Kremlin and his

apparent attempt to turn his loyalty into yet another political commodity to be exchanged for economic favours. The tension never got out of hand, but Russia's message to the Belarusian president was clear: his own position and personal security, not just the fate of the country, could be endangered by disloyalty to Moscow. Lukashenko's reaction to the Kremlin's fury was a move toward dialogue with the West, supported by the release of political prisoners. Several other factors may encourage Lukashenko to maintain a comfortable distance from the Kremlin in the near future. There is little Russia can offer Belarus to cope with the effects of the financial crisis, given the dire economic situation in Russia itself. As the crisis threatens to disrupt the Kremlin's energy corridor projects and renews the importance of traditional transit routes (particularly those in Belarus, given the unpredictability of the Ukrainian elite), it is possible that Moscow may seek to replace Lukashenko with a more loyal leader to protect the security of its transit routes. Lukashenko's exemplary behaviour during the 2009 Russia-Ukraine gas conflict was a deliberate attempt to pre-empt such an attempt, as he sought to portray an image of reliable partner to both East and West.

The moment to be honest with Lukashenko has arrived, as he is currently facing more threats from the East than from the West. The EU could offer him assistance for the modernisation of Belarus' economy and political guarantees as he moves away from Russia, but only in exchange for political reform. In May 2009 Belarus was invited to join the Eastern Partnership, sanctions have been loosened and cooperation projects commenced. Brussels could design a policy package that would motivate Lukashenko to make the transition from policies where everyone loses to policies where everyone wins. The EU should insist upon real political progress in Belarus, and should facilitate this by demonstrating long-term commitment to the country's development, modernisation and transformation. The EU would also need to acknowledge Belarus's future as a European country, and show an active commitment to its modernisation by supporting its economic transformation, helping to reform its energy sector and adapting its internal regulations to meet European standards. If this is to be done through the Eastern Partnership, the initiative must receive a significant boost soon. Belarusian officials, including Lukashenko himself, would receive the idea favourably if dialogue with the EU and subsequent liberalisation could bring solutions not only for their country, but also for themselves.

Realistically, Lukashenko has little choice but to continue to play the game he started after the 2006 Russian policy change: trying to manipulate levers with East and West to keep himself in power. Even if the regime has a strong survival instinct, Lukashenko needs to 'revolutionise' its structures in order to convince Brussels that Belarus is ready for more than the Eastern Partnership, namely for a re-formatted European buffer zone. For political pundits in Brussels, Belarus' incorporation into the buffer zone, and away from the Russosphere, perhaps represents the final piece of the jigsaw; a powerful symbol of the EU's cultural power.

**PART III**  
**FROM THE ARAB MEDITERRANEAN**  
**REGION**

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## 14. MOROCCO: SMART AUTHORITARIANISM REFINED

*KRISTINA KAUSCH*

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Contrary to common perception, the prospects for genuine democratisation in Morocco have not significantly improved in recent years. Benefiting from favourable comparison with its more openly repressive neighbours, Morocco has often been hailed as an oasis of liberalism in the otherwise reform-resistant Arab world. Over the last decade, the establishment of democracy as an international norm and the ascension of Mohammed VI to the throne have not led to greater democratisation in Morocco, but to an adaptation of governance strategies to consolidate semi-authoritarian rule. These methods have become increasingly sophisticated and outweigh positive factors that favour democratisation. Political stalemate has been compounded by other negative factors, in particular recent developments in the international environment that have put democracy further on the back burner. As a result, the EU's traction has decreased, and neither the EU nor the US are pushing for a systematic, structural political reform process in Morocco. Indeed, the EU's and the Moroccan regime's interests match: both desire a liberalised but stable Morocco that bears no risks for the ruling elite.

### **Consolidating authoritarianism through soft power**

Morocco's 'upgraded authoritarianism'<sup>1</sup> has aimed at substantial liberalisation in politically non-threatening areas while tight control is kept

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<sup>1</sup> Steven Heydemann, *Upgrading Authoritarianism in the Arab World*, Saban Center, Brookings Institution, October 2007.

over the policy areas and political opponents with the potential to meaningfully challenge the current distribution of powers. Selective top-down liberalisation has significantly widened the political space for political parties, civil society and the media, but none of the reforms thus far have touched the powers of the palace.<sup>2</sup> In today's Morocco, selective liberalisation is slowly advancing, but democratisation has yet to kick-in. Moreover, given that the current piecemeal reforms also serve as a valve to channel and contain domestic and international demands for structural democratisation, the current course of selective liberalisation is likely to further consolidate the position of the incumbent elite.

While the adaptation of governance strategies can be observed in many hybrid regimes, Morocco's case stands out owing to the level of subtle and successful PR with which the regime manages to keep hold of the reins while also selling itself as a vanguard of Arab reform. Unlike some of their authoritarian neighbours, the Moroccan ruling elite (commonly called the 'Makhzen', which is broadly composed of the palace and its wide patronage network) resorts to open coercion and violent repression only very exceptionally. If it does so, it makes sure that measures of coercion are either well covered-up or are accompanied by a powerful public diplomacy that provides an internationally acceptable justification (for example, countering terrorism).

The double reality of the Makhzen's PR is mirrored in the parallel existence of interwoven formal and informal governance structures. The four most powerful ministers are directly appointed by the king. Official ministers are 'backed' by shadow ministers who are the real decision-makers and who originate from the king's inner circle. While government and parliament largely function as technocratic managers of state affairs and providers of legitimacy, the Makhzen maintains control over decisive political decision-making. The illusion of democratisation is maintained by the ruling elite through actions that follow a number of patterns.

A piecemeal approach to the liberalisation of legislation leads to the adoption of laws that are broadly permissive but lack effective safeguards against arbitrary application of the law. Examples of this are almost all the texts dealing with public liberties, such as the associations law, the law on

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<sup>2</sup> See also Marina Ottaway & Meredith Riley, *Morocco: From Top-down Reform to Democratic Transition?*, Carnegie Endowment for International Peace, October 2006.

public assembly and the press code. Laws do not target or question civil liberties as such but always leave enough loopholes for the regime to hamper the activities of dangerous opponents via systematic harassment. The constitution is not a guarantor of the rights of the citizen vis-à-vis the state, but a guarantor of the prerogatives of the palace vis-à-vis the people. Mohammed VI has made clear on numerous occasions that further constitutional reform is not on the agenda.

The co-option of political elites sideline opponents in political parties, civil society, the media and the business sector. In civil society, co-option takes place above all via the creation of political and financial dependencies. A handful of major GONGOs, such as the Foundation Mohammed VI for Solidarity, receive most public NGO funding. At the same time, foreign funding is made difficult, and NGOs are obliged to report the receipt and purpose of any foreign funds. The political party system is weak and highly fragmented. With the exception of the Justice and Development Party (PJD), none of the political forces have the potential to challenge the Makhzen's political dominance. The biggest established parties, Union of the Socialist Forces (USFP) and Istiqlal (Independence), are staid and are having trouble attracting broad constituencies as they have fallen into the trap of powerless government participation. Istiqlal's unexpected gains in the 2007 legislative elections notwithstanding, the inability to meaningfully influence the political course has eroded much of the established parties' credibility.

The same pattern of co-opting emerging elites and sidelining resistant opponents can be observed in the media. Broadcasting media – the only outlets with nationwide coverage in a country with very remote areas and over 50% illiteracy – is dominated and in large part owned by the Makhzen. Print media, which reach a limited middle class readership in Rabat and Casablanca, are substantially freer, but the handful of truly independent outlets are engaged in a constant struggle with the Makhzen for survival as they are slowly being suffocated through decreasing advertisements, paper shortages, technical problems, legal persecution of individual journalists and other measures of harassment. The internet, and in particular the emerging blogger scene, is far less controllable. A number of recent telling incidents, such as a temporal government ban on YouTube or the penalising of bloggers and facebook-activists with high fines and prison sentences (before being pardoned by royal decree), show how the regime is struggling to adapt its usual PR strategy to a medium that is not easy to control unnoticed.



In spite of Morocco's reputation of holding relatively 'clean' elections, the subtle management of political contestation is a basic pillar in the Makhzen's hold on power. With international attention largely focused on the day of the polls, fraud on the actual day of election is the exception. Instead, most of the Makhzen's electoral engineering happens in the run-up to the elections. Gerrymandering, vote-buying, changes to the electoral code and other technical adjustments are among the measures taken to ensure that the outcome is as desired. The experience of the 2007 elections is likely to have taught the ruling elite a number of lessons. As calls for a strengthening of the powers of parliament and the prime minister from political parties have become stronger, the palace's interest in raising its profile in parliament has increased.

In early 2008, Fouad Ali al Himma, former class-mate and close confidant of the King, suddenly declared his intention to run as an independent candidate in the September 2008 legislative elections. As a member of parliament he has since engaged in intensive activity to rally other MPs around him in a new parliamentary caucus, the "Movement for All Democrats", and eventually founded a new party, "Authenticity and Modernity" (PAM). An independent paper called the group around Himma "an alliance of ex-gauchos with the neo-Makhzen".<sup>3</sup> The PJD was explicitly excluded from joining both the new parliamentary group and the new party. The PAM has attempted to portray the moderate Islamist party as reactionary and anti-democratic. The name 'Authenticity and Modernity' displays an attempt to take the wind out of the Islamists' sails by drawing on two of their main stated virtues. Thus, the ruling establishment's attempt to position itself as the only viable alternative to Islamist rule, has become institutionalised. Having avoided PJD participation in government by a whisker, the palace is pulling out all the stops to regain power over the parliament before the next legislative elections in 2013.

Among opposition parties, the PJD is currently the most likely to push for democratisation. While the radical but non-violent Islamist movement Al Adl wal Ihsane (Justice and Charity) is the most popular and most deeply rooted Islamist movement, and is often considered Morocco's

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<sup>3</sup> Samir Achehbar, "Touche pas à mon parti", *Tel Quel* ([http://www.telquel-online.com/341/maroc4\\_341.shtml](http://www.telquel-online.com/341/maroc4_341.shtml)) - accessed 11 November 2008).

true opposition because of its open rejection of the monarchy, it is currently outlawed and does not even seek to participate in the political process. The PJD, by contrast, has in recent years been able to consolidate its reputation not only as an acceptable Islamist party but also as an internally democratic, transparent and relatively untainted one. It has also published a party programme that has no traces of an Islamist state.

Paradoxically, the Makhzen's hostile posture towards Islamist movements appears to have contributed to the moderation of the PJD's religiously founded demands – a fact that Justice and Charity and even some of the PJD's base condemn as a first step towards co-optation. While the PJD's ultimate behaviour in power – like that of any untested party – is not foreseeable, most international observers agree that a PJD participation in government would likely be a plus for democracy.<sup>4</sup> In the current constitutional and legal framework, however, the Makhzen can prevent this from happening as it sees fit. Some in the PJD feel it might be a more promising option for the party to remain in opposition until it can be sure that the legal framework, backed up by an independent judiciary, would actually allow meaningful influence. The PJD leadership is aware that it could make a much stronger case for substantial reforms if it were able to enter into a parliamentary alliance with one of the well-established parties, and has therefore (so far unsuccessfully) been seeking a rapprochement with the UFSP. Yet as the party of the king's crony, PAM is trying to rally all secular forces in parliament around it, apparently with the aim of isolating the PJD, the stakes for the latter party are running high.

The instrumentalisation of international interests for domestic repression is a major feature of the Makhzen's public diplomacy. Western interests such as countering terrorism or reducing migration are purposefully being played on in order to sanction authoritarian control. The counter-terrorism law adopted in the aftermath of the 2003 Casablanca bombings has given the government an almost unlimited legal margin to limit the human rights and basic civil liberties of any citizen. The still widespread Western fears of an Islamist government in Morocco, however

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<sup>4</sup> For an account of the PJD's parliamentary record, see Amr Hamzawy, *Party for Justice and Development in Morocco: Participation and its Discontents*, Carnegie Endowment for International Peace, July 2008.

moderate, are being played on in order to obtain tacit approval for clampdowns, arrests, or more subtle measures of containment.

While most of the tactics described are not new and indeed were used in King Hassan II's time and before, their subtlety in times of increasing pressure for democratisation is no coincidence. It shows how the Moroccan ruling elite has been able to skilfully adapt its governance strategies to the requirements of a new era by extending and refining its authoritarian soft power tool box. Yet Western policy-makers still tend to take the Moroccan PR lines of gradualism at face value, and have yet to adapt their policies.

### **International environment: Democracy on the back burner**

The 2007 legislative elections with their all-time-low turnout and high percentage of protest votes have displayed the increasing distrust of the Moroccan electorate towards political parties and government institutions. Yet polls confirm that although disillusion with public institutions and the electoral process is high, support for enhanced political participation, civil liberties, equal opportunities and the rule of law remains strong. Under the current precarious socio-economic conditions, however, the appeal of democracy is taking a back seat to development and employment. If anything, this trend is likely to be reinforced by the harsh impact of the global financial crisis, which is likely further to weaken Morocco's feeble economy.

At the time of writing, the nature and scope of the impact of the crisis are still hard to grasp. Its longer-term impact is, however, likely to substantially aggravate the already rampant structural unemployment, the huge socio-economic inequalities, and migration. Domestic pressure on the Moroccan government might result in riots over poverty, prices and unemployment, as seen in Egypt and other countries in the region over recent years. This may give a new sense of urgency to structural domestic reform, at least in the economic sphere. However, the economic downswing, greater protectionism and the expected slump in economic activities of non-competitive economies such as Morocco, are likely to strengthen the authoritarian status quo.

As regards Morocco's international partners, the urgent need for a concerted response to the crisis has already shifted EU and US priorities and will further limit their inclination to exert pressure on the Moroccan government. US President Obama's first steps in the Mediterranean suggest that he will choose an approach of quiet diplomacy and

partnership rather than of conditionality and public pressure, and is thus unlikely to seek a qualitative shift in Morocco's reform process. Moreover, given the Obama administration's priority in the Mediterranean to cut the Gordian knot in the region's hotspots (Israeli-Palestinian conflict, Iranian nuclear proliferation, Syria's diplomatic integration), it will not run the risk of destabilising its most reliable ally.

The rise of political Islam in the MENA during recent years has further cemented Western support for the region's semi-authoritarian regimes. Even a moderate player such as the PJD, which in recent years has gone a long way to present itself to Western policy-makers as an acceptable and trustworthy political interlocutor, is struggling to make itself heard. Against the background of Hamas' 2006 electoral victory, European governments are still reluctant to engage with, let alone support, Islamist movements, including moderate political parties such as the PJD. The increasingly nuanced picture of political Islam has not yet trickled through to European electorates. Accordingly, the failure of the PJD to secure its participation in government in the 2007 legislative elections provoked a sigh of relief in Europe. The prospect of even a moderate, reform-oriented Islamist-led government ruling on the other side of the Strait of Gibraltar nurtures popular fears that too often still equate Islamism with terrorism. European politicians, whose views on Islamist political actors are often not nuanced, are reluctant to provide any support to a genuine reform process that may end up replacing the authoritarian but predictable Moroccan government with an Islamist rule perceived as a potential threat.

### **Europe and the 'advanced status'**

Morocco's keen interest in further integration with the EU and its persistent demand to obtain 'advanced status' in its relations with the EU under the European Neighbourhood Policy (ENP) has given the EU substantial additional leverage over the Moroccan government. At the same time, the Makhzen's interest in keeping up an international image as the vanguard of Arab reform, and the outlook for raising its international profile by being singled out as the EU's closest partner in the Mediterranean, are important pull-factors. In October 2008, Morocco was the first ENP partner state to be

granted advanced status.<sup>5</sup> The increased leverage, however, has not been meaningfully employed by the EU to tie the advanced level of partnership to deeper, systemic democratisation.

European democracy promotion activities in Morocco largely echo the regime's logic of slow and gradual change. This might be a reasonable approach if an incremental process were in place instead of occasional pieces of tame liberalisation in carefully chosen areas at the discretion of His Majesty. In light of the current distribution of powers in Morocco, the EU's hopes for 'gradualism' appear unrealistic. In recent years, the European willingness to push Moroccan reform beyond a certain level has further decreased.

In order to effectively support domestic demands for genuine democratisation, the EU would have to tie enhanced incentives to enhanced demands for a deeper and more systematic process of political reform. There is a possibility that the smart authoritarian PR discourse may in the long run turn into a self-made trap for the Makhzen, as its formal commitment to democratisation opens up a range of diplomatic options to hold the regime accountable to its commitments. Advantage should be taken of this and other weak spots in the Makhzen's double-edged discourse. But it should be done systematically and in a way that goes beyond the Commission's occasional mention of the international treaties to which Morocco is a signatory. At the moment, however, pressures and incentives for both the EU and the Moroccan government to take the country beyond a minimum level of democratic liberalisation are limited.

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<sup>5</sup> EU-Moroccan Association Council, "Document conjoint UE-Maroc sur le renforcement des relations bilaterales/Statut Avancé" (<http://www.delmar.ec.europa.eu/fr/communiqués/pdf/20090303.pdf>).

## 15. ALGERIA'S CHEQUERED DEMOCRACY EXPERIMENT

*HAKIM DARBOUCHE*

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On 10 April 2009, the results were announced of the fourth Algerian presidential election to take place since the liberalisation of the polity in 1989. These results seemed to confirm Algeria's full entry into the club of quasi-monarchical Arab presidencies. Despite sharing some of the underlying democratic shortcomings of the more traditional members of this club (Tunisia, Egypt and Syria), Algeria had hitherto maintained a principle of power *alternance*. Even if this had merely attempted to conceal the unchanged military control over decision-making, it did guarantee a modicum of political competition. However, the re-election of Abdelaziz Bouteflika for a third term with an unprecedented 90% of the vote and an implausible 75% turnout signalled the end of the multi-factional political order that had fed this competition.

The fact that Bouteflika was virtually unopposed in this 'non-election' raised many questions over the apparent resignation of traditional centres of *contre-pouvoir*, especially given that Bouteflika's two-term record has been considered far from immaculate on most policy fronts. Accordingly, factors such as oil wealth and the West's myopic interests in the 'global war on terror' became recurrent explanations for what has been described as Algeria's democratic 'backlash'. This chapter argues that the explanation for these recent political developments in Algeria lies foremost in the internal power-game that characterised much of Bouteflika's tenure; in fact the energy factor and the counter-Islamist threat have played a secondary role.

### **Political reforms under Bouteflika: the civilianisation imperative**

The process of reform that led up to the botched legislative elections of 1992 was complex and is often misinterpreted – notably as failed developmental economic policy. The perception that the government's options were limited to political concessions in the face of widespread popular discontent at deteriorating socio-economic conditions in the 1980s is not only a deliberate oversight of the myriad grievances of the rioters of October 1988, but is also a convenient oversimplification of the workings of an opaque and informal political system.

Nevertheless, the interruption of the Islamists' looming electoral victory by the army in 1992, the deposing of President Chadli and a protracted conflagration all cost the country dearly. As a result, successive presidents in the 1990s were unable to exercise their constitutional prerogatives to any meaningful degree, and often saw their presidential mandates interrupted in one way or another.

In face of the violence that characterised the ensuing conflict pitting the military regime against Islamist insurgents, international efforts to bring the crisis to a peaceful end – let alone encourage the return to any sort of democratic form of governance – were at best timid. Notwithstanding the regime's acute dependence on foreign economic and military assistance in the 1990s, Western and particularly European leverage remained tenuous. Even after the attitudinal shift that occurred in France in 1996 towards the Algerian crisis and the more active EU interest that followed, the Algerian regime maintained its insistence on 'non-interference' by the external parties.

The coming to power of Abdelaziz Bouteflika in 1999 brought fresh hopes for the resolution of Algeria's decade-long political turmoil. The blatant army sponsorship of his ticket inadvertently deprived him of the legitimating process of a pluralist election – owing to the last-minute protest withdrawal from the race of rival presidential candidates. Nonetheless, his untarnished political credentials earned him enough public sympathy to become Algeria's seventh 'independent' president. The military commanders placed their confidence in Bouteflika's diplomatic skills and liberal outlook to rehabilitate the state's international standing and end the debilitating diplomatic embargo to which it had been implicitly subjected by Western governments.

Correspondingly, Bouteflika's first term (1999-2004) was predicated on promises of peace and reconciliation, of restoring Algeria's international

image, and of liberal economic change. Even if democratisation and political reform were not and could not conceivably be on the agenda given that the country was on the brink of collapse, the nearest Bouteflika came to revealing his political intentions in this regard was when he elliptically stated that he was not prepared to rule as a 'three-quarter president', implying an impending consolidation of presidential power over army interference.

Bouteflika's record of achievements was deemed positive overall. The qualified amnesty offered to Islamist militants under the Civil Concord resulted in short-term successes: not only were guerrilla groups dissolved and violence reduced considerably, but Bouteflika was also offered the opportunity to compensate for his dubious election. He appropriated the peace policy and submitted it as his own to popular approval through a referendum. Even though this was nothing more than an army effort to imbue military victory over the Islamist insurgency with political and legal content, the president did thus win the legitimacy he so desperately needed. Besides strengthening his hand at home, the plebiscite allowed Bouteflika to face his Western, particularly French, opposite numbers uninhibited, and to set his country's foreign relations on a new course. This resulted in renewed engagements with France, the EU (the conclusion of an association agreement), NATO (joining the Mediterranean Dialogue), China and Russia (strategic partnerships), and also regionally through more pro-activism in the African Union (New Partnership for Africa's Development - NEPAD) and the Arab League. The economic repercussions of this diplomatic reinvigoration began to be seen through the increased participation of foreign investors in the process of liberalising the economy, which complemented a large public investment programme in infrastructure.

The political dividends, in terms of domestic popularity and foreign endorsement of these early policy successes contributed to the consolidation of Bouteflika's rule. But it was not until he had secured his re-election in 2004 for another five years that the domestic balance of power began to shift clearly in favour of the presidency. Even his earlier deliberately ambiguous stance vis-à-vis a series of domestic and international allegations of army wrongdoings during the 1990s crisis did not enhance his bargaining power with a core of hard-line army commanders. They had initiated efforts to undercut his advances, provoking riots in Kabylia in 2001, mounting a campaign of virulent broadsides in the secularist press against the president's reconciliation



plans and exploiting the US-led global anti-terror campaign by rejecting the extension of existing amnesty provisions to residual armed groups, such as the *Groupe salafiste pour la Prédication et le Combat* (GSPC). They also encouraged Prime Minister Ali Benflis, erstwhile ally of the president, to run against him in the 2004 presidential election. Nonetheless, the commanders of the *état-major* lost their duel with Bouteflika after his resounding electoral victory in what was Algeria's most open and pluralistic presidential election to date.

This new state of affairs cleared the way for the incumbent president to purge the army of a radically politicised tendency – a faction that considered its role in the fight against radical Islamists to be inseparable from meddling with the political institutions of the state. From 2005 onwards, Bouteflika gained the upper hand over military commanders, with the exception perhaps of the head of the intelligence services. The president's manoeuvres, however, could not have succeeded without the implicit consent of the intelligence chiefs, whose influence on all sectors of Algeria's political and civil societies has been consolidated as a result of the fight against radical Islamist militancy. The achievements of Bouteflika's enterprise are not without significance for the process of reform of the Algerian polity. The civilianisation and rationalisation of executive power is a precursor of reduced factionalism. This, in turn, is a fundamental precondition for any meaningful institutionalisation of politics. However, for these transformations to lay the foundations for democracy and the rule of law, they need to be accompanied by further reforms. Bouteflika's record in this regard has been most disappointing.

Indeed, part of Bouteflika's strategy for the consolidation of presidential authority at the expense of the army high command consisted of undermining opposition political parties, disempowering parliamentary scrutiny, and neutralising the most outspoken media critiques by way of intimidation. This strategy was carried out cautiously before 2004, but became bolder thereafter. However, the unexpected faltering of Bouteflika's political momentum at the end of 2005, owing to ill health, empowered his detractors. This coincided with a resumption of terror attacks in 2006, as a prelude to a much larger campaign following the GSPC's conversion in early 2007 into al-Qaeda in the Islamic Maghreb. In this climate, Bouteflika's physical frailty became a springboard for criticism of his peace plans. This was particularly so following the reported involvement of amnestied Islamist militants in the new wave of attacks. The thrust of these critiques focused subsequently on the presidential plan

for constitutional revision to allow the incumbent to run for another (third) term.

### **Energy and counter-terrorism: secondary factors**

It is widely assumed that energy resources and the counter-terrorist issue have been the predominant factors in Algeria's political process. But their importance can be easily over-stated. Rather, the country's democratic prospects have been subject to the outcome of the domestic struggle for the civilianisation of the polity.

It is certainly true that Algeria's increasing hydrocarbon revenues have played a part in the country's chequered political evolution. The curbing of army influence in the political sphere under Bouteflika is a case in point. The rapid rise in these revenues in 2003 reinforced Bouteflika's political plans in three principal ways. First, the president's economic recovery plan became more ambitious as the inflow of foreign currency reached unprecedented levels. He was able to inject up to \$170 billion into the economy between 2003 and 2009, aimed primarily at redressing the lack of adequate infrastructure (housing, roads, schools, transport networks, dams, hospitals, and so forth). In addition to being able to increase public sector salaries, the results of Bouteflika's vast public spending programme bolstered his domestic popularity, even though simultaneously soaring levels of official corruption and waste became a source of mounting criticism.

Externally, such favourable financial conditions permitted the reimbursement of the entirety of Algeria's debt of over \$25 billion, owed to the Paris and London clubs, leading to Bouteflika's renewed foreign policy assertiveness. Bouteflika has been able to use state largesse to offer generous compensation packages to the beneficiaries of his amnesty plan ('repentant' militants, victims of terror and state injustice, families of 'the disappeared'); co-opt or isolate political parties and civil society organisations through the arbitrary allocation of economic privileges; and ensure continuing support from the administration by regularly granting budgetary extensions to regional and local authorities. Lastly, the president used the increased foreign currency reserves to pursue his strategy of professionalising the army in the context of his plans to demilitarise the political scene. He agreed to over \$10 billion in military spending for the new generation of commanders he had promoted since 2004, the bulk of which was spent on hardware deals with Russia. In short, the energy factor

allowed Bouteflika to fuel the state's redistributive role, only this time in the context of a duel between the presidency and army chiefs, rather than to quell social dissent.

Similarly, the concerted international action against terrorism has been subjugated to Algeria's domestic political game. Clearly, the events of 11 September 2001 in the US and President Bush's subsequent 'global war on terror' legitimated for Western audiences the Algerian state's more longstanding struggle against the phenomenon. The exclusive appropriation by Bouteflika of peace efforts in Algeria has subsequently bestowed upon him a certain international reputation as peace-maker. Western leaders have since considered him a pillar of stability in Algeria, notwithstanding his inability to master radical Islamist terrorism. European governments offer applause for his role in returning Algeria to normality, but cast doubt on the sustainability of his engineered peace because of its limited institutionalisation. The experience and intelligence gathered by the army in the course of its war against radical Islamist militants have been a strategic source of courtship of Western defence establishments. This in itself could have given army commanders a source of external support to maintain their hegemony and undermine Bouteflika's civilian rule. However, his political strategy outmanoeuvred the ambitions of army commanders, with the crucial support of the intelligence services.

### **EU impotence**

Algeria's relations with the EU have traditionally been of a tumultuous nature in comparison with other partner countries. This remained the case until the promulgation of the Barcelona Process in 1995 and was largely the result of France's controversial role in defining the EU's policy towards Algeria. The introduction of the Euro-Mediterranean Partnership (EMP) represented for the Algerian regime - under increasing isolation at the time - a golden opportunity to renew outside support for its domestic struggle against the Islamist insurgency. However, the failure of EU member states to sympathise with Algiers' predicament delayed the conclusion of an association agreement until 2002. The coming to power of Bouteflika revived Algeria's interest in signing a free trade agreement, although its ultimate motive was more political than economic. Bouteflika saw in the association agreement, just like WTO accession, a means of selling his liberal pretensions to Western governments and reinforcing his position in

the domestic power game that pitted him against hard-line army commanders.

In the 2000s, the return of stability to Algeria, the international fallout from 9/11 and high oil prices allowed the new president to reinvigorate Algeria's foreign policy and assume greater assertiveness with European partners. As a result, the EU's scrutiny of Algerian governance shortfalls was neutralised, as illustrated by the irregularity of Council declarations on political events. The introduction of the European Neighbourhood Policy (ENP) in this context represented no added value for the Algerian government, which has chosen to exclude itself from the EU's new neighbourhood policy framework. To date, Algeria remains the only southern Mediterranean country with existing contractual relations with the EU not to have signed an Action Plan. Recent policy pronouncements emanating from Algiers express dissatisfaction with the impact of the association agreement on the national economy, suggesting that the government might even seek to revise the accord. This posturing is partly the result of the recent nationalist turn in Algeria and partly a reflection of concerns about the impact of the current global economic downturn. What is certain is that Algiers is unlikely to join the ENP any time soon.

## **Conclusion**

Bouteflika's re-election for a third term hardly constituted a democratic reversal. The alternative would have been a continuation under a different guise of the same system at best, or a forceful return of the influential army to the political scene at worst. The amount of authority accumulated by Bouteflika during his last two terms in office is so great that his failure to bequeath that power to a successor would have left a vacuum that could only be filled by the return of a strong and heterogeneous military command operating through a network of factionalised civilian political organisations. This scenario, which is still not inconceivable, would only take the Algerian polity back to where it was in the 1990s.

Thus, Algeria's democratic experience is not challenged primarily by high energy prices and a strategic position in the international fight against terrorism. Bouteflika chose to run for a third term at a time when Algeria's hydrocarbon export revenues dropped by more than 70% and when the protraction of domestic terrorism was taking its toll on the population and began undermining Bouteflika's reconciliation policy. Rather, the country's democratic prospects have been subject first and foremost to the outcome

of the domestic struggle for the civilianisation of the polity. Bouteflika's efforts in this context made use of rising oil income both to buy allegiance and keep army commanders at bay. However, his latest election masquerade showed that, in doing so, Bouteflika has encouraged the growth of a significant network of vested interests around him - including his own family entourage. Ranging from business operators to local authority officials, these actors have demonstrated their preparedness to go to great lengths to maintain the status quo for as long as possible. It is this aspect of the Bouteflika legacy that may prove detrimental to Algeria's democratic prospects.

## 16. EGYPT AND THE RETREAT OF LIBERALISATION

*DINA SHEHATA*

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In the wake of the American invasion and occupation of Iraq in 2003, the Egyptian political sphere began to experience a growing mobilisation around the issues of political and constitutional reform. In 2004-05, a number of old and new opposition parties and movements rallied behind long-standing demands for political reform. These demands included amending the constitution to allow for competitive presidential elections and for presidential term-limits, lifting the state of emergency, removing restrictive legal constraints on the activities of political parties, civil society organisations and the media, and a free and fair electoral process.

New groups such the Kifaya movement and the Al Ghad party, and older groups such the Muslim Brotherhood, staged a series of protests during this period that broke with many of the taboos that had characterised public life in Egypt during the preceding decades. Protests occurred in public places without official permission, included direct attacks on the president and his family, and focused on domestic rather than foreign policy issues. This period also witnessed the emergence of a vocal independent media which began to play an important role in shaping public debate and in shedding light on the demands of opposition groups.

Whereas in previous years the regime forcefully prevented such protests from taking place, external pressures raised the cost of repression and thus provided local groups with the cover they needed to mobilise against the regime. Moreover, the fact that the global media shed a spotlight on the activism and demands of local opposition groups made it significantly more difficult for the regime to crack down on the latter. More importantly, growing external and internal pressures forced the Egyptian regime to make some limited concessions to its challengers. In March 2005,

President Hosni Mubarak announced a proposal to amend the constitution to allow for competitive presidential elections. However, the constitutional amendment included strict constraints that effectively allow the ruling National Democratic Party (NDP) to decide who may run against the incumbent.

In September 2005, the first competitive presidential elections were held. Nine candidates ran against Mubarak. However, voter participation remained low and, as anticipated, Mubarak won the election with 87% of the vote. Ayman Nour came second with 7% of the vote. The 2005 parliamentary elections, which were held shortly after the presidential elections, were also perceived as a watershed. The elections were supervised by the judiciary and monitored by local NGOs. NGOs and the independent media played an important role in covering the elections and in exposing instances of violence and fraud. As a result, opposition groups were able to make significant gains. The ruling NDP maintained its two thirds majority, but lost important electoral ground to the opposition. The Muslim Brotherhood, the largest opposition movement, won 88 seats - 20% of the total. Secular parties and movements won less than 2% of the seats.

The brief political opening that characterised the 2004-05 period came to an end in the wake of the 2005 parliamentary elections. Shortly after these elections, the regime adopted a series of measures that led to the demobilisation of opposition movements and to the de-liberalisation of the political sphere. Such measures included the incarceration of a number of prominent activists such as Ayman Nour, the leader of the Al Ghad party, and a number of high-ranking Muslim Brotherhood members. During the spring of 2006, the regime penalised judges who had exposed election fraud, and in the fall of 2006 Brotherhood candidates were prevented from contesting labour union and student union elections. Brotherhood candidates were also prevented from contesting the 2007 Shura council (the upper house of parliament) elections and the 2008 local elections.

Finally and most importantly, in April 2007 the NDP-dominated legislature adopted 34 constitutional amendments that placed additional constraints on the political process. Article 179 was amended to render constitutional some of the emergency powers enjoyed by the president; Article 88 was amended to end judicial supervision of the electoral process; and Article 5 was amended to prevent individuals and groups that adopt a religious platform from participating in the political process. It is widely expected that these measures will constrain political life for years to come

and that the upcoming 2010 parliamentary elections and 2011 presidential elections will be heavily manipulated to ensure the total exclusion of the Brotherhood.

### **Causes of political de-liberalisation**

The de-liberalisation of the Egyptian political sphere after a short interval of political liberalisation can be attributed to a series of internal and external factors. On the internal front, the electoral success of the Brotherhood, and the parallel electoral failure of secular parties and movements, was the primary trigger for political de-liberalisation.

The unexpected electoral success of the Brotherhood in the 2005 elections had three distinct effects that derailed the process of liberalisation: it divided and polarised the opposition, dampened support for liberalisation among important segments of the Egyptian population and reduced external support for democratisation. Increased domestic polarisation and the parallel decline in internal and external pressures for reform provided the regime with the opportunity it needed to go on the offensive and crack down on its challengers in both the Islamist and the non-Islamist opposition.

The Brotherhood for its part reinforced such polarisation by assuming a hard-line position in the months following the election. Particularly disconcerting was a paramilitary exercise undertaken by Brotherhood students at Al Azhar University after they were barred from contesting student union elections. This show of force, which was highlighted by the state-controlled media, caused uproar among the secular elite and exposed the Brotherhood to an unprecedented wave of criticism. Similarly, the release of a draft programme for a prospective Brotherhood political party caused a great deal of polarisation. The programme, which stipulated that only Muslim men could assume the highest executive positions and that a committee of clerics was to review legislation, was perceived as reactionary and as violating the constitution. Such actions further isolated the Brotherhood and allowed the regime to repress the movement with little response from civil society actors opposed to the Islamist agenda.

Moreover, the wave of repression that succeeded the elections not only targeted the Brotherhood, but also extended to the secular opposition. Activists from Kifaya and the Al Ghad party were subjected to arrests and repression. Such repression was made possible by the fragmentation of the



opposition in the wake of the elections, and by a noticeable decline of internal and external support for democratisation.

On the regional front, a number of factors contributed to renewed domestic de-liberalisation. Developments in Iraq, Lebanon and Palestine, countries that had convened democratic elections, created an association between democracy, anarchy and foreign intervention among important segments of the Egyptian elite. The breakdown of social order and stability, and the ascendance of radical groups in those Arab countries that had more advanced experiences with liberalisation, reinforced fears that democratisation was crumbling. Particularly worrying to the Egyptian elite was the electoral success of Hamas and its subsequent takeover of the Gaza Strip.

Moreover, the direct intervention of external powers in the political process in those countries that convened free and fair elections created a strong association between democratisation and renewed foreign intervention. The three countries that had free elections were also the three most subject to external influence. Both Iraq and Palestine were under foreign occupation and Lebanon was subject to external intervention by a number of regional and international powers.

In addition to the perceived association between democracy, anarchy and foreign intervention, the various human rights abuses committed by the Bush administration discredited Western efforts to promote democracy in the region. The detention centre at Guantánamo, the human rights violations at Abu Ghreib, and the refusal to recognise the legitimacy of Hamas after it won the January 2006 elections, reinforced the perception that democracy promotion efforts were only a ploy to weaken and subjugate the region to external control. Even groups in the opposition that benefitted from the space created by external pressure felt impelled to disassociate themselves from these pressures and to refuse any association with external powers. This was reflected in the words of one prominent opposition activist who maintained during a public speech that if democracy implies foreign hegemony, then he would stand with the authoritarian regime against democracy.

On the geo-strategic level, Iran's rise as a regional power in the wake of the occupation of Iraq and Afghanistan also had a negative effect on the prospects for liberalisation in Egypt and elsewhere in the Arab world. The perceived ideological affinity between Iran and Islamist groups in the region, particularly Hamas, Hezbollah and the Muslim Brotherhood, raised

the stakes of the democratisation game. The prospective rise of the Brotherhood began to be perceived not only as a domestic issue but as part of a larger regional struggle for hegemony between the Sunni moderate states, on the one hand, and revisionist state and non-state actors led by Iran, on the other. Statements made by Brotherhood leaders in support of Iran and the Iranian nuclear project reinforced the association between the Iranian threat and domestic Islamist groups among the ruling elite. Such a situation became most apparent during the late-2008 war in Gaza, when the Muslim Brotherhood supported the critiques of Hamas, Hezbollah and Iran against the Egyptian regime for failing to open the border with Hamas and to sever ties with Israel. The Brotherhood accused the regime of collaboration with the US and Israel, while the regime for its part accused the Brotherhood of collaboration with Iran.

Finally, on the international front, there was a noticeable decline in Western pressure on the Egyptian government in the wake of the 2005 elections. Increased instability in Iraq and in Afghanistan undercut the 'freedom agenda' propagated by the Bush administration across the region. Moreover, the rise of Hamas in Palestine and of the Brotherhood in Egypt through the ballot box raised fears about the rise to power of radical groups with an anti-Western and anti-Israeli agenda. Finally, the regional ascendance of Iran drove the US to seek to mend its strained relations with moderate Arab states. During the later years of the Bush administration, the goal of rebuilding the alliance of moderate Arab states took precedence over the goal of promoting democracy in the region. As a result, from 2006 on there was a significant decline in democracy promotion efforts in the region.

### **The path ahead**

Even though the 2005 elections marked the end of a brief political opening that allowed for broad-based mobilisation around issues of political and democratic reforms, the struggle for political reform is likely to continue in the future.

This struggle in Egypt dates back to the late 1960s when students and workers took to the streets to demand the restoration of political rights and freedoms in the wake of the 1967 military defeat against Israel. Over the next three decades, the Egyptian polity experienced successive cycles of political liberalisation, followed by periods of renewed repression and de-liberalisation. Even though these cycles of mobilisation have yet to produce

a fully-fledged transition to democracy, they have nonetheless contributed to the development of a much more complex and variegated political sphere than the one that existed in Egypt during the 1960s. Albeit still authoritarian, the Egyptian political system has now become far more liberalised than it used to be three decades ago. Egypt now boasts 24 opposition parties, a vibrant civil society sector and an increasingly independent and assertive media. Although legally banned and periodically repressed, the Muslim Brotherhood continues to operate publicly and to participate in the political process.

Moreover, with the implementation of important economic reform and liberalisation measures over the past two decades, new groups have emerged, such as the private sector bourgeoisie, the new middle class and private sector blue collar workers, which do not depend primarily on the state for their material well-being and which constitute a potential constituency for change. These groups have already demonstrated a willingness to challenge the regime on many issues that relate to their material and professional interests and have often succeeded in forcing the regime to make some important concessions. However, the demands of these groups continue to be parochial in nature and have not expanded to include the goal of democratisation.

In recent years, even the ruling NDP has become a much more divided and complex entity than ever before. The party is often the site of bitter contests between different factions that uphold different policy orientations. And increasingly, legislation drafted by the government is contested in parliament by NDP MPs, who are no longer satisfied with their role as 'rubber stamp'.

In spite of these important developments, the Egyptian state has been able to successfully reproduce its power, albeit in a much less hegemonic manner. This is in part a result of the state's repressive capabilities, which are formidable, but also of the state's continued ability to co-opt important social groups and to maintain a cohesive and broad based ruling coalition. The six million-strong state bureaucracy constitutes the single most important base of social support for the regime. To maintain the continued acquiescence of this critical social group, the regime spends a considerable portion of its resources on wages and subsidies. Moreover, since the move to economic liberalisation, the regime has succeeded in forging a coalition with the private sector bourgeoisie by maintaining control over important economic resources (land, banks, energy, and subsidies) and also by giving

a privileged position to investors with close ties to the ruling party and the ruling elite.

Moreover, the regime has been able to capitalise on the strength of the Muslim Brotherhood to institute what one analyst called the “legitimacy of blackmail”. So long as the Brotherhood remains the only viable and organised alternative to the existing regime, many important social groups, such as the private sector bourgeoisie, segments of the middle and working class, women and minorities will continue to lend their support to the existing regime. Similarly, external players who would otherwise favour a democratic and pro-Western regime continue to support the existing regime for lack of a better alternative. This situation was fully demonstrated in the wake of the 2005 elections, when internal and external actors dampened their support for democracy as a result of the electoral success of the Brotherhood and the parallel failure of secular parties and movements. The regime has prevented the emergence of a viable secular opposition movement, and has used an extensive battery of legal constraints to ensure that secular parties and movements remain weak and fragmented.

Finally, an unstable regional environment has contributed to the stability of the regime while reinforcing societal and political polarisation. Regional conflicts, particularly the Arab-Israeli conflict, continue to provide radical groups in Egypt and the Arab region with fuel to mobilise popular support and to undermine moderate voices that focus on issues of peace-building, normal ties with the West, and economic development. Other conflicts in Iraq, Lebanon, Somalia and the Sudan, all of which involve a prominent role for external actors, also reinforce support for those groups that adopt an anti-Western and anti-imperialist agenda. The continued strength of radical groups significantly raises the cost of democratisation in the region and drives many democrats and would-be democrats to continue to align themselves with the regime.

In the coming years, the trend towards greater societal pluralisation and differentiation – which manifests itself in the growth of the civil society sector and the independent media sector, and in the greater assertiveness of the private sector bourgeoisie and the professional middle class – is likely to continue. However, such a trend will only lead to peaceful and democratic change in the political system if radical groups begin to lose ground and moderate voices are able to mobilise broader popular support. Such an outcome will require three principle conditions: the expansion of

the economic development process to ensure the continued growth of social groups that can provide a constituency for democratic change; the adoption of legal reforms that allow for the growth and expansion of political parties and civil society organisations that adopt a moderate democratic agenda; and, finally, a more stable regional environment that strips radical voices of their main weapons and empowers those working towards peace, democracy and development in the region.

External democracy promotion efforts in the region, especially those that seek to reinforce processes of economic and human development, empower civil society organisations and the media, and encourage legal and institutional reform, are important to the long-term prospects of political reform in Egypt. However, external players should be wary of any confrontational approach and instead work with the Egyptian government and Egyptian civil society towards creating a domestic and regional environment more conducive to the goal of democratisation.

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