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Promoting democracy through economic conditionality in the ENP: a normative critique

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ABSTRACT

This article presents a normative critique of the coherence of democracy promotion in the European Neighbourhood Policy (ENP). As an immanent critique, the paper derives its normative standards internally from an analysis of key ENP policy documents. It is argued that democracy promotion is in conflict with some of the other goals of the ENP such as market liberalisation, trade policy reforms and private sector development. Further, the incentive of market integration is argued to undermine democracy promotion. Though the ENP's current way of pursuing the goal of democratisation is normatively incoherent, this article also argues that incentivising democratisation through conditionality is not inherently contradictory. Two potential ways democratisation could be coherently promoted are suggested: delimiting the policy to unilateral transfers conditional on democratisation alone ('simple transfers'), or offering EU membership to ENP countries ('no integration without incorporation').

KEYWORDS

European Neighbourhood Policy; democracy promotion; economic conditionality; democratisation; political theory; normative

1. Introduction

This paper critically examines the values that the European Union professes drive its relationships with countries in its 'neighbourhood', with particular attention to the notion of democracy promotion through economic conditionality in the context of the European Neighbourhood Policy (ENP). Using the method of immanent critique all the ENP regional progress reports, ENP strategy papers and implementation reports from the proposal of the policy in 2003 to Spring 2015 were studied, as well as the two pieces of legislation regulating the financial instruments. The objective was to identify the standards and values of ENP democracy promotion, in order then to critique ENP democracy promotion on its own terms. The paper argues that ENP democracy promotion is incoherent because the goal of democracy promotion is at odds with other ENP goals and because the incentives the ENP offer undermine democratisation.

The promise of enlargement used to be the principal way in which the EU attempted to steer neighbouring countries in the direction of desired reforms, including democratisation (Schimmelfennig 2005; Smith 2005). Through successive waves of enlargement from 1973

to 2013, the EU managed to incentivise reforms in countries in its periphery. Since the turn of the millennium, however, EU member states have experienced ‘enlargement fatigue’ (e.g. Schimmelfennig 2008). There were fears that decision-making in the European Union would become difficult with more member states. Others worried that including poorer states to Europe’s east would weaken the Union (Edwards 2008).

The ENP, proposed in 2003, saw neighbourhood countries as ‘neighbours’ with little chance of incorporating fully into the Union (Joenniemi 2008, 2012). It has replaced EU membership with wealth transfers and access to EU markets as ‘carrots’ to incentivise political reform; political conditionality has thus largely been replaced by economic conditionality. Such policies, sometimes called ‘external governance’ or ‘governance beyond borders’, influence how some academics consider the boundaries of the EU to have become ‘fuzzy’ (e.g. Zielonka 2007, 152) even, while full EU membership remains limited to a relatively small circle. Others, however, argue that the ENP sharpens divisions between insiders and outsiders (Zaiotti 2007).

One avenue of scholarship has tested the degree to which the ENP has been able to replicate the successes of reforms associated with enlargement, with the general consensus being that it has failed in this regard (e.g. Edwards 2008; Schimmelfennig 2008). A general consensus holds that the incentives offered by the ENP are insufficient in comparison to the incentive of membership (Dimitrovova 2012). This paper suggests another reason why the ENP may have failed to promote democracy: a normative tension between conditionality and democracy promotion. This tension existed in enlargement politics also but, I will argue, was mediated by membership.

2. Method

This paper develops an *immanent critique* of democracy promotion in the ENP, adapting a methodology developed by Nicolaidis (2013). The main research question asks whether the ENP is normatively coherent with the values it professes to hold in the context of democracy promotion. I argue that the ENP is incoherent with the values it professes to hold because its economic and trade agenda undermines democratisation.

Part of the critical theory tradition, immanent critique aims at discovering the tensions and contradictions internal to a political practice. In our case, the standards arise from the legitimisation discourse the EU produces to justify democracy promotion efforts.¹ Once identified, the various emerging standards are juxtaposed to see if they are complementary, or rather if there are ways in which they undermine one another. This two-step process is what Nicolaidis describes as ‘discerning evolving aspirations, tensions and contradictions *within* this world observed’ (2013, 357). It enables a normative theorist to draw, again in her words, on ‘the deep texture of European history, law and politics’ (ibid.), while keeping the normative standards invoked relevant to real politics.

Some may retort that normatively framed discourse should be taken with a pinch of salt as it often serves as a mask for self-interested behaviour. A recurrent theme in EU studies has been to unmask a hidden ‘realist’ agenda grounded in self-interest behind the lofty rhetoric that frames the ENP (e.g. Youngs 2004; Smith 2005; Hyde-Price 2006, 2008; Haukkala 2008; Seeberg 2009). As a work of political theory, this paper replicates neither that agenda, nor directly the agenda of examining the ‘success’ of the ENP in achieving EU policy ambitions. Instead, the normative contradiction shows how the ENP in its current form can only

ever be partially successful; the tension this paper reveals explains why success in promoting democracy will risk undermining success in other domains.² Contrariwise, success in promoting other objectives is often in conflict with the goal of promoting democracy, although it is argued that enlargement policies were an exception to this rule.

The first part of the paper considers the justificatory discourse surrounding the ENP, drawing out the concepts of democracy and conditionality from that discourse. In part two, it is argued that two tensions arise from this discourse. First, the goal of democracy promotion is in conflict with some of the other goals of the ENP such as market liberalisation, trade policy reforms and private sector development. This argument builds on scholarship that explores the internal consistency of the ENP, particularly in relation to the risks of democracy promotion undermining (short-term) stability (Seeberg 2009; Börzel & van Hüllen 2014). It differs from these critiques, however, in focusing on the consistency between the ENP's normative goals and economic objectives. The way that the EU incentivises ENP goals is also argued to be in conflict with democracy promotion. The core problem here lies with the fact that one type of incentive – the liberalisation of trade relations through privileged access to EU markets – comes with options-diminishing conditions attached.

The extent to which countries in the European Neighbourhood live up to any set of democratic standards varies. The goal of democracy promotion has most sense when we consider EU relations with countries that are not considered (full) democracies. Only in that context can the EU attempt to bring about democratic reform. The arguments put forward in this paper therefore only apply to those countries that are not considered (full) democracies.

Although the ENP's current way of promoting democracy is normatively incoherent, this paper also argues that incentivising democratisation through conditionality is not *inherently* contradictory. Two potential ways in democratisation could be coherently promoted are suggested. The first requires that two conditions are met: (1) economic benefits offered are limited to unilateral transfers of benefits; (2) democratisation policies avoid pursuing other, substantive goals. The second way to promote democracy coherently in the ENP would require membership to be offered as an incentive, as it was under enlargement politics. A third option of resolving the tension, not pursuing democratisation through the ENP, is not discussed at length, but has been suggested (Seeberg 2009; Dimitrova 2012).

It is important to state from the outset the motivation of this study. Some may argue that democracy promotion is but one, relatively minor aspect of the ENP. Historically speaking, they would not be wrong. Nevertheless, over the course of the ENP emphases on its democratic credentials have intensified, thus warranting specific attention. Further, the normative incoherence this article charges the ENP with amounts to more than mere hypocrisy. If the pursuit of other goals by the ENP inhibits partner countries from deciding their own policies in an autonomous, democratic fashion, then these disparate strands of the ENP cannot both be successful – the goal of trade liberalisation and market reform comes at the expense of democracy promotion.

2.1. What democracy? Exploring the basis for an immanent critique

Since the goal is to demonstrate that there is a normative contradiction *internal* to the ENP, the relevant normative standards must be drawn from the ENP itself, not externally. That is not to say that the ENP has developed a unique approach to democratisation. On the

contrary, the conception of democracy that the ENP adopts is closely related to OSCE, ODIHR and Venice Commission standards (Casier 2011). Still, in keeping with the methodological requirements of an immanent critique, it is important to pay close attention to the detail and evolution of the concept of democracy in ENP documents.

Democracy is bundled with other goals right from the start, sometimes in ways that make it difficult to separate out the different ends analytically. For instance, the first ENP financial instrument bundles ‘crises or threats to democracy, the rule of law, human rights and fundamental freedoms’ (Regulation (EC) No 1638/2006 art. 7.5); similarly, the 2008 progress report demands that Belarus ‘takes concrete and convincing steps towards democratisation, respect for human rights and the rule of law’ if it wishes to enjoy ‘a full partnership’ (3). The second financial instrument puts it as follows: ‘the Union offers European Neighbourhood countries a privileged relationship, building upon a mutual commitment to, and promotion of, the values of democracy and human rights, the rule of law, good governance and the principles of a market economy and sustainable and inclusive development’ (Regulation (EU) No 232/2014, preamble 3).

This bundling indicates that the ENP documents tend to support the notion that the *kind* of democracy the EU wants to promote is ‘liberal democracy’. This is not to say that the EU has a monolithic and developed view of what democracy is. Indeed, as Kurki and others have pointed out, one aspect of EU democracy promotion that is unusual is that the EU has not actively defined democracy (2015, 35, 36). It is also important not to make the mistake of assuming that ‘liberal democracy’ is so vague a category that it applies to all extant democracies. Many commentators have remarked that recent developments in Poland and Hungary suggest that they are – or are becoming – non-liberal democracies. Wetzel and Orbie have addressed this complexity by dividing up democracy promotion efforts between those supporting what they call the ‘partial regimes’ of democracy and those supporting the ‘external conditions’, supposed to support or stabilise democratic regimes. They warn, however, that ‘promotion of the external conditions alone does not necessarily further democratization’ (2015, 7, see also Youngs 2009).

Further evidence that ENP democracy promotion aims to promote liberal democracy can be seen in the way that ENP documents report that progress is made towards democratic reform goals when reforms address liberal political rights and progress towards liberal institutions. The 2013 strategy paper for instance states that, though ‘democratic elections were held in Egypt, Libya and Tunisia; concerns remain about the freedom of assembly, association and expression, including the freedom of the media, in most partners’ (6). In a similar vein, the 2007 progress report lists Armenian reforms related to the separation of powers under ‘reforms to strengthen their democratic institutions’ (3).

In response to the events of the Arab Spring, the EU developed its notion of democracy to see what could be done to further democratisation in the Mediterranean region, although it has been criticised also for remaining too much on the sidelines in practice (Schumacher 2011). The 2011 revision of the ENP develops and evolves the notion of democracy through the idea of ‘deep and sustainable’ democracy (2011b, 1, 2, 3). This is taken up in later documents, and thus serves as a foundation for analysing ENP democracy (2013a, 2014a; Regulation (EU) No 232/2014). It is worth quoting the paragraph where it is first introduced in full:

several elements are common to building deep and sustainable democracy and require a strong and lasting commitment on the part of governments. They include:– free and fair

elections;– freedom of association, expression and assembly and a free press and media;– the rule of law administered by an independent judiciary and right to a fair trial;– fighting against corruption;– security and law enforcement sector reform (including the police) and the establishment of democratic control over armed and security forces. (2011b, 3)

It is clear that ‘deep and sustainable’ democracy can be well understood in the light of the notion of liberal democratic principles. Most of the elements common to liberal democracy are part of this formulation of ENP democratisation: the division of power, judicial independence, representative democracy, individual political rights (voting, standing for office, freedom of speech), collective political rights (association, including in labour unions and political parties). Kurki reminds us, however, that since there is no definitive conception of democracy used in EU democracy promotion it is important not to construct too rigid an ideal-type (2015).

Completing this liberal account of democracy is the requirement that democratic processes promote political pluralism. The 2012 regional report for Southern partners states that ‘successful completion and the implementation of constitutional reform and the holding of free and fair elections will be the key to the emergence of a pluralistic political order’ (p. 8, see also 2003, 2009). The 2011 strategy paper ‘A New Response to a Changing Neighbourhood’ is still more explicit with this regard:

Another challenge is to facilitate the emergence of democratic political parties that represent the broad spectrum of the views and approaches present in society so that they can compete for power and popular support. This challenge of fostering civil society and pluralism is felt throughout the neighbourhood. (p. 4, also 2003, 2009; 2011b, 2013b)

As well as liberal, however, ‘fuzzy’, most ENP discourse evaluated focuses more on democratic institutions than on civil society or a democratic culture.³ This is surprising given that civil society support takes an important place in the policy documents of the Euro-Mediterranean Partnership. One explanation for the relative lack of attention civil society receives in ENP progress reports is the intergovernmental bias of the partnership agreements. In the line with this understanding, ENP policy documents speak of ‘democratically elected’ parliaments, (2003, 15, also 2008, 2009; 2013a, 2013b) and indicate that ‘institutions’ (2008, 3, also 2013a, 2013b), ‘practice’ (2009, 11) and a ‘form of government’ (2004, 4) can and ought to be democratic. This broadly liberal, institutional idea of democracy is dominant particularly since the 2011 revision.

The liberal democratic conception of democracy that ENP policy documents use emphasise the notion of ‘political control’ by citizens as an end of democracy promotion (2008, 3 also, 2011b, 2013a). This is a recurrent theme, also in the context of citizen control over security and armed forces (2011b, 3, 2013a). The ENP thus considers that it is not enough to have democratic *practices* combined with the guarantee of liberal rights; it seems that democratic *outcomes* are also required by the ENP. Tom Casier recognises this binary in play in his study of ENP democracy promotion in the Ukraine, following Pridham’s distinction between ‘formal’ and ‘substantive’ democracy (Casier 2011). This interplay is a crucial point for this paper, since it is a loss of democratic control concurrent to implementing certain ENP goals and incentives on which the normative contradiction this paper formulates is based.

The ENP is based on values supposed to be shared between the EU and partner countries. Despite a discursive commitment to the ‘co-authorship’, however, it is clear that EU democratic practices serve as the model for democratic norms (Zaiotti 2007; Joenniemi 2008).

Some scholars describe this in colonial, postcolonial or neo-colonial terms, even describing the ENP as a European ‘civilising mission’ (e.g. Dimitrovova 2012). ENP policy documents show that an idealised notion of EU democracy is taken as the standard with which to measure democratisation in neighbourhood states.

Although ENP discourse goes out of its way to claim ‘joint’ and ‘shared’ commitments to democracy (2010, 3, also 2011a, 2011b, 2012a, 2014a) there is an ambivalent relationship to non-European style democratisation. This can be seen in how the events of the Arab Spring are reported. The 2013 regional report for Southern neighbours puts it as follows:

In 2013, the unstable political situation and growing social unrest based on people’s demands for dignity, democracy, respect for human rights and inclusive economic growth strongly affected the performance of the Southern Mediterranean governments in implementing reforms. Complex domestic and international challenges constrained the implementation of the agreed road maps and achievement of the set objectives.

Here, it seems that, indirectly, ‘people’s demands ... for democracy’ constrained the implementation of ENP reforms. Less starkly but in the same vein, the previous year’s report stated: ‘the electoral victory of parties inspired by Islam triggered open debates within institutions and civil society on the role of Islam in the new democratic set up’ (2013b, 2). As a result, ‘transition governments faced the need to build a political consensus on democratic reform, *limiting their ability to take decisive steps towards reforms*’ (ibid., my emphasis). It seems clear that only democratic developments that meet the standards of an idealised liberal democracy loosely modelled on EU practices are recognised and praised in the ENP.

2.2. *Spitting in the wind: contradictory goals*

Regarding the way in which the EU pursued its policies of assuring political goals through the common market, the ENP was problematically ambidextrous from the outset. On the one hand, the policy was formulated in order to promote economic cooperation, including access to the EU common market. On the other, it sought to promote democracy, human rights and the rule of law on EU terms. These twin goals were taken to be complementary in the pursuit of ‘a zone of prosperity and a friendly neighbourhood’ (2003, 4).

The ENP aimed at ‘promoting reform’ in the neighbourhood on several fronts simultaneously. The goal of democracy promotion, however, conflicts with some of the other goals. Democratic institutions, as the ENP understands them, are the proper context for a *demos* to exercise its right of self-determination through allowing citizen control of the state, including over the policies of the democratically elected and accountable government of that state. The question then arises whether the EU’s pursuit of specific market reforms through the ENP limit democratic peoples from exercising these rights, or, less strongly, if this pursuit is contrary to the goal of supporting a pluralistic democratic environment.

Is it really the case that economic and market reforms are considered as *goals* of the ENP? The evidence is somewhat mixed. Usually, economic conditionality is seen as a tool for encouraging reform in other areas, centrally democracy promotion, the rule of law and human rights (the normative tensions of which are explored later in this section). Economic incentives are supposed to ‘support’ EU-desired reform agendas (2011a, 5, also 2011b, 2012b), thus aligning with the idealised notion that these reform agendas originate in the partners. Nevertheless, at several points it is clear that economic objectives are also specific goals of the ENP. One of these instances has already been quoted above – the 2011 regional report

on the Eastern Partnership strikingly seems to put reforms of democracy, human rights and rule of law reforms *at the service* of economic reforms (2012a, 2). The 2011 joint communication 'A Partnership for Democracy and Shared Prosperity' also seems to imply economic reform is an end in itself – albeit in a less radical fashion:

In the medium to long term, the common objective ... is the establishment of Deep and Comprehensive Free Trade Areas ... They should form part of a broader comprehensive package in support of democratic *and economic* reforms. Negotiations should be started with countries that are clearly engaged in such a process of political *and economic* transformation. (p. 9 my emphases)

In this communication, 'clear engagement' with economic transformation even seems a prerequisite for the 'package of support'. Finally, the 2011 regional report for the Southern neighbours says the partnership 'focuses on three elements' for reform, listing 'sustainable and inclusive (economic) growth' as the third element, while the 2013 strategy paper states that 'Deep and Comprehensive Free Trade Areas – (are) key instruments in support of democratic and economic transformation' (15). Further evidence to this conclusion can be found in the frequent reference made in country progress reports to the extent to which partners have adopted the *acquis communautaire*.

Given the goal of promoting liberal democracies, understood in line with the notion defined in part one, the concurrent promotion of substantive economic goals is contradictory. In a liberal democracy, commitment to particular economic models, including in trade relations, ought to properly be determined either by those representatives elected to legislate or by those in government with a democratic mandate to pursue international trade policy on behalf of the state in question. Deciding on such matters will include adjudicating between contrasting interests and a plurality of views on, *inter alia*, social justice, desert and the ends of political association. Such a reading of the requirements of liberal democracy has traction in ENP discourse, for instance, the emphasis on the need for political pluralism.

Whereas democratic institutions and procedures intend to arbitrate between these competing interests and views, the imposition of an externally determined agenda for reform, as can be seen above, is in conflict with *democratic control*. While some actors in the neighbouring countries in question may welcome this reform agenda, it is likely that others will oppose it – especially given the high initial costs of liberalisation observed in countries liberalising their economies in order to accede to the EU (Zielonka 2007).

The problem is thus not that economic reforms are imposed on neighbourhood peoples without taking into account the will of their political principals (though we return to this point below). Bear in mind that the 2010 strategy paper gives a warning specifically denying this:

The ENP does not seek to export the EU *acquis* wholesale. However, with only a few regulatory models in a globalised world, the EU model tends to be attractive to partners, reducing the 'invention costs' of political and economic costs of reform. Thus many partners have adopted a broad-ranged approach to convergence with EU policies and regulatory standards. (6)

However, even if we take this claim at face value, the fact of the matter is that many countries with which these free trade and association agreements are signed are *not initially democratic*, or not wholly so, certainly not on the ENP standards of democracy.

In any case, it is often clear that regulatory convergence with the EU is an EU policy objective in the ENP, in contrast with the above statement. This can be seen, for instance, in

the 2011 report for Southern partners which lists as an objective that 'New generation Action Plans will include substantial elements on improving investment climate and regulatory convergence with EU *acquis*' (2012b, 11). Thus, decisions committing to economic reform, for example in the liberalisation of domestic markets and the mutual lowering of trade tariffs in trade relations with the EU, are made in the absence of a democratic mandate. When considering countries that do not meet EU democratic standards, the economic goals of the ENP are thus at odds with the democratic goals of the ENP. In this sense, the ENP is 'spitting in the wind' by promoting conflicting goals.

2.3. *Spitting in the wind: contradictory incentives*

Not only are the goals the ENP pursues contradictory, the way that the EU incentivises ENP goals is also in conflict with the goal of democracy promotion. The ENP offers enhanced economic integration and preferential access to EU markets as an incentive, but these incentives come with conditions attached. Specifically, neighbourhood countries wanting to 'benefit' from trade 'incentives' are required to adopt (elements of) the EU regulatory framework known as the *acquis communautaire*. These economic reforms are incoherent with the democracy promotion goal of self-government. The 2011 joint communication, for example, references free trade agreements as incentives, but specifies that 'beyond the mere elimination of import duties, these agreements should foster, in a progressive manner, closer integration between the economies of our Southern Mediterranean partners and the EU single market and would include actions such as regulatory convergence' (9).

Convergence could entail two parties mutually moving to bring their trade relations together, but attention to the progress reports demonstrates that this is not the case. The 2013 report for Southern Partners boasts that 'New ENP Action Plans include substantial sections on improving the investment climate and regulatory convergence *with the EU acquis*' (2014b, 12 my emphasis). What is required and expected is clearly that partner countries reform their regulatory frameworks to EU standards (see also 2014a). The 2012 regional report for the Eastern Partnership even warns:

to meet the EaP Roadmap objectives by the end of 2013, partner countries will need to give clear priority to measures to harmonising their rules with the EU *acquis* ... On the EU side, all appropriate bilateral and multilateral fora and financial instruments will be used to support partner countries in this endeavour. (2013c, 15)

Requiring specific economic reforms in order to 'qualify' for economic incentives imposes a particular and partisan agenda on neighbourhood countries. I call this 'conditional economic conditionality' because not only is the economic benefit granted conditional on progress towards ENP goals, it is also granted conditional to economic reforms. Under conditional economic conditionality, 'economic' indicates *both* the area in which reform is desired *and* the way in which reform is incentivised.

Some may respond by saying that there is no *requirement* for neighbour countries to sign these association agreements, nor the proposed deep and comprehensive free trade agreements. The economic 'benefits' of free trade and further integration into the EU economic model can only function as incentives if partner countries perceive that something desirable is in fact being offered. To the extent that this is not the case, countries can merely opt out of such associations, as was the case, for instance, when Armenia refused to sign the

negotiated Association Agreement in 2013 (Kostanyan 2015). This argument, however, misunderstands the point this paper makes.

As before, the issue is not whether free trade agreements and economic integration with the EU are (un)desirable, but rather whether those agreeing to these associations themselves stand on a solid democratic mandate. Incentivising partner countries to adopt controversial economic policies – that can involve serious costs for some – undermines the notion that the ENP is designed to facilitate democracy promotion. A decision taken by a regime whose democratic credentials are seriously deficient, either not to associate with the EU, or to associate and move towards free trade and integrated markets, cannot therefore further democratisation efforts.

Even if the partner country did fully live up to the democratic standards ENP discourse claims to promote, conditional economic conditionality does little to promote the pluralistic, competitive democratic culture the ENP declares support for. Consider a partner country that chooses to freely trade with the EU and signs a DCFTA with a legitimate democratic mandate and under full knowledge that the costs involved are significant. Despite the ENP rhetoric of partnership and equal status, such a partner is in reality forced to choose between two options: the DCFTA, with unilateral convergence to EU regulatory norms on their part and the costs and benefits that are entailed (presumably more expected benefits than costs), or no trade agreement with the associated costs and benefits of that choice. This choice is 'free' in the sense that it is unforced, but the structural inequalities between the EU's and some neighbouring states' economies is so vast that real freedom is surely limited. Reducing partner countries' choices in this way undermines stated ENP commitments to democratic pluralism (2003, 7, also 2009; 2011b, 2013b).

This last point also suggests a standard for which the normative implications of this argument can be tested with regard to specific ENP partner countries and regions. The further a partner country is from the democratic standards that the EU professes to support, and the greater the economic inequalities between the EU and a partner country, the more significant the normative contradiction will be. This is especially salient considering the finding of Wetzel and Orbie's edited volume *The Substance of EU Democracy Promotion*, that the EU's power in bilateral relationships with partner countries increases as a function of economic disparities between the EU and any particular partner country (2015). These disparities are, on the whole, quite large. In Eastern Partnership countries, we see that the GDP per capita (PPP) is \$11,097.⁴ compared to an EU wide figure estimated at \$36,900.⁵ For the remaining countries in the ENP, which are also in the Union for the Mediterranean, the GDP per capita (PPP) is \$15,308.2, which falls to \$12,680.3 if we disregard Israel, an outlier both on this indicator and on democratic performance⁶ (for differences in EU democracy promotion see Browning & Joenniemi 2008).

On democratic indicators, there is also considerable divergence between the countries in the ENP. Three countries of the fifteen are ranked by the Economist Intelligence Unit's 2015 Democracy Index as democracies (Israel, Tunisia and Moldova). On the other end of the spectrum, this index ranks Libya, Azerbaijan, Egypt and Belarus as among the least democratic countries in the world (ranked 153rd, 149th, 134th and 127th, respectively). Comparing the Eastern Partnership countries and the Mediterranean countries of the ENP, we see that the average ranking is both rather low (103.125 for the Mediterranean region countries and 105.33 for the Eastern partnership). While firm conclusions about the effects of democratic indicators in EU partner countries on democracy promotion efforts require

both empirical study and a critical engagement with the methodology of the index used, these rankings do indicate that the theoretical argument forwarded here has both range and scope among ENP countries. Concerns about partner countries lacking a sufficient democratic mandate to bind their populations to a reform agenda seem a priori warranted.

3. 'Simple transfers' and 'No Integration Without Incorporation'

Part two argued that conflicting goals and problematic incentives rendered ENP democracy promotion normatively and practically contradictory. This last part proposes solutions to this contradiction. Specifically, the two characteristics that undermine democracy promotion – namely, conflicting goals and problematic incentives – offer us two avenues for addressing the problem: reducing the ENP so that either of the conflicting goals are not pursued, and ensuring that ENP incentives do not require politically contested reforms in partner countries that do not meet threshold democratic standards. It is also suggested that the offer of EU membership changes the normative evaluation in important ways, potentially dissolving the normative contradiction. This suggests a normative argument for enlargement politics in the context of democracy promotion that seems to complement pragmatic arguments for offering eventual membership as a way of increasing ENP incentives and, as a consequence, ENP effectiveness (Haukkala 2008).

Aside from the possibility of withdrawing democracy promotion efforts in the neighbourhood, which this paper does not discuss, these three avenues exhaust all avenues for resolving the contradiction described above. That is not to say that any of these options seems likely. The above section has argued that it is not possible to achieve both of two disparate goals: democracy promotion and market integration and liberalisation. While undermining the possibility of real progress on democracy promotion in the neighbourhood, the muddled approach currently taken does offer political benefits. It enables the Commission to pursue economic integration without much political risk – governance beyond borders – while also giving the appearance, often no doubt created in good faith, that 'normative' goals such as democracy promotion are central to the ENP.

The arguments of part two apply primarily to partner states that are not (fully) democratic. If the ENP were to lexically prioritise democracy promotion for the states that do not live up to minimal standards of pluralist democracy, and would only move on to other, more substantive goals after this is secured, then those deciding whether or not to promote ENP goals for their country would at least have a firm democratic mandate. This is not to say that non-democratic countries ought to be economically isolated. The use of economic sanctions as tools of diplomacy is serious and sometimes counterproductive; they should only be used where warranted and effective. The argument is rather that promoting market liberalisation and economic integration with non-democratic partner countries undermines the pluralist democracy that the EU claims in the ENP to promote. The argument also relies on democratic sequencing – the idea that democratic institutions must be delayed until the appropriate external conditions are in place – indeed being fallacious, as Thomas Carothers suggests (2007), and as Michelle Pace has developed in the context of EU democracy promotion in the MENA region (2009, 42–45). Prioritising democratisation lexically would not solve all the problems this paper has explored; if the ENP would pursue option-diminishing 'conditional economic conditionality' on expectations of unilateral regulatory convergence on the part

of the partner, then it would not be effectively promoting democratic pluralism, even in a partner state that already enjoys adequately pluralistic democratic institutions.

A second approach to dissolving the normative dilemma posed by conflicting goals focuses on reforming the policy in order to abandon one of the conflicting goals. If the EU would pursue only democracy promotion, then – presuming success – neighbour countries would be free to settle the other aspects of their economic, trade and monetary policies (e.g.) in a democratic fashion. It may seem a high price for the EU to pay to pursue democracy in its neighbourhood potentially at the cost of other substantially desirable ends. Indeed, Voltolini and Bicchi have shown that the EU is unwilling to make this trade-off when security interests are at stake (2015). Even in less contentious domains, it may be asked why the EU would pursue such a policy. Two answers suggest themselves: the decision could be political – the promotion of democracy may prove to be a more important goal for EU citizens than market integration and trade liberalisation with neighbouring states, even if this involves costs. Alternatively, it may be argued that in the long run the democratisation of neighbouring states is more in the EU's interests than short-term gains from market liberalisation and economic integration.

Conflicting ENP incentives can be addressed in a similar fashion as with conflicting goals. The problem with EU trade incentives is that they come with conditions attached – the adoption of the *acquis communautaire* in the case of partner countries' (partial) integration into the common market, and the lowering of their own tariffs in the agreement of DCFTAs. One solution is to detach these conditions – an approach that could be referred to as 'simple benefits'. Here, the goals of the ENP would be incentivised by economic conditionality, but without imposing further peripheral conditions on the receipt of these benefits (i.e. getting rid of 'conditional economic conditionality'). Some of the benefits the EU currently offers as incentives would not be available on such a strategy. For instance, partner countries that do not meet minimal democratic standards may not be able to integrate with the EU internal market, because those bearing the costs of such integration would not be consulted via the democratic process, thus undermining the ENP's commitment to pluralistic democracy.

Simple benefits also need not be taken to mean mere transfers of wealth (though that would be simplest). Trade benefits could also be granted unilaterally, with the EU lowering or dissolving tariffs with no requirement of reciprocity. Such a move is already pre-empted to a limited degree in what the EU refers to as 'asymmetric liberalization' – the granting of more beneficial tariff reductions (e.g.) to partner countries than the EU demands of them. However, whenever *any* such conditions are imposed, there are potential losers and a political debate that ought, according to the democratic norms the ENP declares allegiance, to be decided in a democratic fashion.

As a final point, it is interesting to consider EU relations with its neighbourhood prior to 'enlargement exhaustion'. Contrasting acceding countries to the EU (who had to adopt the full *acquis communautaire*) with ENP partner countries shows another significant difference: acceding countries held popular referendums where the people were able to express their collective will as to the trade-off (wide-ranging, EU dictated reform and EU membership, or no reform and no membership); partner countries hold no such referendums on the imposition of EU dictated standards and regulations. The democratic foundation of the legitimacy of association with the EU was enhanced in the case of acceding countries vis-à-vis ENP partner countries. The two criteria of liberal political pluralism – competition between competing political visions and democratic control – are both

furthered through such referendums. While referendums are open to manipulation by elites, when compared to unilateral decisions by elites, they do permit a clearly enhanced scope for competitive discursive politics. Similarly, when EU association agreements by partner countries in the ENP are negotiated by elites without a democratic check, there is less scope for popular control over EU partner relations than was the case with acceding countries.

Furthermore, the offer of membership seems to disrupt the normative contradiction described above. The critique trades on the tension between giving up democratic control and autonomy over certain key policy areas – centrally the regulation of the economy – as a condition for receiving financial assistance and access to markets, to the end of, *inter alia*, democratisation. However, acceding countries thereby gained an equal stake in the EU legislative and regulatory system, which is denied to ENP partner countries. Inclusion into the EU decision-making apparatus as equal members essentially created a new democratic space for those candidate countries' self-government. The loss of autonomy that acceding countries experiences was therefore not a straightforward loss of control. New member states counts equally in the (democratic) procedures of EU governance. We ought therefore to speak in this case of a reciprocal transfer of democratic authority. One can call this strategy of resolving the normative contradiction 'No Integration Without Incorporation'.

It is not insignificant that acceding states give up some of their democratic autonomy *reciprocally* when integration and incorporation converge. The *acquis* is an organic body of regulation, evolving to suit changing circumstances and political preferences. As a member state of the EU, new member states have a legally equal share in the decision-making processes of EU law. They are, as all other states, granted a commissioner, a judge in the ECJ, a seat in the European Council, parliamentarians in the EP relative to their total population, etc. The loss of democratic autonomy entailed by joining the EU is a loss that is mutually self-imposed, in an inter-member relationship founded on equality – at least in some respects.

The above ought not to be taken to say that there is *no* digression in democratic autonomy for countries acceding to the European Union. For a start, many of the points of critique applied above apply; acceding states were under a much more extensive pressure to adopt the European *acquis*, for instance. Enlargement criteria can be option-diminishing in very serious ways potentially undermining democratic pluralism. While incorporation does disrupt the normative contradiction undermining democracy promotion efforts, it does not remove it entirely. Democratic incorporation does not, in other words, licence or legitimate all types of policy transfer, especially where costs are high or integration criteria very monolithic (Blokker 2013). However, within limits – no doubt difficult to determine – that are drawn from the pluralist liberal standards of democratic politics the EU is committed to, the possibility of incorporation could provide a more solid normative foundation for democracy promotion efforts.

When considering whether incorporation is option-diminishing in ways that are detrimental to pluralistic democracy it is not enough to consider if the conditions themselves are option-diminishing; this question ought to be asked of membership in the new polity also. One must heed a warning classical in democratic theory that increasing the size of a democratic polity decreases the influence of each voter on the outcomes of democratic processes. However, there is a trade-off possible between losses in the share of democratic power and gains in the total power of a democratic polity. Dahl and Tufte make this argument

in their book *Size and Democracy* (1973). The idea is that while the smaller a democratic polity is the more citizens' share of the power will be (and subsequently their engagement will be more constructive), the larger a polity is (and the more resources it commands) the better it will be able to accommodate citizen preferences. Of course, to really test this theory to the changes in democratic power for acceding states empirical research is necessary to track new EU member states' abilities to secure citizen preferences, and it seems likely that results will vary between acceding states, but nevertheless this general observation does suggest that incorporating involves democratic gains and not only losses and is thus not necessarily option-diminishing.

One important point against these solutions is that the political will to pursue them does not (sufficiently) exist; in this way these proposals may be charged with being unfeasible. This critique can be related to a debate in political philosophy regarding how concessive (to circumstances) normative theory ought to be. One could (in a utopian fashion) argue that normative theory should be purely about what ought to be done, with no regard for what is likely to happen. The other, concessive, side of the spectrum regards all principles as empirical facts to be studied and seeks to avoid any normative conclusion or 'moralism'. Most political philosophy lies on the spectrum between these utopian and concessive poles; for instance, while a utopian theory might demand pacifism, and a concessive theory explain the strategic value of war, most work in the ethics of war supposes that war, while tragic, is sometimes necessary. It is in this 'non-ideal' theoretic space that the limits and demands of ethical warfare are articulated.

The imminent critique approach that this paper has taken is distinct from utopianism or the concessive approach as it draws its normative conditions from empirical political practice (the discursive practice of EU democracy promotion), holding those principles up to standards of internal consistency. This approach is situated in the recent methodological turn in normative political theory towards 'political realism'. The critique regarding feasibility should be taken in the light of this. In order to be consistent, the EU must prioritise either democratisation or economic integration with neighbouring states since one can come at the cost of the other. This is not only a matter of theoretical consistency. The ENP in its current form necessarily undermines its democracy promotion efforts through conditional economic conditionality and the promotion of economic integration without incorporation. The choice then is simple: the ENP must either rebalance towards democratisation or economic integration, recognising that it cannot do both, or enlargement must be reintroduced as a way of legitimately pursuing both aspects simultaneously. The fact the EU must choose between these options is not unfeasible. What is unfeasible is the EU promoting democracy in the neighbourhood through the ENP as it is currently formulated.

The democratic legitimacy of *enlargement* conditionality was normatively different, and seems less problematic, than the legitimacy of ENP conditionality. Putting membership back on the table as an eventual possibility for ENP partner countries may enable the EU to continue to promote its agenda in the neighbourhood without undermining democracy promotion. This is not to say that this avenue is a *likely* solution. There are important political considerations weighing against the likelihood of further expansion. Still, this paper has offered an argument why future expansion should not be dismissed by those committed to democracy promotion. Haukkala has argued that 'the continuation of enlargement(s) ... seems to be the only avenue through which the Union can project its normative power in

a legitimate and efficient manner in Europe' (Haukkala 2008, 1617). With many in the literature arguing that the lack of a membership perspective is a core reason that ENP successes have been moderate, a normative argument on these lines give further reasons that enlargement ought to be reconsidered.

Notes

1. While engaging 'legitimation discourses', centrally EU policy documents, this paper does not, however, use discourse analysis as a formal tool. For an evaluation of EU democracy promotion using this method, see Teti 2012.
2. Some scholars of the substance of EU democracy promotion have noted this tendency empirically. For instance, Voltolini and Bicchi argue that security concerns 'trump' democracy promotion in Israel and Palestine (2015, see also Pace 2009). The argument of this paper, following the discourse, is focused on the tension between economic and trade-related reform goals and democracy promotion. A similar point in the context of EU internal economic policy has been made by Crum (2013) and regarding governance and democracy by Hazenberg (2013). At the level of theory, however, the argument of this paper is applicable to conditionality generally – the pursuit of substantive ends is ordinarily in tension with the promotion of democracy – a type of governing regime that is open-ended in principle (again, the paper argues that enlargement politics were an exception to this rule). The author thanks an anonymous reviewer for the *Journal of European Integration* for highlighting this point.
3. Later reports also show a more communal side, for instance, when the 2012 regional report for Southern partners introduces the idea of a 'democratic culture' (2013b, 2) and 'democratic dialogue' (ibid., 16); the 2014 financial regulation continues on this foot with its desire to build 'democratic societies' (Regulation (EU) No 232/2014, preamble 4).
4. Calculated using 2014 figures from the World Bank available at: <http://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD> (1 May 2016).
5. CIA estimate for 2014 available at: <https://www.cia.gov/library/publications/the-world-factbook/fields/2004.html> (1 May 2016).
6. Israel's per capita GDP was \$33,703.4 in 2014, almost double the figure for Bulgaria, the poorest EU member state at \$17,207.6. The next richest country in the ENP on this measure is Belarus at \$18,184.9. On the Economist Intelligence Unit's 'Democracy Index' of 2015, Israel ranks at 34 globally, above EU states. The next highest ranked ENP country is Tunisia at 57, below the lowest ranked EU state which is Hungary at 54.

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