

Supporting Civil Society in Eastern Europe and the Western Balkans: Old and New Challenges

By Rosa Balfour and Nicolas Bouchet

The European Union and the United States have shifted their democracy assistance in Eastern Europe and the Western Balkans from a focus on top-down political change and the transformation of state institutions to supporting the empowerment of civil society, including in the context of the increasingly “closed” space. Despite this, they are confronted with old and new challenges that reflect how complex this work has become.

The countries of the region have experienced developments that challenge any linear notion of democratization that local or foreign actors may have once held, requiring donors to adapt their strategies. These old and new challenges cover the sustainability of civil society organizations (CSOs) and tough socio-economic factors that undermine them, conflict legacies, problematic engagement by civil society with the state in reform processes, the trend toward CSOs acting as service providers to or alongside the state, and political actors (including those in government) fueling divides between civil society and populations.

Assistance in democracy, human rights, and civil society from outside governmental and nongovernmental donors has substantially supported the transformation of Eastern Europe and the Balkans since the 1990s. The European Union and the United States have played the leading role in this assistance, with funds and programs over the years, through their own governmental channels as well as a wide range of implementing nongovernmental organizations. During the past decade, they have also increasingly shifted their assistance from a focus on top-down political change and the transformation of state institutions to one that supports the empowerment of civil society, in an effort to encourage reforms that are more determined by citizens.

But, despite the progress they have made in democracy and governance, the countries of the region that aspire to EU membership and integration into Euro-Atlantic structures have experienced developments that challenge any linear notion of democratization that local or foreign actors may have once held. Complex socio-political dynamics, including conflict and deep polarization within societies as well as citizens’ demands for self-expression and self-determination at the grassroots level, have evolved in diverse directions, requiring donors like the EU and United States to adapt their strategies.



Reflecting Global Trends

Developments in Eastern Europe and the Western Balkans¹ reflect international trends. Worldwide — in young democracies, in countries attempting transitions, and in authoritarian regimes — norms of liberal democracy, human rights, freedoms of expression and association, and pluralism are confronted more assertively by potentially competing ideas of national sovereignty, majoritarianism, or cultural and communitarian rights. This norm contestation is growing even in older democracies, under nationalist and populist pressure as well as out of citizens' disenchantment with the performance of governments.

At the same time, many governments are finding new ways to repress civil society, and the practice of copying these from country to country is spreading. The phenomenon of the “closing space” is intensifying, and the means through which civil society is undermined or restricted have become more sophisticated and widespread.² Not only do authoritarian and illiberal governments work to strangle civil society locally, they also try to block civil society cross-border activities and networks, as well as dilute the norms within different multilateral institutions that guarantee the rights to these.

Within Eastern Europe and the Western Balkans there is a fairly wide range of degree of “closure” when it comes to civil society space. Today, according to Freedom House, the region includes countries that embody the closing space (Belarus, Azerbaijan) and ones where some progress has been made and held on to (Albania, Armenia, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, Kosovo, Georgia, Moldova). Those with the better civil society scores — Montenegro, Serbia, Ukraine — are on the same level as some EU member states like Hungary or Romania.³

1 Here the countries covered by this label are the ones of the Eastern Partnership (Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine) and the non-EU countries of the Western Balkans (Albania, Bosnia, Kosovo, Macedonia, Montenegro, and Serbia).

2 Thomas Carothers and Saskia Brechenmacher, Closing Space: Democracy and Human Rights Support Under Fire, Carnegie Endowment for International Peace, 2014.

3 See Freedom House, “Nations in Transit 2017: Table of Country Scores,” <https://freedomhouse.org/report/nit-2017-table-country-scores>.

Two global dynamics are behind the closing space for civil society: power shifts weakening the normative power of the West and a backlash against Western-supported cosmopolitan, liberal democratic values. The liberal democratic norms underpinning the global order of past decades are framed as universal, but they are also tied to the power of the West. As the global joint influence of Europe and the United States declines in relative terms, and other powers with different political systems and values become more influential, these norms face unprecedented international contestation — with direct repercussions in many countries, including in Europe.

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EU and U.S. democracy support globally and in the region — including to civil society — is increasingly met on the ground with different normative and practical challenges that result from these trends. This requires a critical reassessment of their strategies to promote democratic norms and institutions. The two most important external supporters of these in Eastern Europe and the Western Balkans must face up to the reality that the local environment for their work for the foreseeable future will be defined by this combination of the contestation of liberal democratic norms and the closing space (as it now stands or to an even greater degree). They are now recognizing the difficulties in implementing their programs and adapting to this rapidly changing environment. However, more ingenuity is needed if they are to keep up with — or better, to stay ahead of — evolving trends.

EU and U.S. Civil Society Support

The end of the Cold war marked the beginning of democracy promotion by the EU, whereas the United States has a longer tradition in this field. The approaches and policies they developed in Eastern Europe and the Western Balkans have differed slightly, with the United States generally placing more emphasis on bottom-up processes of political

change and the EU more on the construction and development of stable and democratic state institutions. The United States has tended to pursue a more flexible approach that emphasizes political rights and civil-society empowerment in the region, often accompanied by more assertive diplomacy to criticize abuses of political, civil, and human rights. While it also supports civil society alongside building democratic institutions, the EU has generally put more emphasis in maintaining avenues for “critical engagement” with governments that do not respect democratic and human rights standards (with the exception of Belarus with which it froze relations between 1997 and 2016).

The EU’s most influential source of leverage to promote democracy in the region has been its enlargement strategy’s requirement of aspiring members to carry out deep institutional reforms along key democratic criteria identified in the early 1990s. Having accepted the countries of Central Europe as well as Bulgaria and Romania as members, the EU also promised the prospect of membership to the countries of the Western Balkans. In line with the wide transformational agenda that the enlargement process entails, its approach to these countries has been strongly premised on relations with governments, focusing on state institutions and underpinned by a broad concept of human rights that includes socio-economic and minority rights.

With the countries of Eastern Europe (Belarus, Moldova, and Ukraine) and the South Caucasus (Armenia, Azerbaijan, and Georgia) for which a membership perspective is unclear, the EU has drawn lessons from its enlargement strategy and designed policies to address political reform, through the European Neighbourhood Policy since 2003. Civil society was addressed more directly and comprehensively only later in 2009, with the Eastern Partnership, which includes civil society platforms and programs. While the intensity and

closeness of EU relations with their governments has varied depending on the commitments of each to fundamental democratic principles, it has continued to support civil society in several ways. Yet, despite this engagement, the EU has been criticized for its inconsistent policies in the region, for its insufficient support of democracy advocates in the different countries, and for being influenced in its attitudes toward their political evolution by too many other considerations (for example, energy security, relations with Russia, and stability).

The Arab Spring in 2011 and the aggression of Russia against Ukraine since 2014 forced a rethink of EU strategies, though other events (such as the earlier Color Revolutions) and earlier assessments of its external assistance also contributed to the learning curve. As a result, today the EU has more precisely defined conditions attached to its budget support and general democracy-related objectives are more integrated within its financial aid. Alongside assistance through traditional channels for state capacity building, it invests more, and more explicitly, in civil society and bottom-up initiatives. The issue of burdensome administrative processes for local civil society to apply for EU support funds is being gradually addressed by changes in procedures and the introduction of new regulations.

The EU has also changed its overall strategies in favor of greater adaptation to local preferences and demands, and has moved away from “one-size-fits-all” approaches. These are reflected in the guidelines for civil society support, which have brought in procedural changes to address some of the cumbersome application processes, and in the latest priorities for the Eastern Partnership. Civil society empowerment is not just an end in itself for the EU, but also a means through which all political and economic reform should be carried out.

The EU’s financial commitment to civil society support in Eastern Europe and the Western Balkans has increased substantially in recent times. According to the European Commission, total financial support to civil society [in Eastern Europe and the South Caucasus] has risen steeply over the years, from €30 million in 2007–10, to €68 million for 2011–13,

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and €148 million for 2014–17.⁴ More systematic engagement with civil society is also reflected in the increase in funds for the European Instrument for Democracy and Human Rights as well as the creation of other funding mechanisms such as the Neighbourhood Civil Society Facility and the Civil Society Organizations and Local Actors Programme. The European Endowment for Democracy, an independent body funded by member states that has been operational since 2012, is a far more flexible organization for supporting grassroots civic actors in the countries surrounding the EU. In its first years, the EED focused on the countries in Eastern Europe, the Middle East and North Africa; since last year it is also operational in the Western Balkans.

The United States has provided extensive economic, security, and democracy assistance in Eastern Europe and the Western Balkans since the 1990s, and for some time it was a much larger democracy donor in the region than the EU. Support for the development of civil society has been a central part of this. Out of a general alignment of goals with its European allies in this sphere as well as for broader foreign policy interests, successive U.S. governments encouraged and supported the integration of the countries of the region into the EU and Euro-Atlantic structures as the best way to help them complete and consolidate the transition to democracy and market economies. Over the years, the U.S. assistance focus in the Western Balkans also shifted from immediate post-conflict stabilization to the same kind of reform agenda pursued in other countries of the wider region.

The main channel for U.S. assistance to civil society in the region remains the Agency for International Development (USAID), while the State Department's Bureau of Democracy, Rights and Labor and

individual embassies also manage some programs and funds. With strong bipartisan support for democracy assistance for the region, Congress has also regularly voted for substantial funds to that goal. In 2001, the countries of Eastern Europe and the Western Balkans received \$91 million under the heading “governance and civil society” support; and that figure stood at \$188 million in 2011. In 2016, the sum was \$135 million, with about \$32 million under the sub-heading “democratic participation and civil society.”⁵ (Due to how the U.S. government categorizes its spending, some activities and programs that clearly serve to develop civil society are found under other sub-headings than the latter.)

As well as directly through government agencies, a great deal of these assistance funds have been channeled through a wide range of U.S. and international organizations, such as the National Endowment for Democracy, the National Democratic Institute, the International Republican Institute, PACT, and The German Marshall Fund of the United States. More recently, the United States has also backed the creation of the Prague Civil Society Centre, which aims to support civic actors in Eastern Europe and Central Asia.

In 2011 and 2013 respectively, the U.S. government launched the Lifeline: Embattled Civil Society Organizations Assistance Fund and the Stand with Civil Society initiative — both operating on a model of partnership between concerned governments, nongovernmental organizations, foundations, and multilateral initiatives.⁶ USAID's Strategy on Democracy and Governance released in 2013 also placed a strong emphasis on this issue and on the importance of civil society to development. In an effort to innovate in recent years, like the EU, the agency has sought new, more flexible mechanisms to support civic actors in the region, including for example, with the Civil Society Forward program in Serbia and the Engage program in Ukraine. In 2015, USAID launched a new global initiative, LocalWorks, with an annual budget of about \$45 million, to improve how it works with civil society and local communities in a

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4 European Commission, “Civil Society at the Heart of the Eastern Partnership,” June 2016, p.2.

5 Data from USAID Foreign Aid Explorer, <https://explorer.usaid.gov>.

6 Congressional Research Service, “Closing Space: Restrictions on Civil Society Around the World and U.S. Responses,” April 8, 2016.

few selected countries. Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, and Serbia are among the first countries selected for support under this program.

Old and New Challenges

Despite the adaptation in their policies for supporting civil society in Eastern Europe and the Western Balkans, including in the context of the increasingly closed space mentioned above, the EU and the United States remain confronted with a combination of old and new challenges in the region that reflects how complex this work has become.

First among these is **doubt about the sustainability of civil society organizations (CSOs)** in the countries concerned. With limited local philanthropy, CSOs remain tied to donors and international partners that have been active there for at least three decades. This has been perpetuated, in part, by the U.S. and EU's emphasis on encouraging the development of sectors of civil society that tend to be Western-oriented, urban-based, and focused on political rights, as well as on formal nongovernmental organizations, rather than less formal civic groups and movements. As a result, there is a strong tendency across the region for citizens to see CSOs as representing an elite that is detached from the "real" problems in their country. This is emerging as a recent phenomenon, also in connection with the backlash by some governments and politicians against foreign-supported CSOs in a growing number of countries.

A second ongoing and entrenched challenge is the range of **socioeconomic factors that undermine civil society**. Across the region, a toxic combination of poverty and unemployment, brain-drain, corruption and state capture by ruling parties, growing urban-rural, or capital-provinces socioeconomic gaps has had a stunting effect on civil society development. To varying degrees, the countries of the region also suffer from trust deficits among citizens as well as between them and institutions. All of this accentuates the estrangement of swathes of the citizenry from the formal NGO-dominated civil society sector.

Legacies of conflict, including those unresolved, form a third challenge that still affects the development of civil society across the region since the 1990s. All the countries of the Eastern Partnership and the Western Balkans (except Belarus) are affected by this in one way or another — from the ongoing fighting in Eastern Ukraine to the "frozen" conflicts in Azerbaijan, Armenia, Georgia, and Moldova, to the legacy of the Yugoslav wars in Bosnia and Herzegovina, Serbia, Kosovo, and the Former Yugoslav Republic of Macedonia. However, while democracy and civil society support is complicated by these, a considerable share of donor efforts in this sphere is devoted to conflict-related activities, for example for reconciliation among communities or helping displaced people.

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One crucial, more recent challenge for civil society in Eastern Europe and the Western Balkans relates to a **problematic engagement with the state in reform processes**. EU support to civil society includes encouraging governments and CSOs to cooperate formally and in an institutionalized fashion on reforms in democracy and governance, as in all sectors of reform (e.g. infrastructure, health and education, the environment) in relation to the accession and integration processes. Generally speaking, the United States has backed this, having long seen the road to democratic consolidation for the region as inseparable from EU integration. Encouraging governments and CSOs to work together aims to improve the latter's capacity in a wider range of policy areas as well as to make the former more responsive and accountable to civil society in policymaking. It also helps the EU to pursue its dual-track engagement at government and civil society levels. However, CSOs are not always comfortable with this approach, especially where the government is not unequivocally committed

to cooperation or to democratic practices. In many instances, governments only engage in a superficial fashion as a way to tick a box for donors. Therefore, CSOs frequently prefer to keep their distance from governments to avoid being perceived as being co-opted, part of the establishment, or politically partisan.

Another recent challenge is the **trend toward CSOs acting as service providers to or alongside the state**. This is a welcome development in many ways, but it also creates dynamics that can be problematic. First, connected to the previous challenge highlighted, some civil society groups have been acting as providers of technical and expert services within the EU integration process — partly in response to the encouragement of donors, and partly because this is where much donor project funding is available. One downside is that it risks to further the CSOs' alienation from citizens if they are seen as prioritizing parts of the EU integration reform agenda that do not directly resonate with people's main concerns in their daily lives. In a parallel development, some CSOs have started acting as providers of services that the states fail to provide adequately, especially in social protection and healthcare. On the one hand, this helps CSOs connect with citizens and increase their relevance at a time when they are in a hostile environment. But, on the other hand, this reinforces a governance model that does not place sufficient emphasis on the provision of basic state services, as envisaged by the reforms that the EU presses for and supports financially. With this model, CSOs could be criticized as enabling their governments' neglect of social services.

The divides between civil society and populations are also accentuated by political actors, often including those in government. They use state media or media monopolies, as well as election campaigns, to attack civil society and impugn its patriotism, neutrality, and integrity. There have been sustained efforts in most countries of the region to paint CSOs as foreign-funded agents working against the national interest, or as fronts for local political actors (though this has in some cases been true). In this climate, it is not surprising that significant portions of the populations in Eastern Europe and

the Western Balkans mistrust civil society and see it as unrepresentative. Furthermore, it is not a matter of unrelated instances across the countries there; rather, it is part of a self-reinforcing trend globally and in wider Europe. And, while Russia's example and actions have been crucial in this regard, it is not the only external influence when it comes to delegitimizing and scapegoating civil society in the region. What is going on in countries from Poland and Hungary to Turkey also provides negative examples for local political actors to follow. And, ultimately, the more authoritarian or illiberal political actors and governments within the region itself also set an example that does not go unnoticed in neighboring countries.

Implications for Donors

The above is not intended to suggest that civil society in Eastern Europe and the Western Balkans is fatally weak, or that there are no positive developments to note. Many vibrant organizations have established themselves, transforming the quality of democratic life in these countries. Across the region, nongovernmental organizations, CSOs, and civic movements are trying to evolve in new directions or to diversify what they do in a way that more closely reflects the priorities and needs of citizens. What has been observed in Ukraine since the Revolution of Dignity is only the most striking example.

But, in light of the combination of these old and new challenges, questions emerge as to how civil society should redefine itself. Should it refocus on core issues tied to political rights and fundamental freedoms, as in the early 1990s, especially to push back against the closing space? Or should it strengthen its capacity in a broader variety of fields? How should it engage with political and state power, not only within domestic but also with international actors?

Faced with this situation, the external supporters of the region's civil society must also ask themselves what they can do to encourage and support this process of renewal. And also, whether their current policies hamper this in any way. The EU and United States, as the principal providers of civil society assistance, need not only to ask themselves if they have made

their norms and policies flexible and adaptable enough, but also how they can react to, and make use of, the different efforts at renewal and the new proposals emerging within civil society, especially at the grassroots level.

There is a basic question about whether the EU and United States have fully grasped the extent to which the relationship between CSOs and governments has become more problematic, or fully explored the range of implications, much less worked to develop ways to address this. While bringing civil society, governments, and state institutions into closer contact and encouraging them to cooperate is an important part of improving democratic governance and promoting reforms in the region, there is also a need for donors to engage in uncompromising political assessments of where such cooperation risks turning into a channel for political actors to neutralize or co-opt CSOs.

There is still too often a wide gap between the EU's and the United States' diplomacy in the region and their support for civil society, especially in the case of the EU, which is perceived in several countries as insufficiently vocal in criticizing governments for failing to protect civil society (whereas the United States is seen as more willing to do so). It is welcome that, last February, the European Commission showed awareness of the renewed challenges to democracy in the Western Balkans by making reference, for the very first time, to state capture in countries supposedly on the way to becoming EU member states.⁷ But not all EU members will use this language. Civil society representatives often feel abandoned politically when donors that support them financially do not back them through diplomacy and public engagement.

⁷ European Commission, "A credible enlargement perspective for and enhanced EU engagement with the Western Balkans," February 12, 2018.

Especially in countries where the media is heavily influenced by governments, civil society often does not have sufficient visibility and ability to defend itself from political attacks that aim to fuel the alienation of citizens from CSOs. EU and U.S. officials could do more to balance this in the course of engaging in these countries on different issues.

While the support capacity of the EU and U.S. diplomatic missions in the countries of the region has improved considerably over the years, they are under-resourced given the scale of the challenges to civil society and to the assistance that they provide on the ground. With missions located in the capital cities and usually with one or two staff devoted to civil society, even in countries that are large aid recipients, the ability to reach out beyond an established set of local partners is considerably restricted. Partly as a result, EU and U.S. engagement and funding, while evolving, too often still tends to prioritize urban and more professional CSOs. Not surprisingly, limited capacity in-country also feeds into the struggle to calculate fully the impact of the support provided. The recent improvements in the projects of the two major civil-society donors, if they are not supported by wider resources, risk missing some of the innovative and promising developments in civic spaces in sections of society and parts of the countries to which they are less connected.

At the same time, if the EU and United States are justified in their concerns about the fragile political, social, and security situation in many of the region's countries, this also has negative effects on their support for civil society. First, this fuels a tendency to be risk-averse when it comes to pushing back directly against governments that curtail civil society's freedoms. Second, this makes it more difficult to innovate by moving away from "safe" topics in civil society support. This in turn makes it harder for CSOs to pursue longer-term goals that they define autonomously from donor preferences, and risks keeping too much of a focus on issues that may not reflect changing situations. Third, risk averseness gets in the way of the EU and United States improving and widening their outreach to more grassroots or less conventional civic organizations, especially among those outside capital-based CSO circles.

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Developments in Eastern Europe and the Western Balkans are a microcosm of a global trend in which fundamental freedoms are threatened — with civil society as the first, perhaps easy, victim of this trend. Particular narratives and issues may be shaped locally, but the trend plays across national boundaries. Yet the countries of the region also have the potential to be ones where the principles of liberal democracy and free societies grow — and to spread the example to others further afield. EU and U.S. engagement in supporting them should thus not be seen only in their context but also as part of an effort to tackle broader challenges that resonate beyond the region. This makes it all the more important for the EU and the United States to “get it right” in these countries; as does the fact that they have invested much in them already — financially and politically — over almost three decades.

Getting it right requires moving simultaneously at two levels. On the ground, with a greater effort for nuanced engagement, understanding of the details of local contexts, listening to the needs of citizens, and flexibility to adapt policy accordingly. And, at a higher level, with better efforts to narrow the gaps between democracy support and other EU and U.S. goals, better use of public diplomacy and soft power, and ultimately a greater effort to defend and reaffirm fully fledged democracy as an attractive concept to be promoted and protected.

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About the Author

Dr. Rosa Balfour is a senior transatlantic fellow at GMF in Brussels and a member of the Steering Committee of Women in International Security–Brussels. Nicolas Bouchet is a non-resident fellow with GMF in Berlin.

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1744 R Street NW
Washington, DC 20009
T 1 202 683 2650 | F 1 202 265 1662 | E info@gmfus.org
<http://www.gmfus.org/>