

# Democracy Promotion by Functional Cooperation

The European Union and Its  
Neighbourhood

Tina Freyburg

Sandra Lavenex

Frank Schimmelfennig

Tatiana Skripka

Anne Wetzel



## *Challenges to Democracy in the 21<sup>st</sup> Century*

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## The European Union and Its Neighbourhood

**Tina Freyburg**

*Associate Professor, Department of Politics and International Relations, University of Warwick, UK*

**Sandra Lavenex**

*Professor of European and International Politics, Department of Political Science and International Relations, University of Geneva, Switzerland*

**Frank Schimmelfennig**

*Professor of European Politics, Center for Comparative and International Studies, ETH Zurich, Switzerland*

**Tatiana Skripka**

*Assistant Professor at the Maastricht Graduate School of Governance, Maastricht University, the Netherlands*

**Anne Wetzel**

*Postdoctoral Fellow, Mannheim Centre for European Social Research (MZES), University of Mannheim, Germany*

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# Preface and Acknowledgements

This book introduces a new perspective on the EU's democracy promotion based on external projection of democratic governance norms embedded in sectoral policies. In developing this approach, we were inspired by our previous research on the EU's efforts to promote democratization in the candidate states through the enlargement policy, and studies of EU external governance – that is, the transfer of EU rules and policy practices to non-member states through sectoral cooperation. In this book, we shift the focus of analysis from EU leverage-based democracy promotion through the exercise of conditionality to more subtle forms of encouragement of democratic reforms – democratic governance promotion through functional cooperation. Acknowledging the incorporation of democratic provisions in regulations and practices of EU internal governance, we explore whether these provisions are exported to third countries as a side-product of policy cooperation. Over the course of our project, we have been intrigued to discover the manifold and comprehensive ways in which the EU has indeed cast its net of functional cooperation in its neighbourhood – and our study of the democratizing effects of those cooperative relations has yielded sometimes unexpected findings.

This book is the result of a collaborative research project on which the authors have worked during the first phase of the National Center for Competence in Research (NCCR) 'Challenges to Democracy in the 21st Century', funded by the Swiss National Science Foundation (SNSF). We wish to thank the SNSF and the NCCR for their support of our work. The authors' names on the book cover appear in alphabetical order. While all authors have contributed to the overall conceptualization of the project and the book (Chapters 3, 4, 8 and 9), the research into individual chapters has been the primary responsibility of different contributors. Chapter 1 draws in particular on papers by Sandra Lavenex and Frank Schimmelfennig, and Chapter 2 is based on work by Frank Schimmelfennig and Hanno Scholtz. The country case studies (Chapters 5–7) were authored by Tatiana Skripka (Moldova), Tina Freyburg (Morocco), and Anne Wetzel (Ukraine), respectively.

Intermediary and partial results of the project have been published as journal articles and book chapters that we wish to acknowledge. Chapter 1 is based on Lavenex and Schimmelfennig (2011). Results

reported in Chapter 2 were previously published by Schimmelfennig and Scholtz (2008; 2010). Chapters 3 and 4 present in detail the jointly developed theoretical framework, which, together with brief versions of the case studies presented in Chapters 5–7 and preliminary comparative findings, can be found in joint articles by the authors (Freyburg et al. 2009; 2011). Parts of the findings on the Moroccan case have been presented in three articles published by Tina Freyburg (2012a; 2012b; 2014). All previously published work has been thoroughly revised and updated for this book.

This book would not have been possible without those EU officials, representatives of international organizations, and Moldovan, Moroccan, and Ukrainian officials, researchers, and civil society activists who provided information for our empirical study. We are grateful for their time for interviews and for the documents they provided. Over the course of the project, we have been presenting our findings at numerous conferences, colloquia, and workshops. We would like to warmly thank all colleagues who have kindly shared their comments, suggestions, and points of criticism with us. For their assistance in our research and in preparing this volume, we express our thanks to Robin Hertz and Alrik Thiem (ETH Zurich), Péter Gyölvéski (University of Heidelberg), Lutz F. Krebs (University of Maastricht), Angela Muraguri and Pedro Mortara (University of Warwick).

# About the Authors

**Tina Freyburg** works as Associate Professor (tenured) in the Department of Politics and International Studies at the University of Warwick, UK. Her research and teaching interests are in the field of international relations, comparative politics, EU studies, and applied political science methodology, with more specific interests in the study of the international dimensions of democratization, EU external governance, and transgovernmentalism. Her award-winning work has been published in various international outlets, including *European Union Politics*, the *Journal of European Public Policy*, and *International Studies Quarterly*.

**Sandra Lavenex** is Professor of European and International Politics at the University of Geneva, Switzerland, and Visiting Professor at the College of Europe, Poland. Her research centres on EU external governance and rule projection in the neighbourhood and beyond, international democracy promotion, and international migration policy. Her work on EU rule projection has appeared in journals such as *Journal of European Public Policy*, *Journal of Common Market Studies*, *West European Politics*, and *Democratization*. Her most recent book is a co-authored monograph with Hanspeter Kriesi et al., *Democracy in the Age of Globalization and Mediatization* (2013).

**Frank Schimmelfennig** is Professor of European Politics at the Center for Comparative and International Studies, ETH Zurich, Switzerland. His main research interests are in the theory of international institutions and European integration and, more specifically, in EU enlargement, differentiated integration, democracy promotion, and democratization. Frank Schimmelfennig has a long track record of research on EU external governance and democracy promotion towards candidate and neighbouring countries with articles, *inter alia*, in *Democratization*, *European Journal of International Relations*, *European Union Politics*, *International Organization*, *Journal of Common Market Studies*, and *Journal of European Public Policy*. Co-authored and co-edited books on the subject include *International Socialization in Europe: European Organizations, Political Conditionality, and Democratic Change* (2006); *Civil Society and Democracy Promotion* (2014); and *The Europeanization of Central and Eastern Europe* (2005).

**Tatiana Skripka** is Assistant Professor at the Maastricht Graduate School of Governance, Maastricht University, the Netherlands. She received her PhD in European politics from ETH Zurich, Switzerland. Her main research and teaching interests focus on international institutions, democratization processes, and regionalism, with an emphasis on EU external relations, democracy promotion, multilevel governance, and comparative regional integration. She published in *Democratization* and *Journal of European Public Policy*.

**Anne Wetzel** is a postdoctoral fellow at the Mannheim Centre for European Social Research (MZES), University of Mannheim, Germany. Her research and teaching interests include international relations, European integration, and democratization, with a particular focus on EU democracy promotion and the EU in international organizations. She has published in the *Journal of European Public Policy*, *Democratization*, *European Foreign Affairs Review*, *Journal of European Integration*, and the *Cambridge Review of International Affairs*, and co-edited a book titled *The Substance of EU Democracy Promotion* (2015).

# Abbreviations

AA	Association Agreement
AMC	Anti-Monopoly Committee
AMITH	Moroccan Association of Textile and Apparel Manufacturers
ARUC	Association for Resistance to Unfair Competition
CEEC	Central and Eastern European Country
CEFTA	Central European Free Trade Area
CEI	Centre for Environmental Information
CFSP	Common Foreign and Security Policy
CGEM	General Confederation of Moroccan Enterprises
CHL	Centre for Harmonization of Legislation
CIB	Comprehensive Institution Building
CIS	Commonwealth of Independent States
DABLAS	Danube Black Sea Task Force
DCFTA	Deep and Comprehensive Free Trade Area
DG	Directorate-General
DGCCRF	Directorate-General for Competition, Consumer Affairs and Repression of Fraud
EaP	Eastern Partnership
EBRD	European Bank of Reconstruction and Development
EC	European Commission
ECBSea	Environmental Collaboration for the Black Sea
EEA	European Environment Agency
EEC	European Economic Community
EECCA	Eastern European, Caucasus, and Central Asia
EIA	Environmental Impact Assessment
EIDHR	European Initiative for Democracy and Human Rights
EMAA	Euro-Mediterranean Association Agreement
EMP	Euro-Mediterranean Partnership
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood Policy Instrument
ENVSEC	Environment and Security Initiative
EPIRB	Environmental Protection of International River Basins
EPL	Environment–People–Law
ESDP	European Security and Defence Policy

EU	European Union
EUBAM	European Union Border Assistance Mission to Moldova and Ukraine
EUWI	European Union Water Initiative
FDI	Foreign Direct Investment
FH	Freedom House
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GIZ	German Agency for International Cooperation
GMP	Global Mediterranean Policy
GVH	Hungarian Competition Authority
ICAP	Interstate Council for Antimonopoly Policy
ICMPD	International Centre for Migration Policy Development
ICN	International Competition Network
ICPDR	International Commission for the Protection of the Danube River
IFC	International Finance Corporation
ILO	International Labour Organization
IMF	International Monetary Fund
IMPEL	Implementation and Enforcement of Environmental Law
IOM	International Organization for Migration
IWRM	Integrated Water Resource Management
JLS	Justice, Liberty, and Security
LIDC	International League of Competition Law
MAC	Migrant Accommodation Centre
MARRI	Migration, Asylum, and Refugees Regional Initiative
MENA	Middle East and North Africa
METAP	Mediterranean Environmental Technical Assistance Programme
MFAEI	Ministry of Foreign Affairs and European Integration
MIGRAMOL	Migration Management in the Republic of Moldova
NAPC	National Agency for the Protection of Competition
NATO	North Atlantic Treaty Organization
NGO	Non-governmental Organization
NPD	National Policy Dialogue
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development

OMDH	Moroccan Human Rights Organization
OSCE	Organization for Security and Co-operation in Europe
PCA	Partnership and Cooperation Agreement
POGAR	Project on Governance in the Arab Region
REC	Regional Environmental Center for Central and Eastern Europe
RSD	Refugee Status Determination
SCNR	State Committee for Nationalities and Religions
SIDA	Swedish International Development Cooperation Agency
SMS	State Migration Service
SWIM	Sustainable Water Integrated Management
TACIS	Technical Assistance to the Commonwealth of Independent States
TAIEX	Technical Assistance and Information Exchange
TFEU	Treaty on the Functioning of the European Union
UEPLAC	Ukrainian–European Policy and Legal Advice Centre
UfM	Union for the Mediterranean
UN	United Nations
UNCTAD	United Nations Centre for Trade and Development
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environment Programme
UNHCR	United Nations High Commissioner for Refugees
USAID	United States Agency for International Development
VLAP	Action Plan on Visa Liberalization
WFD	Water Framework Directive
WTO	World Trade Organization



# Introduction

The promotion of democracy, the rule of law, and human rights is a central goal of EU external policy, based on the common values of its member states. After the breakdown of communist regimes in the late 1980s and early 1990s, the EU contributed successfully to the consolidation of democracy in the region by supporting and integrating Central and Eastern European countries. This successful result is generally attributed to the EU's policy of accession conditionality (Schimmelfennig et al. 2006; Schimmelfennig and Scholtz 2008) or 'active leverage' (Vachudova 2005), which offered the democratizing countries EU membership as a reward for democratic consolidation. This has become the epitome of effective EU external action, and continues to shape expectations for the Union's role in international democracy promotion well after the completion of its historic Eastern enlargement.

These high expectations were, however, not destined to be fulfilled. For two main reasons, the EU's democracy promotion seems to have reached its limits. First, the democratic transition in Central and Eastern Europe was driven by strong endogenous forces in populations and elites. In today's targets in the new Eastern and Southern neighbourhoods of the EU, in contrast, democratization faces political resistance, and democratic regimes are more difficult to establish and sustain. The recent wave of popular unrests in the Arab world and in the post-Soviet space has exposed the contested nature of pro-democratic reforms in both regions. Second, in its new, wider neighbourhood the EU lacks its strongest incentive: a membership perspective. This is either because the EU has itself been unwilling to extend the prospect of accession to the aspiring candidates, as in the case of post-Soviet Eastern Europe, or because third countries have shown no willingness to join the EU, as in the case of the MENA (Middle East and Northern Africa)

region. Two prerequisites of effective democracy promotion through conditionality are, therefore, missing in the European neighbourhood. Nevertheless, such pessimistic assessments of the EU's current role as an international democracy promoter tend to forget that the two conditions that secured what was to become the EU's biggest foreign policy success were truly exceptional.

In this book, we introduce a novel perspective on the EU's role in international democracy promotion. This new approach focuses less on grand foreign policy and more on the transformative effects of sector-specific cooperation (Lavenex 2014). We start from the premise that the EU is linked to its neighbours in the East and South through substantial policy interdependence in various areas such as energy, the environment, internal security, migration, and trade. Consequently, the EU and its neighbours have a mutual interest in establishing institutional frameworks for cooperation in these policy fields. Given the EU's constitution as a system of functional regional integration, it has sought to project its own policy rules to the neighbourhood as a basis for cooperation, thus extending its regulatory space without expanding its membership. These activities are captured by the concept of 'external governance' (Lavenex 2004; Lavenex and Schimmelfennig 2009). The policy rules of the EU not only regulate the substance of the issue at hand, but also contain provisions on the procedures to be followed in making and implementing decisions. For instance, they demand participation of citizens and stakeholders in the policy process, publication and public justification of policy decisions, and access to legal recourse for those affected. In other words, EU policy regimes extended to non-members come with requirements for participation, transparency, and accountability typical of 'democratic governance'. It is this indirect promotion of democratic governance standards through sectoral cooperation that this book proposes to study. Focusing on the European neighbourhood, we ask how far this functional 'governance model' offers an alternative or complementary venue to conventional, direct forms of external democracy promotion.

There is evidence that the EU recognizes that sectoral cooperation has a certain democratizing potential. In its 2001 Communication on Democracy and Human Rights Promotion, the EU makes it clear that '[t]o promote human rights and democratisation objectives in external relations, the EU draws on a wide-range of instruments [...] Some are more innovative, and potentially underused, namely Community instruments in policy areas such [as] the environment, trade, the information society and immigration which have the scope to include human rights and democratization objectives' (European

Commission 2001a: 6). More particularly with a view to the European Neighbourhood Policy (ENP), the European Commission acknowledges that '[g]overnance in the broad sense is central to [...] the ENP] action plans, which [...] focus on [...] introducing sectoral reforms (transport, energy, information society, environment, etc.) in order to improve management and encourage the authorities to account for their decisions to those they administer' (European Commission 2006a: 16). In the same document, the Commission specifies that '[d]emocratic governance is to be approached holistically, taking account of all its dimensions (political, economic, social, cultural, environmental, etc.). [...] Accordingly, the concept of democratic governance has to be integrated into each and every sectoral programme', including cooperation with external actors (European Commission 2006a: 6).

This perspective is shared by the Council of the EU, which 'underlines that a holistic approach on governance also entails mainstreaming of human rights and fundamental freedoms, good governance and rule of law to all policy sectors' and demands that these 'principles [...] be equally applied to all regions' (Council of the EU 2006: 10; 2001a). In response to the political upheavals in the Arab world in 2011, the European Commission continued to develop its neighbourhood policy in this direction in order to help lay the foundations for the introduction and deepening of democracy in the region. In this context, the High Representative of the European Union for Foreign Affairs and Security Policy, Catherine Ashton, presented functional cooperation as pivotal to the new strategy towards the Southern Mediterranean countries in an article published in *The International Herald Tribune* on 26 February 2011. What she describes as 'detailed, unglamorous, work on the ground' – in cooperation with civil servants, local communities, the police, army, and judiciary – also became a core part of the March 2011 Communication on a Partnership for Democracy and Shared Prosperity with the Southern Mediterranean. It explicitly refers to inter-administrative cooperation programmes such as Twinning to support the 'consolidation of change' (European Commission and High Representative 2011a: 5–6). This optimistic view on the democratizing potential of sectoral cooperation was taken up in the Commission and High Representative's Joint Communication on Delivering on a New European Neighbourhood Policy from May 2012. Here, they state (and it is worth quoting this statement at full length) (2012a: 18):

The EU's values of respect of human rights, democracy and the rule of law underpin the EU and define cooperation among its Member States; they are also reflected in the EU's laws, norms and standards.

Taking over EU norms and standards through sector cooperation will respond to the partners' wish to come closer to the EU, and, crucially, it will promote such values. Sector reform and cooperation thus contributes to better political and economic governance, political and administrative transparency and accountability, socio-economic development, conflict prevention and resolution, state building, and civil society involvement. In many sectors, notably transport and energy, the Commission is developing a special focus on the ENP region and intends to develop this approach more widely.

To the best of our knowledge, our study provides the first comparative analysis and assessment of democratic governance promotion through functional cooperation. We focus on the ENP region and study three countries: two from the East (Moldova and Ukraine) and one from the South (Morocco). These are the most likely candidates for the success of the 'governance' model of external democracy promotion, as they have initially been the most active and advanced partners in the ENP. We also cover a variety of policy areas (economy, environment, migration) exhibiting features that, in our view, facilitate or inhibit democratic governance promotion. We cover the process and effects of democratic governance promotion in an extended time period from the beginnings of the ENP in 2004 until the end of 2012, when the ENP underwent a major revision to a new, incentive-based approach to assist political, economic, and social reforms. This 'more-for-more' principle foresees that progress towards democratic reform will be rewarded with stronger partnerships.

## **The argument**

We distinguish three ideal-typical modes of EU democracy promotion: leverage, linkage, and governance. The linkage and leverage models constitute traditional approaches to external democracy promotion (Levitsky and Way 2005) and originate from the main theories of democratization developed in the 1960s and 1980s. The linkage model targets the structural prerequisites for democracy and aims at facilitating endogenous democratization from below through socio-economic development and transnational exchange. By contrast, leverage is linked to the theory of democratic transition with its focus on the role of elites in regime change. It focuses on how external incentives can alter the calculus of elites in favour of establishing and consolidating democratic institutions.

In a panel regression analysis covering 36 countries in the European neighbourhood, ranging from the beginnings of transition in Central and Eastern Europe to Eastern enlargement and the start of the ENP, we put these two models to the test. The analysis produces ambivalent results. Whereas leverage and linkage have proven to be robust factors in the democratization of the European neighbourhood, their effects become weaker and more incoherent as EU incentives move away from a membership perspective and as target countries become more distant from the EU. For the neighbouring countries off the accession track, neither leverage nor linkage promises to be a successful venue of democracy promotion. Because EU conditional incentives and transnational exchanges are comparatively weak in the Eastern and Southern regions of the ENP, there is no evidence that these two mechanisms of democracy promotion will have a systematic, positive impact on democratization in these countries.

We therefore turn to conceptualizing and evaluating a third approach of democracy promotion that we term the 'governance' model of external democracy promotion. This approach is based on the transfer of democratic governance principles in the context of functional policy-specific cooperation between administrative actors. Democratic governance promotion does not address the core institutions of liberal democracy (such as elections, parliaments, or the separation of power), nor does it target the socio-economic prerequisites of democracy. Instead, it prepares a legal-administrative basis of democratic governance in sectoral public policy making such as environmental policy, market regulation, or internal security. The goal of democratic governance promotion is the transfer of procedural principles of democratically legitimate political-administrative rule, including transparency and accountability of public conduct and societal participation in policy making. The channels through which these principles are promoted are transgovernmental networks of public administrators. In the EU context, the governance model relies on the objective of third countries' legal approximation to the EU *acquis* and the transfer of the democratic governance provisions embedded in EU sectoral legislation.

The governance model rests on the assumption that the quality of democratic governance in public policy making is neither fully determined by the overall political regime of the state, nor necessarily uniform across policy sectors. In principle, democratic governance can be promoted – to a certain extent – independently of the democratic reform of general state institutions such as elections. In this process, external actors purposely support the democratization of sectoral governance by

promoting the adoption and application of democracy-related provisions for public policy making. Such provisions regarding transparency of administrative action, participation of civil society in policy planning and implementation, or accountability of administrative decisions can also be diffused less purposefully as a side-effect of externally supported policy reforms that were not designed with the intention of fostering democratization of administrative governance. In either case, diffusion of democratic governance norms at the level of public administration constitutes a hitherto understudied aspect of cross-border cooperation and external democracy promotion that deserves closer attention.

We test the conditions for effective democratic governance promotion in a multidimensional comparative analysis of functional cooperation in the context of the European Union's Neighbourhood Policy. The analysis covers three active ENP countries – Moldova, Morocco, and Ukraine – and three policies that differ with respect to the degree of legalization and clarity of democratic governance provisions in the relevant EU *acquis* and patterns of EU–third country interdependence in sectoral cooperation: state aid, water management, and asylum. We study the transfer of three key democratic governance rules – on transparency, accountability, and participation – contained in EU rules pertaining to these policies. Our analysis examines both the legislative adoption of these provisions and their practical application in the selected neighbouring countries.

Generally, we find widespread legislative rule adoption but only weak rule application. In addition, however, there is considerable variation across countries and sectors. To explain this variation, we examine country-level and sector-level conditions. Country-level factors are the degree of political liberalization in the three neighbouring countries and their EU membership aspirations. Both factors facilitate, but do not enable, democratic governance promotion. Average rule adoption and application are strongest in Moldova and weakest in Morocco, whereas Ukraine falls in between. This corresponds to the observation that Moldovan membership aspirations have, in general, been more pronounced than those of Ukraine, whereas EU membership is not a goal for Morocco. This finding also reflects the degree of political liberalization in the three countries. At the same time, the analysis reveals considerable variation among the sectors within each country, which cannot be explained by country-specific conditions alone.

As for the sector-level conditions, we analyse properties of the EU *acquis* and features of sectoral cooperation between the EU and its cooperation partners. The empirical findings support our hypotheses that

rule adoption and application are more likely when: the codification of democratic governance provisions is stronger in EU legislation; sectoral policy cooperation between the EU and the neighbouring country is institutionalized; this institutionalized cooperation is reinforced by transgovernmental cooperation in other international fora; the structure of sectoral interdependence favours the EU; and the domestic political costs of adoption and application are lower.

On closer inspection, codification and adoption costs turn out to be the most relevant factors. The more firmly provisions of democratic governance are specified in the EU *acquis* (and international rules), the more likely they are to be adopted by the partner country. By contrast, rule application is mainly a matter of adoption costs, and these adoption costs vary with the sensitivity of the sector, which is determined by the extent to which it touches upon internally sensitive issues such as corruption, patronage, and the mixing of private business with governmental responsibilities.

To evaluate the viability of the governance model of democracy promotion, we distinguish two stages of effectiveness: legislative adoption and practical application. The results for legislative adoption are mostly positive. Our findings show that countries with a certain degree of political liberalization that are closely linked to the EU are more willing to adopt substantive EU policy rules and the democratic governance provisions incorporated therein. Yet, in order to truly generalize this finding, we would need to test it by taking 'harder' cases – that is, less liberalized and integrated countries than those selected. In addition, our three-sector sample would have to be expanded to test this finding on a broader selection of policies. Codification of democratic governance provisions in EU law is the most important condition for legislative adoption. Codification is reinforced by concomitant international rules and institutionalization of EU–third country cooperation, which add to the legitimacy and compliance pull of the EU rules, and a sectoral structure of interdependence that favours the EU and increases the interest of neighbouring countries in achieving cooperation.

As for practical application, the record is significantly less positive – especially if democratic governance provisions affect privileges held by the policy makers and administrations involved. Clientelism and corruption are endemic in the neighbouring countries of the EU, and democratic governance provisions on transparency, accountability, and participation are, to a large extent, designed to undermine such practices. From a critical perspective, then, formal rule structures might be adopted by such elites for the sole purpose of demonstrating good faith

when faced with external pressures to conform to a strong standard of legitimacy in their institutional environment. The result is a form of 'decoupling' (Meyer and Rowan 1977), a process by which democratic provisions are accepted on paper but 'implementation is neglected, and inspection and evaluation are ceremonialized' (Meyer and Rowan 1977: 357) in order to preserve the old ways of behaviour that correspond to the internal interests and needs of the ruling elite. According to this logic, neighbouring countries seeking access to and cooperation with the EU are willing to adopt democratic governance provisions as part of the policy package but seek to limit their practical impact, especially if they jeopardize established privileges. This gap between the adoption of democratic governance provisions in the law and their application in practice can, however, also be read in a more optimistic perspective. Accordingly, implementing such practices in administrative reality might simply require more time under these demanding conditions. Ongoing policy cooperation in institutionalized transgovernmental settings and the mobilization of private, non-state actors may, in the longer run, reduce the gap between legal adoption and practical application. Indeed, some societal actors in Morocco and Ukraine have started to claim the rights accorded to them under the new laws.

The full democratizing potential of the transfer of democratic governance provisions, thus, is yet to be realized. At this stage, we can draw only tentative conclusions and sketch possible scenarios for the spillover of democratic governance to democratic politics. In general, the weak application of democratic governance provisions so far suggests that their impact on the general political system will be even more modest. In the worst-case scenario, sector-specific cooperation with only dead-letter democratic governance provisions may even stabilize authoritarian regimes. On the other hand, the existence of democratic governance provisions in domestic legislation may introduce novel ideas to public administrations and provide both internal and external civil society actors with an anchor of legitimacy that would strengthen their claims for consistent rule application in everyday policy making. Importantly, however, while democratic governance is unlikely to – by itself – engender systemic change, it nevertheless plays an important role in preparing the legal and bureaucratic bases upon which every democratic transition can draw.

## **The structure of the book**

Chapter 1 sets the stage by providing a general description of the three ideal-typical models of democracy promotion: leverage, linkage, and



governance. In Chapter 2, we examine the effects of linkage and leverage in inducing democratic change in the neighbouring countries of the EU in a statistical analysis. The remainder of this book is devoted to the governance model of democracy promotion. In Chapter 3, we elaborate this model further and introduce our measurement of democratic governance for the dimensions of transparency, accountability, and participation. This chapter also explains our variables and hypotheses about the adoption and application of democratic governance provisions. Chapter 4 gives a brief overview of the ENP and introduces the countries and policies for the subsequent comparative analysis. We also describe the democratic governance provisions codified in the EU *acquis* and international rules for state aid, water management, and asylum policies.

Chapters 5–7 offer comprehensive case studies of democratic governance promotion in the three selected countries and policy areas. Chapter 5 covers Moldova, Chapter 6 Morocco, and Chapter 7 Ukraine. The case studies follow a common template, starting with an overview of the development of EU relations with the neighbouring country, then providing a description of the political system and political developments in the time period under examination. The main part is dedicated to the analysis of country-specific sector-level variables (internationalization, institutionalization, interdependence, and costs) and of the development of rule adoption and rule application for state aid, water management, and asylum policies. The chapters conclude with a country-specific assessment of the evidence. Chapter 8 provides a comparative analysis of the case study results and an assessment of the explanatory factors. Chapter 9 concludes the book with a critical discussion of the governance model and its performance in the EU neighbourhood.

# 1

## Models of EU Democracy Promotion: From Leverage to Governance

The European Union's distinct constitution as a political system *sui generis* has implications for the nature of its external relations. EU foreign affairs encompass much more than limited intergovernmental cooperation in the framework of its Common Foreign and Security Policy (CFSP)/European Security and Defence Policy (ESDP). They include a whole range of activities such as trade, aid, development, and enlargement and association policies such as the European Neighbourhood Policy (ENP), as well as the external dimension of sectoral policies in a variety of fields such as environment, energy, and migration.<sup>1</sup> This mosaic of EU external policies opens up a variety of possibilities for the promotion of democracy outside the EU's borders.

We understand democracy promotion as comprising non-violent activities by a state or international organization that have the potential to bring about, strengthen, and support democracy in a third country. This covers the sum of voluntary activities adopted, supported, and (directly or indirectly) implemented by foreign actors that are designed to contribute to the democratization of autocratic regimes or consolidation of democracy in target countries. This definition explicitly excludes the use of physical coercion and all covert activities, such as silent diplomatic efforts. Yet, it acknowledges the democratizing effect of cross-national activities without explicit agency, such as migration or communication.

We argue that the multifaceted nature of EU democracy promotion falls into three distinctive ideal-typical models: leverage, linkage, and governance. Each of these models is rooted in a different understanding of EU external actorness and holds a distinct conception of the way in which democratic principles and practices can be promoted in

non-member states. The linkage and leverage models constitute traditional approaches to external democracy promotion (Levitsky and Way 2006). They have their roots in the main theories of democratization developed in the 1960s and 1980s. The linkage model emphasizes the structural prerequisites for democracy (Lipset 1959) and aims at facilitating endogenous democratization through socio-economic development and transnational exchange. In this case, international actors such as the EU give economic aid, promote societal interchange, and sustain democratic civil society groups in order to facilitate democratization from below. Leverage, in contrast, links up with the literature on democratic transitions that focuses on the role of ruling elites in promoting regime change (O'Donnell et al. 1986; Przeworski 1991). As a democratization strategy, it induces power holders to give up authoritarian rule in exchange for other (significant) benefits, such as, in the European case, EU accession.

In recent years, the intensification of transgovernmental cooperation across functional policy areas has given rise to a third approach that we coin the 'governance' model of external democracy promotion (Freyburg et al. 2009; 2011; Lavenex and Schimmelfennig 2011). This approach is based on the transfer of democratic governance principles related to transparency, accountability, and participation in the context of functional cooperation between administrative actors. While not tackling the reform of political institutions as such, or the socio-economic prerequisites of democracy, this 'third way' of democracy promotion prepares a legal-administrative basis for democratic governance and constitutes an important element in the process of transition.

This book focuses on the EU's democratic governance promotion in three countries of the ENP: Moldova, Morocco, and Ukraine. The contribution of the two traditional models, leverage and linkage, is examined in Chapter 2. While we recognize the enduring relevance of the linkage and leverage models of democracy promotion, we argue that their impact is limited in the case of the ENP countries. In contrast, the governance approach appears better suited to the conditions for democracy promotion in the EU's neighbourhood. First, it is in line with the main thrust of the EU's external action and the ENP: the creation of policy networks and transfer of EU policy rules (Lavenex 2008). Second, it is less overtly political. Because democratic governance rules come as an attachment to material policies, do not target change in basic structures of political authority, and focus on public administration rather than societal actors, they are less likely to arouse suspicion and opposition from third country governments (see Freyburg 2012a; 2012c).

## **Models of democracy promotion**

The three models of democracy promotion presented in this chapter can theoretically be applied by every international actor. Their inclusion in EU external relations has been influenced by both the internal development of the EU and changes in the external context. The linkage approach has been a constant in EU external policies since the EU's early support for democratic transitions in Latin America in the 1980s (Smith 2008: 122–9). The EU's roots in economic integration, its early adoption of a development policy, and its long-standing cooperation with former European colonies were conducive to the formation of linkage policies. A more favourable international context, however, with the implosion of the Soviet Union and the growing assertiveness of the EU as a foreign policy actor in its own right, prompted the EU to increasingly adopt leverage policies. Democracy, human rights, and the rule of law became 'essential elements' in almost all EU agreements with third countries as both an objective and a condition for institutionalized relationships. In the case of violation, the EU introduced the (theoretical) possibility of suspending or terminating the agreement (Hornig 2003).

The leverage approach became dominant in the European context after the end of the Cold War. The political integration symbolized by the creation of the EU coincided with the transformation of many Eastern European countries and these countries' gradual rapprochement with the EU. While the EU continued to give support to democratic transition in Central and Eastern European countries through economic aid and targeted action towards civil society, it also embraced a more explicit and direct approach to democracy promotion by making aid, market access, and deeper institutional relations, from association to membership, conditional on third states' progress in democracy. Most notably, the Copenhagen Criteria agreed by the European Council in 1993 made the consolidation of liberal democracy the principal condition for starting accession negotiations. However, with the completion of the Eastern enlargement rounds in 2004 and 2007, leverage through the promise of enlargement has lost its status as the pre-eminent democracy-promotion strategy of the EU. Although political conditionality remains an important declaratory instrument in the EU's external relations and is still dominant in the accession strategy for the Western Balkans, its practical relevance is limited outside the enlargement context, where it cannot rely on the attractiveness of membership.

The governance model has come to complement the two traditional approaches in recent years with the implementation of new association policies below the threshold of membership. This approach consists in the promotion of democratic governance norms in functional cooperation with third countries and works through the approximation of sectoral rules to those of the EU. This functional approach operates at the level of democratic principles and practices embedded in the governance of individual policy fields and unfolds through the deepening of transgovernmental, horizontal ties between the EU and third countries' public administrations. The ENP, which the EU designed as an institutional framework for managing relations and deepening cooperation with the non-candidate countries of Eastern Europe, Northern Africa, and the Middle East, is a primary example of such functional governance. It proclaims shared values, including democracy, human rights, and the rule of law, to be the basis of neighbourhood cooperation and links the degree of cooperation to the adoption of these values by the neighbourhood countries (European Commission 2004a). In practice, however, it is up to the neighbouring countries to decide on the extent to which they will adopt the EU's provisions on democracy, human rights, or the rule of law, and non-adoption does not prevent close cooperation in sectoral policies. Considering the constraints on democracy promotion outside the enlargement framework, the European Commission itself suggested refocusing the EU's efforts from the promotion of democratic regimes to the promotion of democratic governance – that is, more transparent, accountable, and participatory administrative practice even in autocratic states (European Commission 2006a: 6).

The three ideal-typical models of democracy promotion – linkage, leverage, and governance – can be distinguished on four main dimensions: the target system of democracy promotion, envisaged outcome, main channels, and typical instruments. 'Linkage' is a strategy targeted at the societal prerequisites for democracy. It seeks to prepare the ground for the emergence of a democratic culture in society. Linkage activities operate through transnational channels and involve the socialization of societal actors into democratic norms. 'Leverage', in contrast, directly addresses power holders in the government. Its target is the reform of the polity, and the intended outcome is the set-up of democratic institutions guaranteeing vertical (electoral) and horizontal accountability, respect for individual rights and civil liberties, and rule of law. This model typically applies political conditionality in inducing ruling elites to engage in democratic reforms. It thus operates at the level

of intergovernmental cooperation between the EU and third country governments.

Our third model, ‘governance’, addresses more subtle forms of democracy promotion. Its target is narrower, since democratic governance refers to pro-democratic policy making within individual sectors, such as environmental policy, market regulation, or internal security, rather than the state’s macro-institutions or the entire society. The goal of democratic governance promotion is the transfer of procedural principles of democratically legitimate political-administrative rule, including transparency and accountability of public conduct, and societal participation in policy making. The channels through which these principles are promoted are transgovernmental networks that bring together public administrators from democracies and non-democracies. The transformative influence works mainly through the mechanisms of learning and socialization. In principle, democracy-promotion efforts may be conceived as freely combining specific features across all four dimensions. However, both theory and practice have tended to concentrate on the three ideal-typical combinations, as summarized in Table 1.1. In the following, we outline the three models of democracy promotion in more detail and specify the conditions under which they are effective.

### Linkage

The linkage model locates democracy promotion at the level of society and targets the socio-economic preconditions for democratization, including economic growth, education, spread of liberal values, and self-organization of civil society and the public sphere. The envisaged result is a democratic, ‘civic’ culture and meso-level institutions such as civic associations, parties, and a democratic public sphere.

Democracy promotion through linkage involves both indirect activities that address the societal preconditions for democracy and

*Table 1.1* Three models of democracy promotion

	<b>Linkage</b>	<b>Leverage</b>	<b>Governance</b>
Target	Society	Polity	Sector
Outcome	Democratic culture	Democratic institutions	Democratic governance
Channel	Transnational	Intergovernmental	Transgovernmental
Instrument	Socialization	Conditionality	Learning/socialization