I would like to confine my remarks to the question of whether or not the development of democracy in the Euro-Atlantic system has hit an impasse, specifically whether Europe’s newest democracies in the Balkans and former Soviet space are facing certain obstacles, which did not confront an earlier generation of Central European and Baltic democracies.

Clearly, the post 9/11 period – the period of our preoccupation with the Greater Middle East, terrorism and Islam – is different from the period just after 1989 where the reunification of Germany and the astounding transformation of Poland and the Czech Republic dominated the attention of the West. I would like to discuss how these different historical periods – each with distinctive geopolitics – have affected the expansion of European democracy. I would then like to offer some very preliminary ideas about how democracy will evolve (particularly in the countries immediately East of us) in the decade ahead.

I should say at the outset that I do not maintain that the patterns of democratic development that we have seen in the Visegrad and Vilnius countries or the patterns we are likely to see in the inner Balkans (Serbia, Macedonia, Albania, Bosnia) and Eastern Neighborhood countries (Ukraine, Moldova and Georgia) are universally applicable. I strongly suspect that they are not – except in the most general sense. What I will argue is the fact that new kinds of democracies are continuing to evolve in a far harsher – even hostile – environment proves that the natural tendency of democratic peoples to progress has NOT hit an impasse. If this is true, then why this crisis of confidence in the progression of democracy.

How has the geopolitical environment changed?

The largest single factor impeding the progress of new European democracies – whether in the near Neighborhood of Ukraine, the South Caucasus, or Central Asia – is what I would call “The Perfect Storm” of anti-democratic conditions. An aggressive and predatory Russia is resurgent and resolved to rebuild its past imperial power at the expense of its smaller democratic neighbors. The United States has been weakened, widely scorned, and preoccupied by chaotic military engagements far distant from Europe. And Europe itself is paralyzed by the weakness of its institutions, the confusion
of the EU constitution and the anxieties of its electorate who feel threatened by both the
global economy and demographic reality. In these circumstances, there is little time to
worry about the aspirations of Misha Saakashvili, the instability of Kievan politics or the
poverty of the Moldovan countryside.

Not only are the Euro-Atlantic “parents” inclined to neglect the Eastern children, but the
new democracies in Europe’s East are fundamentally different from the more advanced
and frankly more European democracies we grew accustomed to in the former Warsaw
Pact area of Central Europe.

First, these nations are younger (historically speaking) and their governments are weaker
than their peers in Central Europe. Georgia and Ukraine’s modern history of democratic
self-government can be counted in months as opposed to Poland’s which can be counted
in decades if not centuries.

Second, the shared idea of the nation is a more slippery concept in the East than in
Prague. Ukraine is having a vociferous debate on what it means to be a Ukrainian – in
the past, a Ukrainian nationalist was simply someone who hated people who spoke Polish
or Russian or Yiddish. Today, it is a more nuanced affair to be a Ukrainian patriot. To a
similar, albeit lesser, degree, the Republic of Macedonia is still struggling for acceptance
in European and international institutions on its own terms and by its chosen name. In
both cases, we are witnessing the final stages of the birth of modern European nations.

Third, the post-Soviet democracies have a different set of needs and concerns than the
states, which integrated into European institutions from the reunification of Germany to
the accession of Romania and Bulgaria.

- The prospect of membership is not on offer for these countries and, even if it
were, membership in NATO or the EU does not have the transformative power it
had in states like Slovakia and Slovenia which changed themselves overnight to
become a part of Europe. In Ukraine and Moldova, basic pocketbook issues of --
jobs, visas, will you buy my wine – are far more important than an office in
Brussels. Europe’s East is still waiting for the “take off” stage of economic
development when foreign direct investment comes pouring in and the society
and market begin a shock adjustment.

- With the exception of Georgia, post-Soviet states are less concerned with security
than were the states in the North German Plain and Baltic region. Ukraine does
not have external enemies (nor for that matter does Serbia.) Both states fear
internal instability – a creeping coup in Kyiv or the assassination of Djindic in
Belgrade.

- In addition to lagging economic development (compounded by energy
dependence) and political instability, the post-Soviet democracies remain
remarkably isolated from the rest of Europe. Whether it is the refusal of the EU
to give visas to Serbian students. The absence of European language skills among
political elites. Or the fact that European newspapers cannot be found in Kyiv. Many of the new democracies were quite literally “separated at birth” from Europe.

**Well, what are the implications of these differences for the people who would like to help them succeed as democracies?**

First, these differences force us to realize that the institutions which served post-WWII Western Europe and post-1989 Central Europe extremely well (Breton Woods, Marshall Plan, NATO) do not speak to the challenges of Europe’s East. NATO doesn’t fix energy dependence, decaying infrastructure, or political instability.

Second, our multi-lateral institutions which work on human rights, elections and the resolution of frozen conflicts (notably OSCE) do not function in a region where Russia can obstruct and veto the will of the international community. In short, we have discovered an area of the post-1989 world which we cannot demilitarize – in fact with the potential withdrawal of Russia from the CFE Treaty, the North Caucasus, Abkhazia, Transdniestria, even the Black Sea may be remilitarizing. In all Central European states, defense spending fell as they drew closer to Europe. In the South Caucasus, defense spending is rising.

Third, the “invisible hand” of free market decisions seems frustrated by the lack of a reliable judiciary, the prevalence of corruption and the distorting effects of state monopolies and regional cartels, which are basically city-state oligopolies. Foreign direct investment has been extremely wary and economic reform has been slow and occasionally retrograde. One could reasonably ask how well will young, liberal democracies do without free markets and without the possibility to enter into alliances or free trade relations with other democratic societies?

In sum, we want to help Europe’s East but we brought the wrong toolbox.

**How can we support, develop and promote these new democracies?**

As we consider the situation (if not the predicament of the incomplete democracies in Chisinau, Kyiv, Tbilisi, Baku, Yerevan and beyond) we should be struck by how far short the adaptation of our major institutions (NATO, OSCE, the UN) has fallen of its goals. OSCE has done nothing to secure the territorial integrity of Georgia. NATO exercises have left the residents of Crimea unmoved and, perhaps, more unstable. And, the United Nations has resolved not one of the Black Sea’s frozen conflicts or persuaded Moscow to withdraw a single battalion from the territory of Moldova.

The first requirement for Europe and the United States in their efforts to aid sister democracies is to organize the “soft power” of the West in ways that respond to the needs of Europe’s East and to downplay (if not to rule out entirely) the function of “hard power” in the development of these democracies. The opening of a free trade area linking Europe’s East and EU markets and the creation of an energy buyers’ cartel are
two examples of organized “soft power.” The first, liberalization of markets would address the underdevelopment of Europe’s East; the second, a gas and oil monopsony would address the vulnerability of countries like Georgia and Ukraine to energy embargo.

Secondly, the European Union and the United States must set up formal coordination mechanisms to support the development of democracy in the Eastern Euro-Atlantic. At a minimum, foreign aid accounts should be coordinated. Today, there is no coordination between the Millennium Challenge Corporation, USAID, and the European Commission or the office of Commissioner Benita Ferrero-Waldner. In the best of all possible worlds, the EU and United States would agree on a jointly-funded and jointly-managed “Marshall Plan” for Europe’s East. Clearly, the challenge of supporting and advancing democracy in Europe’s East must be a trans-Atlantic project and not the parochial hobby of the immediate neighbors of Belarus or Moldova.

But, the analogy to the post-war Marshall Plan is only modestly helpful. There must be new patterns of management. In responding to the development of European democracies in the first part of the 21st century, Europe not the United States must take the lead. New initiatives, like the EU’s Neighborhood Policy must be built up to have real substance, powerful incentives and clear, achievable reform action plans. Geography matters to a young democracy, and Europe simply brings so much more to the table than distant America.

Fourth, we must persuade the political leadership of the West to “Show us the money!” Overall aid to Europe’s East (at least from the United States) is at historic lows and falling. Our largest per capita aid went to Georgia – but that was during the Presidency of Shevardnadze not after the Rose Revolution. The United States has not gotten Millennium Challenge grants to Moldova (which is poorer than Haiti on a per capita basis) or to Ukraine whose success or failure as a democracy will change the contours of the Euro-Atlantic world. Democratic transformation is not a game that can be played on the cheap. The West could usefully – and indeed profitably from an historical perspective – spend $100 billion on aid to post-Soviet states over the next ten years.

Fifth, support for any principle forces the definition of what is contradictory, hostile and inimical to the principle for which one has affection. Support for democracy in Europe’s East requires us to oppose the forces which are hostile to the independent development of these democracies. We are opposed to corruption. We are critical of repression. But, we desperately need a Russia policy, because Russia is opposed to the independence, the territorial integrity, and the basic freedom of its neighbors. In my view, inviting President Putin to visit Kennebunkport is not a Russia policy. Without a militant and public opposition to the systemic violation of human rights in Russia, to its aggression against Estonia, Georgia, and Moldova – to name a few – and to the extortionate use of energy supplies, our efforts to help Europe’s East is little more than a fraud. In this limited sense, without a Russia policy, democracy in the post-Soviet space has reached an impasse.
Finally, democracy is like rock and roll. It is better if democratic voices are louder – I suspect President Havel could confirm this. It seems to me that as democracy support has become just another public diplomacy program, it has become timid and simply bourgeoisie. We have become reluctant to criticize President Aliyev on human rights, because he might become upset. Or to condemn the internecine politics in Kyiv, because they should work it out themselves. Or to ridicule the historical fantasies of Serbia, because we wouldn’t want to antagonize the Radicals.

We are approaching the difficult business of democracy like the Soccer Moms in Cambridge Massachusetts who eliminated scoring goals in youth soccer because they thought the effort to put the ball in the net put too much pressure on their children. Well, this is nonsense in sports and it is nonsense in democracy. The countries which we have criticized and yelled at the most, such as Slovakia under Meciar and Croatia in the unreformed early days of HDZ, have become the greatest success stories and Europe’s finest citizens. Not a day goes by without President Misha Saakashvili receiving an unsolicited “tough love” telephone call from some American or European official. This coaching has paid off. Last year, Georgia turned in the largest single one-year improvement in democratic conditions, according to the World Bank annual rankings.

Countries to whom we have been indifferent, such as Moldova, have lagged in reforms. Countries where we have mumbled and demurred as we did in Ukraine during the recent crisis have stalled. And countries where we have remained silent on political prisoners, murder, and state repression – specifically Russia – have retreated into their authoritarian past and nostalgia for Peter the Great.

It seems to me that the greatest obstacle to the progress of Europe’s newest democracies lies not in their circumstances, as difficult as they are, but in the failures and shortcomings of Western leadership. We have not organized properly. We have not formed a team with our friends and allies. We have refused to invest in our own project. We have shrunk from the inevitable competition with a hostile Russia. And we have substituted an indulgence in mediocrity for the resolute militancy which the support of democracy requires.

Were we to fix the faults of the West, we would discover a flowering of democracy throughout Europe’s East.