The Normative Power of the EU in neighbourhood democratization within the framework of the ENP
A case study on Armenia

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ABSTRACT

Through the effective democratization process during the 2004 enlargement the European Union has exercised what many scholars have regarded as ‘normative power’. The biggest enlargement in the history of the EU has extended the borders of the Union towards new neighbourhood of democratically and economically unstable states. Less willing to accept new members and yet willing to export its norms and values in order to secure a stable neighbourhood, the EU launched its European Neighbourhood Policy with the ambition to create well governed ‘ring of friends’. Following the success of the use of positive conditionality during the enlargement, the ENP was created based on the same logic, however, unlike the enlargement policies, the ENP lacks the membership carrot. This thesis analyzes the ability of the EU to promote and diffuse its democratic norms and values through the ENP and to have a ‘normative impact’ beyond its borders. The results of the case study on Armenia show that though the ENP has a strong rhetoric and ambition in promoting normative values, and though it has succeeded in norm and rule transfer, it did not succeed in norm-adoption and implementation by the target states.

KEYWORDS • EU • Democratization • Europeanization • Normative power EU • ENP • Armenia
# TABLE OF CONTENTS

**ABSTRACT** .......................................................................................................................... 2

**TABLES AND BOXES** ......................................................................................................... 4

**ABBREVIATIONS** ................................................................................................................ 5

1. **INTRODUCTORY PART** ................................................................................................. 6
   1.1 Background and the research problem ........................................................................... 6
   1.2 Research design and methods ....................................................................................... 8

2. **THEORETICAL FRAMEWORK** .................................................................................... 9
   2.1 The conceptualization of democracy and democratization ........................................... 9
      2.1.1 *Democracy* ............................................................................................................ 9
      2.1.2 *Democratization* .................................................................................................. 10
   2.2 EU as a normative power .............................................................................................. 14
   2.3 Theories on the Europeanization of Central and Eastern Europe .............................. 16
      2.3.1 *Europeanization* .................................................................................................. 17
      2.3.2 *The external incentives model* ............................................................................ 18
      2.3.3 *Alternative explanatory models* ......................................................................... 20

3. **THE EUROPEAN UNION DEMOCRACY PROMOTION** .................................................. 22
   3.1 The EU as an *actor* of democracy promotion ............................................................ 22
   3.2 EU’s definition of democracy and democracy promotion ............................................ 23
   3.3 Methods and instruments of EU democracy promotion ............................................ 24

4. **EUROPEANIZATION AND EUROPEAN NEIGHBOURHOOD POLICY** ..................... 29
   4.1 Europeanization ........................................................................................................... 29
   4.2 Historical background and objectives of the ENP ...................................................... 29

5. **CASE STUDY: ARMENIA** .............................................................................................. 32
   5.1 Armenia as a unit of analysis ....................................................................................... 32
   5.2 Brief history of Armenian nation and democratic traditions ..................................... 33
   5.2 The collapse of the Soviet Armenia and the *democratic liberalization* of the Republic of Armenia ................................................................................. 34
5.3 Political Reforms and **democratic transition** between 1990-98 ..................................... 36
5.4 Challenges to the democratization process ................................................................................. 39
5.5 Armenia’s foreign policy ............................................................................................................... 41
6. EU – ARMENIA RELATIONS ................................................................................................. 44
   6.1 The development of the EU- Armenia relations ....................................................................... 44
   6.2 Partnership and Co-Operation Agreement ............................................................................... 45
   6.2 The European Neighbourhood Policy ..................................................................................... 46
7. DEMOCRATIC PROGRESSIVIST IN ARMENIA ....................................................................... 48
   7.1 The democratic progressivism in Armenia under the EU monitoring ...................................... 48
   7.2 Democracy in Figures ............................................................................................................. 50
   7.3 Armenia’s democratic development 1999-2009 ..................................................................... 52
8. ANALYSIS: APPLYING THE MODELS .................................................................................. 58
   8.1 The Normative nature of the ENP and its norm transmission ................................................ 58
   8.2 The External Incentives Model: Conditionality ....................................................................... 58
   8.3 The Social-learning model ....................................................................................................... 62
   8.4 The outcome of the analysis of the case study ....................................................................... 64
9. RESULTS .................................................................................................................................... 67
   9.1 Conclusive remarks .................................................................................................................. 67
   9.2 Critical reflection on the weaknesses of the ENP .................................................................... 69
   9.3 ‘Normative power EU’? ......................................................................................................... 74
BIBLIOGRAPHY ........................................................................................................................... 76

**TABLES AND BOXES**

*Table 1: Democratic development in Armenia 1999-2010 (Freedom House).* ......................... 50
*Table 2: Democratic development in Armenia 1999-2010 (FH Nations in Transit).* .................. 50
*Table 3: Democratic development in Armenia 2006, 2008 (Economist intelligence unit).* ....... 51
*Box 1: Overview of case study conditions and results.* ................................................................. 64
# ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
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<tr>
<td>ANM</td>
<td>Armenian National Movement</td>
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<tr>
<td>CEEC</td>
<td>Central and East European Countries</td>
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<td>CFSP</td>
<td>Common Foreign and Security Policy</td>
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<td>CIS</td>
<td>Commonwealth of Independent States</td>
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<td>CSTO</td>
<td>Collective Security Treaty Organization</td>
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<td>EC</td>
<td>European Community</td>
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<td>EIDHR</td>
<td>European Instrument for Democracy and Human Rights</td>
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<td>ENP</td>
<td>European Neighbourhood Policy</td>
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<td>ENPI</td>
<td>European Neighbourhood and Partnership Instrument</td>
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<td>EP</td>
<td>European Parliament</td>
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<td>EU</td>
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<td>IDEA</td>
<td>International Institute for Democracy and Electoral Assistance</td>
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<td>IR</td>
<td>International Relations</td>
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<td>NATO</td>
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<td>NGO</td>
<td>Non-governmental Organization</td>
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<td>NIP</td>
<td>National Indicative Programme</td>
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<td>PCA</td>
<td>Partnership and Cooperation Agreement</td>
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<td>OSCE</td>
<td>Organization for Security and Co-operation in Europe</td>
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<td>PHARE</td>
<td>Poland and Hungary Action for Restructuring of the Economy</td>
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<td>TACIS</td>
<td>Technical Assistance for the Commonwealth of Independent States</td>
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1. INTRODUCTORY PART

1.1 Background and the research problem

“We are also committed to developing ever deeper ties and bridges of cooperation with our neighbours and to share the future of this community of values with others beyond our shores”. (European Council 2003)

The effectiveness of European Union (EU) democracy promotion has recently become a subject of many studies. The majority of the scholars agree that the most powerful and effective instrument of the EU in democracy promotion was the prospective of becoming an EU member after democratic reforms: “The attractiveness of EU membership and the strict conditionality attached to the accession process have vested the EU with considerable transformative power in the applicant countries”\(^1\). Thus, through the enlargement process the EU has shown its ability to exercise its normative power.

In May 2004 the biggest enlargement took place in the EU, raising the number of the member states from 15 to 25. This enlargement meant that the external borders of the EU have changed, creating both opportunities and challenges for the Union. As a result, the EU became less willing to further enlargement, yet it wanted to export its values and norms to its neighbouring countries in order to guarantee a secure, stable and democratic neighbourhood.

The European Neighbourhood Policy (ENP) was a response to that new situation: “To meet this new reality, the EU introduced the European Neighbourhood Policy to create a 'ring of friends' around its new borders and avoid the emergence of fresh dividing lines on the European continent”\(^2\).

ENP was created with the same logic and based on the same principle as enlargement policies and “is a result of a combination of policy learning and adaptation from the enlargement experience to the changed post-enlargement environment”\(^3\). Similarly to the enlargement process, ENP entails norm-based and incentive-based mechanisms. However, “the cost-benefit ratio between EU membership and ENP is not the same”\(^4\), as unlike the enlargement

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\(^1\) Schimmelfennig, Frank & Sedelmeier, Ulrich: *The Europeanization of central and Eastern Europe*, Cornell University press, 2005, p.2

\(^2\) European Commission 2005: 31


policies, ENP lacks the membership carrot. Instead it offers ‘privileged relationship’ with the countries concerned, institutional change, successive access to the EU’s internal market and financial aid in different fields.

Thus, many scholars, while recognizing enlargement as a powerful tool of democracy promotion, consider ENP as a week mechanism for spreading democracy, as the EU cannot use its most important incentive for compliance: the prospect of membership. However, by the EU the ENP is regarded as a framework through which the EU is trying to diffuse its common norms and values. In fact it is often referred as being a policy with the emphasis on the ‘commitment to shared values’.

On the case of Armenia I will try to investigate the role ENP plays in democratization process in the target countries. To do so, first, I will identify the strategies and mechanisms of the EU in defusing its norms and values through ENP. Secondly I will look on domestic conditions before and at the time of ENP implementation and the democratic reform as a result of EU’s normative role, in order to understand whether the ENP is taking into consideration current domestic conditions of the countries while employing its strategies of democracy promotion. I will also try to identify the incentives for neighbouring countries, in the face of Armenia, to share EU’s democratic norms and values, as the attractiveness of the incentives has been the main strength of the EU in successful promotion of democracy. So the main research questions will be the following:

1. What are the strategies of the ENP in promoting democratic norms and values
2. How effective is the ENP as a new “democratization tool of the EU?”

The purpose of this study is to investigate the potential effectiveness of the ENP as a norm promotion policy in post-communist states and to analyze whether it has a ‘normative impact’ on them by focusing on the case of Armenia.

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5 There are some limitations in this study the reader should be aware of. The first one is that the study addresses the post-soviet countries included in the ENP, thus leaving out the Mediterranean states. The second limitation is that it is very hard to measure the effectiveness of EU democracy promotion and impact on these countries, as there is a plethora of actors promoting democracy, the US being the main one, thus it is hard to understand whether the democratic change is due to EU efforts.
1.2 Research design and methods

In my thesis I will mainly apply a constructivist approach using a qualitative case study. The reason why I chose this approach to study EU’s norm diffusion strategies to its neighbours is that it will help to get an in-depth understanding of that complex social process.

The knowledge gained by the empirical research will be filtered through the theory adopted. Nevertheless, elements of positivist approach are also involved, as the ENP can be seen as an independent variable which affects democratization of the chosen unit of analysis, the latter being the dependent variable.

Why case study? One of the strengths of a case study is that it is a “research strategy based on the in-depth empirical investigation of one case, in order to explore the configuration of each case, and to elucidate features of a larger class of (similar) phenomena, by developing and evaluating theoretical explanations”7. The ENP covers 16 countries, and carrying out a case study on one of them will give an opportunity to evaluate the process in a given context and to understand the contextual influences on the process of norm diffusion.

The other strength of the case study is that it is very useful in testing existing theory, as “it uses theoretical frameworks to provide an explanation of particular cases, which can lead as well to an evaluation and refinement of theories”8. Thus, theoretical framework developed by Schimmelfennig and Sedelmeier to study norm diffusion in the accession countries can be also applicable to countries that have no real membership perspective. However, in the second case the theoretical framework faces numerous challenges, pointed out by many scholars, and a particular case study is a good way to assess the effectiveness and shortcomings of a given theory in a particular context.

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8 Porta, Donatello & Micael Keating, p.227
2. THEORETICAL FRAMEWORK

In the section following I will define the main concepts I will be dealing with in my thesis and will give the theoretical framework, which I consider useful for analysing EU’s democratic norm promotion, namely Ian Manner’s theory of the EU as a normative power and Schimmelfennig & Sedelmeier’s analytical framework on Europeanization.

2.1 The conceptualization of democracy and democratization

2.1.1 Democracy

Democracy is a complex and multi-faced phenomenon, and there has been a long and still continuous debate on how to conceptualize democracy. In general, what is commonly understood by democracy derives from the meaning defined in ancient Greece: *demokratia*, the root meanings of which are *demos* (people) and *kratos* (rule), which makes the basic definition of democracy to be the rule by the people.

There have been two conceptualisations of democracy relevant to this work, which are the minimalist and maximalist definitions of democracy. According to minimalist definition, democracy is a procedural system focusing on the institutionalization of politics through free and fair elections. According to maximalist definition, democracy is also a system of political institutions and procedures and is based on free and fair elections, but it is also a system of rights and liberties.\(^9\) The minimalist definition is of electoral democracies and the maximalist definition is of liberal democracies. The proponents of minimalist definition of democracy stress its analytical usefulness, since it is easy to classify countries as electoral democracies, as with the case of the Freedom House. On the contrary, the main argument of maximalist perspective is that the focus on free and fair elections is a too narrow view on democracy, as a state with free and fair elections can at the same time have undemocratic traits and human rights violations. This kind of states can turn into so called ‘hybrid regimes’, with both democratic and authoritarian elements, which has become a common practice in recent years.\(^10\)

There is also a definition of democracy, presented by Robert Dahl, which can be considered as a compromise between minimalist and maximalist definition of democracy. Dahl calls his model *polyarchy* (rule by the many), and sets seven important elements for the government to

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be classified as a democracy: elected officials, free and fair elections, inclusive suffrage, right to run for office, freedom of expression, alternative information, associational autonomy.\textsuperscript{11} Dahl singles out two dimensions of a democracy, \textit{contestation}, which refers to organized competition through free and fair election, and \textit{participation}, which refers to the right of all adult people to participate as voters and/or politicians. Contestation and participation have to be based on \textit{civil liberties} to be meaningful, thus it has been argued that Dahl’s definition is also embedding this third important dimension. Dahl’s definition of a democracy as a polyarchy model is widely considered to be a suitable description for what is generally understood as a democracy.

\textbf{2.1.2 Democratization}

\textit{Democratization} is defined as “...political changes moving in a democratic direction”\textsuperscript{12}, a political process towards electoral and liberal democracy. Democratization can be understood as the movement along the spectrum, with democracy at one end and undemocratic rule at the other\textsuperscript{13}. From one end to the other the countries pass the so-called transition paradigm, and in this case democratization is understood as a process of different phases.

Daniel Silander, basing on Rustow’s model, distinguishes three phases of democratization: pre-transition phase, transition phase and consolidation phase.

The \textit{pre-transition phase} is the stage when a non-democratic society is going through a process of socio-economic liberalization, openness, relaxation and pluralism. The \textit{transition phase} is the movement away from undemocratic rule towards electoral democracy. However, it is not that clear cut, as many for example post-soviet countries have clearly moved away from socialism and communism, and they cannot be considered to be in process of transition. Rather, they have entered a ‘political gray zone’, in between dictatorship and democracy. The \textit{consolidation phase} is last phase of the democratization process, and it is also a complex and contested phase. Disagreements are present with \textit{what} democratic consolidation is, as well as \textit{when} it takes place. In general, a consolidated democracy consists of, besides the fundamental political rights in free and fair elections, “a form of political community in

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\begin{footnotesize}
\textsuperscript{13} Mikaelsson, Rickard: \textit{Promoting democracy: Sweden and the democratization process in Macedonia}, Linkoping studies in Arts and Sciences No. 446, Linkoping 2008, p. 31
\end{footnotesize}
\end{flushright}
which the institutional settings are surrounded by a high level of political rights and civil liberties”.  

Now moving on to the main point of discussion, the internal and external factors democratization is driven by. Before the end of the Cold War most scholars of the field perceived internal factors as the decisive factors for democratic transition and consolidation, while considering the external factors to be of secondary importance. (Lipset, Rustow, Diamond, Linz). The attention towards the external factors and the understanding of their determinative impact on democratization increased only in the beginning of the 1990s.  

**Internal factors of democratization**

There is a large number of internal factors for democratization, but as it is not the aim of this study to go deep into them, just the most influential ones will be mentioned.

*Socioeconomic factors:* Since 1950s numerous studies have been focusing and dedicated to analysing the connection between socioeconomic structural factors and democratization. A very influential theory in which social and economic factors are seen as causes for democratization is the *modernization theory*. An influential proponent of this theoretical school Seymour Martin Lipset, after examining 28 European states and 20 Latin-American states concluded that democratized states based their political systems on higher levels of socioeconomic development, such as industrialization, urbanization and high educational standards. Therefore, states with high level socioeconomic development will become consolidated democracies.  

*Cultural factors:* The second important domestic factors are the set of cultural factors, including political culture, religion and civil society, the latter being considered as one of the most favoured factors for democratization. A vibrant civil society is believed to positively influence the development and further consolidation of democracy in many different ways, such as for example providing new arenas for political participation, increasing citizen’s political awareness and encouraging the development of democratic values.  

*Political factors:* It is widely known that democratization never starts from scratch; instead, it builds upon existing institutional traditions. Political factors are considered to be existence

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14 Silander, Daniel, p.38  
17 Diamond, 1994
of democratically beneficial institutional traditions, existence of compromising political elites, and high degree of political institutionalization.

**External factors of democratization**

As already mentioned above, following the end of the cold war, there was a growing need to study international factors on the process of democratization. The main external or international factors for democratization are democracy diffusion and democracy promotion.

**Democracy diffusion:** Diffusion may be conceptualised as a process, through which people and societies are influenced by the international context, entailing specific norms and values: “Diffusion refers to the process by which institutions, practices, behaviours, or norms are transmitted between individuals and/or between social systems”. 18

Democratic diffusion can take many different forms, as it can be a spontaneous or planned process, controlled or uncontrolled, be directed towards a political elite or public and so on. According to Uhlin, democracy diffusion is a process involving four components, the first one being the source or the emitter, the second one the adopter or the receiver, the third one the object that is diffused, and the fourth one the channel of diffusion. 19 The actors of the sending and the receiving side in the process are referred to as agents of diffusion, which act as socialization agents in the state.

**Democracy promotion:** The changing world order after the cold war has resulted in the proliferation of states, development of multiple actors and interests in world politics, leading the researchers in the field of IR into new ideas and perspectives. Democratization started to be viewed on a great part as a result of prodemocratic policy-making. As a result, democracy promotion became of profound interest for researchers and policymakers, pushing democracy into an international norm or world value20.

There are very few definitions of democracy promotion, and the use of the term sometimes leads to confusion, describing such similar phenomenon as democracy assistance, democracy aid, democracy support and so on, which in fact can be regarded as subcategories of democracy promotion. Relevant to this study, Schmitter and Brouwer’s definition of democracy promotion will be used. The authors distinguish between democracy promotion and democracy protection, democracy promotion being the process taking place during the

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20 Mikaelsson, p. 141
first two phases of democratization, political liberalization and democratization (transition), and democracy protection is activities undertaken during the consolidation phase. By separating the definitions, Schmitter and Brouwer make democracy promotion directed towards electoral democracies or gray-zone democracies theoretically impossible, and on that respect this definition has been criticized.\(^{21}\) Therefore, the definition combining democracy promotion with democracy protection will be adopted in this study:

“The democracy promotion (and protection) consists of all overt and voluntary activities adopted, supported, and (directly or indirectly) implemented by (public or private) foreign actors explicitly designed to contribute to the political liberalization of autocratic regimes, democratization of autocratic regimes or consolidation of democracy in specific recipient countries”\(^{22}\).

Moving on to the theoretical developments of democracy promotion, it should be stated that there are difficulties not only with defining the concept, but there is also lack of an adequate theoretical framework for democracy promotion studies. The literature mostly relates to the practitioner view of democracy promotion, which is mainly a narrative of the US and EU’s efforts to promote democracy.\(^{23}\) There is also lack of theories evaluating the effectiveness of democracy promotion, as it is extremely hard. The problem is that there are different actors, tools, methods, different objectives, each one of which can be measured in ‘its own way’.\(^{24}\)

One possible conceptualization is Daniel Silander’s theoretical argumentation, according to which, within a specific time-frame, there are actors that may promote the democracy norm and reinforce interests, and may use different methods and channels, creating certain relations and have different impact on domestic actors.\(^{25}\)

However, the objective of this work is not to study the essence and effectiveness of democracy promotion in general, but rather the EU’s efforts to promote democracy in particular, and to understand how the process of democracy promotion should be studied in an empirically applicable and generalizable framework. In recent years there has been notable amount of research carried out on some specific approaches of democracy promotion by the EU, in particular the instruments it uses and their effectiveness (Kelley, Vachudova, Youngs, Schimmelfennig, Emerson).

\(^{21}\) Mikaelsson, p.142
\(^{23}\) Burnell, Peter, “Does International Democracy Promotion Work?”, Discussion Paper, German Development Institute, 17/2007, p.2
\(^{24}\) Burnell, Peter, p. 3
\(^{25}\) Silander, p. 89
2.2 EU as a normative power

The trend for democratization has provided a debate on the construction of a democratic norm-community. The EU has symbolized a far developed norm-community.

It is widely accepted that the EU is a novel type of international actor, but it is contested what the features of this new actor are, and recently there has been a great debate over what kind of power EU constitutes.

By many scholars the international identity of the EU for a long time has been characterized as a ‘soft’ or ‘civilian power’. The concept was first developed by Duchene in 1973, and defined the EU as a unique international actor, being strong in economic terms but weaker in military forces, the strength lying in its ability to encourage stability through economic and political means and discursive practices. However, after the 1990s the debate inclined towards the idea that the EU is no longer a civilian power. Instead, as put by Karen Smith, the EU with its developing military dimension can be actually placed ‘somewhere along the spectrum between to ideal-types of civilian and military power’\textsuperscript{26}, and can be defined as a ‘specific kind of international actor’.

Much recent debate over the EU’s international identity turned around notions of normative, value-driven external policy. This happened when Manner’s influential article on the subject brought the notion of the EU as a normative power into the center of the debate. Since then in most of the works on the EU’s international role the latter is perceived as a normative actor.

According to Manners, “the European Union represents neither a civilian power of an intergovernmental nature utilising economic tools and international diplomacy, nor a military power of supranational nature using force and international intervention, but a normative power of a ideational nature characterized by common principles and a willingness to disregard notions of ‘state’ or ‘international’\textsuperscript{27}.

Manners’ main argument is that the international role of the EU as a promoter of norms does not fit in the classical English School division of states in either military or civilian powers. He claims that the developments of the 1990s in international relations lead to rethinking the notions of military and civilian powers, thus transforming the EU into a new type of power, normative power. The EU as a normative power does not rely on military power to set the

\textsuperscript{26} Smith, Karen, "Still ‘Civilian Power EU’?", European Foreign Policy Unit Working Paper 2005/1, p. 16-17
\textsuperscript{27} Manners, Ian: "Normative Power Europe: The International Role of the EU", European Community Studies Association Biennial Conference, 2001, p. 7
standards of international politics, and it is not even civilian economic means that are the core of EU power, instead, “power becomes an effect of norm leadership and persuasion”\textsuperscript{28}.

By the idea of normative power the author suggests that the EU is not only constructed on a normative basis, but that the concept predisposes the EU to act in a normative way in international relations. The notion of the EU normative power is constructed on the argument, that “the most important factor shaping the international role of the EU is not what it does and what it says, but what it is”\textsuperscript{29}. Thus, if conceptualizing the EU as a normative power, values and norms are important elements of EU’s external activities.

According to Manners, an international norm is defined as shorthand way to express of what passes as ‘normal’ in international relations, and therefore, normative power is to be understood as the ability to shape or change what passes for normal.\textsuperscript{30}

The EU is based on a broad normative basis, which has been developed over the last fifty years through a range of declarations, treaties, policies and the conditions. Manners identifies five core norms, which have become institutionalized since the beginning of the integration process: peace (found in key declarations, such as the European Coal and Steel Treaty of 1951, TEC of 1957), liberty (found in TEC and TEU of 1991), democracy, rule of law and respect for human rights (found in preamble and founding principles of TEU, Article 11 of TEU, Article 177 of TEC, and the membership criteria adopted at the Copenhagen European Council in 1993). In addition to these five core norms, Manners also distinguishes four minor norms: social solidarity, equality, sustainable development and good governance.\textsuperscript{31}

The five core values reflect the general principles of law that emerged as component of foreign policy in the early 1990s, and the emphasized legal, political and moral values made up the European identity.\textsuperscript{32} For instance, these core norms became inherent part of EU membership criteria (link between articles 6 and 49 TEU), and also since the Treaty of Maastricht promoting and safeguarding these core values was included in the two external policy areas – development cooperation and CFSP (Art.177 TEC, Art. 11 TEU). According to O’Brien, the fact that enlargement is linked to the common values is a manifestation of

\textsuperscript{28} Manners, Ian: “Normative Power Europe: A Contradiction in Terms?” JCMS 2002 Volume 40 No.2, pp.235-58, p 236
\textsuperscript{29} Manners, 2002, p.252
\textsuperscript{30} Manners, 2001, p.10
\textsuperscript{31} Ibid
\textsuperscript{32} Haglund-Morrissey, Anne & Daniel Silander: The EU and the Outside World - global themes in European settings, Växjö University Press 2007, p.75
the EU’s normative international identity, and the enlargement is the means of democratization and Europeanization of candidate states. It is interesting to state that the normative values promoted by the EU are not EU-specific, but universal, which however EU interprets into specific principles that guide its concrete foreign policy actions. As Manners notes, what is important about the promotion of these normative principles is not only their universality, but the means they are diffused and spread through. Manners distinguishes six factors which the EU norm diffusion is shaped by: 1. contagion, 2. informational diffusion, 3. procedural diffusion, 4. transference, 5. overt diffusion and 6. cultural filter.

Contagion is an unintentional diffusion by EU, Manners calls it symbolic normative power. Informational diffusion is the strategic and declaratory communication by EU, such as the Presidency demarches form the Presidency of the EU. Procedural diffusion is the institutionalization of the relationship by the EU with the third parties, such as agreements, interregional cooperation or EU membership. Transference diffusion is the exchange of benefits (goods, trade, aid) by the EU and third parties, or the so called ‘stick and carrot’ policy of financial rewards or economic rewards in exchange of adaptation of community norms and standards. Overt diffusion is the physical presence of the EU in third states or international organizations, such as commission delegations and embassies of member states. And finally, the cultural filter is a cultural diffusion and political learning in third states and organizations; it is the construction of knowledge and social and political identity by the subjects of norm diffusion.

Using the factors distinguished by Manners, the ENP will be analyzed through observing what normative basis it has and how the EU diffuses its values through the policy, putting an accent on the actual normative impact it has.

2.3 Theories on the Europeanization of Central and Eastern Europe

In order to examine the strategies of EU norm diffusion in general, and democracy promotion in particular, I will use the theoretical framework based on the analytical framework developed by Schimmelfennig and Sedelmeier on the Europeanization of Central and Eastern Europe and Schimmelfennig’s further argument on the Europeanization beyond Europe.

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34 Haglund-Morrissey & Silander, p.74
35 Manners, 2001, pp.12-13
2.3.1 Europeanization

The substance of the EU’s role in promoting democracy is connected with the paradigm of Europeanization, which on one hand has a strong democratic content, and on the other relates to empowerment of the EU institutions. Democracy and Europeanization are overlapping categories, though Europeanization is a wider concept. 36 To begin with the explanatory framework, it is necessary to define the concept and the essence of Europeanization.

Europeanization is a contested concept, with many definitions. On one hand Europeanization can be understood as a process concerned with “the impact of policy outcomes and institutions at the European level on domestic polities, politics, and policies”37. On the other hand Europeanization can be understood as a process of convergence on European norms and values through the interaction of three dynamics: firstly the legally binding norms of the EU for democracy and human rights; secondly the transformation of objective interests and individuals; and thirdly the transformation of values and identities at the social level.38

It is possible to distinguish three phases and dimensions of Europeanization:

- Membership Europeanization – the impact of the EU on existing EU member states
- Enlargement Europeanization – the impact on accession and candidate countries
- Neighbourhood Europeanization – the impact on the EU’s neighbouring countries, which have no clear accession perspective. 39

In the interest of this work is the neighbourhood Europeanization, which is drawn upon the enlargement Europeanization, as the three dimensions are interconnected.

Schimmelfennig & Sedelmeier define Europeanization as a process in which states adopt EU rules.40 They develop three main explanatory models of Europeanization, specifying the conditions under which non-member states adopt EU rules: the external incentives model, the social learning model and the lesson-drawing model. They differentiate the models on two key dimensions. First, they distinguish between EU-driven or domestically driven process of  

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38 Emerson et.al, “The reluctant debutant”, p. 4
40 Schimmelfennig & Sedelmeier, p. 7
Europeanization. Second, they distinguish between two logics of rule adoption: *logic of consequences*, which assumes that the actors are strategic and instrumentally rational, seeking to maximize their own power and welfare, and *logic of appropriateness*, according to which the actors are motivated by internalized identities, values and norms. In the latter case the actors, rather than thinking in terms of conditions and rewards, choose the most appropriate and legitimate alternative.\(^{41}\) These two logics are in line with the debate between rationalism and constructivism in IR theory.

### Principal actor in rule

<table>
<thead>
<tr>
<th>Adoption process</th>
<th>Logic of consequences</th>
<th>Logic of appropriateness</th>
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<tbody>
<tr>
<td>EU-driven</td>
<td>External incentives model</td>
<td>Social learning model</td>
</tr>
<tr>
<td>CEEC-driven</td>
<td>Lesson-drawing model</td>
<td>Lesson-drawing model</td>
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</tbody>
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Schimmelfennig & Sedelmeier, p. 8

As seen from the table, the ‘external incentives model’ follows logic of consequences and has the dynamics of political conditionality, the ‘social learning model’ follows a logic of appropriateness and emphasizes identification of the countries with the EU and persuasion of the countries by the EU, and the ‘lesson drawing’ follows the both logics and is the adoption of EU rules by the countries themselves.

It is important for this work to give a detailed account of the models, as they will be used as an analytical framework to evaluate democracy promotion by the ENP.

#### 2.3.2 The external incentives model

The external incentives model is a rationalist bargaining model, and aims to examine the essence of *political conditionality*. This model is actor-centered and implies a bargaining process in which the actors exchange information, threats and promises to their preferences. The outcome of the bargaining process depends on the actor’s bargaining power, which depends on the degree of the possession of information and necessity for the actors to participate in the cooperation.\(^{42}\)

In most of the cases, the EU uses political conditionality, which follows a strategy ‘reinforcement by reward’, which means that the EU sets conditions for adoption of its rules

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\(^{41}\) Schimmelfennig & Sedelmeier, p.9  
\(^{42}\) Ibid, p. 10
by the third parties and in case of compliance rewards them. The rewards offered by the EU to the target governments are of two kinds: assistance, which can be technical and financial, and the institutional ties, ranging from trade and cooperation agreements through association agreements to full membership.\(^{43}\)

The point of departure in this bargaining process is a status quo or a domestic equilibrium, which reflects the current distribution of preferences. The EU conditionality can work in different ways:

*Intergovernmental bargaining*- it can work directly on target government which calculates if the benefits of the rewards promised by the EU outweigh the domestic adjustment costs and takes into consideration the opportunity cost of discarding the rules promised by other international actors.

*Differential empowerment of domestic actors*- it can work indirectly through the differential empowerment of domestic actors, which in this case have independent incentives for adopting EU rules. This can be the case when domestic actors, by adopting EU rules, increase their influence in the political system, which they couldn’t have done otherwise due to the lack of sufficient power.\(^{44}\)

The main proposition of the external incentives model under the strategy reinforcement by reward suggested by the authors is the following: *a government adopts EU rules if the benefits of EU rewards exceed the domestic adoption costs.* This is an important point which will be elaborated later on.

Schimmelfennig & Sedelmier suggest that the cost-benefit analysis depends on four factors: the determinacy of conditions, the size and speed of rewards, the credibility of threats and promises, and the size of the adoption costs.\(^{45}\)

1: *Determinacy of conditions* - The adoption of EU rules by the target government is dependent on the setting the conditions for rewards by the EU, and how determinate they are. Determinacy refers to the clarity and formality of a rule. The clearer the implication of the rule, the more is the likelihood of rule adoption by the target government.

2: *The size and speed of the rewards* - This factor suggests that the probability of a rule adoption increases with the size and speed of rewards. First, according to the authors the

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\(^{43}\) Schimmelfennig & Sedelmier, p.10

\(^{44}\) Ibid, p.12

\(^{45}\) Ibid, p.12-16
promise of enlargement should be more powerful than that of association or assistance. And second, shorter distance in regards to time of the reward enhances higher incentive to comply and vice versa. Usually the rule adoption becomes higher to the point when it gets closer the day of EU enlargement decision-making. According to Kelly, even if the reward - in this case membership, is distant, the problem can be solved with a gradual process consisting of several levels of progress, under the condition that the compliance is checked and intermediate rewards are paid.

3: The credibility of threats and promises - The third set of factors of conditionality underlines the credibility of EU’s bargaining power. In order to succeed in rule adoption by the parties, the EU must hold credible threats of withholding rewards in case of noncompliance and hold credible promise to deliver rewards in case of successful rule adoption. Basing on this reasoning, assistance and association have been more credible rewards than accession, as the enlargement is a costly for the EU, involving long-term negotiations and preparations. Therefore, the more the pre-accession process advances, the higher are the costs for the EU in case of withholding the reward, whereas in the case of assistance and association, there is required smaller investment by the EU and can be stopped easier.

4: The size of adoption costs - The external incentives model presupposes that the rule adoption is always costly for target governments; otherwise an adoption could take place without conditionality. The model works on the scheme, that the size of the domestic adoption costs and their distribution among domestic actors determines whether the target government accept the conditions or not. The logic underlying is that the adoption costs will balance by the benefits offered by the EU rewards.

Basing on these four factors, Schimmelfennig & Sedelmeier formulate the following hypothesis: “conditionality will be most effective if rules and conditions are determinate; conditional rewards are certain, high and quickly disbursed; threats to withhold the reward are credible; adoption costs are small; and veto players are few”. 46

### 2.3.3 Alternative explanatory models

For analyzing the ENP democracy promotion the rationalist external incentive model of conditionality is not fruitful enough to also explain domestic change in target countries. Therefore it is necessary to account for two other explanatory models.

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46 Shimmelfennig & Sedelmier, p.16
2: *The Social Learning model* is based on the logic of appropriateness. From this perspective the EU is defined by specific collective identity and set of common norms and values. The model implies that the country adopt EU rules depending on whether it identifies itself with the EU’s values and norms. The authors identify several factors affecting the persuasive power of the EU: *legitimacy*, *identity* and *resonance*.

*Legitimacy* refers to the quality of the rules, the process they were established through and the way they are transferred to the target governments. *Identity* is the degree of identification of the target government with the collective identity, norms and values of the EU: the more the identification is, the higher is the likelihood of rule adoption. *Resonance* implies the domestic factors that facilitate persuasion.

3: *The Lesson-Drawing model* implies adoption of the EU rules without inducement by the EU. This is considered to be an ‘ideal type’ of Europeanization. The idea is that the governments turn themselves to learn from other countries in the result of dissatisfaction with the domestic policy. The conditions under which the governments turn themselves to draw lessons from EU rules are the following: *policy dissatisfaction*, *EU-centered epistemic communities*, *transferability of rules* and *veto players*.\(^{47}\) I will not go deep in this model as it won’t be the part of the analytical framework used to analyze ENP’s democracy promotion.

To sum up the theoretical part, Schimmelfennig & Sedelmeier’s explanatory models provide a concrete method of identifying and analyzing the ability of the EU to export its norms and values. Rule adoption is looked upon as community’s means to diffuse and promote its norms. Indeed, some factors of rule adoption mentioned by Schimmelfennig & Sedelmeier are of profound normative character, such as legitimacy and identification.

To evaluate EU’s democratic norm promotion the external incentives model and the social learning model will be applied. These models can be viewed as an approach to study democracy promotion. This theoretical framework specifies potential outcomes of interaction of sets of international and domestic conditions, and therefore it is a useful tool to analyze the strategies of democracy promotion of the ENP (international conditions) and to identify domestic conditions, in order to assess whether these conditions are suitable to successful internalization of democratic norms. The two models entail different approaches and as already mentioned above, go in line with the debate between rationalism and constructivism; however, they are not mutually exclusive, and sometimes even complimentary.

\(^{47}\) Shmmelfennig & Sedelmier
3. THE EUROPEAN UNION DEMOCRACY PROMOTION

In this chapter I will attempt to show what kind of actor the EU is, what is the EU’s definition of democracy, which methods it uses and through what channels it promotes the democratic norms and values.

3.1 The EU as an actor of democracy promotion

It is generally acknowledged that the EU is one of the most important international actors in promoting democracy outside its borders. Democracy, human rights and the rule of law have been integrated to the European integration process from its very foundation and are the fundamental rules of legitimate statehood in the EU (Art.6, TEU, 2006). Moreover, democracy promotion has led the EU to become an important norm-provider in Europe.

While the EU itself can be considered a community of democratic states, it dedicated itself to active and systemic promotion of democracy relatively late. Though the Birkelbach report in the European Parliamentary Assembly indicated standards of democracy for future members for the first time back in 1961 and in 1973 the ‘principles of representative democracy’ were asserted to be an essential element of European identity, it was not until the Treaty of Maastricht of 1992 when the ‘developing and consolidating democracy and the rule of law’ was included as an objective for both of development cooperation policy and of Common Foreign and Security Policy (CFSP).

Community policy in this [development co-operation] area shall contribute to the general objective of developing and consolidating democracy and the rule of law and that of respecting human rights and fundamental freedoms” (Art.11.1 TEU).

Consequently, democracy promotion as an objective of the EU’s external affairs became part of the EU primary law in the beginning of 1990s. The legal basis for the EU’s joint commitment to democracy is found in the Treaty on European Union, where democracy is defined as one of the principles underpinning the EU’s external action (Art.6, TEU 2006).

As widely acknowledged, the EU is a multi-level governance system and as in any such system the decision-making is a complex and complicated process. Complexity is evident also with regard to democracy and human rights promotion, as both decision-making and

implementation of the programs are located at various levels and involve a variety of actors. The democracy promotion programs cover both the first community pillar and the second intergovernmental pillar with the CFSP, therefore making it a cross-pillar and multi-level issue in the EU system of governance.\textsuperscript{51} Nevertheless, the EU managed to formulate the most comprehensive strategy of democracy promotion.\textsuperscript{52}

In sum, it can be said that several factors in recent years have had a major impact on the evolution of EU democracy promotion, the main ones being the following: the end of the Cold War; the success of the EU enlargement processes, which brought new waves of expertise and experience on democratic transition; the political and institutional development of the EU; the response to global threats and finally deeper reflection on conflicts.\textsuperscript{53} It is evident that the EU democracy promotion has come a long way and progressed substantively in the last decade, however it still lacks a clear profile and a coherent set of principles.

3.2 EU’s definition of democracy and democracy promotion

There has been little consistency in the discourse and terminology of democracy and democracy promotion between the EU Member states and within the EU institutions. Explicit definitions of democracy are rare in EU policy documents, which usually contain different concepts of democracy. In most of the cases the term ‘democracy’ is not used in isolation, instead it lies in the nexus of peace and security, human rights and development objectives. Besides, the term democracy, alongside with the rule of law, human rights, civil society development is regarded as a component of ‘good governance’.\textsuperscript{54} Thus, as evident from numerous international texts and conventions\textsuperscript{55}, it can be said that democracy by the EU is generally understood as a universal value, which is inseparable and interdependent with the rule of law and protection of human rights. Indeed, human rights play a prominent role in EU policy documents related to democracy, in which it is stressed that human rights and democratization are closely linked.\textsuperscript{56}
“Democracy and human rights are inextricably linked. The fundamental freedoms of expression and association are the preconditions for political pluralism and democratic process, whereas democratic control and separation of powers are essential to sustain an independent judiciary and the rule of law which in turn are required for effective protection of human rights.”

It is observable that the EU’s understanding of democracy is much wider than the minimalist definition of democracy aiming to support just free and fair elections and formal institutions, and it is more fitting in the Dahlian definition of democracy as polyarchy. Dahl’s two dimensions of democracy, contestation and participation are fitting the EU’s perception, as they encompass both ‘competition through free and fair election’, right of ‘people to participate’ and is based on civil liberties.

As for the definition of democracy promotion by the EU, like there is a large confusion of terms democracy promotion, democracy support, democracy assistance, democracy aid and so on in general, there is a constant confusion of the terms by the EU as well. One accepted definition of democracy promotion is provided by the European Council of Ministers (2006, 1, note1) in its report on “The EU Approach to Democracy Promotion in External Relations, Food for Thought”, where it takes the term “to encompass the full range of external relations and development cooperation activities which contribute to the development and consolidation of democracy in third countries”.

In other words, democracy promotion encompasses all measures to facilitate democratic development. In the framework of CFSP the EU focuses on support for human rights, political institutions and citizens’ participation through civil society and free and fair elections, emphasizing the importance of the latter, but at the same time reaffirming its view that democracy consists of more than just elections.

### 3.3 Methods and instruments of EU democracy promotion

The EU has developed a range of policy commitments and instruments for promoting democratic values beyond its borders. The methods the EU uses to promote democracy, human rights and the rule of law can be grouped in three categories: the use of political conditionality; the provision of aid to promote democratization; and the use of diplomatic instruments such as political dialogs. The EU also observes elections in third countries.

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57 EC regulation No. 1889/2006, Establishing a financing instrument for the promotion of democracy and human rights worldwide, paragraph 8
58 “The EU approach to democracy promotion in the external relations. Food for thought”
59 Smith, p.134
**Political conditionality**

The offer of trade, economic agreements, assistance, political dialogue and other instruments are usually made conditional by the EU on respect for human rights and democracy.

When applying conditionality, a social actor uses the mechanism of reinforcement in order to change the behaviour of another actor. Reinforcement is a form of social control by which pro-social behaviour is rewarded and anti-social behaviour is punished, and it is assumed that actors reinforced will choose a pro-social behaviour in order to continue to be rewarded and avoid punishment. EU’s democratic conditionality mainly uses *reinforcement by reward*. In other words, the EU mainly uses positive conditionality, that is “the EU offers and withholds carrots but does not carry a big stick”.

The community approach is geared to the principle that international cooperation must focus especially on positive measures providing incentives for the promotion of democracy and human rights; the use of sanctions should be considered only if all other means have failed.

The EU offers different kinds of rewards: from aid, such as technical and financial assistance, institutional ties and association agreements to full EU membership. Under the *reinforcement by reward* strategy the international organization denies reward in case if the target actor fails to comply with its conditions. Consequently the EU, when applying democratic conditionality, denies assistance or the upgrading of institutional ties to the countries which failed to fulfil the political criteria.

Negative conditionality and sanctions are used by the EU to a limited extent. As examples of cases when EU used negative conditionality can serve Slovakia’s initial exclusion from the first-round of negotiation for EU membership due to its shaky democratic records, or Burma’s exclusion from the EU-ASEAN agreement. However, cases are not so many and as already mentioned above, in general the EU prefers positive measures and is reluctant to use negative ones. One of the reasons for that is that positive measures seem to challenge sovereignty less than sanctions; another one can be that sanctions can alienate states and harm the population, and therefore even worsen the situation.
The use of political conditionality is directed towards influencing the governments of the third countries, so it is a top-down approach to promote democracy. On that respect there has been a considerable debate about whether the democracy can be promoted from ‘above’ by outsiders, as democratization depends on local conditions and must be an indigenous process. Nevertheless, the general thought is that EU political conditionality has been successful in promoting democracy, especially in connection with enlargements, and that the “international insistence on compliance with formal criteria is essential”\textsuperscript{65}.

Provision of aid to promote democracy

The EU began giving democracy aid later than other donors. Among the main programs are PHARE (Poland and Hungary Action for Restructuring of the Economy), TACIS (Technical Assistance for the Commonwealth of Independent States) for the Post Soviet Union’s successor states, MEDA (Mediterranean development assistance) and the main one is the EIDHR (European Instrument for Democracy and Human Rights). EIDHR is a program replacing EIDHR (European Initiative for democracy and human rights) starting from 2007. EIDHR (initiative) was created in 1994, when under EP pressure various funds were consolidated under one budget heading and it was generally had to be implemented in partnership with NGOs and international organizations\textsuperscript{66}. The budget of EIDHR has been constantly growing, from ECU 59.1 million in 1994 to 98 million euro in 1999, and from 1999 to 2009 it grew by 44\%\textsuperscript{67}. However, this is not that much money taking into consideration that this is a small percentage of the external relations money which itself is a small percentage of the EU’s total budget.

The key objectives of EIDHR are:

- Enhancing respect for human rights and fundamental freedoms in countries and regions where they are most at risk;
- Strengthening the role of civil society in promoting human rights and democratic reform, in supporting the peaceful conciliation of group interests and in consolidating political participation and representation;

\textsuperscript{65} Kaldor, Mary & Vejvoda, Ivan: "Democratization in Central and East European Coutries", \textit{International Affairs}, 76, 1, 2000, p.82
● Supporting actions in areas covered by EU Guidelines: dialogue on human rights, the death penalty, torture, violence against children and women;
● Supporting and strengthening the international and regional framework for the protection of human rights, justice, the rule of law and the promotion of democracy;
● Building confidence in and enhancing the reliability and transparency of democratic electoral processes, in particular through monitoring electoral processes.68

The key strength of the EIDHR is considered to be its ability to operate without the need for the host government consent and the fact that it can grant aid where no established development cooperation exists69.

Diplomatic instruments

There are no political dialogues conducted by the EU that specifically focus on democracy; nevertheless, as agreed by the Council, all of the EU’s political dialogues should cover issues related to democracy and human rights. As Karen Smith puts it, “by including the issue of democracy in institutionalized relationships - through the human rights clause in agreements – the EU puts the issue on the table”70.

The political dialogues are persuasive rather than coercive, which is perceived as an advantage. As put by the Commission, “The most effective way of achieving change is therefore a positive and constructive partnership with governments, based on dialogue, support and encouragement”71. It should be noted, that dialogue works only under the condition that the other party is willing and ready to cooperate and is committed to pursuing change; otherwise the persuasion will not be effective.

The political dialogues at the multilateral and bilateral level are regularly conducted with:
● the Balkan states as part of the Balkan Stability Pact and bilateral accession agreements,
● the Mediterranean countries in the framework of the Euro-Med-Partnership
● the Newly Independent States, the successor states of the Soviet Union on a bilateral basis,
● the ACP countries in the framework of the Cotonou Agreement,
● Latin American states as part of the EU-Mercosur and the EU-Andean Community dialogues and bilateral association agreements with Mexico (1997) and Chile (2002),

69 Herrero, p. 7
70 Smith, p.140
71 European Commission, COM (2001), 252, p.8
Asia within the framework of the Asia-Europe Meetings (ASEM) and ASEAN 72

Election observation

Election observation means that foreign observers (states, NGOs, international organizations) monitor election campaigns and voting in countries which have little experience in conducting ‘free and fair’ elections.

EU joined the election observation operations relatively early, as it holds a strong belief that observing elections contributes to strengthening democratic institutions and building public confidence in the electoral process. As stressed by the European Commission, ‘election observation is a vital EU activity aiming to promote democracy, human rights and the rule of law worldwide’73. Besides election observation, the EU gives technical assistance to the third countries by, for example, training local observers or providing voting equipment.

Though giving such prominence to election observations, the EU was not able to ensure a coherent decision-making process and has been constantly facing coordination problems. Decision-making processes in connection with observing elections take place under both pillars. There is a variety of EU actors present: the Commission delegation, Council presidency, EU election observers, which constantly have disagreements over various matters. Due to this, the EU has a lack of management capacity to implement large field operations and that is why it has often passed on responsibility to or worked under the umbrella of other international actors, mainly OSCE and UN. Thus, in 2001 the Council declared that the Commission should work together with other international partners and observe elections jointly with them74.

This creates a problem for the EU to ensure its visibility in election observation: “A real risk exists that the EU, instead of being a policy actor, becomes a bank to finance the policies of others, particularly as long as problem of EU procedures and expertise are not addressed”.75

All in all, EU systematically puts democracy promotion on a high level of its foreign policy objectives, but it seems that the complexities of the EU’s institutional power struggles and bureaucratic constraints hamper the effectiveness of the instruments of democracy promotion.

74 Development council, “Conclusions”, 31 May 2001
4. EUROPEANIZATION AND EUROPEAN NEIGHBOURHOOD POLICY

4.1 Europeanization

The EU has constructed a set of policies for its neighbourhood, which consists of Europe and Mediterranean basin. States in this geopolitical space are divided into three categories: first the accession candidates, second the Western Balkan states for which accession is a long-term goal (included in the Stabilisation and Association Agreement Process- SAP), and third the official neighbours of the former Soviet Union and the Mediterranean (included in the European Neighbourhood Policy-ENP).

All these three policies, namely Accession, SAP and ENP, have the same normative basis, as in all of them the policy documents give first place to the objective of convergence on democratic values, human rights and the rule of law. The only difference is the intensity of pressures and incentives for compliance: the Accession requiring full compliance, the SAP requiring full compliance but in longer time and the ENP more flexible or selective compliance. Besides having the same normative basis, the Commission has followed the same normative framework for all three categories, as the SAP is a first derivative of the Accession process, and the ENP a second derivative.76

The EU’s democracy promotion policies have developed through a process of path-dependency, which will be obvious while analyzing the emergence of the ENP.

4.2 Historical background and objectives of the ENP

The ENP was launched in 2004. The formation of the ENP starts since April 2002, when the General Affairs Council requested the Commission and the High Representative for CFSP to think about EU’s relations with its neighbours. Then in a chronological order there is a reference made by Commission President Romano Prodi about the EU’s need for a ‘ring of friends’: “We have to be prepared to offer more than partnership and less than membership, without precluding the latter”77. Later on in March 2003 the Commission presented its Communication ‘Wider Europe – Neighbourhood: A new Framework for relations with our Eastern and Southern Neighbours’78, and then in July the same year presented another Communication ‘Paving the Way for New Neighbourhood Instrument’79 and established a

76 Emerson, “The reluctant debutant” p.5
77 Romano Prodi, Speech to the Sixth ECSA World Conference, Brussels, 5-6 December 2002
78 COM(2003) 104 final, 11.3.2003
79 COM(2003) 393 final, 1.7.2003
Wider Europe Task Force and a Wider Europe Inter-Service Group. In May 2004 the Commission presented Strategy Reports and later in 2004 bilateral Action Plans were set out with the EN countries.

The ENP, as identified by many authors, was shaped by path dependency and was modelled on the enlargement policy, with the same logic and based on the same principles. According to Kelly, it is the outcome of a combination of institutional learning and organizational adaptation by the Commission as a response to the changed post-enlargement environment. ENP is also an expansion of the Commission’s active role in forming the enlargement. Indeed, the Commission considers the 2004 enlargement as the EU’s most successful foreign policy and with the connection to the enlargement process it started to conceive itself as an important foreign policy actor. As the Commission administered the enlargement policies, it also conceptualized the ENP and was the body to implement and to follow it up. This new policy helped the Commission to continue playing a strong role in external affairs: “The Commission’s strengths are its executive powers based on EU internal laws and policies, whereas it has very limited room for manoeuvre in traditional foreign policy, which the member states and Council jealously keep out of the Commission’s hands”.

The similarities between the ENP and enlargement policy are explained firstly by the fact that the task to design the ENP was given to the Enlargement Directorate General, and secondly by the fact that the top task force officials of the ENP all have enlargement background. As a result, what was produced was based on the enlargement policy with some ‘direct mechanical borrowing’ from the later, and based on the same accession model with the same list of chapters. Some early drafts of the action plans were even directly modelled on the accession agreements.

Labelling the ENP as a ‘new wine in old wineskins’, Kelly gives a range of examples of learning and adaptation in the policy, however, the most prominent are the use of conditionality and socialization, which is of the interest of this work.

The ENP is among the top foreign policy priorities of the EU. The ENP includes group of states that currently do not have EU membership potential. It covers six states in the east (Ukraine, Moldova, Belarus and South Caucasus countries Armenia, Azerbaijan and Georgia) and ten Mediterranean states in the south.

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81 Emerson, “The reluctant debutant”, p.5
The ENP was launched in 2004 “with the objective of avoiding the emergence of new dividing lines between the enlarged EU and our neighbours and instead strengthening the prosperity, stability and security of all concerned”\textsuperscript{82}.

From this it is clear that the ENP was mainly created out of security consideration, and therefore should be understood within the European Security Strategy: “Our task is to promote a ring of well governed countries to the East of the European Union and on the borders of the Mediterranean with whom we can enjoy close and cooperative relations”\textsuperscript{83}. The ENP expresses the following security related concerns of the EU: firstly, a concern for political stability on the EU borders; secondly, the inclination to counter negative implications of the recent rounds of enlargement for the ‘outsiders’, as the idea behind ENP is that “The Union remains determined to avoid new dividing lines in Europe and to promote stability and prosperity within and beyond the new borders of the Union”\textsuperscript{84}, and thirdly ENP is an attempt to define an attractive alternative to EU membership.

To increase European security, stability and prosperity, the ENP aims to promote political, economic and institutional reforms in the targeted countries. Through all these development strategies the EU is also actively promoting democracy, human rights and the rule of law, so while EU takes ENP mostly from security perspective, it also tries to diffuse its norms and values through the ENP: “the development of the European Neighbourhood Policy depends very substantially on the will of the neighbouring states and their peoples to share the same values as those on which the European Union is based”\textsuperscript{85}.

As evident the ENP is based on shared values and commitments between the EU and the neighbouring countries, and within these values democracy plays a central role. So it can be said that with the development of the ENP, the EU obtained new tool to promote democracy.

\textsuperscript{82} The European Commission official website \url{http://ec.europa.eu/world/enp/policy_en.htm}
\textsuperscript{84} Council of the European Union, 15917/02, p. 6.
\textsuperscript{85} European Parliament resolution on the ENP, 19/01/06, point C
5. CASE STUDY: ARMENIA

This chapter will focus on the internal factors of democratization of the chosen case study. Armenia is a noteworthy case study, as it has faced many of the challenges encountered by other transitional countries, in particular post-soviet ones, and its democratic development is both comparable and compatible with other countries. Firstly, a brief description of the Armenian history of national survival will be enfolded, firstly because today it is still reflected in social and state dynamics, and secondly to show what democratic traditions Armenia has. The democratization process in Armenia will be analyzed through the democratic transition paradigm, which is to say the democratic development of Armenia will be described through the phases of socio-economic liberalization and transition. The evaluation of Armenia’s path towards democratization is closely linked to the internal political options, which depend on where Armenia geographically is and what democratic traditions it has, and which determine Armenia’s foreign policy choices, also giving an idea about the place of the EU as well.

5.1 Armenia as a unit of analysis

Armenia is a landlocked country situated in the South Caucasus and having Georgia, Azerbaijan, Iran and Turkey as neighbouring countries. It has a population of 3.2 million people, 96% of which are ethnic Armenians. Of all the three South Caucasian states, Armenia is the one that lacks seashore as well as natural resources, a fact that makes it the most dependent from external factors.

Armenia is a post-soviet state and was one of the first countries to witness a national movement during the process of the disintegration of the Soviet Union. It declared independence in August 23, 1990 and was recognized as an independent republic on September 21, 1991. Armenia is divided into 11 regions (marz) run by a governor appointed by central government, and each of the regions is divided into rural and urban communities (hamaynk). The capital of Armenia is Yerevan which constitutes one of the regions and the mayor of which is nominated by the Prime Minister and appointed by the President.

Being a post-soviet country, Armenia inherited similar institutional traditions with the other post-communist states. During the communist period political power was centralized, and policies flowed from the top-down. General public was separated from the policymakers, and

86 National Assembly of Armenia official website http://www.parliament.am
the public participation was absent in decision-making process, which lead the public to become apathetic and distrustful to political process. Thus, all the post-communist countries have similar institutional traditions left by the communist period and in that respect face similar transitional problems, but they differ from each other by pre-communist institutional traditions, and in fact they constitute a rather heterogeneous group of countries.

The political developments in Armenia in general and the democratic developments in particular can be best understood within the geographical and historical frameworks. It is useful to give a historical background of the Armenian nation in order to understand the democratic traditions developed throughout the history. The historical legacy is also important in case of Armenia as there is a big connection between the notion of democracy and nationalism, which will be elaborated in depth below.

5.2 Brief history of Armenian nation and democratic traditions

Being at the ‘crossroads’, throughout its history Armenia has been both ‘blessed and cursed’ for its geographic location, serving either as a buffer or a battlefield for the regional powers.\(^\text{87}\)

Armenia has a long history of around 3000 years, filled with continual wars, invasions, loss of independence, with brief periods of renewal and autonomy. After the collapse of the last independent kingdom of Cilicia in 1375, during the next five centuries Armenia was ruled by Mameluks of Egypt, Mongolian Tartars, Ottoman Turks, Safavid Persians, by the Russians.\(^\text{88}\)

In the 15\(^{th}\) century Armenia became a battlefield between the Ottoman Turks and the Safavid Persians, and in the result of the clash of the two great powers it was divided into two parts, Western Armenia under Ottomans and Eastern Armenia under Persian. In the end of the 19\(^{th}\) century the arrival of the Russians changed the geo-political balance of forces in the region, after which Eastern Armenia found itself within the Russian borders.

In the beginning of the 19\(^{th}\) century in both Russian and the Ottoman Empires Western educated Armenian intellectuals started the agenda of national independence, individual freedom and political rights, with the purpose to establish their own independent state. These revolutionaries were advocates of ideas of freedom, democracy, representative government, constitutional rule and secularization of politics. According to Louise Nalbandian, the revolutionary movement was the expression of “new nationalism, which embodied a fervent


desire for individual freedom and political rights\textsuperscript{89}. This secular nationalism symbolized the emergence of a new national consciousness and was a fundamental shift in Armenian political thinking\textsuperscript{90}.

The Armenian aspirations created great suspicions among the Turks. When in 1914 Ottoman Empire was defeated in war against Russia, Armenians and their behaviour became the target to blame. On April 24, 1915, couple of hundred leaders of the Armenian community were sent to exile and eventual death. The number of people died during what Armenians and a number of states\textsuperscript{91} call Armenian Genocide has been estimated to be around 1.5 million, which turned it to the most tragic event of Armenian history. \textsuperscript{92}

In the East, Armenian forces successfully fought the Turkish army and on May 28 1918 the independent democratic Republic of Armenia was established and the first parliamentary elections were held. The newly elected government did not last long and already in 1920 Armenia lost its independence and became Soviet Socialist Republic of Armenia; however, it was a starting point of developing \textit{democratic traditions} in Armenia. The Communist authorities tried to eradicate Armenian nationalist ideas, however the ideas emerged in the nineteenth century were never completely eradicated.

Talking about Armenian nationalism is important in the context of democratization process, as Armenia showed close connection between democratization and the rebirth of nationalism. \textsuperscript{93} The process of democratization in Armenia between 1988 and 1991 is largely based on the strong nationalist feelings.

\textbf{5.2 The collapse of the Soviet Armenia and the \textit{democratic liberalization of the Republic of Armenia}}

When Mikhail S. Gorbachev took over as General Secretary of the Communist Party of the Soviet Union in 1985 and introduced the process of \textit{glasnost} and \textit{perestroika}, envisioning more open debate concerning what was ailing in USSR, he never expected that more open discussions would touch on more sensitive topics of national questions, which he wouldn’t be able to handle.

\textsuperscript{89} Nalbandian, Louise, \textit{The Armenian Revolutionary Movement: The Development of Armenian Political Parties through the Nineteenth Century}, Berkley, CA: University of California Press, 1963, p.46
\textsuperscript{90} Ishkanian, p. 7
\textsuperscript{91} The number of States officially recognized the Armenian Genocide is 28
\textsuperscript{92} For a discussion on Armenian Genocide, see Vahakn Dadrian: \textit{“The history of the Armenian Genocide: Ethnic Conflict from the Balkans to Anatolia to the Caucasus”}, Providence, RI: Bergahn Books, 1995
\textsuperscript{93} Rutland, Peter: \textit{“Democracy and Nationalism in Armenia”}, \textit{Europe-Asia Studies, Vol. 46, No. 5} (1994), pp. 839-861, p. 839
In Armenia *perestroika* heralded the beginning of a nationalistic movement for the control over Nagorno-Karabakh (NK), which would play a crucial role in the break-up of the USSR. NK is a defining issue for the Armenians and their history, and since 1988 to the present it is impossible to discuss any political development in Armenia without referring to the conflict. The in depth discussion about the NK movement and the conflict is important, as it was and is still determining the country’s political choices, and as for Armenians Karabakh was and still is a symbol of their struggle for survival and desire for independence.

For centuries the area of NK has been mostly inhabited by ethnic Armenians and was maintaining a quasi-independent status under the leadership of local Armenian rulers. After the World War I, two newly founded republics of Armenia and Azerbaijan tried to get control over NK, however, as already mentioned above the independence was too short and the decision was enforced from above by the Soviet Union, the part of which these two republics became. In 1921 the Caucasian Bureau of Russian Communist Party first decided to attach Karabakh to Armenia, but under the influence of Stalin who was seeking better relations with Kemalist Turkey, the decision was reversed and NK was attached to Azerbaijan as an autonomous region called Nagorno-Karabakh Autonomous Oblast (NKAO).

In the period after that and before the perestroika Nagorno-Karabakh Armenians (75% of the population), on the basis of cultural discrimination and economic neglect, demanded the unification of the enclave with Armenia for several times, however unsuccessfully. The perestroika was interpreted as a signal that claims for self-determination for the NKAO could be recognized. This new situation created violence in Azerbaijan against Armenians, resulting in Sumgait Pogroms, leaving 26 Armenians dead and became the trigger for the nationwide demonstrations in NK and Armenia. According to Georgi Derluguian: “[f]or the Armenians, the question of Karabakh encapsulated all their historical sorrows and became the symbolic substitute for the much larger trauma of the 1915 genocide and the loss of historical Armenian lands that remained under Turkey’s control”.

The demonstrations first started in NK, and then encompassed whole Armenia. On February 26, 1988, it was estimated that in Armenia out of a total population of 3.7 million one million

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94 Rutland, p.839
95 Masih & Krikorian, p.2
96 Ibid, p. 3
people demonstrated. As a matter of fact, these turned to be the largest pro-democracy demonstration in the history of the USSR. As Joseph Masih states, this was the birth of the civil society in Armenia, which has begun during the first republic but was frozen for decades of Soviet rule. From the beginning the movement was addressing solely the problem of NK, but by May 1988 the leaders of the movement started to address the issues of democracy, corruption, value systems and independence. As an umbrella organization for all the organizations and individuals involved in movement the Armenian National Movement (ANM) was created.

In can be said that the stage of democratic liberalization in Armenia started in 1988, when, as a result of election campaign, which was for the first time in the history of the Soviet Union, the representatives of the ANM were elected in the Supreme Council of the Armenian SSR. Levon Ter-Petrossyan, who was one of the leaders of Karabakh movement, was elected the chairman of the Parliament. After the ANM came to power, on August 23 1990 the Parliament made the declaration of independence. Among other things, the declaration stated that the Armenian Republic (RA) would ensure freedom of speech and press, would establish a multiparty system and a separation of legislative, executive, and judicial powers.

5.3 Political Reforms and democratic transition between 1990-98

By the end of 1990 democracy had made a substantial progress in Armenia. Legal grounds for liberalization and democratization of society were initiated. Based on the laws “On Property in the Republic of Armenia” (31.10.1990) and “On the Bases of Privatization in the Republic of Armenia” (13.2.1991), transition from the state monopoly on the means of production to diversity of forms of property took place; based on the law “On public Organizations” (26.2.1991) pluralism and multiparty system was established and based on the law “On Press and Other Mass Media” freedom of speech was established.

The next step was the Constitution, for the formation of which the Constitutional Commission was created in 1992. Constitution-making in Armenia, similarly to other Post-Soviet states, was a long and controversial process. Only on July 5, 1995 the Constitution of the Republic of Armenia was adopted by a national referendum and the Republic of Armenia

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99 Masih & Krikorian, p. 8, p. 27
100 Furtado & Chandler, pp. 441-443
was declared ‘a sovereign, democratic, social state governed by the rule of law’\textsuperscript{102}, with the semi-presidential form of government, similar to the French System. Presidential powers were broad and included the appointment of the Vice-President and Prime Minister and the right to dissolve the 190-member, unicameral National Assembly. However, the president is powerful if he/she has the support of the majority in parliament. In case the opposition controls Parliament, the president has no power to carry out his decisions.

The period after the adoption of the Constitution was followed with a political disorder. The legitimacy of the parliamentary elections in 1995 and the presidential elections in 1996 were under question. The problem as believed by some politicians was that according to the Constitution the power was concentrated in the hands of one person, and the fraudulent actions during the elections were the result of hyper-presidential system\textsuperscript{103}. Alexandr Markarov argues, that the government’s structures were “overshadowed by the presidency”, as “the constitution called for separation of powers, but in actuality provided little, if any, means for real checks and balances, or any real guarantees for the branches to function independently”\textsuperscript{104}. During the 1988 presidential elections most candidates, including Robert Kocharian, were in favour of the change in the Constitution, so as the power would be taken from the president and given to the Parliament. However, when Kocharian was elected a president, he shifted his stance, as he was ‘no less self-interested and actor than his predecessor’ and a strong parliament and Constitutional court were not in his interests. The change of the Constitution occurred as late as in 2005, when Kocharian was approaching the end of his second term and the amendments succeeded in referendum.\textsuperscript{105}

In general, the 1996 presidential elections and the victory of Levon Ter-Petrosyan, then his resignation in 1998 and election of Robert Kocharian as president tell a lot about the political culture of Armenia and its people, about the strength and weaknesses of the Constitution and institutions, as well as about the individuals involved and who continue to play major role in current politics of Armenia.\textsuperscript{106}

\textsuperscript{102} National Assembly of the Republic of Armenia http://www.parliament.am/parliament.php?id=constitution&lang=eng
\textsuperscript{103} Department of Public Affairs at the National Assembly of the Republic of Armenia, “Վեցյակի սահմանադրական նախագիծը, Հայաստանի Հանրապետություն”, Հայաստանի Հանրապետություն (March 6, 2002, # 40 (2933)
\textsuperscript{104} Markarov, Alexandr: “Macroinstitutional Political Structures and Their Development in Armenia”, Democratizatsiya, Spring 2006
\textsuperscript{106} Libaridian, p.47
The resignation of Ter-Petrossyan took place under the pressure of his Prime Minister Robert Kocharian, who became the next president, the Interior and Security Minister Serge Sargsian, who is the current president of Armenia, and the Defence Minister Vazgen Sargsian. They opposed Ter-Petrossyan’s acceptance of the proposal for the NK conflict resolution introduced by the OSCE Minsk Group Co-Chairmen, which would have left the territory formally within the borders of Azerbaijan. The argument was that the proposals were not in the interests of Armenia and Nagorno-Karabakh.

The situation with the Nagorno-Karabakh was that after the independence of Armenia the conflict turned into a full-fledged war between Armenia and Azerbaijan, which ended in 1994, when Russia mediated a cease-fire agreement between the two parties, leaving the territory de facto independent state with support from Armenia. In 1992 the Organization for Security and Cooperation in Europe (OSCE, CSCE at the time) Minsk Group was assigned to mediate in the conflict. Since 1994, Russia has a position of permanent co-chair, first with other OSCE countries rotating in the other co-chair position, and later on since 1997 the US and France becoming permanent co-chairs. The first important step was the Budapest Summit in 1994, where after long disputes NK was viewed as a participant. In December 1996 OSCE held its Lisbon Summit, where a statement was issued, calling for territorial integrity of Armenia and Azerbaijan and for the self determination of Nagorno-Karabakh within Azerbaijan. For Armenia and NK the Lisbon Summit was a retreat from the Budapest summit, as it addressed issues such as external borders of the countries, which had never been in question. Robert Kocharian and his supporters did not agree with the statement and this was the main debate between him and Ter-Petrossyan.

After that within forty days, in accordance to the Constitution of RA, new elections took place, in which Robert Kocharian was elected the new president. The next national elections were the May 1998 National Assembly elections, which brought the parliamentary majority to President of the National Assembly Karen Demirchian and Prime Minister Vazgen Sargsian which meant that there were in the position challenging the authority of Robert Kocharian. However, one shocking incident changed the situation. On October 27 1999 five gunmen entered the Armenian Parliamentary Assembly and killed Vazgen Sargsian and Karen Demirjian as well as six other officials. After the incident the gunmen were charged,
however the power behind them was never revealed\textsuperscript{110}. The fact that the killings removed President Robert Kocharian’s most influential opponents gave grounds for suspicions and conspiracy, and ‘left deep scars on the Armenian psyche and public life’\textsuperscript{111}. This incident deepened the distrust of the Armenian population towards current government.

According to Mariam Margarian (by applying the theory of V. Gelman), the stages of \textit{democratic transition} of Armenia can be divided into the stages of inspiration (1990-1996), disappointment (1996-1998) and realism (from 1998 onwards). Armenia started moving towards democracy with undemocratic means. Why so?

\section*{5.4 Challenges to the democratization process}

If we look at the process of the democratization as a movement along the spectrum with undemocratic rule one hand and democracy on the other, we see that Armenia has passed the phases of democratic liberalization and democratic transition, as it is an electoral democracy now; however it never reached to the stage of consolidation. Rather, it entered a ‘political gray zone’. Even though the beginning was promising, in the turn of 1998 it was clear that there were a range of serious challenges Armenia was and is still facing to become a consolidated democracy.

The first challenge is the geographic position of the country, which could have made Armenia the center of regional cooperation, in reality left the country landlocked and isolated. The Nagorno-Karabakh conflict has left Armenia with only two open borders, Georgian and Iranian (Turkey and Azerbaijan closed). That meant that the trade with the outer world was only possible through one way, through seaports in Georgia, making a big obstacle to economic development.

Another challenge was corruption. Collapse of the Soviet Union left Armenia with a highly non-functioning command economy, and though Armenia early on started to move towards market economy, it was not until mid-1990s the economy started to stabilize. The economic transition was “translated into ‘shock therapy’ measures”\textsuperscript{112}, which led to concentration of wealth in the hands of minority and resulted in widespread corruption. As Joseph Masih wrote, there was general opinion that “there is no difference between the mafia and the

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{110} Libaridian, pp. 231-34
\item \textsuperscript{111} Ibid, p. 252
\item \textsuperscript{112} Derghoukassian, Khatchik (2006), “Balance of power, Democracy and Development: Armenia in the South Caucasian regional security complex”, \textit{Armenian International Policy Research Group, Working Paper No. 06/10, January}}
\end{itemize}
\end{footnotesize}
government for they are one and the same thing”.

This statement is not an exaggeration, as corruption and mafia still remain one of the main hurdles to democratization in Armenia.

The creation of the powerful Armenian elites is directly linked to the conflict. In fact Armenian elites have found support in the NK conflict and the nationalist feelings it was bolstering. According to a joint Armenian and Azeri publication, “Karabakh conflict became a factor in the (early or late) formation of the new national elites claiming political power in Azerbaijan and Armenia and even in the NK. […] The leaders [in both countries] have forever become hostages to the nationalist slogan and sentiments, and not only because of necessity but also preceding from the fact that continuation of the conflict assured personal power”.

As stated above, Robert Kocharian, elected as president in 1998, had the support of the population mainly because he was more hard-lined concerning the conflict than Ter-Petrosyan. In Armenia many believe that Kocharian and Serzh Sargsyan (the current president of Armenia), who are Karabakh-natives, are the only people who can solve the conflict and ‘sell’ the agreement to Armenians.

According to Tigran Mkrtchyan, the Executive Director of the Armenian International Policy Research Group, the view that a particular individual can solve the conflict, vital to national survival, justified the illegitimate actions of authorities, such as violently crushing the opposition: “The expectation that it is up to individuals to forge a resolution is grounded in lack of strong state institutions, weak democracies, a crude political culture and related structural capacity problems”.

The author investigates the relationships between the democratization process in Armenia and the Nagorno-Karabakh conflict, and argues that the conflict is an obstacle to democratization, at the same time stating that the solution of the conflict depends on the democratization.

Another hurdle to democratization, again with the connection to the conflict, is the extensive militarization of the country (from $81 million to $376 million between 2004-2008), a factor due to which the government invests less in the institutional capacity, education, social issues and other important areas important to democratic development.

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113 Masih & Krikorian, p. 62
117 Ibid, p.1
118 Regional Military Spending (2004-8)
119 Mkrtchyan, p.8
This was the domestic political and economic situation in Armenia when the EU entered into the picture of Armenian foreign policy. The Nagorno-Karabakh conflict and the mentioned landmark events have influenced and predetermined the foreign policy choices of the Armenian government. To understand what place EU occupies in the foreign policy agenda of Armenia, it is important to present the foreign policy priorities of the country and to look at the influence the other major players in the region possessing or are trying to possess.

5.5 Armenia’s foreign policy

Due to the above mentioned constrains, namely unfavourable geographical location, problematic history, lack of natural resources and a frozen conflict, Armenia has chosen a foreign policy of ‘complimentarity’, which means balanced relations with all the interested external powers, basically Russia and the West (primarily the US and increasingly the EU). In the framework of this policy of complimentarity was the deepening of relations with Iran and Georgia, normalizing relations with Turkey and Azerbaijan, expansion of Armenia’s membership in international organizations, engagement in post-Soviet, European and Euro-Atlantic security structures and promoting regional stability. Nevertheless, though this policy was to maintain balanced relations, over time Armenia has increased its dependence on Russia and is becoming more and more pro-Russian.

Armenian-Russian relations

As known, Russia is one of the oldest players in the South Caucasus region. Only for a short period after the independence Armenia decreased its ties with Russia in order to demonstrate sovereignty, but soon after it realised that it was not in a geo-political position to isolate itself from the major regional player. In 1992 official diplomatic relations between Armenia and Russia were established, which followed Armenia’s accession to Commonwealth of Independent States (CIS) and Collective Security Treaty Organization (CSTO), a Russian led post-Soviet military alliance viewed by some as a counterweight to NATO’s growing influence. In addition Armenia signed treaties giving Russia access to military bases along the Armenian-Turkish and Armenian-Iranian borders. Only recently in 2010 another agreement was signed, extending Russian military presence in Armenia until 2044. It should be also noted that Russia has had leverage over the Nagorno-Karabakh conflict from its very outset and is playing a key role in the resolution of the conflict by being a part of the OSCE Minsk Group.

120 Harutynyan, Aghasi: “Neighbourhood Relations between the EU and Armenia”, CEU, 6/06, P. 12
Besides promoting political and military cooperation with Russia, Armenia is also dependent on Russia economically. Russia remains one of Armenia’s major trade partners and Russian companies control many important industrial assets in Armenia, enough to mention telecommunications or the energy system. Thus, taking into consideration Armenia’s heavy dependence on Russia for both its security and economic well-being, Armenia cannot ignore Russia when taking foreign policy steps.122

In its turn Russia is also highly interested in the South Caucasus in general and Armenia in particular, firstly considering it as vital to its security and secondly as opposing the expansion of US, European, Iranian or Turkish influence in the region. Armenia is of particular interest for Russia, as it is currently the only republic of South Caucasus holding membership in CSTO and is looked upon by Moscow as a ‘Russian frontier outpost’123. Therefore, when discussing EU-Armenia relations, the Russian factor cannot be neglected.

Russia’s role in Armenia’s foreign policy choices is a matter of a separate and a long-length discussion; however what should be kept in mind for the purpose of this paper is that at the same time as Russian military and economic interests grow in Armenia, making Armenia more dependent, “the authoritarian tendencies in Moscow are also reproduced in Yerevan, demonstrating how Russia aspires to represent an alternative model to the West in the region”124. Being the strongest of regional actors, Russia is seen as a counterweight to the Western efforts of democracy promotion.

**Relations with Turkey and Iran** After the collapse of the Soviet Union, both Turkey and Iran tried to reassert power in the South Caucasus. With Iran Armenia established diplomatic relations in 1992 and since then the friendly neighbourly relations between two countries are growing both politically and economically. Since Turkey and Azerbaijan imposed blockade on Armenia, Iran became an important trade route and a trade partner for Armenia. On the other hand Armenia serves as an important market for Iranian goods and capital. Moreover, Armenia is important for Iran for increasing ties with international community and provides a link for Iran to Russia and Europe.125

As for the Armenian-Turkish relations, despite the historical enmity between two countries, right after the independence there were attempts from both sides to overcome obstacles from

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122 Harutyunyan, p. 14  
123 Ibid  
125 Tiffany G. Petros, p.9
the past and develop neighbourly relations. However, after the war over the NK, in which Turkey was supporting Azerbaijan, Turkey imposed blockade on Armenia and closed the border. As part of Turkey’s European integration process and European Parliament’s requests to open border with Armenia there were some declarations made since 2004 for re-establishing diplomatic relations. In 2008 after the visit of the Turkish president Abdallah Gul to a football game in Armenia there were speculations on the possibilities of reopening the border, however the so called ‘football diplomacy’ gave no results yet.

Armenian - US relations  Since the independence of the three South Caucasian republics, the US progressively increased its involvement in the region, becoming one of the most active actors and providers of assistance through various governmental and non-governmental organizations. With Armenia the US established diplomatic relations in 1992. Over time the relations between the US and Armenia have developed quite substantially. To some extent this is due to the fact that there are around 1.4 million Armenians living in the US. Diaspora Armenians are politically active in the US and are having a certain amount of influence on American foreign policy. Moreover, thanks to Diaspora efforts, Armenia has been one of the main recipients of American aid in the world, only to mention that since 1992 the US government allocated more than 1.5 billion dollars in assistance to Armenia, not counting the huge amount of aid channelled by the Diaspora itself.  

Another source for the US interest to Armenia and the South Caucasus in general is the security field, deepened after the September 11 2001. It is in US interests to see stable and conflict-free South Caucasus, which can serve as a platform for power projection into the Greater Middle East. To achieve this goal the US stepped up their democratization efforts in the region. The US and the EU efforts in democracy promotion are often compared, as the two actors have similar normative goals and similar tactics and strategies, with main differences that the US is using more negative conditionality and coercion, while the EU mostly exercised positive conditionality. In the South Caucasus the US democracy promotion counterweights the EU efforts and it is enjoying more credibility in the region. 

126 Harutyunyan, p. 16
6. EU – ARMENIA RELATIONS

In this section the development of the EU- Armenia relations in the South Caucasus regional framework will be disclosed, focusing on the formation and development of the Partnership and Cooperation Agreement (PCA) and the ENP.

6.1 The development of the EU- Armenia relations

The EU relations with Armenia should be analyzed and understood through the prism of the South Caucasus region. Since the 1991 independence of the three countries of the region, Armenia, Georgia and Azerbaijan, the EU has regarded South Caucasus as a ‘compact and interdependent area demanding regional approach’.

Though the EU was present in the Southern Caucasus since the beginning of 1990s through different non-coordinative activities and was providing technical and humanitarian assistance to the countries through ECHO and TACIS programs, there was no comprehensive policy towards the region. The EU was somewhat reluctant to interfere in the problems of the South Caucasus, mainly in the armed conflicts in Nagorno-Karabakh, Abkhazia and Southern Ossetia. Nevertheless, the three countries signed a Partnership and Cooperation Agreement (PCA), which entered into force in 1999.

So the interest towards the region from the side of the EU gradually rose. As stated in Armenia Country Report, at the general Affairs Council of February 2001, “the EU confirmed its willingness to play a more active political role in the South Caucasus region”. Nevertheless, when the EU launched the ENP in 2003, the states of the South Caucasus were left out. This caused concerns in the three states and the EU made an important step in broadening the relations with the region: it appointed EU special representative to the South Caucasus, Finnish ambassador Heikki Talvitie, after which in May 2004 the decision was taken on expansion of borders towards the South Caucasus.

This shift of attention and growing interest towards the region was defined by sets of issues and factors. The first among these factors are the strategic interests, mainly energy and trade,

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as Azerbaijan is a potential exporter of oil and Georgia and Armenia are important as a transit route for energy supply from the East\textsuperscript{132}.

The second factor of the EU interest is the security issue. It has already been discussed in the paper that security considerations are placed high on ENP agenda and they are laid in the basis of the policy from the outset. That is clear from joint Solana/Patten letter, stating:

\begin{quote}
“There are a number of overriding objectives for our neighbourhood policy: stability, prosperity, shared values and the rule of law along our borders are all fundamental for our own security. Failure in any of these areas will lead to increased risks of negative spill-over on the Union”\textsuperscript{133}.
\end{quote}

Indeed, after the last two enlargements the EU came closer to the so called ‘frozen conflicts’ of Abkhazia and South Ossetia and the Nagorno-Karabakh in the South Caucasus, and the instability produced by this conflicts could result in immigration, organized crime and smuggling of drugs and arms.

The third factor, as stated in the above quoted letter, is the objective to support shared values, democracy, human rights and the rule of law. These three factors are largely inter-related, and when looking at the EU promotion of democracy, human rights and rule of law, the other two should be taken into consideration.

\section*{6.2 Partnership and Co-Operation Agreement}

The EU established first contractual relations with Armenia in 1996 through PCA, which entered into force in July 1999. The agreement offers large assistance to Armenia in transition to democracy and market economy, principally aiming at the encouragement of the EU-Armenia cooperation through the development of political relations, promotion of the respect for the principles of democracy, the rule of law and human rights, market economy reforms and trade liberalization, as well as widening and deepening legal, social, economic, scientific, civic and cultural bonds.

Under the PCA, the EU-Armenia Cooperation Council was established, where EU is represented by EU Council members and Armenia by its Minister of Foreign Affairs. The meetings take place annually, where all the questions arising within the framework of the

\textsuperscript{132} Now the project of Baku-Tbilisi-Ceyhan pipeline is bypassing Armenia
\textsuperscript{133} Joint letter by EU Commissioner Chris Patten and the EU High Representative for the CFSP on Wider Europe, 7 August 2002, \url{http://www.europa.eu.int/comm/world/enp/pdf/0130163334_001_en.pdf}
agreement are discussed.\textsuperscript{134} The implementation of PCA is performed by the Interagency Commission for the European Integration and Cooperation and the RA Ministry of Trade and Economic Development. Technical support to this Commission is provided by TACIS, and the information and consulting assistance is provided by the Armenian-European Policy and Legal Advice Center (AEPLAC).\textsuperscript{135} The PCA is considered a legal foundation of EU-Armenia bilateral relations.

### 6.2 The European Neighbourhood Policy

Armenia was included in the ENP in June 2004. Benita Ferrero-Waldner, commissioner for External Relations and ENP, commented:

“The European Neighbourhood Policy gives us an opportunity to take relations with Armenia up a gear. I very much hope that the Council will give the go ahead to negotiate an Action Plan, so that we can work out a joint agenda for action in the coming years. Progress in our relationship will reflect the efforts and success of the country itself”\textsuperscript{136}.

In March 2005 the Armenia Country Report assessing the progress in Armenia towards political and economic reform was published and on the basis of it on November 14, 2006 the Commission and the Armenian government adopted the ENP Action Plan, which serves as a primary agenda-setting instrument for the ENP countries and encourages the governments to implement reforms.

In addition, the main EU cooperation objectives, policy responses and priority fields are found in the Country Strategy Paper (CSP) 2007-2013. The CSP covers the EC financial assistance to Armenia under the European Neighbourhood and Partnership Instrument (ENPI) as well as National Indicative Programme (NIP) for 2007-2010, with the indicative total sum of € 98.4 million for that period.\textsuperscript{137}

The bulk of EU’s financial support to Armenia is based on ENPI. Besides, Armenia also benefits from the regional ENPI and Black Sea Programme.

The Action Plan will be taken a closer look at, as on one hand it serves as a framework for evaluating the progress made in the country and on the other it provides insights in what the

\begin{itemize}
  \item \textsuperscript{134} \url{http://www.delarm.cec.eu.int/en/eu_and_armenia/agreements.htm}
  \item \textsuperscript{135} Minasian, Sergey: “EU-Armenia Cooperation and the New European Neighbourhood Policy”, International IDEA, 2005, p.23
  \item \textsuperscript{136} Recommendation from the European Commission IP/05/23
  \item “European Neighbourhood Policy: Armenia”, Brussels, 2 March 2005
  \item \textsuperscript{137} Europa, European Union External Action, \url{http://ec.europa.eu/external_relations/armenia/index_en.htm}
\end{itemize}
Union expects in terms of policy reforms and what is meant by ‘shared values’. Armenia’s Action Plan is based on *bilateral and differentiated* approach and the basis for the cooperation is a commitment to shared values and regional collaboration. In the Action Plan the EU incorporates a set of policy priorities, distinguishing eight priority areas, including: encouraging economic development and enhancing poverty reduction efforts; improvement of investment climate; convergence of economic legislation; development of an energy strategy; contributing to a peaceful solution of the Nagorno-Karabakh conflict and increasing efforts in the field of regional cooperation. It is important to notice that the first two priority areas directly correlate with democracy promotion:

1. Strengthening of democratic structures, of the rule of law, including reform of the judiciary and combat of fraud and corruption;
2. Strengthening of respect for human rights and fundamental freedoms, in compliance with international commitments of Armenia (PCA, COE, OSCE, UN);

Under the ENPI National Indicative Program these two priorities are included under the area of democratic structures and good governance and are entitled to assistance of EUR 29.52 million, 30% of the total Indicative budget for Armenia.

There are three EU instruments which serve to promote democracy and human rights in Armenia: the ENPI, the EIDHR and the so-called ‘Governance Facility’, the latter offering annual prize of €50 million to countries showing positive democratization and human rights reforms.

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139 EU/Armenia ENP Action Plan
7. DEMOCRATIC PROGRESSIVIST IN ARMENIA

The purpose of this work is to see how Armenia’s political situation has changed in respect to democratization process after the EU started playing an active role through the ENP. To examine that, first we will analyze how the EU itself evaluates the democratic development of Armenia and then we will take a look at the figures and overall picture of democratic progressivism.

7.1 The democratic progressivism in Armenia under the EU monitoring

By examining the country report of Armenia, by looking at the priorities set by the Action Plan and by examining the up to date progress reports on Armenia, we can reveal how the EU evaluates the commitment of the Armenian government to the Action Plan and what developments have been made under the EU conditionality.

When evaluating the democratic situation of Armenia in the Country Report, the EU on the basis of the ESCE/ODIHR judgments concluded that the 2003 presidential elections fell short of international standards for democratic elections in a number of important aspects. Though most of the human rights instruments had been ratified by Armenia, there were many aspects to be improved. Besides, the EU expressed concerns about the independence of judiciary and corruption. Based on these concerns, in the first priority area of the Action Plan the EU included specific actions that Armenia needed to perform: the reform of judiciary, better separation of powers and combating of fraud and corruption by implementing a Constitutional Reform. Furthermore, the priority was given to ensuring electoral framework in full compliance with OSCE commitments and other international standards for democratic elections and developing the Human Rights Ombudsman institution.

 Already in the first progress report evaluating 2007 implementation of the Action Plan, the EU seemed satisfied with the progress made. First, the implementation of a package of legislative reforms related to the 2005 Constitutional reform was carried out. These reforms brought about improvement of legislative framework by increasing powers for the National Assembly and improving local self government, thus ensuring better separation of powers. Steps were also taken towards strengthening the Ombudsman in accordance with international standards, making it mandatory from that time on to send all drafts related to

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142 Armenia ENP AP, p. 4
democracy and human rights to the Ombudsperson before presenting them to the government. 143

The EU also seemed satisfied with the results of the parliamentary elections of May 2007, which were assessed as conducted in accordance with Armenia’s OSCE commitments and other international standards for democratic elections. Further steps were taken by the EU in 2007 to strengthen political pluralism and a number of legislative reforms were introduced concerning judiciary.

The 2009 progress report looks less positive. Most of the attention is directed towards February 2008 presidential elections, which according to the report slowed down the adoption of legislative amendments to comply with the new constitution. The post-elections crisis left the adoption of legislative amendments regarding the independence of judiciary, the separation of powers and the freedom of media an incomplete process 144. It is interesting to note that the reaction to the elections was present already in the 2008 progress report, where it was stated that the elections were conducted mostly in accordance with the international standards. The evaluation was made based on the OSCE/ODIHR IEOM preliminary conclusions, and lacked the clear understanding of the situation. Although taking notice of OSCE reference to the lack of public confidence in the electoral process and absence of clear separation between state and party functions, it did not affect the overall positive assessment of the Action Plan implementation.

In the 2009 report it is stated that only the pre-election period and the voting hours were hold in conduct with OSCE commitments, whereas after the election day ‘serious challenges to some commitments’ emerged 145. After the elections a twenty day state of emergency was declared in Yerevan, as the elections first resulted with wide ranged demonstrations and then clashes on March 1-2, which left ten people dead and more than hundred people arrested.

The EU criticised Armenia firstly for demonstrating lack of transparency and accountability in the vote count, then for arresting opposition supporters and for the control over electronic media, and adopted two resolutions (1609, 1620) on the functioning of democratic institutions in Armenia. After these PACE resolutions, Armenian authorities took some steps and measures to address the political crisis which was satisfactory for the EU.

145 Ibid, p.2
Concerning corruption, in both of progress reports the area seems to raise concerns. In 2008 report it is stated that as the previous corruption strategy which expired in December 2006 was criticised for not contributing to the fight against corruption sufficiently, a new anti-corruption strategy was to be finalised in 2008 to ensure better alignment with Council of Europe Group of States against Corruption (GRECO)\textsuperscript{146}. However, as seen from the 2009 report, the implementation of the new strategy was not yet adopted, thus showing inability of the union to properly deal with this area.

Concerning human rights, in spite of the fact that Armenia has ratified the core UN Human Rights Conventions, the EU constantly expresses concerns, particularly in the area of freedom of expression. Thanks to the efforts of the EU in 2007 some steps were taken to improve legislative framework guaranteeing freedom of expression in line with the international standards, though concerns remained about the lack of independence of the regulatory bodies and insufficient media pluralism.\textsuperscript{147}

In 2008 report concerns were expressed regarding the torture and ill-treatment cases in the military, prisons and police stations, and the steps that Armenian government took under the pressure of the EU was the ratification and the starting of implementation of the Optional Protocol to the Convention against Torture (OPCAT). Another step taken by the Armenia was in the area of women’s rights, was the joining the CoE campaign “Stop violence against women” and progress in the implementation of the national plan 2004-2010 on “Enhancing Women’s Status and Empowering Women in Society”.\textsuperscript{148}

Overall, the ENP documents show that the EU is somehow hopeful towards progress made by Armenia because of its constitutional amendments and readiness to tackle violations of democratic rules.

### 7.2 Democracy in Figures

Data such as Freedom House\textsuperscript{149} and the Economist Intelligence Unit’s Democracy Index\textsuperscript{150} give us a rather good general picture of the correlation between the EU political conditionality and the democratic progress in the ENP countries.

\textsuperscript{147} Progress Report Armenia 2008, p.5
\textsuperscript{148} Ibid
\textsuperscript{149} The Freedom House ranking is based on a 1 to 7 scale, in which 1 is the best and 7 is the worst. The ranking categorizes countries into free, partly free and not free.
Freedom House rankings of 1999-2010 (starting from the year of implementation PCA) show that Armenia is in a stagnate condition of a partly free country, with worsening scores for political rights (PR) and civil liberties (CL).

Table 1: Democratic development in Armenia 1999-2010 (Freedom House)

<table>
<thead>
<tr>
<th>Year</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
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<th>2006</th>
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<tr>
<td>PR</td>
<td>4</td>
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<td>4</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>CL</td>
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<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
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<td>4</td>
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<tr>
<td>Status</td>
<td>PF</td>
<td>PF</td>
<td>PF</td>
<td>PF</td>
<td>PF</td>
<td>PF</td>
<td>PF</td>
<td>PF</td>
<td>PF</td>
<td>PF</td>
<td>PF</td>
</tr>
</tbody>
</table>

Source: Freedom House Country ratings and status, FIW 1973-2010

Another good source for a deeper evaluation of Armenia’s democratic progressivism is the Freedom House Nations in Transit report. From this report as well we can observe declining numbers in all the spheres, showing that Armenia is becoming less democratic.

Table 2: Democratic development in Armenia 1999-2010 (FH Nations in Transit)

<table>
<thead>
<tr>
<th>Year</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
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<tr>
<td>Electoral process</td>
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<td>5.50</td>
<td>5.50</td>
<td>5.75</td>
<td>5.75</td>
<td>5.75</td>
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<td>5.50</td>
<td>5.75</td>
<td>5.75</td>
<td>5.75</td>
</tr>
<tr>
<td>Civil Society</td>
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<td>3.50</td>
<td>3.50</td>
<td>3.50</td>
<td>3.50</td>
<td>3.50</td>
<td>3.50</td>
<td>3.50</td>
<td>3.50</td>
<td>3.75</td>
<td>3.75</td>
<td></td>
</tr>
<tr>
<td>Independent Media</td>
<td>4.75</td>
<td>4.75</td>
<td>4.75</td>
<td>5.00</td>
<td>5.25</td>
<td>5.50</td>
<td>5.50</td>
<td>5.75</td>
<td>5.75</td>
<td>6.00</td>
<td>6.00</td>
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<td>Governance</td>
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<td>4.50</td>
<td>4.50</td>
<td>4.75</td>
<td>4.75</td>
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<td>N/A</td>
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<td>N/A</td>
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<td>N/A</td>
<td>N/A</td>
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<td>5.00</td>
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<td>5.25</td>
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<td>Local Democratic Governance</td>
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<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<td>5.50</td>
<td>5.50</td>
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</tr>
<tr>
<td>Judicial Framework</td>
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<td>5.00</td>
<td>5.00</td>
<td>5.00</td>
<td>5.25</td>
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<td>5.50</td>
<td>5.50</td>
<td>5.50</td>
<td>5.50</td>
</tr>
<tr>
<td>Corruption</td>
<td>5.75</td>
<td>5.75</td>
<td>5.75</td>
<td>5.75</td>
<td>5.75</td>
<td>5.75</td>
<td>5.75</td>
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<td>5.75</td>
<td>5.75</td>
<td>5.75</td>
<td>5.75</td>
</tr>
<tr>
<td>Democracy Score</td>
<td>4.79</td>
<td>4.83</td>
<td>4.83</td>
<td>4.92</td>
<td>5.00</td>
<td>5.18</td>
<td>5.14</td>
<td>5.21</td>
<td>5.21</td>
<td>5.39</td>
<td>5.39</td>
<td></td>
</tr>
</tbody>
</table>


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150 The Economist’s Intelligence Unit’s index of democracy is based on a 0 to 10 scale, in which 0 is the worst and 10 is the best. The rating is based on 60 indicators grouped in five above shown (table 3) categories; each having a rating on a 0 to 10 scale, and the overall index of democracy is the average of the 5 category indexes. The rating distinguishes the countries into four categories: full democracies, flawed democracies, hybrid regimes and authoritarian regimes.

151 Starting with 2005, Freedom House replaces governance with the national democratic governance and local democratic governance to provide more detailed analysis.
The negative democratic development in Armenia is also shown in the Economist Intelligence Unit’s democracy index reports, where Armenia is categorized as a ‘hybrid regime’ with a worsening score in 2008 (table 3). In the 2006 Armenia stands on the 110th rank and in 2008 it goes down to the 113th rank.

Table 3: Democratic development in Armenia 2006, 2008 (Economist intelligence unit)

<table>
<thead>
<tr>
<th>Years</th>
<th>2006</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electoral process and pluralism</td>
<td>4.33</td>
<td>4.33</td>
</tr>
<tr>
<td>Functioning of government</td>
<td>3.21</td>
<td>3.21</td>
</tr>
<tr>
<td>Political participation</td>
<td>3.89</td>
<td>3.89</td>
</tr>
<tr>
<td>Political culture</td>
<td>3.13</td>
<td>3.13</td>
</tr>
<tr>
<td>Civil liberties</td>
<td>6.18</td>
<td>5.88</td>
</tr>
<tr>
<td>Overall score</td>
<td>4.15</td>
<td>4.09</td>
</tr>
</tbody>
</table>

Source: The Economist Intelligence Unit’s index of democracy, World in 2007 by Kekic, Laza, and The Economist Intelligence Unit’s index of democracy 2008

As seen from these three tables, despite the EU’s as well as other international efforts, Armenia receives low rankings, indicating that democracy is declining in the country. Why is it so? A closer look at Armenia’s political situation since EU’s involvement can give some insights.

7.3 Armenia’s democratic development 1999-2009

In order to analyze the Armenia’s democratic condition during these years, we should take a closer look at the electoral process, judiciary system and the constitution, functioning of the independent media and the situation with the corruption.

Constitution: As already mentioned above, the Armenian constitution of 1995 was replaced by a newly-amended constitution, mostly due to the efforts of the EU. As condition for accession to the Council of Europe, Armenia had to conduct reforms of its legal system, the principal areas for reform including recognition and protection of human rights, local self-government and the balance of power among Executive, Judiciary and Legislative bodies. 152

This constitutional amendments lead to a shift from a president-parliamentary system to a premier-presidential Constitution, which meant that the government and the prime-minister

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started to be accountable to the National Assembly rather than to the president. The main changes also included limitation of the President’s power to dissolve the National Assembly and appoint the Prosecutor-General. These changes among other ones brought Armenia’s constitutional framework closer to European Standards.

However, in reality there are few changes made concerning independence of judiciary, and the final list for the Constitutional Court still needs to be approved by the president. Karen Bravo calls this reforms ‘theatrical nonreform reforms’, which operate as “smoke and mirrors that hide the true nature of the regime, and act as carrots to stimulate continued Western aid and engagement, while giving the regime cover to continue its consolidation of power”. It is possible that the constitutional reforms will bring about accountability in a long run, but until now not much has changed in political practices.

**Corruption:** According to the Freedom House’s Nations in Transit reports, corruption remains the biggest obstacle to Armenia’s democratic development and undermines the rule of law. The Corruption Perception Index of the Transparency International for Armenia is not moving from the score 2.9, which indicates that the corruption in Armenia “poses a grave threat to institutions as well as to social and political stability”.

In a survey implemented by the Center for Regional Development/Transparency International Armenia (CRD/TI) in 2006 it was indicated that 89% of the surveyed citizens of Armenia see corruption as a major problem in Armenia. In addition, the citizens believe that the state authorities are the ones initiating corruption. In another public opinion poll almost half of surveyed citizens (42.8%) believed that corruption is a political phenomenon, since “authorities that come to power through elections fraud and bribery are forced to sponsor or give privileges to those who supported their election”. Indeed, corrupted means of campaigning in the form of bribery to the voters or threats of dismissal in the case of public sector employment are a widespread phenomenon in Armenia.

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153 Mazmanyan, p. 196
154 The Constitution of the Republic of Armenia, arts. 55(3), 55(9), 74(1)
158 Armenian Center for National and International studies: “Corruption in Armenia” public opinion polls, 2004
Paradoxically, Armenian government is ‘trying hard’ to combat corruption. Based on new anti-corruption strategy for 2008-2012, the government initiated a campaign against corruption and embarked on the reform of public services as well as legislative measures. Due to the implementation of this anti-corruption campaign, the Freedom House Nations in Transit report of 2008 slightly improved the rating from 5.75 to 5.50 (Table 2). However, when taking a look at the next report of 2009, it can be seen that the rating did not improve. The reason was that although the campaign disclosed abuses at different levels of the public administration, the officials were not sufficiently punished and the report concluded that since “the anti-corruption campaign failed to reach high-level public officials in 2009, Armenia’s corruption rating remains at 5.50”\textsuperscript{160}.

As we can see from the reports, there are measures introduced by the Armenian government to fight corruption, but up to now they give no satisfactory results. We can be hopeful that all the efforts will eventually give fruits, however if we listen to the opinion of the deputy chairman of the Transparency International Armenia, who states that “the authorities are not only doing little to tackle corruption, but are punishing people who really fight against it”\textsuperscript{161}, then the perspectives for the future are rather gloomy.

**Electoral process:** As discussed in the part on the definition of democracy, elections alone cannot be used as a measure of the functioning democracy; nevertheless elections can be a useful prism to analyse the progress of democracy and the rule of law in Armenia. Put in the Herzig’s words, elections are the ‘traditional acid test’ for functioning democracy\textsuperscript{162}.

Since independence Armenia has held five presidential (1991, 1996, 1998, 2003, 2008) and four parliamentary (1995, 1999, 2003, 2007) elections\textsuperscript{163}, of which only the very first presidential elections were regarded as free and fair, whereas about all the others international community expressed concerns. The elections prior to the PCA agreement were described above and now it is important to turn to the elections held after the PCA and ENP, and in particular focus on 2008 presidential elections.

From February through March and May of 2003 Armenia held presidential and parliamentary elections. During the first round of voting of the presidential elections none of the nine

\textsuperscript{159} Nations in Transit 2009, “Armenia Executive Summary” by Aleksandr Iskandaryan, p. 68

\textsuperscript{160} Nations in Transit 2010, “Armenia Executive Summary” by Aleksandr Iskandaryan, p. 66

\textsuperscript{161} Danielyan, “Amenia: Presidential Dismissal of Judge Sparks Outcry over Judicial Independence,”, quoted in Babayan, p. 378

\textsuperscript{162} Bravo, Keren , 2007, p.511

\textsuperscript{163} http://www.electionguide.org/country.php?ID=12
candidates had received the ‘50% plus one votes’, and according to the Electoral Code the second round was scheduled. The second round was preceded by mass demonstrations against election falsification and by arrests of the opposition supporters; nevertheless, the President Robert Kocharian won the elections gaining 67.5% votes. 164

In spite of the fact that the elections were held with the support of the international community, which assisted the elections with technology transfers, media monitoring, as well as millions of dollars to train election officials and Judiciary, according to OSCE/EDIH reports the conduct of the elections failed to meet international standards. 165

The next parliamentary elections were held on May 2007, during which the Republican Party of the Prime Minister Serzh Sargsyan formed a majority coalition with two other parties by winning 65 seats in the 131-seat unicameral National Assembly 166. In the OCSE/ODIHR final report concerns were expressed that “some issues are yet to be sufficiently addressed, notably related to campaign regulation and performance of election commissions particularly during the vote count and tabulation” 167.

The last 2008 February 19 presidential elections require more detailed account. From the beginning according to the international observers the elections were described as competitive and conducted in line with the international standards. The elections appeared to guarantee a clear victory to the Prime Minister Serzh Sarkisian, who was declared the winner on February 24 with 52% of the vote. However, the official results were heavily disputed, and the supporters of the leading defeated (with 21.5% votes) candidate Levon Ter-Petrosyan (the first president of the independent Republic of Armenia), organized continuous mass protests in the capital of Armenia, Yerevan. The number of demonstrators per day estimated between 20-30000 people. During the 10 following days after the elections there were a number of arrests of opposition members and activists; yet few expected what was to happen on the 1st of March. 168 The police and security troops broke up the peaceful demonstrations on the Republic Square in the center of the capital Yerevan, performing acts of violence and leaving 10 people dead, more than 450 people injured and over 100 arrested. Outgoing

165 Bravo, Karen, p. 517
166 Central Elections Commission of the Republic of Armenia http://www.elections.am
President Robert Kocharian declared a twenty-day state of emergency and temporarily banned independent media.  

According to many NGO groups the majority of international community praised the February 19 election too quickly. The EU as well, including the EU presidency and the European Commissioner for External Relations Benita Ferrero-Waldner followed the OSCE/ODIHR positive assessments. For example the chair of the Council of Europe’s Committee of Ministers, Jan Kubis said: “It is just enough to look at the report by the observers and you will see that that is a confirmation that this is another positive step towards the country’s democratic development” However, the violent events of March 1 evoked negative reaction, and the Council of the EU already on the March 5 expressed its “deep concerns” about the situation in Armenia, condemned the acts of violence committed during the events of March 1 and called upon Armenian authorities to release opposition members and lift the state of emergency.

The 2008 elections and the post-electoral crisis that followed showed that all the adopted political reforms were insufficient in achieving true democratization in Armenia. As evident from the Freedom House Nations in Transit report (table 2), though Armenia is considered to have a progressive legislative framework for the conduct of elections, the rating worsens on account of the ‘violent post-electoral developments and low public trust in elections’. And in general, through 1999 to 2009 the rating goes down. So as we can see Armenia does not pass the “traditional acid test” for democracy, regardless of the fact that it has a legislative framework for conducting free and fair elections.

**Independent Media:** Independent media plays an important role in a democratic society. Despite the fact that Armenia has adopted lows on the press and media, on freedom of information and radio and television broadcasting, when looking at the real situation, put in the words of the president of the Yerevan Press Club, “since the year 2000, the situation has been getting worse and worse” The members of the two regulatory bodies for public and private broadcasts are appointed by the President, and the Government mostly controls the

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172 Nations in Transit 2009

173 International Crisis Group, p. 14
national media networks. The privately owned ones usually avoid criticism of the top officials. Armenia’s main independent television, which was frequently critical of the government, A1+ TV, lost its licence in 2002 and as the Freedom House Crisis Group Report of 2005 states the station was believed to be a “further attempt by the authorities to curtail its activities”. The TV station is now disseminating information via internet, but even the webpage was entirely blocked after the 2008 presidential elections.174

When looking at the Freedom House Nations in Transit reports from 1999 to 2009, the rating worsens from 4.75 to 6, which is actually the worst number of all the areas. The reports on regular basis criticise Armenian government for expressing violence against journalists during the Constitutional reforms, then 2007 parliamentary elections, and eventually during 2008 presidential elections, as well as for the absence of reform efforts. Only in 2009 the remarks look somehow promising, stating that the media environment improved as compared to 2008, however not changing the low rate of 6. 175

So where is Armenia now?

When analysing the democratic development in Armenia since its independence, it can be seen that the country has successfully passed the pre-transition phase of political liberalization and entered the transition phase. The early years of transition were marked with enthusiasm and civic participation; however, already the final ruling years of Levon Ter-Petrossyan were marked by authoritarian trends and political pressure, which got even deeper with the coming into power of the next ruling elites. If we follow Carothers famous work ‘The end of transition paradigm’, it can be said that Armenia is not in transition phase any more. Rather it seems to have entered the so-called ‘political gray zone’ “with democratic compliance revealing more rhetoric than substantial content”176.

174 International Crisis Group, p. 15
176 Freire & Simao, p.7
8. ANALYSIS: APPLYING THE MODELS

8.1 The Normative nature of the ENP and its norm transmission

The normative character of the ENP was evident from the very outset of the policy, when the EU stressed the importance of ‘shared European values’ as the basis for future relations with neighbouring states included in the ENP. If following Manners distinction of six substantive and symbolic means by which the EU diffuses and promotes its values, it can be seen that the ENP uses both types of means, substantive ones being for example political dialogue and cooperation, trade norms, financial and technical assistance, and the symbolic ones being the EU’s attraction and identity. The ENP itself is an example of procedural diffusion, as it is the institutionalization of relationship between the EU and third party.

When looking at the empirical analysis, in its relations with Armenia the EU has clearly pursued normative goals through policy instruments. The substantive means, such as the EU’s political declarations, agreements and official documents on Armenia are always expressed in highly normative language, aiming for Armenia to share European values, Action Plan being the most tangible element of transmission of norms.

As for the symbolic transmission of norms, which is to say the EU’s ‘power of attraction’, it can be seen that the level of the identification with the EU is very high in Armenia. However, the main ‘attraction’, the membership perspective is missing.

8.2 Applying the models: the External Incentives Model: Conditionality

As already explained in the theoretical part, according to this rationalist model the EU sets the adoption of its rules as conditions to fulfil by the target governments in order to get rewards. The external incentive model is highly appropriate for the case of Armenia, as the rule adoption is mainly EU-driven. The conditionality of the ENP is clearly formulated in the Action Plans. As stated in the AP of Armenia, “The level of ambition of the relationship will depend on the degree of Armenia’s commitment to common values as well as its capacity to implement jointly agreed priorities, in compliance with international and European norms and principles”. The EU conditionality in Armenia works mostly through intergovernmental bargaining, as it mainly works on the target government, which in its turn calculates the benefits and decides whether they outweigh the domestic costs.

177 Armenia Action Plan, p. 1
The analysis of dependent factors below will show the cost-benefit ratio of the EU conditionality for Armenia.

The determinacy of conditions

Just to remind, determinacy refers to the clarity and formality of the rule. From the Armenian Action plan it is evident that rules have been set as conditions for rewards. Each of the above mentioned eight priorities presented in the Action Plan (AP) contain multiple conditions. In general, it has been argued that there is a lack of clarity of conditions set by the EU and that the conditions set by the Actions Plans are too general and too vague. When taking a look at the Armenian AP, in particular at the first and the second priorities concerning democracy and Human Rights, the AP puts very clear conditions for Armenia’s compliance with democratic standards, that is ensuring proper implementation of the Constitutional Reform providing better separation of powers, ensuring electoral framework in full compliance with OSCE commitments, developing the Human Rights Ombudsman institution in accordance with the “Paris Principles” based on UN General Assembly Resolution 48/134 and so forth.

Judging from these formulations the conditions seem to be set clearly, however the means which Armenia should pursue to fulfil the conditions lack clarity, therefore not fulfilling the determinacy criteria.

Size and speed of the rewards

To Armenia instead of membership the EU offers association agreements and assistance. The ENP APs presuppose that economic reforms go hand in hand with political ones, and that a free market economy will open the way for the country’s democratization.

The main incentives offered by the ENP for Armenia are of economic and technical nature. The EU has become the major trade partner for Armenia. For example in 2007 Armenian export to the EU was $563 million, which is more than the exports to CIS countries ($355 million). Overall, in 2007 EU trade with Armenia was 41%. From 2009 Armenian businesses have preferential conditions to export goods to the EU, according to which the

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178 Armenia Action Plan, p. 3
180 Statistical Yearbook of Armenia 2008
import duties to be paid when entering the EU market are either reduced or even removed.\footnote{http://ec.europa.eu/delegations/armenia/press_corner/all_news/news/2010/20100630_en.htm} Armenia in general seems satisfied with the financial aspect of the relations.

However, when analyzing cost benefit for EU’s Eastern neighbours, Kratochvil divides the countries into two groups and puts Armenia in the group were the ENP is viewed with suspicion and where the ‘Europeanization drive is less palpable’\footnote{Kratochvil, Petr & Lippert, Barbara: "The cost-benefit analysis of the ENP for the EU’s Eastern Partners", EP Directorate general external policies of the Union, Sept. 2007, p.1}. In fact the political elites in Armenia have doubts about the cost-benefit balance of the ENP’s conditionality.

The problem is that the ENP does not answer Armenia’s security considerations, which as discussed in the background part is the priority area for the government. The ENP does not offer a credible solution for the NK conflict, thus leaving Russia to be the most significant security anchor. In Kratochvil’s words about Armenia, “the ENP’s carrots are politically not conductive enough to make the ENP the centrepiece of their (domestic and foreign) policies”\footnote{Kratochvil, p. 1}. Similarly to other ENP states, where size of the rewards is a constant problem, in Armenia as well the EU cannot compensate hard domestic reforms in a sufficient way.

It is important to mention here that Armenia does not have officially proclaimed membership aspirations, and it is not the lack of membership perspective as the authors of the model argue that makes the size of the rewards not big enough. As I will argue below, there are other tangible incentives for Armenia that can be enough to cover the domestic costs, the ways of solution for the NK being one example, and Free Trade Agreement (FTA) or visa free regimes another ones.

*The credibility of threats and promises*

The first point of this factor is that in case of non-compliance on the side of the target states the EU should withhold the rewards. Now, in case of Armenia it is interesting to note that after analysing the ENP documents on Armenia, none of them mentions what actions the EU will perform in case of non-compliance. There is no case when the EU used sanctions.

One of the rare cases when the EU showed credibility of threats was when following the irregularities and human right violations of Armenia’s 2008 presidential elections, the Parliamentary Assembly of the Council of Europe (PACE) threatened Armenia with sanctions of the countries voting rights. In PACE resolution 1609 the Assembly set out four concrete requirements to resolve the political crisis: Armenian government was called to lift...
restrictions on public rallies, initiate independent and transparent inquiry into the events of March 1 2008, set up dialog with opposition and finally release opposition members imprisoned on politically motivated charges. The PACE gave the Armenian government six months (until January 2009) to comply with the resolution.

In the report of the EU monitoring committee it is stated: “We have always made it clear that we would not hesitate to call sanctions if the dialogue was to fail and if it was clear that the authorities lacked the necessary political will to comply with the demands of the Assembly”\textsuperscript{184}. The Armenian authorities, even though not having fully complied with the terms of the resolution, pledged legal amendments that could result in the release of imprisoned individuals, and the PACE decided not to suspend the Armenian delegation’s voting right and did not put forward that sanction for consideration.\textsuperscript{185} So as seen, even though the EU made its concerns over the violations of the elections clear, it did not reconsider its aid to Armenia. In the annual report of 2008 on the implementation of the ENP AP for Armenia, there was a distinction made between the implementation of the AP and the political and economic situation of the country. The EU aid is targeted at fulfilling the conditions, while if we look for example at the Millennium Development Funds received from the US, the aid is a subject to compliance with a range of conditions.

Although according to the ENP Action Plan Armenia is obliged to fulfil out conditions and move towards European political and economic models, there are no legal sanctions to address non-implementation of the necessary conditions. Thus we can conclude that Armenian AP is weak in terms of conditionality.

The second point is that the promise to deliver the reward in case of compliance should be credible. In the case of Armenia it can be said that the rewards offered by the EU are credible, as to this point the EU has been fulfilling the promises.

\textit{The size of adoption costs}

It has been argued by Schimmelfennig & Sedelmeier that the adoption costs in ENP countries are high. Armenia is a vivid example. First factor to state is that Armenian government is highly pro-Russian and closer ties with EU can harm the relations with Russia, on which Armenia is highly dependent both politically and economically. The pro-Russian political

\textsuperscript{184} Doc. 11962 : “The functioning of democratic institutions in Armenia”, Report 22 June 2009 Committee on the Honouring of Obligations and Commitments by Member States of the Council of Europe (Monitoring Committee) Co-rapporteurs: Mr Georges COLOMBIER, and Mr John PRESCOTT

\textsuperscript{185} Doc. 11962, p.2
forces often express unwillingness to implement EU-led reforms, particularly economic ones, since these reforms are often incompatible with Armenia’s participation in the Common Economic Space or Eurasian Economic Community, which are Russian led\textsuperscript{186}. And secondly of course are the security considerations, as Russia is actively involved in the resolution of the Nagorno-Karabakh conflict.

The other problem is that, as already mentioned, many oligarchs in Armenia are high governmental officials at the same time. In order to conduct their profitable business these oligarchs are in favour of less transparency and less strict juridical system. Besides, the current government wants to remain in power by all means, even non-democratic ones, such as corruption and wide-spread fraud during elections.

Therefore, it can be concluded that the size of rule adoption costs in Armenia, similarly to other ENP countries is very high, as the true democratic institutions and practices are likely to reduce and even undermine the power of the current regime.

\subsection*{8.3 The Social-learning model}

According to the constructivist approach the EU is a formal organization characterized by a specific collective identity and set of common norms and values. This social-learning model assuming the logic of appropriateness suggests that the acceptance of the EU norms and values by the target states depends on whether the states regard them as appropriate, meaning whether they consider them legitimate and identify with them.

For the purpose of this study of the ‘normative power Europe’ this second model is especially helpful as it encompasses all the efforts made by the EU to ‘teach’ its policies and norms to the ‘outsiders’ and to persuade them that these policies are appropriate and, as a consequence, to motivate them to adopt EU policies\textsuperscript{187}.

The factors analysed below will reveal whether the normative power of the EU is persuasive enough for rule adoption by Armenia.

\textit{Identity}

This is the degree of the identification of the target states with the identity of the community establishing the rules. As argued by Babayan\textsuperscript{188}, Armenian political elites have stated on

\textsuperscript{186} Kratochwil, p. 2
\textsuperscript{187} Schimmelfennig, Frank: “Europeanization beyond Europe”, Living Reviews in European Governance, Vol.4, (2009), No.3, p.8
\textsuperscript{188} Babayan, p. 358-388
many occasions that close relations with the EU could serve as a guarantee for a democratic and stable future of the country. After the admission to the Council of Europe, Armenian state officials not only confirmed the commitment to the common values of democracy and human rights, but also expressed the aspiration of integration into the EU and reestablishment ‘in the family of the European nations’\textsuperscript{189}. Already in 2003 in one of his interviews the former president Robert Kocharian has declared that the European direction is a top priority in Armenia’s foreign policy\textsuperscript{190}. In his turn the former Minister of Foreign Affairs Vartan Oskanian stated, that Armenia’s “goal is not just to become part of the EU but also to achieve EU standards”\textsuperscript{191}. Armenia’s current deputy foreign affairs minister stated on one occasion, that “although Armenia’s geography places it at the crossroads of Europe, Central Asia, and the Near East, culturally we Armenians belong to Europe, and it is only natural that the Republic of Armenia aspires to join the common European community of nations”\textsuperscript{192}.

The rhetoric hasn’t changed up to date, the evidence of which is Armenia’s current president Serzh Sargsyan’s statement during the meeting with EU Commissioner for Enlargement and ENP Stefan Fule, which proclaims that close relations with the EU has been a top foreign policy priority for Armenia since its independence\textsuperscript{193}.

As we can see, at least from the rhetoric of the state officials, the identification with the EU norms and values and the commitment to them is high in Armenia.

\textit{Legitimacy}

According to Schimmelfennig et al, the rules are legitimate if they are clear, if they are based on the constitutive values and norms of the community and if the target governments are engaged in a deliberative process and their concerns and special needs are taken into account.\textsuperscript{194} In the case of Armenia the priority areas of the ENP AP were laid down by the EU in cooperation with the Armenian government. This shows the government’s consent on the eight priorities, thus meeting the legitimacy criteria.

\textsuperscript{189} Babayan, p. 375
\textsuperscript{190} Noyan Tapan No. 22 (473), June 9, 2003
\textsuperscript{191} Oskanian, Vartan. 2003. \url{http://eurasianet.org_resource/armenia/hypermail/200320/0001.shtml}
\textsuperscript{193} Noyan Tapan, May 28, 2010
\textsuperscript{194} Schimmelfennig & Sedelmeier, p. 19
Resonance

By resonance it is understood the existence of domestic factors facilitating persuasion. As unfolded in the historical part on Armenia, among the political views in Armenia, nationalism has had a strong influence and nationalistic movements went along with the Armenian understanding of democratization. Like the majority of post-soviet states, as well as a nation which has been suppressed for many centuries, the Armenians had the belief that it is vital for the new Armenian state to ensure the survival and revival of the Armenian nation, identity, language and religion. Some Armenians view the spread of European influences as a threat to national identity, as on the society level in general the European identity and values are associated with weak family structures, heterosexuality, high level of suicide and arguments in that spirit. Nevertheless, public surveys imply that the EU is considered the most trusted institution among Armenians195.

Another issue is the corruption, which can be considered as one of the soviet legacies, as Soviet-era corruption in Armenia was a well known fact in the Soviet Union. As Joseph Masih states, “Armenians drew a curious sort of satisfaction from their ability to cheat the Soviet system”196, and it can be said that the perception of corruption has not changed up to day. Even though judging from the surveys Armenians express dissatisfaction with the corruption, for the most of the populations it is just the way ‘things are done’ in Armenia, needless to talk about the preferences of the elites.

As seen, some of the EU rules or ideas are contradicting the domestic political cultures and values, thus making the resonance mixed.

8.4 The outcome of the analysis of the case study

According to the model, the conditionality is most effective if conditions are determinate, rewards are credible, high and given out quickly, threats to withhold the rewards are credible and adoption costs are small. In addition, the likelihood of rule adoption increases with the legitimacy of rules, domestic resonance and identification.

In Table 4 the factors are categorized under international conditions and domestic conditions for better visualization and clarity. From the table below showing the outcome of the analysis it is possible to evaluate the effectiveness of the EU norm promotion.

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195 Surveys conducted by the US-based International Republican Institute and Baltic surveys between May 2006 and January 2008, available at www.iri.org
196 Masih, Joseph, p.62
Box 1: Overview of case study conditions and results

<table>
<thead>
<tr>
<th>International Conditions</th>
<th>Domestic conditions</th>
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<tbody>
<tr>
<td>Determinacy of Conditions</td>
<td>The size and speed of the rewards</td>
</tr>
<tr>
<td>(Low)</td>
<td>(Low)</td>
</tr>
<tr>
<td>The credibility of threats and promises</td>
<td>(Mixed)</td>
</tr>
<tr>
<td>Legitimacy</td>
<td>(High)</td>
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When we look at the international factors, the determinacy of conditions is low. Although the conditions are set as rules, the means to fulfil this conditions lack clarity, thus creating vagueness and making the determinacy of conditions low. The size and speed of the rewards are also low, as even though Armenia is not seeking EU membership and rewards such as visa facilitation and Free Trade Agreements can be attractive enough, so far none of these two has been implemented, and there is no actual time perspective when they will happen. The next factor, the credibility of threats is also low, as from what it has been shown the EU is very cautious to take harder steps when it comes to cases of non-compliance. Cases of withdrawing any kind of rewards never happened and the aid flows even at times when the EU expressed concerns about the political situation in Armenia. Due the fact that the credibility of the rewards was assessed to be high, the third factor of conditionality gave mixed results. Now the last international condition, the legitimacy of the EU rules is very high as they were set with the consent of the Armenian government. Judging from the results attained it can be argued that the international conditions of the EU democracy promotion in Armenia in fact are met partially.

Now turning to the domestic conditions, when looking at the constructivist components, namely identity and resonance, the results are rather satisfactory. It has been shown that Armenia highly identifies itself with the EU and its norms and values. As for the resonance there were some contradictions of domestic political culture with the EU rules, since some of the rules are not going in line with domestic understanding of ‘good policy’. The picture changes when looking at the rationalist factor of domestic conditions, the size of the adoption costs, which according to the theoretical framework, alongside with the size of the rewards is the key factor of the success of the EU’s democracy promotion. The analysis has shown that due to many above mentioned reasons the costs of compliance for the Armenian government...
is very high. So the most important domestic factor facilitating the process of democratization in Armenia is negative, making the international conditions considered not fulfilled.

As we can see, the ENP’s conditionality in Armenia has encountered the same problems that have been identified by many scholars, such as the lack of clarity and specificity of conditions, vagueness of incentives, high domestic adoption costs and blurred connection between conditions and rewards. Besides, similarly to other ENP countries, the local conditions in Armenia were not met. The empirical analysis has shown that the ENP conditionality did not ensure the diffusion of democracy in Armenia and will not be able to do so if it continues to use the same strategies and repeating the same mistakes. ¹⁹⁷

¹⁹⁷ The validity of these findings is also endorsed by another study, which arrives to similar results through the application of another theoretical framework (see Babayan 2009)
9. RESULTS

9.1 Conclusive remarks

This paper was aiming to identify the EU’s strategies in promoting its ‘core democratic values’ in the ENP countries and to measure the effectiveness of the EU rule transfer, rule adoption and implementation by the target countries.

The first contribution of this case study is that it demonstrated that the theoretical framework developed for the accession countries is also applicable and can give plausible results for the countries ‘beyond Europe’, as like it was shown, the ENP is designed on the model of the accession policies and uses similar strategies to promote democracy. Secondly, this case study has contributed to the understanding of the effectiveness of the ENP democracy promotion in the other member post-soviet countries, as they all carry post-soviet institutional legacies, which lead their political development towards more authoritarian direction. Finally, this case study is another attempt among many to gasp the notion of ‘normative power EU’ and to contribute to understanding whether the EU is still exercising its normative power and whether it can be regarded as a normative foreign policy actor.

Both international and domestic conditions of Armenia were taken into account. A qualitative analysis of the ENP official documents was conducted to disclose the international conditions, and Armenia’s political situation before, during and after the inclusion of Armenia in the ENP was taken closer look at to see whether the domestic conditions were favourable for rule adaption. Based on this analysis I conclude that though the ENP has succeeded in rule transfer, in the sense that it has supported institutional reforms in Armenia, it has not and is unlikely to succeed in rule implementation by the target government, so it can be said that the ENP proved to be ineffective in the democratization ‘beyond Europe’ in the case of Armenia.

To support the first argument of successful rule transfer, as evident from the analysis, Armenia has made an undeniable progress in the institutional reforms due to EU’s efforts. Armenia made concrete steps towards meeting European standards - 2005 Constitutional referendum, appointment of Ombudsperson, guarantees of independence of plurality of media, made steps to guarantee independence of judiciary and separation of powers. The further question is how effective these reforms are in the democratization of the country.

To support the second argument, it could be seen that the reforms made did not transform in the democratization of the country. Armenia has made Constitutional reforms in accordance
with European standards; however in reality there are little changes to be seen in the separations of powers and independence of judiciary. The country accepted a new anti-corruption strategy for 2008-2012 and embarked on range of reforms of public services, however the corruption remains one of the severe problems in the country. Armenia has adopted different laws on the press and media; however the 2008 elections illustrated the real situation. It has complied with more than fifty human rights international treaties, including the majority of the fundamental ones; however infringements of human rights and fundamental freedoms are numerous. Armenia shows economic development in numbers and statistics; however this economic progress is not translated into improvement of social conditions of the population, the situation remaining marked by sharp inequalities and strong social polarization. Also from the Freedom House or other ratings and assessments available it was seen that the situation is not satisfactory: the weak civic participation, corruption, the violation of the fundamental rule of law and human rights principles, as seen from many above mentioned occasions are the evidence of lack of true democracy.

So what kind of picture do we get? Unquestionably the European democracy promotion has been influential in shaping Armenia’s formal democratic institutions; however, there can be serious reservations concerning the progress of genuine democratic practices. As one of the recent researchers in the field, Armen Mazmanyan points out, “The EU’s role in fostering democratic development and accountability in Armenia can be appreciated only as much as one appreciates the role of institutional reforms in democratization in general”198. According to the understanding of democracy accepted in this work as well as by the EU, the mere presence of democratic institutions is not enough for a functioning democracy.

That the same methods of democracy promotion lead to a successful democratic consolidation of the post-communist countries now members of the EU has been confirmed, however they don’t give even closer results in the case of the ENP countries. What is to be concluded is that the ENP as a policy has failed to meet the challenge of a more complex international environment for democracy promotion, and what we left with is a more pessimistic view concerning democracy related changes. Maybe it is time for the EU to fundamentally revise the approaches to the promotion of its core values, taking into consideration that it is reaching its potential borders?

Below I will try to give a critical reflection on ENP democracy promotion basing on the case of Armenia and by illustrating what problems the ENP faces in Armenia, what are the weaknesses of the policy in promoting democracy and why it did not give the expected results. The defined weaknesses apply to the other post-soviet countries as well; however this is not to say they are the only factors in place. I will also try to argue and show that there are attractive incentives other than membership perspective which can be tangible enough for the target governments to comply with the EU norms and rules, and that the problem is not the size of the incentives, but the fact that these incentives are too distant and vague, and that the inconsistency between European norms and policies in neighbouring countries is extremely high.

### 9.2 Critical reflection on the weaknesses of the ENP

**Attractive incentives**

One Attractive incentive for Armenia is the *Free Trade Agreement*, which could play an important role in mobilizing the population and political elites for reforms and rule adoption. A free trade area with the EU internal market for Armenian, which as described has very unfavourable economic conditions, is a very attractive incentive. One can argue that the costs to fulfil the conditions set by the EU, such as legal approximation in the field of quality standards, intellectual property rights, consumer protection and environmental standards are very high and costly for the governments. In addition there is also a precondition to access the WTO, which in its place will demand further legal adjustments and reforms. My argument is that the free trade area with the EU is in the interests of oligarchs - the same ruling elites, who are the main stakeholders and therefore possibly will be the biggest beneficiaries of the free trade area. This fact will reduce the costs of compliance with the conditions set by the EU. Certainly, there can be concerns that integration into the EU market will not be translated into improvement of social conditions of the population in general, taking into consideration the existing corruption. However, this is another side of the matter and the idea with this argument is just to show that the free trade is a very attractive incentive for Armenian government as well as other ENP countries.

Another possible attractive incentive for Armenia is the *visa facilitation* or even a visa free regime with the EU. Before launching of the ENP, the first communication issued by the Commission suggested the extension of the EU free circulation of persons to neighbouring countries, and when in Georgia and Ukraine the ‘colour revolutions’ came about, the two
countries supposed that given the democratization process they will be the first to get the visa facilitation.

However, the disappointment came when in the Action plans the exemption from visa requirements applied to only a very restricted categories of people, such as journalists or businessmen. The promise of visa-free travel during the Prague summit was transformed to a vague promise of visa liberalization, showing the reluctance of the EU member states to offer visa free regimes to neighbours. So the Visa free travel is an extremely attractive incentive for the countries, however so far the EU is keeping disappointing them, thus losing credibility of its promises.

*More bottom-up approach*

As it has been shown from the analysis, through the ENP EU mostly exercised a top-down approach to promote democracy, using more bilateral state-to-state contact and little civil society involvement. Negotiations of the action plans were of intergovernmental nature and that led to more or less absence of NGO or civil society involvement. In the Action Plan there is no consistent strategy towards the development and inclusion of civil society.

Moreover, most of the EU assistance is being channelled to governmental structures, as the EU’s conviction is that the implementation of the ENP AP depends on the competence and commitment of the governmental officials and that is why it is important to assure the capacity of the responsible institutions.

As a result, civil society and independent media receive ‘mere dribs and drabs of the support that the EU pumps into their respective governments’¹⁹⁹, and even the aid offered is hard to get, as the EU funding systems are very complicated for NGOs. Indeed, the procedures of EU aid programs are very difficult for NGOs due to complicated reporting requirements that pose an extra burden on the NGOs. As a result, firstly most NGOs prefer working with other more flexible donors such as the US, and secondly small NGOs with less experience become discriminated against bigger and experienced ‘grant hacker’ NGOs²⁰⁰. This means that the EU indirectly is facilitating the growth of professional NGOs, decreasing the legitimacy of NGOs among local population and thus reducing civic participation. It has been numerously suggested that the EU should decrease the level of bureaucracy when channelling aid to civil

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society actors, facilitate less governmental involvement in civil society assistance and better balance between aid to governmental structures and direct aid to civil society organizations.

The EU together with other donors such as Eurasia Foundation, Heinrich Boll Foundation, Open Society Institute tries to promote cooperation between the state and the civil society actors; however, civil society still remains a secondary actor in relations with ENP Countries.

**More involvement in the frozen conflict resolutions**

Alongside with spreading its norms and values, the main priority of the EU’s Foreign policy in general and ENP in particular is the insurance of regional stability and conflict settlement. Stability in the South Caucasus with its geographic proximity, pipelines and frozen conflicts ready to burst into full fledged wars (as what happened in 2008 in South Ossetia) is of clear interest for the EU. However, so far, besides the ‘declarative rhetoric’ the EU has not really shown desire to involve in the frozen conflicts of the ENP countries.

In the case of Armenia, despite the fact that the conflict resolution is the priority area in the Armenian ENP AP, the EU has not carried out any tangible involvement in the NK conflict. In fact, this is the conflict the EU is the least involved in. As it has been described above, the conflict over Nagorno-Karabakh was the cause of closed borders with Turkey and Azerbaijan, considerably hindering Armenia’s both economic and democratic development. It has been discussed at length in the chapter on Armenia that the NK conflict created a range of factors hindering democratization, such as growing militarization of the state, creation of elites claiming political power in the NK conflict, growing dependency on Russia representing an ‘alternative model of democracy’, closed borders hampering economic development and facilitating creation of oligarchic groups and corruption.

This should be taken into account by the ENP, but instead, currently the EU is trying to take a careful stance to stay neutral and balanced between Armenia and Azerbaijan, holding an official position that it would consider a contribution to a peacekeeping operation after there is an agreement between parties, and leaving the job to the OCSE Minsk Group.

Moreover, trying to keep a balanced relationships between the two parties, in the Action Plans the EU is playing a language game, for example in the case of Armenia emphasizing the principle of self-determination and in the case of Azerbaijan emphasizing the principle of territorial integrity. There were claims on the side of the EU officials that Armenia and Azerbaijan do not seek EU involvement, one of the statements being: “no one has allowed us to do anything in Nagorno-Karabakh... we would do something if we were asked by the
sides”\(^2\). Indeed, for Armenia, as well as Georgia and Azerbaijan, Russia and the US remain central for regional security, each of the countries having their own preferences and the EU is not a strong military actor to meet their needs.

The conflict of Nagorno-Karabakh together with the conflicts of Abkhazia, South Ossetia and Transnistria in fact undermines the potential of the ENP and indicates on the weakness of the policy. As stated in one of the briefing papers of the European parliament, the conflicts among other things challenge European values and in order to strengthen the values of democracy, respect for human rights and the rule of low the EU must become more active in conflict resolution process\(^2\).

There has been many long length studies conducted on the EU’s potential in border conflict transformation with the aim to show that integration and association can have a positive and desecuritising effect on them (Diez, Pace, Stetter). The EU stands as a successful example of border conflict transformation, and the studies have shown that EU enlargement has ensured peace demonstrating the linkage between integration with peace\(^3\). Unfortunately the same studies have shown that even when the EU got involved in the conflicts of the countries which are not part of the integration process, the conflicts did not take a positive turn, leaving the EU normative power to remain an ‘unrealized potential’\(^4\).

The long discussion was needed to show that much of Armenia’s as well as other ENP countries’ future will depend on the successful resolution of the conflicts and that if the EU is aiming to pursue long-term strategy in promoting democracy in the ENP countries, it needs to increase its efforts and be more active in solving the conflicts and use its ‘potential’.

A real differentiated approach

As it has been stated above, the EU is applying regional approach to the ENP countries. Such an approach seems logical to the EU as it is helping to respond in a better way to the regional needs of the ENP countries when dealing with groups of fewer and more or less interrelated

\(^2\) Ibid, p. ii
At the same time the ENP Action Plans are based on a bilateral and differentiated approach, with the goal to guarantee for the target country promoting its own priorities, depending on geopolitical location of the country, economic and political situation and specific interests.

Similarly, the EU is holding a regional approach towards the South Caucasus, the part of which Armenia is. The term South Caucasus was chosen as an alternative to ‘Transcaucasia’ which meant beyond Caucasus in order to separate it from Russia and the assumption is that it does not really constitute a region. Indeed, as Lynch states, there is no regional dialogue in the South Caucasus and “an atmosphere of suspicion and insecurity is sustained by a complete lack of trust”.

The negotiation of the AP for the South Caucasus was a tricky process for the Commission, as it had to preserve the balance between the differentiated and regional cooperation. Nevertheless, as seen from comparing the action plans of the three South Caucasian states, the EU is more in favour of regional approach and is treating the countries more like a group rather than based on the differentiated approach. This became evident when the EU, due to the Azeri flights connecting to northern Cyprus, the latter being under EU sanctions, considered the actions of Azerbaijan against EU interests and suspended the official negotiations of the ENP AP in all the three countries. On the side of Georgia and Armenia this was considered unfair and “not in line with the differentiation principle of the ENP and revealing a preference towards regional formats over individual relations”.

My point is that though the regional approach is important, it should not be at the expense of the individual approach, as in spite of similarities in the case of these three countries, they have different expectations and ambitions for cooperation. As it has been shown on the case of Armenia, the EU is not fully taking into consideration the specific domestic conditions.

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205 Andreev, Svetlozar A.: ”The future of European Neighbourhood Policy and the role of regional cooperation in the Black Sea area”, Centro de Estudios Políticos y Constitucionales (CEPC), Madrid, Spain, May 2008, p. 95
207 A good table of comparison is made in the article by Audrius Poviliunas: “South Caucasus in the context of the European Neighbourhood Policy”, p. 133
208 Freire & Simao, p. 17
Did ENP fail as a policy?

In May 2009 the European Union’s Eastern Partnership (EaP) was launched. Why? Is that the acceptance by the side of the EU that the ENP has failed as a policy, or it is trying to deepen the relations with the included countries (as opposing to the fact, that the ENP was widening rather than deepening)?

The EaP will provide new association agreements, with priorities focusing on closer cooperation in the field of energy, assistance to improve fight against corruption, deep free-trade agreements and visa free travel to EU as a longer term perspective and to a lesser extent more involvement in the frozen conflicts and more focus on civil society.

This EaP policy has been labelled ‘ENP plus’ or a ‘tool to consolidate the ENP’; however it is still to be seen whether it will in reality provide any added value to the ENP or will become another regional initiative without further surplus. For now, after one year, critics are not very hopeful towards the EaP.

9.3 ‘Normative power EU’?

By including democracy promotion in its main foreign policy goals, the EU has become an important norm provider in world politics. The study has looked at the EU as a normative actor with specific norms and values imbedded in it (what it is), what means it is using to promote this norms and values (what it does), and finally if and how it effects the neighbouring countries (what impact it has). The question was whether the EU acts as a normative actor through the ENP and does it have a normative impact?

The conclusion from this work is that the EU is clearly presenting itself as a normative actor through the ENP, as from the very outset of the policy the EU stressed the importance of ‘shared European values’ as the basis for future relations with neighbouring states included in the ENP, however whether it acts as a normative actor and whether it has a normative impact is harder to see. Based on what has been analyzed on the case of ENP there is a gap between political rhetoric on shared values and the actual capability to implement them.

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209 EaP is a joint polich-swedis initiative, which covers six counties in the East: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine

210 There has been already launched the Eastern Partnership Civil Society Forum to monitor the fulfillment of the conditions under EaP. http://www.epd.eu/homepage/eastern-partnership-civil-society-forum


When it comes to democratic values, the EU has a broad understanding of democracy, and European countries themselves ensure means and resources for their citizens to acquire their basic needs. However, when it comes to implementing these values, the EU applies a much narrower understanding of democracy as an election-focused and institution-focused approach. Does it mean that the EU is so self-centered in regarding itself as a normative power, thinking that it “may obtain the outcomes it wants in world politics because other countries – admiring its values, emulating its example, aspiring to its level of prosperity and openness – want to follow it”?213

My understanding is that in order to be ‘qualified’ as a ‘normative foreign policy actor’ it is not enough for the EU to be a normative community and have normative intentions; it is also important what normative impact it has and what it achieves.

And when we look at what the EU achieves in promoting its democratic values beyond its borders, the results are disappointing. Why can’t it ensure spreading and implementing the broader understanding of democracy also in its external relations and ‘apply abroad what it applies at home’?214 Yes, world politics is mostly about interests and priorities, and in that sense the EU is another global actor, but when short-term economic, strategic, or security interests trump its commitment to its core values, then it loses its credibility and legitimacy as a serving example. In order to meet the criteria to be considered a ‘normative power’, there shouldn’t be inconsistency in what the EU is with what it does.

The question arises then, is the EU really a normative foreign policy actor?

If we approach to the concept of normative power as a there dimension one (is, does, impact), then the answer is ‘not completely’. But the EU has all the potential to be one and it has a huge unexploited potential to show the power of ‘normative power’.

I will conclude with the words of Dr. Marta Lagos, Executive Director of the Latinobarómetro in Chile: “When I look at the EU, I see a world power that does not know how powerful it is”.

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