

Tackling Europe's democratic deficit

The EU as a democratic force in Eastern Europe and Western Balkans

DEMOCRACY VERSUS AUTOCRACY. WHY THE DEMOCRATIC SYSTEM IS SUPERIOR AND HOW IT CAN DEFEAT AUTOCRACY

TACKLING EUROPE'S DEMOCRATIC DEFICIT: THE EU AS A DEMOCRATIC FORCE IN EASTERN EUROPE AND WESTERN BALKANS

Author: Dawid Aristotelis FUSIEK

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Rue Montoyer 25 1000 Brussels Belgium
www.iedonline.eu



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EXECUTIVE SUMMARY

Over the last years, the EU has been experiencing a democratic decline, which is especially noticeable in Western Balkan and Eastern Europe. This development puts at risk the EU's democratic foundations and could contribute to the deterioration of existing internal divisions and external policies, such as enlargement and the Eastern Partnership. Hence, this policy paper examines the manner in which the EU can tackle the increasing democratic backslide while maintaining its unity and well-functioning. First, the paper starts by addressing the important inquiry: Why is it important for the EU to challenge the present democratic backslide? Then, it argues the EU should: a) push for internal reforms to strengthen European institutions and its instruments; b) maintain a decisive and joint stance on Hungary and Poland while avoiding fuelling a general political condemnation against the two states; c) put enlargement high on its agenda and promote of rule of law in its neighbourhood through EU's new or existing instruments; d) push for a transatlantic and overall common Western approach to promote democratic development in Eastern Europe and Western Balkans.

Social Media summary

The analysis demonstrates how the EU could tackle the growing democratic deficit in Western Balkans and Eastern Europe

Keywords

#democracy #Hungary #Poland #westernbalkans #enlargement #normativepower
#democracybuilding #europeanforeignpolicy #europeangeopolitics #easterneurope

Short bio

Alumnus of the Utrecht University and of University of Piraeus, Dawid Aristotelis Fusiek has an eclectic background in European Affairs, International Relations and History. Over the last years, he has collaborated with various think tanks all over Europe, worked with the European institutions, and has published articles and research papers ranging from EU foreign policy and security studies to political philosophy.

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TABLE OF ACRONYMS

EU	European Union
EEAS	European External Action Service
EC	European Commission
ECA	European Court of Auditors
EP	European Parliament
IDEA	International Institute for Democracy and Electoral Assistance
WTO	World Trade Organization
OECD	Organisation for Economic Co-operation and Development
G7	The Group of seven is an intergovernmental organization consisting of Canada, Japan, United Kingdom, United States, Italy, France, and Germany

INTRODUCTION

Over the last few years, the EU has been experiencing a democratic decline. This phenomenon could be attributed to various challenges: from the 2016 migration crisis, Brexit, and the populist backlash to Russia's 2022 invasion of Ukraine. The COVID-19 pandemic, with relevant effects on the rule of law and human rights, needs to be also added to this list (Lebret, 2020). However, as the 2021 IDEA report shows, the decline is more noticeable in the Western Balkans and Eastern Europe, thus creating questions regarding the implications of this divergence. As the paper argues, this deficit poses a risk for the EU's democratic foundations and could contribute to the deterioration of existing internal divisions and external policies, such as the EU's enlargement and Eastern Partnership.

The recent clashes between the EU and Hungary and Poland over the EU's common economic and foreign policies (e.g., Orbán's hostage politics regarding the implementation of veto on Russian oil) are just early signs of the things to come (Wall Street Journal, 2022). Moreover, the EU's inability to tame the growing illiberalism has further facilitated this negative change. Indicatively, a 2021 report by the ECA pointed out that the EU had little impact on advancing fundamental rule of law reforms in the Western Balkans (ECA, 2022). It is thus high time for the EU to back democracy at the centre of its agenda and take definitive actions to counter this backslide. As the Conference of Europe showed, there is indeed the will for change and more democracy (EC, 2020a). To succeed, it must, however, adopt a united and strong stance and advocate for the adoption of ambitious policies on the institutional level, renew its commitment to regional partners, tackle the negative influence of illiberal actors, and promote democracy in the EU's neighbourhood.

Therefore, this policy brief aims to put forward recommendations on how the EU could challenge the growing democratic deficit. The paper starts by addressing the important inquiry: Why is it important for the EU to challenge the present democratic backslide? Then, it argues the EU should: a) utilise its experience and the existing momentum to push forward for internal reforms to strengthen European institutions and its instruments; b) maintain a decisive and joint stance on Hungary and Poland while avoiding fuelling a general political condemnation against the two states, possibly expanding the East-West divide; c) put enlargement high on its agenda and promote of rule of law in its neighbourhood through EU's new or existing instruments; d) push for a transatlantic and overall common Western approach to promote democratic development in Eastern Europe and Western Balkans.

Why the EU needs to tackle the existing democratic deficit?

The EU is the only supranational organisation that connects membership with the fulfilment of democratic and constitutional conditions (Kneur, 2007). For instance, Article 2 of the Treaty on European Union (TEU) and the Copenhagen Criteria (1993) highlight that the EU is founded on values like human dignity, freedom, democracy, equality, the rule of law, and that the existence of institutions guaranteeing these values is a crucial prerequisite to join and remain the Union (EP, 2022a). The EU has also established several instruments to tackle deviant behaviour (see: Article 7 TEU or infringement procedures). As such, Tina Freyburg et al. (2009) argue that member states and other external players perceive the EU and its institutions as a promoter and protector of democratic principles.

However, the EU has been experiencing a democratic deficit that is the outcome of its institutional setup, the modus operandi of its member states, and the growing illiberalism in the international system. The deficit stemming from the institutional set-up describes the lack of democracy in the EU and its various bodies and their inaccessibility to ordinary citizens (Demetriou, 2015, 5). Scholars and policymakers have argued that this deficit results from not only the Union's historical evolution (as the Union started more as an economic community than a political one) but also can be attributed to factors like: a) the perception that European elections are more about national policies and personalities than those of the EU (Follesdal & Hix, 2006: 536); b) the policy-making at an EU level does not mirror the policy preferences of citizens (Ibid.); c) the lack of understanding of EU's policies and implications on its citizens and governments (Moravcsik, 2004); d) the EU's model of democracy is much different from the model of democracy in the member states (Katz, 2001).

Democratic deficit can also refer to the slow deterioration of the democratic conditions in a country and the transition from democratic to progressively autocratic values and practices (Hönig & Tumenbaeva, 2022). A closer look at IDEA's Global State of Democracy Tool shows that majority of Eastern European and Western Balkans scored mid-range or weak performances as democracies, with Serbia being even considered a hybrid regime (IDEA, 2022). For instance, In Hungary and Poland, the two leading parties Prawo i Sprawiedliwość (PiS) and Fidesz have continuously eroded democracy, hence bringing them into confrontations with the European Commission. Diminishment of media freedom is also visible in Czechia and Slovakia (Freedom House, 2019). This phenomenon, however, is not only limited to Eastern Europe; Spain and Italy's far-right is gaining ground, while Croatia, Lithuania, Bulgaria, and Romania face issues when it comes

to corruption, organised crime, and judiciary independence (Levitz, 2010, 461-479). The same occurs in the EU's neighbourhood, with Georgia, Belarus, and Turkey facing serious democratic crises (Hoxha, 2022; De Waal, 2021; IDEA, 2022). The level of democracy has also declined in Africa and Asia, a leitmotif that will be further driven by the ongoing war in Ukraine and its global impact.

Given the above, a question arises: *How does the rising democratic deficit affect the EU itself?* As Richard Bellamy and Sandra Kröger (2021) highlight, democracy is not only an inherent part of the EU but also crucial for its legitimacy. Specifically, the legitimacy of its competencies, decisions, and their implementation relies on democratic transferral: from the national government, citizens, and the members of the European Parliament, on the one side, and of national parliaments that apply EU measures to domestic legislation, on the other. However, if the governments are not entirely democratic, then they neither transpose EU law within the domestic setting (see: 2021 Polish court rules issue) nor confer competence, thus undermining significantly EU's legitimacy (Ibid. 623). On top of that, such governments could show disregard for both their citizens' will (e.g., the 2020–2021 Women Strike protests in Poland) and the European agenda to promote their party's interests, destabilising often the well-functioning of the European Council and Parliament, and the whole Union. Ultimately, the participation of not fully democratic states in the EU's policymaking harms significantly further European integration and the adoption of more ambitious policies on the European level.

The growing democratic decline has also had a significant impact on the EU's external policies. The EU has a key role in democracy building around the world and the promotion of democracy figures at the core of multilateral and bilateral relations. This trait has established the EU as a soft power organisation guided by a normative vision and as an effective actor for peace and democracy. The latter is also a great source of appeal for external players and an important tool for the promotion of its own interests (Fusiek, 2020; 2021). However, backsliding regimes could cause significant harm to the Union's democratic image and threaten international cooperation in areas of high and low policy and also, the possibilities of further expansion and integration. For example, in 2014, Hungary criticised EU sanctions following Russia's annexation of Crimea and hindered NATO attempts to create new relations with Ukraine (Hopkins et al., 2019). Similar hindrances are also visible today, as Hungary was keeping Europe hostage by blocking the unanimous acceptance of sanctions on Russian oil over the war in Ukraine (Wall Street Journal, 2022).

Against this backdrop, increasing illiberal democracies within the EU and its neighbourhood could prove detrimental to its overall interests, policies, and well-functioning. After all, the EU can be only as democratic as its member states. In parallel, the worldwide democratic decline creates also opportunities for the EU to establish further its image as a promoter and protector of democracy at the multilateral level. As such, in the face of rising populism in its periphery, it needs to renew its commitment to democratic change in Eastern Europe, the Western Balkans, and its neighbourhood. However, for the Union to emerge victorious from the current challenges, there is a need for not only new tools but also for political will, concrete actions, and most importantly, internal reforms.

POLICY RECOMMENDATIONS

1. Putting democracy at the centre of its agenda and pushing for institutional reforms

The issue of democracy is experiencing an increased interest at the European level. There is no better example of this shift than this year's completion of the Conference on the Future of Europe (CoFoE) - an initiative set to create EU-level citizens' forums and give voice to citizens on key debates over the EU's future and democracy. Apart from that, on the political and legislative level, the EU adopted the European Democracy Action Plan in 2020, which focuses on the promotion of free and fair elections, strengthening media freedom, and countering information (EC, 2022a). Moreover, the promotion of democracy has figured several times in the discourse of Ursula von der Leyen, Charles Michel, Joseph Borrell and Roberta Metsola (EC, 2022b; European Council, 2022; EP, 2022b). Nonetheless, there is a need for concrete reforms and regulations to address the broader state of European democracy.

The past year's crises, such as the COVID-19 pandemic, the current energy crisis, and the 2022 invasion of Ukraine, have highlighted the need for a more politically integrated and united EU. Yet, it continues to lack competencies in certain areas, a weakness that significantly hinders its well-functioning. For example, the condition of unanimity in voting on issues such as foreign and security policy, EU finances or the membership of new candidates has often proven to be an obstacle to the effective development of the Union. As such, the EU should sustain the existing momentum for more democracy to revise its institutional setup. A good place to start would be the abolition of unanimity as the voting method in the European Council and its replacement with qualified or simple majority approval. Such measures could facilitate the adoption of more ambitious measures and initiatives to shield the EU's

democracy. Furthermore, the European Parliament should play a more active role in the EU's democracy promotion by enabling it to initiate legislation (EP, 2022c). Besides the EU, no other multilateral organisation has a parliamentary body with the competence to block or amend its decisions. Considering that this trait distinguishes the EU and is an important element of its democratic identity, it should be thus enhanced. By transferring more powers to the European Parliament, the EU could strengthen its democratic dimension and responsiveness to authoritarian practices. For example, Parliament's pressures contributed significantly to the Commission's initiation of the Article 7 rule of law procedure against Hungary (Carrera & Bárd, 2018).

The EU should also adopt more democratic procedures when choosing its leaders, especially following the 2019 fiasco surrounding the selection of the incoming European Commission president. Despite the great participation in the election across Europe, the selection of von der Leyen reflected the will for political equilibrium and not the representation of citizens and governments (Luca & Frantescu, 2022). However, being one of the most forward-thinking reforms in recent years, the process of *Spitzenkandidaten* must not be abandoned but revised to become more efficient and transparent.

Another way the EU could tackle the democratic deficit is to improve the participation of citizens at the institutional level. The EU isn't just about MEPs, Council and the Commission, but also local politicians and initiatives. There is no better example than the European Citizens' Initiative (ECI), introduced with the 2007 Treaty of Lisbon, which was the world's first-ever instrument for transnational, participatory, and digitally facilitated democracy (EU, 2022). On top of that, the Conference for Future of Europe not only indicated that the Union is ready to give citizens a far more meaningful role in its policy-shaping but also it is committed to more regular, post-conference forms of citizen participation (EC, 2022b).

Given the need for more bottom-up democracy, the EU could work on refining the ECIs, which have so far made negligible contributions to European democracy, to fully exploit their potential. For instance, the EU could involve the European and national parliaments in the process (opposing now the sole EC's participation). As many areas of EU politics require national and transnational decision-making, this step could help contribute positively to the success of the initiatives and boost citizens' participation. Furthermore, the EU needs to incorporate the existing citizens' panels and initiatives in its institutional policy-making and democratic infrastructure, rather than creating new stand-alone initiatives. That means a greater citizens' democratic engagement and representation on a pan-European

level and a new model for integration. Finally, the EU should invest more in democratic e-participation tools to foster interaction with citizens and nurture participation. Initiatives like (the 2019 YourVoteMatters.eu) have proven to be effective in involving youth in policymaking, creating new ideas, and reinforcing political trust and legitimacy.

2. Maintaining a united stance on Poland and Hungary while avoiding fueling further polarization and populism

Over the last decades, developments in Hungary and Poland have caused great concern in Brussels. Under Viktor Orbán's leadership, Fidesz has dismantled judicial independence, dominate the Hungarian media, stir up public animosity against refugees and LGBTQ+ people, and further fortify its autocratic structures domestically (Heil, 2022). The 2021 State of Democracy Report also showed that the deterioration of judicial independence, electoral procedures, civil society, and rule of law has continued in Poland, with PiS making little to no effort to alter this situation (Chapter 2, 4). Under these circumstances, the European Commission and European Parliament triggered Article 7 against Poland in 2017 and Hungary in 2018, which could lead to a suspension of their voting rights and sanctions (EP, 2022d). In addition to that, Poland is also facing a daily fine of €1 million for not conforming to the EU court's order to suspend the country's disciplinary mechanism for judges. However, these measures did not stop Orbán from getting re-elected with a supermajority this April and PiS from securing another term in 2020. It thus becomes apparent that more needs to be done, and the current situation provides the EU with several opportunities to promote its democratic agenda.

The EU needs to maintain and apply more pressure on Hungary and Poland to comply with its democratic standards while keeping up an open dialogue with both states. As for Poland, the EU should preserve the positive momentum in the relations between the two sides as the former has recently transformed its image from a rule-of-law troublemaker to the EU's constructive partner following the 2022 Russian invasion of Ukraine. However, that is not the case with Viktor Orbán, who has expressed sympathies for Putin's policies and hindered the adoption of sanctions against Russia at the institutional level (Bayer, 2022). Still, the EU must seek engagement with Hungary as a further rupture in their relations could provide more harmful than beneficial. An isolated Fidesz and Orbán could become more authoritarian and pursue closer ties with other revisionist states inside and outside the EU (for example, Putin sympathiser Serbia). Such a turn of events could expand the existing East-West divide in Europe and cause further polarisation that would significantly hurt Union's well-functioning. It could also escalate the existing anti-European discourse and Euroscepticism used by populist parties across Europe damaging further the EU's integration.

At the same, the EU should remain resilient and continue its proceedings against both Hungary and Poland. Since triggering Article 7, there has been little progress in countering democratic backsliding. Given that there is political will (see: European Parliament's resolution on September 15, 2022), the Union must make it clear that it is ready to impose sanctions and revoke their EU membership rights, in case they continue to break their EU obligations (EP, 2022e). Therefore, following Orbán's re-election, the EU should proceed with the Rule of Law conditionality mechanism against Hungary and stop the distribution of EU funds, because it simply cannot continue to fund the growingly authoritarian Hungarian government.

The EU must utilise its normative and soft power instruments, such as funding, political values, and foreign policies, to coerce Hungary and Poland to comply with its rulings and democratic standards. A good starting point for the EU is to withhold its funding, which comes at a sensitive time for two states that are facing recession and devaluation of currencies (Timu & Vilcu, 2022). Hence, the EU could adopt a carrot-and-stick approach regarding the distribution of its recovery funds. A good example is the recent Commission's adoption road map, which gives "milestones" for Poland to unlock billions in post-pandemic funds (Wanat, Bayer, & Tamma, 2022). While the Polish government has done little effort to tackle the rule-of-law concerns, the European Commission's decision could provide initiative for democratic transition. As for Hungary, the European Commission should trigger the budget conditionality regulation, refrain from approving the Recover and Resilience Facility plan until the state meets its obligation and exclude it from other sources of European funding like cohesion programmes. Moreover, by adopting a more "lenient" stance towards Poland, the EU could reward the country's unity with the rest of the Union on Russia, while making an example of Hungary's disunity. Nonetheless, it should also not loosen entirely the pressure on Poland's rule of law obligations.

Besides the national and European level, the EU should also support civil society groups and the media that play a key role in upholding and monitoring potential abuses of the rule of law in Poland and Hungary. Recent examples of popular protests have indicated that there is a will for mobilization when fundamental rights are undermined by the governments (e.g., abortion laws and judicial independence in Poland, CEU law in Hungary). Besides that, the citizens of both states acknowledge the expanding democratic deficit. Indicatively, a 2021 study published by the Alliance of Democracies found that only 31% of Poles and 30% of Hungarians think their countries are democratic (Tilles, 2021). However, a lot of NGOs and media in both countries continue to be targeted not only by the government but also

by the public. There is no better example than Hungary's "Stop Soros" law that seeks to cripple NGOs associated with Open Soros Foundations, a grant-making network founded by George Soros, as national security risks (NPR, 2018). Therefore, the EU should increase its financing and programs supporting civil society to guarantee their survival. The European Commission could use the Citizens, Equality, Rights and Values Program to fund activities that strengthen civil society organizations, and thus promote better democracy and rule of law (EC, 2022c). The EU could also collaborate with private, governmental, and non-governmental donors already operating capacity-building programs for such organizations.

3. Putting again enlargement high on its agenda and promoting of rule of law in the EU's neighbourhood

Since its creation, the EU has sought to connect the pursuit of peace and democracy with all its external actions, multilateral policies, and bilateral relations, thus establishing itself as a normative power and an effective promoter of peace and democracy. However, today's geopolitical context poses new challenges, as the number of authoritarian states continues to grow in the EU's neighbourhood. Specifically, over the past five years, Albania, Bosnia and Herzegovina, Georgia, Croatia, Kosovo, and North Macedonia have all experienced democratic backslide, because of factors, such as overlap between business and political interests or the nagging problem of organised crime (Freedom House, 2020). In Bulgaria and Slovakia, governments weakened the transparency of the vote and tampered with the electoral rules to disadvantage their opponents (Ibid.). Similarly, in Serbia and Montenegro, the abuse of power populist rhetoric, and strongman tactics by Aleksandar Vučić and Milo Djukanović respectively have substantially diminished the quality of democracy (Morina, 2022; Hoxha, 2022). A democratic decline is also visible in other neighbouring regions, such as Eurasia and Central Asia, and the Middle East and North Africa, such as Turkey and Tunisia (Bloomberg, 2022). While these challenges could contribute negatively to the EU's foreign policy and external actions, they could also create an opportunity to demonstrate its normative power and capacity to promote democracy.

Firstly, the EU needs to recognise the European perspective for new countries in Western Balkans and Eurasia (a term used to describe countries belonging to both Eastern Europe and South Caucasus) and revitalise the accession talks with current and potential candidate states. As recent German Chancellor Olaf Scholtz's discourse and Ukraine and Moldova's obtaining of candidate states strongly show, there is indeed the political will for further enlargement (Gehrke, 2022). Yet, other countries in Western Balkans and Eurasia continue to face roadblocks in their accession process. For instance, even after resolving a twenty-seven-year name dispute with Greece, North Macedonia has seen no progress in its membership talks, mostly due

to France and Bulgaria's hindrances (Jozwiak, 2022). However, the ongoing stagnation could have negative implications for the EU and especially the democracy in the Western Balkans: it could fuel the existing Euroscepticism and encourage the states to seek out alternative partners, such as Russia, Turkey, and China. Hence, the EU should commence a renewed enlargement procedure: one that presents effective incentives and clear benchmarks for the applicant states to adopt comprehensive reforms while addressing possible concerns of member states regarding further enlargement. By making the perspective of accession more perceptible, the EU could raise its credibility and reinvigorate the European presence in the region.

Secondly, the EU could seek to cooperate more with countries in Western Balkans and Eurasia in policy areas beyond enlargement. By stepping up its foreign policy and geopolitical engagement in these regions, the Union could counter the growing influence of third actors like Turkey, Russia, and China. Turkey has already signed a trade agreement with all countries in the region, while China has provided military technology to Serbia, Bosnia & Herzegovina, and Montenegro (Shopov, 2022; Mikovic, 2022). Furthermore, being the leading partner for all Western Balkans, with almost 70% of the region's total trade, the EU could add a normative dimension to its economic and political cooperation (EEAS, 2022). It could employ new and existing instruments and investments to diffuse democratic norms by financing democratic sound governments in the region while marginalizing authoritarian forces. However, it must simultaneously strike a balance between an engagement, guided by democratic values and principles, and the further isolation that could cause more polarization. Exemplary in this regard is the 2022 European Commission's €3.2 billion investment package that promotes European values like sustainability, digitalisation, and clearer energy and the further integration of the regions in line with its clear European perspective (EC, 2022d). A similar approach should also guide the EU's action in its Eastern neighbourhood, always adapted to the specific socio-political setting.

Thirdly, the EU must stir up popular support for European reforms to increase the effectiveness of the enlargement process and the credibility of the Union. This year's surveys and polls indicate that public support for EU membership varies among the Western Balkan and Eurasia. For instance, in Serbia, 44% of participants were against Serbia joining the EU, and 35% were in favour, while the support was solid in the rest of the states (Dartford & AP, 2022). So, as for these regions, the EU should thus invest more in its official communications highlighting the benefits of the EU and democracy, organise more frequent press conferences and visits, condemn democratic violations in public statements, and look for ways to involve the local population more. Apart from that, the Union could also engage with civil society

organisations, think tanks, and grassroots movements. Considering the suppression that these actors are constantly facing, the EU should offer technical (e.g., advocacy and constituency building) and financial assistance to non-state actors with democratic agendas. To do so, the Union could either employ other local donors, which have the know-how and understand the local context (e.g., the European Fund for the Balkans or the Western Balkans Democracy Initiative) or existing European initiatives, such as Team Europe Democracy Initiative (see: WFD, 2022; EU, 2022b; Robert Bosch Stiftung, 2022).

4. Developing a Western front to attract similar minded partners and promote democracy on the multilateral level

The democratic deficit is a global issue transcending European borders. As the 2022 Freedom House report indicates, the existing international liberal order is facing severe challenges, with 112 countries being party free or not free. The democratic international community is also being harmed from within by illiberal international actors. Russia has effectively challenged the European and global peace order with its invasion of Ukraine and China has intensified its military harassment of Taiwan. For the EU, such developments could have direct consequences on its well-functioning and the success of its foreign policy. For instance, China's stronger positioning and influence in Western Balkans in key sectors, such as energy, infrastructure, and politics, could have a great impact on enlargement and European regional ambitions (Shopov, 2022). Moreover, Russia's latest invasion of Ukraine and threats against Moldova and other Eurasian states could be also interpreted as Putin's efforts to counter the increasing influence of the EU and its Western partners in the region. Similar patterns are also visible in the Middle East and Africa, with Turkey and China's revisionist actions.

Faced with these challenges, the EU needs to step up its foreign democracy promotion, always in coordination with its trans-Atlantic partner, the United States (US). Following the troubling stance of Donald Trump on democracy (e.g., bilateral talks with the leader of North Korea), Joe Biden has established the reinvigoration of democracy at home and globally at the core of his foreign and domestic policies. Exemplary in this regard are the two Summits for Democracy on December 9-10 that were organised by Biden's administration last year. Furthermore, the US and the EU launched new or revived existing vehicles for democracy-to-democracy cooperation on the pandemic, the climate, trade, security and democracy (e.g., EU-US Trade and Technology Council (TTC), new EU-US dialogue on security and defence, and high-level meeting on Russia and China) (Parry & Zamfir, 2022). Therefore, the EU needs to take advantage of the US's increased interest in democracy building to bolster democratic governance in Central and Eastern Europe and Western Balkans. Indicatively, it could push its Atlantic partner to adopt a firmer stance on democratic

violations when dealing with Poland, given the close ties between the two states. Moreover, because of China and Russia's growing presence in Western Balkans and Eastern Europe, the EU and the US must counter their influence and respond with infrastructure support and efforts to deepen cooperation with regional states in areas such as critical infrastructure and security. The trans-Atlantic partners could collaborate also in other areas of democracy assistance, such as guaranteeing elections integrity and media freedom, democratic scrutiny through independent watchdogs, and helping civil society structures.

As highlighted in the EU action plan on human rights and democracy 2020-24 and the 2021 joint communication on strengthening the EU's contribution to rules-based multilateralism, the EU also needs to ally itself with similar minded global partners and use multilateral channels to bring democracy at the centre of the international agenda (EC, 2021; EEAS, 2020). Stopping the growing authoritarianism will require a full democratic renewal and further integration of those countries that are still outside of Euro-Atlantic structures. Luckily, Russia's military aggression against Ukraine showed that, when faced with a common threat, the international democratic community can evoke a strong and unified response. Hence, following the example of Sweden and Finland, the EU and its democratic partners need to exploit the growing momentum to include more countries in their alliance, such as Georgia, Albania, and Bosnia and Herzegovina. The EU should also utilise its normative power to promote democracy at international fora. It should continue to support the strong pro-democracy orientation of G7 policies, discussed during the 2021 Summit and ministerial meetings (Zamfir, 2021). Given its economic and political power, the EU, always with the help of its democratic partners, needs to preserve and democratically reform international organizations, such as the WTO, and cooperate with others like the Council of Europe and the OECD to fortify the rule of law in third countries.

CONCLUSION

The policy brief aims to put forward recommendations on how the EU could challenge the growing democratic deficit in Eastern Europe and the Western Balkans. While the EU has been experiencing a democratic decline over the last few years, as the 2021 IDEA report shows, the situation has been troubling in these regions. As the paper argues, this increasing democratic deficit could have serious implications for the EU's internal and external policy, affecting negatively its well-functioning and its global image as a promoter of democracy and peace. The recent clashes between the EU and Hungary and Poland over the EU's common economic

and foreign policies (e.g., Orbán's hostage politics regarding the implementation of veto on Russian oil) are just early signs of the things to come (Wall Street Journal, 2022). At the same time, scholars and policymakers have argued that the EU's institutional set-up adds to this democratic deficit. Specifically, the EU's model of democracy not only obstructs the adoption of ambitious pan-European policies, as policymaking relies mostly on national governments, but also discourages citizens' participation and does not mirror their perception.

Faced with the above challenges, the EU needs to renew its commitment to democratic principles and adopt a more proactive approach to counter the increasing deficit. A good starting place would be a reformed and more politically integrated Union. Hence, it should promote internal reforms, such as the replacement of unanimity with a qualified majority as the voting method in the European Council, and strengthen the European Parliament's responsiveness to authoritarian practices by giving it the right to initiate legislation. On top of that, the EU should revise the process of *Spitzenkandidaten*, follow more democratic procedures when choosing its leaders, and improve the participation of citizens at the institutional level. The latter would include offering to citizens a far more meaningful role in its policy-shaping, refining the European Citizens Initiative, investing more in democratic e-participation tools to foster interaction with citizens and nurture participation, and incorporating the existing citizens' initiatives in its institutional setup.

Besides internal reforms, the EU also needs to tackle the growing illiberalism in Eastern Europe. Specifically, following the triggering the Article 7, the EU needs to continue with its proceedings against both Hungary and Poland. Apart from legal actions, it should also withhold its funding to both states if they do not abide by European regulations. By adopting a carrot-and-stick approach, the EU could force the two governments to comply with its democratic standards. However, it should also adopt a divergent approach to both states and avoid their further ostracism that could facilitate polarizations. In the case of Poland, it should preserve the positive momentum in the relations between the two sides. As for Hungary, the European Commission could trigger the budget conditionality regulation against Hungary, refrain from approving the Recover and Resilience Facility plan, and exclude it from other sources of European funding, like cohesion programmes. Ultimately, the EU should support civil society groups and the media that play a key role in upholding and monitoring potential abuses of the rule of law in the two states.

A similar approach should also guide the EU's policy in Western Balkans. At first, the EU needs to recognise the European perspective for new countries in Western Balkans and Eurasia and revitalise the accession talks with current and potential

candidate states. It should commence a renewed enlargement procedure: one that presents effective incentives and clear benchmarks for the applicant states to adopt comprehensive reforms while addressing possible concerns of member states regarding further enlargement. Moreover, the EU should build closer economic and political relations with countries in Western Balkans and Eurasia in areas beyond enlargement to counter the growing influence of third actors. However, it must simultaneously strike a balance between an engagement, guided by democratic values and principles, and the further isolation that could cause more polarization. The EU must also stir up popular support for European reforms to increase the effectiveness of the enlargement process and the credibility of the Union. As such, it must not only engage more with the local population through conferences and official visits but also with civil society organisations, think tanks, and grassroots movements.

Finally, the EU must step up its foreign democracy promotion at the international level. It needs to take advantage of the renewed interest of Biden's administration in democracy and cooperation to bolster democratic governance in Central and Eastern Europe and Western Balkans. Apart from the US, the EU also should not only ally itself with similar minded global partners but also expand the Euro-Atlantic structure. As Russia's military aggression against Ukraine created more momentum for integration, the EU should push for the expansion of its Western alliance by assimilating more countries, such as Georgia, Albania, and Bosnia and Herzegovina. Furthermore, being a normative power, it should promote democracy at international fora, cooperate with global organisations, and push for democratic reform of the multilateral system.

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