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Aiding Democracy Abroad

The Learning Curve

Thomas Carothers

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Carnegie Endowment for International Peace
Washington, D.C.

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Foreword

Democracy promotion surged to the top of the international policy agenda at the end of the 1980s with the fall of the Berlin Wall and the outbreak of democracy movements around the world. Ten years later, making democracy work and finding a means through which outsiders can help remain a high priority in countries as diverse and demanding as Russia, Indonesia, Nigeria, Serbia, Kenya, and Peru. Policy makers use various methods to spur countries toward democracy, from economic sanctions and diplomatic persuasion to the force of arms. Their most common tool, however, is democracy assistance—aid programs explicitly designed to bolster democratic institutions, processes, and principles. Such efforts have expanded rapidly in recent years. The United States now spends over \$500 million a year on democracy aid and is by no means the only actor in this field. Nearly every major donor country, as well as a growing number of international institutions and private foundations, are involved. Taken together, these many initiatives constitute a major new area of international cooperation. Moreover, by fostering a multitude of cross-border exchanges of knowledge, people, and resources, they are a significant element of globalization.

Though vast and relatively open to public view, the burgeoning domain of democracy assistance is not well understood. Many people have an instinctive sense that such programs are a good thing. Others react with skepticism or suspicion about the very notion of one country trying to influence another's political affairs. Yet few on either side build their case on detailed knowledge. Despite thousands of programs carried out in over a hundred countries in recent years, the most basic questions about democracy aid—what it accomplishes, where and why it fails, and how it can be improved—have remained unanswered, at least until now.

In this book Thomas Carothers provides much-needed answers to the fundamental questions about democracy assistance. He has given the field what it has lacked for so long—a defining text, one

that includes a history of the field, comprehensive treatment of all the principal forms of democracy aid, and systematic studies of the key issues of strategy, implementation, and evaluation. He weaves in case studies from four corners of the world—Guatemala, Nepal, Zambia, and Romania—and enlivens the book with frequent real-life examples. Throughout, he takes a consistent line that one might call “tough love.” While sympathetic to the idea of helping other countries become democratic, he is clear-eyed about and often critical of what actually happens on the ground. He finds that while democracy promoters often fall short of their goals, they are moving, albeit slowly and unevenly, along a positive learning curve. And he suggests ways to accelerate that movement.

Thomas Carothers is exceptionally well qualified to give this grand tour. A lawyer by training, he has built a reputation as a leading expert on democracy promotion, one of the few who combines extensive practical experience working on aid programs with a capacity for insightful analysis and cogent writing. The book builds on his earlier works on democracy promotion in Latin America and Eastern Europe, representing the culmination of many years of work in and outside of government and a tremendous amount of field research.

With its topical subject matter, analytic rigor, accessible prose, and constructive critiques, this book is an admirable example of what the Carnegie Endowment aims to offer on many fronts. I believe it stands as a major contribution to this field.

Jessica T. Mathews
President
Carnegie Endowment for
International Peace

Acknowledgments

I owe an enormous debt of gratitude to the hundreds of people in Guatemala, Nepal, Zambia, Romania, the United States, and elsewhere who generously gave their time in interviews with me and my research partners to talk about their experiences with democracy assistance. If I were to name some I should name them all and so I must thank them anonymously; in any event more than a few will prefer that status. Marina Ottaway, Stephen Golub, and Michael Shifter were ideal research partners. They accompanied me on research trips abroad, enriched my understanding of other countries, and consistently challenged and improved my analysis. Larry Garber, Chris Sabatini, and David Yang read substantial portions of the manuscript in draft and gave me extremely helpful suggestions to improve it. Their colleagues at the organizations for which they work (the U.S. Agency for International Development [USAID], the National Endowment for Democracy, and the U.S. Department of State, respectively) should be assured that what critical comments remain in the text about those organizations are very much my own views. Matthew Frumin provided moral support and a sounding board for ideas. Lisa Peterson of USAID graciously helped me obtain figures on USAID's democracy-related expenditures.

The Carnegie Endowment has been the perfect home for this project and for all my work in the past six years. I thank Carnegie President Jessica Mathews, Vice President Paul Balaran, and former president Morton Abramowitz for their unflagging support. Four Carnegie junior fellows, Sabrineh Ardalan, William Barndt, Theresa Chung, and Nicole Dannenberg, were invaluable research assistants. Dianna Christenson and Maria Sherzad prepared the manuscript and helped me in countless other ways. Sherry Pettie, Carmen MacDougall, Tom Skladony, and Mary Downs ably turned the manuscript into a book. The outstanding Carnegie librarians, Jennifer Little, Kathleen

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I am also deeply grateful to the Ford Foundation, especially Mahnaz Ispahani, for the generous financial support that made the field research possible and sustained the project generally. With her linguistic talents and consistent good humor Alice Phillips made the editing process a pleasure.

I also need to make several disavowals. Over the years I have worked on democracy programs with various organizations, either as an employee or a consultant, including the U.S. Department of State, the U.S. Agency for International Development, the National Democratic Institute, the International Foundation for Election Systems, and the International Institute for Democracy and Electoral Assistance. The views in this book do not represent the views of those organizations. In addition, given that I discuss briefly in this book the work of the Soros foundations network, I should note here that in 1999 I became a member of the board of directors of the Open Society Institute–Budapest, which has oversight responsibility for many of the activities of the Soros foundations network. Again, the opinions expressed herein are entirely my own.

I thank my children, Christopher and Vera, for pretending convincingly that the various chocolates and other presents I brought back from the research trips abroad were a reasonable exchange for my absence. Above all, I owe much to Laura Bocalandro, my wife. With her own demanding work as an international finance lawyer, she did not perform the sorts of tasks other authors always seem to thank their spouses for—she did not discuss every idea with me, edit every page I wrote, and urge me on to completion. I am most grateful for that and for the fact that whenever I reappeared after another foreign trip she always met me at the airport, with a smile.

PART ONE

Setting the Stage

1 A New Field

For generations, American leaders have emphasized the promotion of democracy abroad as a key element of America's international role. President Woodrow Wilson proclaimed that America was fighting World War I "to make the world safe for democracy." In the 1920s and 1930s, U.S. politicians cast the various military interventions in the Caribbean and Central America as missions to establish democracy. In World War II, America fought against fascist tyrannies in the name of freedom. U.S. officials of the postwar period emphasized democracy promotion as they formulated a policy toward a vanquished Japan and Germany and then framed the emerging cold war as a struggle to preserve "the Free World." In the early 1960s, President John Kennedy embraced the idea of a noble campaign to foster democracy in the developing world. Two decades later, President Ronald Reagan renewed the democracy theme by casting his ardent anti-Soviet policy as a democracy crusade. In the 1990s, Presidents George Bush and Bill Clinton asserted that democracy promotion was a key organizing principle of U.S. foreign policy after the cold war.

Looking behind this long chain of impressive policy rhetoric, one sees a less consistent policy reality. Countervailing interests, both security-related and economic, have often outweighed or undermined a U.S. interest in democracy. Throughout the twentieth century, the United States has maintained friendly relations with dictatorships and intervened in other countries' internal affairs for purposes far removed from the promotion of democracy. Prodemocracy rhetoric has regularly exceeded reality and has sometimes been used deliberately to obscure a contrary reality. Nevertheless, democracy promotion is an important part of America's international tradition,

even if its application has often been inconsistent. American foreign policy of the past 100 years cannot be understood without serious attention to the democracy ideal. And the history of democracy around the globe during the same period is incomplete without sustained attention to the role of the United States on the world stage.

In the past twenty years, democracy promotion has been a particularly significant part of U.S. foreign policy. One reason has been the unfolding of “the third wave” of democratization in the world, the expansion of democracy that began in Southern Europe in the mid-1970s, spread to Latin America and parts of Asia in the 1980s, then accelerated dramatically from 1989 on with the fall of the Berlin Wall, the breakup of the Soviet Union, the unexpected surge of democratic openings in sub-Saharan Africa, and further democratization in Asia. As dictatorships around the world have fallen and societies as diverse as Bolivia, Bulgaria, Mongolia, and Malawi have attempted transitions to democracy, the U.S. government has frequently responded with support. Its democracy-related policies and programs have been prompted by the global movement toward democracy more than the reverse, despite what Americans involved in democracy promotion like to claim.

Another cause of the greater attention to democracy has been the ideological evolution of U.S. foreign policy since the late 1970s. Through its human rights policies, the Carter administration put the government in the habit of paying attention to the domestic behavior of other governments, beyond the limited cold war concern about leftist insurgencies and takeovers. The Carter team did not, however, highlight democracy per se, both because few countries in those years were engaged in democratic transitions and because Carter officials generally believed in political noninterventionism (distinguishing their human rights advocacy from efforts to produce particular political outcomes in other countries). President Reagan raised high the democracy banner, seeking a moral dimension for his heightened anti-Soviet approach. The actual role of democracy promotion in Reagan’s foreign policy was uneven; it evolved substantially, from the early line of accepting anticommunist dictators as necessary allies to a limited but growing willingness to support democracy against tyrants of either the left or the right.

The end of the cold war gave rise to the appealing notion that the traditional tension in U.S. foreign policy between *realpolitik* security

interests and Wilsonian moral interests was over. Both President Bush and President Clinton, along with their top foreign policy advisers, repeatedly declared that in the reconfigured world, promoting democracy serves not only moral interests but also practical ones, thereby bridging the longstanding realist-idealist divide. Democratic governments, they asserted, do not go to war with one another, produce refugees, or engage in terrorism. They make better trade partners, and further pragmatic U.S. interests in other ways as well. As Clinton declared in his second State of the Union address in 1995, "Ultimately, the best strategy to ensure our security and to build a durable peace is to support the advance of democracy elsewhere." The democracy rhetoric escalated across the decade, leading to sweeping, utopian declarations such as Clinton's prediction in his second inaugural address that, "The world's greatest democracy will lead a whole world of democracies."

High-flying rhetoric and the end of the U.S.-Soviet rivalry notwithstanding, security and economic interests still often point U.S. policy in a contrary direction. In more than a few countries, including Kazakhstan, Saudi Arabia, Egypt, China, Indonesia (before the fall of President Suharto in May 1998), Armenia, and Azerbaijan, the Bush and Clinton administrations downplayed democracy and pursued friendly relations with governments for the sake of interests ranging from oil and trade relations to regional security and stability. Democracy promotion remains at most one of several major U.S. foreign policy interests, sometimes complementary to but sometimes in competition with other, stronger interests.

Nevertheless, the promotion of democracy is playing an important role in U.S. foreign policy. In many countries, especially in Latin America, Eastern Europe, and sub-Saharan Africa but also in parts of Asia, the former Soviet Union, and the Middle East, the United States has attempted to support transitions away from authoritarianism. The foreign policy bureaucracy is gradually habituating itself to the concept. U.S. officials no longer automatically view democracy promotion as a marginal idea pushed only by a fervently pro-American right or a touchy-feely, do-gooder left. U.S. missions abroad now at least formally incorporate democracy promotion into their strategic plans and it is a major line item in the foreign affairs budget of the United States.

TOOLS OF THE TRADE

When policy makers decide they are going to try to promote democracy in another country, they typically reach for various tools. The officials may use diplomatic measures, as either carrots or sticks: criticizing a government that is backtracking from democracy, praising a prodemocracy leader, granting or withdrawing high-level diplomatic contacts in response to positive or negative developments, and so on. Or they may apply economic tools, again as carrots or sticks: economic pressure, such as sanctions, on governments that crush democracy movements; or economic rewards, such as trade benefits or balance-of-payments support for governments taking steps toward democracy. In extreme circumstances, the United States may even employ military means to promote democracy, intervening to overthrow a dictatorship and install or re-install an elected government—although U.S. military interventions that politicians justify on democratic grounds are usually motivated by other interests as well.

The most common and often most significant tool for promoting democracy is democracy aid: aid specifically designed to foster a democratic opening in a nondemocratic country or to further a democratic transition in a country that has experienced a democratic opening. Donors typically direct such aid at one or more institutions or political processes from what has become a relatively set list: elections, political parties, constitutions, judiciaries, police, legislatures, local government, militaries, nongovernmental civic advocacy groups, civic education organizations, trade unions, media organizations. Unlike the other tools of the trade, democracy assistance is neither a carrot nor a stick. It is not awarded for particular political behavior, nor is it meted out as punishment for democratic slippage (though people in recipient countries may sometimes view it as such).

Prior to the 1980s, the United States did not pursue democracy aid on a wide basis. In the past two decades, such aid has mushroomed, as part of the increased role of democracy promotion in American foreign policy. It started slowly in the 1980s then expanded sharply after 1989 with the quickening of the global democratic trend. By the mid-1990s, U.S. annual spending on such programs reached approximately \$600 million and now exceeds \$700 million.

A host of U.S. government agencies are involved in this work—primarily the U.S. Agency for International Development (USAID) and the U.S. Information Agency (USIA—now being merged into the Department of State), but also the Departments of State, Defense, and Justice, as well as several quasi-governmental organizations (government-funded, privately run), including the National Endowment for Democracy (NED), the Asia Foundation, and the Eurasia Foundation.

These organizations in turn support several dozen American groups that implement most of the U.S. democracy programs in other countries. These groups fall into several categories: nonprofit organizations largely or wholly devoted to one or more areas of democracy promotion—such as the International Foundation for Election Systems, the International Republican Institute, the National Democratic Institute for International Affairs, the Carter Center, the American Bar Association’s Central and East European Law Initiative, and the American Center for International Labor Solidarity; universities, research institutes, and policy institutes that sometimes take on democracy projects; and for-profit development consulting groups, usually Washington-based, that have added democracy work to their portfolio of development specialties, including Management Systems International, Checchi and Company Consulting, Development Associates, Chemonics International, Creative Associates International, and ARD. Some American private foundations also sponsor activities that bear directly on democratization abroad, especially relating to civil society development, though they operate separately from the world of official U.S. democracy aid.

Within this array of government, quasi-government, and nongovernment organizations underwriting or implementing democracy programs are thus many people who work substantially on democracy promotion. A core of several hundred people in key positions in those organizations drive the field, but several thousand take part on a regular basis and constitute the newly emerged and still growing community of American democracy promoters.

The reach of such assistance is broad. In 1998 the United States carried out democracy programs in more than 100 countries, including most countries in Eastern Europe, the former Soviet Union, sub-Saharan Africa, and Latin America, as well as many in Asia and the Middle East. The current wave of democracy aid is by no means

the first for the United States, as readers will see in the next chapter. The democracy programs of the 1980s and 1990s, however, are by far the most systematic, sustained, and wide-reaching that America has undertaken.

The recent surge of democracy assistance is by no means exclusively or even principally a U.S. story. The relaxation of ideological tensions after the cold war, combined with the movement toward democracy in many regions, have put democracy on the global agenda in a much more far-reaching way than ever before. In the past ten years, aiding democracy has become an international cottage industry, with a remarkable range of actors entering the field. Almost every major country that gives foreign assistance now includes democracy programs in its aid portfolio. Numerous international or multilateral institutions, including the United Nations, the Organization of American States, the Organization for Security and Cooperation in Europe, the European Union, the Inter-Parliamentary Union, and the Council of Europe, sponsor democracy programs. Many Western political parties, labor unions, foundations, and other non-governmental organizations are active. The international financial institutions have begun committing resources to promoting good governance, which, although theoretically distinct from democracy promotion, often substantially overlaps with it in practice.

LACK OF LEARNING

Although democracy aid has become a remarkably extensive field of activity, it remains understudied and poorly understood. Some of the more experienced people and organizations in the community of democracy promoters are gaining considerable expertise. They rarely distill their knowledge into written form, however, and when they do it is usually in informal internal memos. Some of the organizations involved carry out evaluations of their own work, but those reports rarely circulate outside the sponsoring organizations and, for reasons discussed at length later, rarely cut deep. Those in the business of dispensing democratic aid are much more inclined toward action than retrospective reflection. Bureaucratic imperatives reinforce this tendency, above all the pressure to keep moving from one project to the next. It should be said as well that many democracy promoters are temperamentally resistant to critical reflection. Missionary zeal pervades the field, bringing with it a disinclination for

self-doubt and a reflexive belief in the value of the enterprise. On top of all this, democracy assistance, as with all types of foreign aid, is a competitive business. Democracy groups are not motivated to share their knowledge and best ideas with one another or to make public (or even to engage in) tough-minded reviews of their own performance. To the extent that they produce reports for external consumption, such publications are by necessity usually more public relations efforts than anything else.

Little systematic learning has been added to the field from outside the circle of practitioners. Academic specialists—whether in international relations, comparative politics, or development studies—have not devoted much attention to the subject. Political scientists have shown considerable interest in democratization, producing a large literature on democratic transitions, particularly relating to Southern and Eastern Europe and Latin America. They have shown relatively little interest, however, in democracy assistance. Often unaware how extensive democracy aid has become, scholars assume it is of minimal importance in the overall picture of any given democratic transition. To the extent they are aware of it, they tend to see it as a practical domain that poses few theoretical questions of the sort that motivate scholarly inquiry. Moreover, some American academics still automatically assume, as they learned to do during the cold war, that U.S. aid to promote democracy abroad is little more than a way of forcing the American system on other countries or sugar-coating self-interested interventions in the internal politics of weaker nations.

The media dip into the subject only occasionally, during high-profile elections in politically transitional countries, when they work alongside international election observers and focus on the role of the United States or the international community in the vote. The media are far less likely to examine other types of democracy assistance: it is hard to make much of a story out of a training program for parliamentary staff, technical assistance to municipal governments, or an exchange program for civic educators. The result is a distorted picture of democracy aid, one fostering the oft-repeated view that democracy promoters push elections at the expense of other elements of democratization. Every so often a journalist will suddenly discover that there *is* democracy aid beyond elections, and make a brief investigative foray, usually with the bold aim of

ridiculing the whole endeavor as the work of naïve fools. After an enthusiastic, superficial bout of bubble-bursting, the journalist moves on, leaving behind an angry, sputtering set of democracy promoters. Such episodes produce little insight and tend to make an already defensive and sometimes self-righteous community of assistance practitioners even warier of sharing information with the outside world or engaging in open debates about what they do.

The lack of much formal accumulation of knowledge about democracy aid has negative consequences in the practitioner community. One is insufficient cross-learning about promoting democracy among different regions or among different sectors in recipient countries. Another is the dispiriting tendency toward constant reinventing of the wheel in aid organizations as personnel shift into and out of positions, particularly in groups working in the field for the first time. People often seem to believe that merely being a citizen of a democratic country qualifies them splendidly to promote democracy anywhere else. Utilizing their own limited instincts and ideas about how democracy is supposed to work, they generate programs with little help from any body of learning other than occasional reports containing lists of anodyne lessons learned ranging from “Be sensitive to the local environment” to “Democracy is not achieved overnight.”

The scarcity of systematic study also has detrimental effects on the position of democracy aid within the world of foreign policy and international affairs. It increases the tendency to judge democracy aid according to preformed assumptions and prejudices rather than on the basis of reality. The most basic questions about the field, such as, “Does it work?” and “Do we know what we’re doing?” are left unanswered for most observers. Public discussions about democracy aid remain stuck in unhelpful extremes, with the aid programs portrayed either as heroic endeavors critical to the future of democracy or as a cascade of boondoggles that primarily benefit self-interested aid givers and consultants. Neither side in such debates learns much from the other, and the more useful, accurate middle ground is left underdeveloped.

TAKING STOCK

This book is a response to the lack of systematic study of democracy assistance. Ten years after 1989—the starting point for much recent

democracy work—it is a natural time for taking stock. I attempt in this book to draw together the essential elements of and questions about democracy aid to help define this emergent field as a field.

There are obvious limitations in any attempted overview of such diverse activities. Tracing the evolution and analyzing the effects of the thousands of U.S.-sponsored democracy aid projects in dozens of countries around the world during the past two decades is impossible. No one category of democracy aid can be fully discussed here. No one recipient country can receive definitive treatment. I do aim to establish an analytic framework for understanding the field and to set out at least basic lines of analysis for all the major elements of the framework.

As I make clear throughout the book, I believe that the shortcomings of democracy aid are many and serious. Nonetheless, I also believe if one takes the broader view, many democracy promoters are learning as they go along. The positive trend is not dramatic, steady, or rapid, yet it is real. One of my main purposes in writing this book is to capture the main elements of this learning curve to further its consolidation and advance.

The chapters of the book track my analytic framework for the field. Chapter 2 traces the history of U.S. democracy assistance from the 1960s through the 1990s, focusing on the evolution of such aid, its place within overall U.S. foreign policy, and the question of whether the efforts of the 1990s are a repeat of those of the 1960s. Chapter 3, an interlude for skeptics, directly addresses the core doubts that such persons usually have about democracy aid. Chapter 4 introduces the four country case studies, on Guatemala, Nepal, Zambia, and Romania, that are developed throughout the book.

Chapter 5 examines the all-important question of strategy, identifying the models of democracy and democratization that structure U.S. democracy aid programs as well as recent attempts to develop more nuanced approaches. Chapters 6, 7, and 8 analyze the main types of democracy assistance, for each looking at its specific forms, the principal challenges in making it effective, and how it is evolving over time. Chapter 6 covers elections aid and political party work. Chapter 7 takes up programs directed at state institutions, including constitutions, judiciaries, legislatures, local government, and militaries. Chapter 8 explores aid to civil society, with particular attention to advocacy-oriented nongovernmental organizations, civic education, independent media, and trade unions.

Chapter 9 reviews how democracy aid is implemented on the ground; it includes a critique of the standard project method and a look at the trend toward more locally sensitive methods. Chapter 10 considers the question of evaluation, offering a critique of existing methods and suggesting some better ways of proceeding. Chapter 11 assesses the effects of democracy aid. Chapter 12 sums up the learning curve to date, points out how it should be broadened, and presents its implications for U.S. policy.

My focus throughout is democracy aid funded by the U.S. government, with only occasional commentary on the work of other donor countries, international organizations, and private foundations. I give particular though not exclusive attention to the programs sponsored by USAID, because it is by far the largest source of such aid. My emphasis on U.S. efforts reflects the fact that the bulk of my experience lies in this realm. Although this is a limitation, I do not believe it is a fatal impediment to an overview of the whole field, given that the United States moved into democracy assistance earlier than most other actors and has been the largest single democracy donor. Moreover, I believe that much of my analysis is applicable or at least directly relevant to democracy assistance generally, whatever its source. Certain distinctive features do mark U.S. aid—notably the projection of certain America-specific ideas about democracy and the political baggage that inevitably accompanies Americans doing political work abroad. At root, however, most forms of Western democracy assistance, whether from Sweden, Spain, Australia, the Organization of American States, Canada, the United Nations, the European Union, or the United States, are not all that different from each other, despite what non-U.S. actors often like to think. In fact, comparing democracy programs sponsored by varied governments and international institutions, what is most striking is not their differences but their similarities.

CASE STUDIES AND OTHER SOURCES

In writing this book I have drawn heavily from two sources. The first is my personal experience as a practitioner and analyst of democracy assistance since the mid-1980s. My first exposure to the field came in 1986–1987 when I was detailed from the legal adviser's office of the State Department to a newly created office for democracy programs in the Latin American bureau of USAID. Late in the decade,

after leaving the government, I carried out extensive research on the policy process surrounding democracy aid and wrote a book on U.S. democracy promotion in Latin America during the Reagan years. I broadened my involvement in democracy programs through diverse consulting assignments in the first half of the 1990s for the National Democratic Institute for International Affairs and the International Foundation for Election Systems, in Eastern Europe, the former Soviet Union, Africa, Asia, and Latin America. In 1993 I established the Democracy Project at the Carnegie Endowment for International Peace in Washington, D.C., for the purpose of studying democracy assistance. Through the Democracy Project I have carried out field research on numerous aid efforts, organized many study groups and seminars with practitioners and scholars on different aspects of the subject, worked as a consultant on democracy aid projects in different regions for several U.S. and international institutions, and written numerous articles on the subject. I draw on all these experiences here, especially my observation of projects in the field and countless formal and informal conversations with both aid practitioners and aid recipients over the years.

A second, more specific source is a set of four studies of U.S. democracy assistance that I designed and carried out from 1996 to 1998. For each of the four case studies—on Guatemala, Nepal, Zambia, and Romania—I first gathered extensive information in Washington through documents and interviews on all publicly funded U.S. democracy aid programs in the country from the late 1980s on. I then traveled at least twice to each country to interview people who had participated in, observed, or were otherwise knowledgeable about the U.S. democracy aid efforts. For the case studies in Latin America, Africa, and Asia, I was assisted by three American researchers, each of whom is a specialist in democratization in his or her region of specialization and is knowledgeable about democracy aid. These research partners—Michael Shifter for Latin America, Marina Ottaway for Africa, and Stephen Golub for Asia—traveled with me on the field visits and carried out further field research on their own. In the case of Romania, I incorporate some of the findings from extensive research on U.S. democracy assistance that I did in 1994 and 1995 for a book of mine published in 1996 on U.S. democracy aid to Eastern Europe, focused on Romania. I updated that research with additional visits to Romania in 1997 and 1998.

In carrying out the field research, my research partners and I strove to understand not only the substance and effects of the U.S. and other democracy aid programs in each of the four countries but also how democracy aid looks from the recipient end. We followed the evaluation guidelines that I set out in chapter 10. We made a point of talking not just to people who received the assistance, for example, but to others who were not included in the aid programs but were knowledgeable about the sectors in question. We took a highly qualitative approach, asking in an open-ended fashion about the effects of programs rather than quizzing interviewees on whether the programs reached particular preset goals. We tried to make clear that we were interested in what was being learned on all sides, whether or not the story involved mistakes or misadventures.

Given the large number of countries in which U.S. democracy promoters operate, no small group of cases can be perfectly representative of the field. Nevertheless, Guatemala, Nepal, Zambia, and Romania provide some useful representativity. They are on four different continents. Each has been host to a set of U.S. democracy aid programs that are fairly typical of the programs that the United States has recently sponsored in that region. Their democratic transitions (or attempted transitions) were part of the democratic wave of the 1980s and 1990s. Each has ended up in the large, gray middle zone of so many transitions of that period, having neither moved rapidly and painlessly to democracy nor fallen back into outright authoritarianism. They are not the exceptional cases that have attracted the lion's share of international attention—such as South Africa, Poland, Russia, Chile, El Salvador, or the Philippines. They are instead part of the less visible but much larger group of transitional countries that had their moment in the news briefly during their initial democratic opening but have since grappled with democratization out of the limelight, aided by low-profile but nonetheless often substantial U.S. and other Western democracy programs.

I have not written up each case study as a separate chapter. I introduce the cases in chapter 4, and present some concluding thoughts about each in chapter 11. In between I have woven material from the cases into the other chapters, both directly, as examples intended to illuminate specific points, and indirectly, as learning that helped shape my overall analysis. This method makes it difficult to go into great detail or tell a complete story with the cases, but it

spares readers a book dominated by long, detailed studies of countries in which few people have an all-consuming interest.

AVOIDING ROSY ASSUMPTIONS

I have discovered over the years that if you take democracy assistance seriously as a subject for analysis and writing, some people automatically suspect you of harboring rosy assumptions, in particular two: first, that democracy is advancing steadily around the world and clearly works well for all countries, regardless of their political background or economic condition; and second, that the grandiose official rhetoric about the central place of democracy promotion in U.S. foreign policy is really true. In fact, however, neither of these assumptions informs my outlook or this book.

With regard to the state of democracy in the world, it is true that significant advances have been achieved in some parts of the world in the past twenty years. Most East European countries have made substantial democratic progress since 1989 and appear headed toward political and economic integration with Western Europe. In Latin America, the institutional performance of many democratic governments remains weak, but democracy has shown greater staying power than many analysts predicted when the region returned to elected, constitutional governments in the 1980s. Several East Asian countries, notably South Korea, Taiwan, Mongolia, and Thailand, are making serious efforts at democratizing, and in much of the region the notion that democracy is an unnatural Western implant has faded. At least a handful of sub-Saharan African states have managed to keep basically on track with democratic transitions begun in the early 1990s. More broadly, all around the developing world and former communist countries, the concepts of political pluralism, governmental accountability, and the right of people to choose their own leaders are discussed and considered much more widely than in the past.

At the same time, the much-heralded global democratic trend has fallen short of expectations. In the mid-1990s, significant retrenchment and backsliding from initially promising democratic transitions began to occur. Many of the former Soviet republics are now dominated by semiauthoritarian or outright authoritarian leaders. Russia remains a democracy in form but threatens to go badly astray politically if the socioeconomic situation fails to improve. In Africa, a

distressingly large number of countries attempting transition have lapsed into civil war, coups d'état, or resurgent strongman rule. The liberalizing trend that made itself felt in the Arab world in the second half of the 1980s has come to little. South Asia has stopped moving forward on democratization. In many parts of the world, disillusionment about democracy has replaced the infectious enthusiasm of ten years back as citizens watch fledgling elected governments wallow in corruption, incompetence, and instability. Democracy continues its post-cold war reign as the only political ideology with broad international legitimacy. Nonetheless, it has become painfully clear that many countries face a tremendous struggle to make democracy work. It is all too common for countries attempting political transitions to achieve the forms but not the substance of democracy.

The analysis here rests on this mixed review of the state of democracy in the world. Democracy aid was relatively easy to sell and often easy to implement when the political winds were at its back in the first half of the 1990s. Today, with democratic setbacks and failures more frequent, democracy aid faces a harder road, forcing democracy's promoters to try to sharpen their skills. I chart their learning curve.

As for the place of democracy promotion in American foreign policy, I take as a starting point a similarly mixed picture: although its role has expanded since the mid-1980s, it remains at most one of several main U.S. interests, sometimes compatible with and sometime contrary to economic or security interests. When contrary, it is usually overridden. This semi-realist approach to democracy promotion has been adopted by both the Republicans and Democrats and is unlikely to change anytime soon.

My aim here is not to lament this state of affairs or to issue a clarion call for a vigorous new embrace of the Wilsonian ideal as the twenty-first century dawns. I do believe that American policy makers should give greater emphasis to democracy promotion and that it should play a major though not necessarily dominant role in U.S. foreign policy. I have learned from living in Washington, however, that even the most eloquent calls for bold new directions in U.S. policy, foreign or domestic, often go unheeded. My approach instead is to try to help foster understanding and more effective use of one of the central tools of democracy promotion. As knowledge and use of new policy tools improve, new policy directions become

possible. Working upward from method to principle is not how Americans usually approach foreign policy, especially when it comes to democracy promotion or other issues suffused with high principle. It is necessary in this domain, however, given the continuing gap between expectations and accomplishments and the substantial body of experience that now exists.

2 The Rise of Democracy Assistance

Democracy assistance tends to live in an eternal present. Democracy promoters talk at times, vaingloriously, of participating in “history in the making.” Yet they rarely have much sense of history about what they do, either with regard to the countries in which they are working or to the enterprise of using aid to promote democracy. U.S. democracy assistance does have a history, one that has consequences for the shape and success of aid efforts today. After the Spanish-American War, the U.S. government attempted to set up electoral systems in Cuba and the Philippines. Similarly, as part of the many U.S. military interventions in the Dominican Republic, Honduras, Panama, Nicaragua, Haiti, and elsewhere in the Caribbean and Central America in the first few decades of the twentieth century, the United States sponsored elections to produce governments to replace those it had just ousted. Political aid programs ranging from constitution writing to civic education were part of the successful efforts to help reconstruct and democratize Germany and Japan after World War II.¹

The bulk of the story, however, takes place beginning in the 1960s. When foreign aid became a major component of U.S. policy toward the developing world in the 1950s, democracy promotion was not a priority. Aid rested on a straightforward security rationale: economic and security assistance would bolster friendly governments, whether dictatorial or democratic, against the spread of Soviet influence. It was only with the arrival of the Kennedy administration and some new thinking about the relationship of development and democracy that the idea of giving aid specifically to promote democracy caught on among policy makers. This chapter traces the history of U.S. democracy assistance from the 1960s on, covering the rise of interest

in using aid to promote democracy in the 1960s, the decline of that interest in the 1970s, the refund initiative in the 1980s, and the tremendous increase in assistance for democracy in the 1990s. The focus throughout is not only on the types of democracy aid undertaken in the different periods but the changing policies behind them and the reasons for the cycle of interest and lack of interest within the U.S. government.

THE FIRST WAVE: THE 1960s AND 1970s

In the 1960s, anticommunism dominated U.S. policy toward the developing world. The United States was competing with the Soviet Union for influence over and the loyalty of third world governments, and fighting on many fronts to combat the spread of leftist movements and regimes. At the same time, the U.S. government, particularly the incoming Kennedy administration at the start of the decade, also had idealistic—one could even say hubristic—goals.

The Kennedy Push

President Kennedy and his team believed that the United States had a unique capacity, as well as the duty or even the destiny, to do good in the world. They were certain that with the proper application of energy and resources America could help third world nations rise out of poverty and move from dictatorship to democracy.² The pragmatic anticommunist objective was by far the stronger of the two interests, and often ended up conflicting with or overshadowing the idealistic goals. Initially at least, however, U.S. officials of the 1960s had a framework for thinking about economic and political development—modernization theory—that seemed to reconcile their interests. Reduced to bare essentials, modernization theory conceived of development as a linear process ending up in an American-style social, economic, and political system—and held that the various elements of the development process would be mutually reinforcing. In particular, economic development would generate democracy by helping countries achieve a middle class, a high literacy rate, and other socioeconomic features then considered preconditions for democracy.³

Translated into policy terms, modernization theory promised that promoting economic development in the third world would simultaneously do good (reduce poverty) and serve the goal of fighting

communism: helping countries grow economically would prevent empty stomachs from making revolutions and would foster democratic, therefore pro-Western, systems. A crucial tool for this policy was economic aid. Influenced by Eugene Rostow's optimistic work on development economics, Kennedy administration officials believed that timely injections of aid would launch underdeveloped countries into economic takeoff. Building on groundwork Kennedy had laid in the late 1950s as a congressman, particularly the Kennedy-Cooper Resolution of 1959 that called for greater attention to the development needs of South Asia, the Kennedy administration increased U.S. foreign aid by 33 percent and strengthened the institutionalization of foreign aid through the creation of the United States Agency for International Development (USAID) and the Peace Corps.⁴

Although U.S. officials began to view foreign aid as a tool to promote democracy abroad, the assumed aid-democracy link was largely indirect: aid was expected to produce economic development, which in turn was expected to foster democracy. Aid was not directly targeted at political institutions and processes and thus was not democracy assistance in the sense the term has come to be used in recent years. To the extent that U.S. aid programs of the 1960s tried to shape government institutions in developing countries, they focused on strengthening public administration. In the many new states emerging with the decolonization of Africa, Asia, and the Middle East, U.S. aid officials sought to build up the administrative capabilities of what were typically fragile, inexperienced state institutions. These programs, which focused on budgeting, project development, and personnel management, and other bread-and-butter organizational issues, had no specific democratic focus. They aimed to increase governments' technical capacities and were often carried out with nondemocratic regimes.⁵ A generation later, pushing free-market reform policies, Washington would urge countries to dismantle many of the top-heavy administrative structures set up by these earlier programs, and U.S. democracy programs would strive to reduce the dominance of the executive branches that the earlier programs had helped strengthen in many countries.

The most sweeping and intensive application of the United States' new approach to the developing world in the 1960s was in Latin America. Fidel Castro's takeover in Cuba in 1959 had been a rude

shock for Washington, and heightened the fear that Latin America was fertile ground for Soviet influence. In 1961 President Kennedy launched the Alliance for Progress, a bold, far-reaching U.S. aid initiative that sought to transform Latin America into a region of prosperous, democratic countries, thereby inoculating it against Soviet influence. Although consisting primarily of economic aid, the program was also intended to advance democracy—U.S. officials believed that economic progress in Latin America would build the societal base for democracy, particularly a large middle class. In addition, the Kennedy administration planned to give vigorous diplomatic support to moderate civilian reformers against reactionary military elements, further bolstering democracy in the region.⁶

The experience of the Alliance for Progress was mixed at best. The U.S. aid contributed to substantial growth in many Latin American economies, but the takeoff to modernization never happened. Poverty, inequality, poor education, erratic public health systems, and other socioeconomic failings remained widespread in the region. Moreover, what growth did occur did not generate democracy. Quite the opposite—many Latin American countries slid into military dictatorship in the 1960s. The Kennedy administration ended up retreating from its intention to support democratic governments. Faced with rising populist movements and left-leaning leaders in a number of Latin American countries, the administration began backing new military dictatorships on anticommunist grounds, an initial tendency that hardened into consistent policy in the Johnson years. The disappointments of the Alliance for Progress epitomized the United States' broader frustration with attempting to promote economic and political "modernization" around the third world during the 1960s.

Title IX

As the 1960s unfolded, some in the U.S. policy community, including several congressmen, some scholars, and some aid officials, began to question the indirect approach to promoting democracy through economic aid. They feared that if the benefits of economic growth in developing countries remained concentrated in elite circles, the positive political development would not occur. Instead, the growth would reinforce existing structures of political domination and repression. They began to urge that U.S. assistance specifically

attempt to foster increased popular participation in economic development as a first step toward focusing more directly on political participation and development. Two U.S. congressmen, Donald Fraser and Bradford Morse, both members of the House Foreign Affairs Committee, became the leading advocates of “a basic reorientation in our thinking . . . to put social and political evolution as the first concern of our foreign assistance program with economic aid playing the supporting role rather than the other way around.”⁷ In 1966 they sponsored Title IX of the Foreign Assistance Act of 1961, a legislative directive to USAID: “In carrying out programs authorized by this chapter, emphasis shall be placed on assuring maximum participation in the task of economic development on the part of the people of the developing countries, through the encouragement of democratic private and local government institutions.”⁸

This language suggested a major redirection of U.S. foreign aid toward an explicit fostering of democratic institutions. In practice, however, Title IX did not produce such a shift. Two interpretations of it co-existed in Washington in the years immediately after its passage. One, emphasizing the latter clause of Title IX, viewed it as a mandate for a focus on assisting democratic institutions; the other stressed the first words of the provision and held that Title IX was only about ensuring greater participation in economic development, not democracy building per se. USAID, which for reasons discussed below was hesitant to get involved in political work, hewed to the latter interpretation.⁹

USAID sponsored many studies of participation in the development process. The agency established criteria for assessing the extent to which specific projects fostered increased participation in economic development and rated all its projects on their degree of “Title IX emphasis.”¹⁰ Title IX may have led to some increased attention to the participation of people in aid-receiving countries in economic and social development projects, especially in health, agriculture, education, and housing. It certainly resulted in a slew of conferences, research projects, and papers, the creation of a Title IX division within USAID, and a great deal of talk in the aid community about participation and development. It did not, however, result in a set of aid programs explicitly designed to promote democracy.

Beginning in the latter half of the 1960s, USAID did initiate programs directed at sectors or institutions that today are considered

the domain of democracy assistance, including legislatures, legal institutions, civic education, labor unions, and local government. These programs' activities were often similar to those of democracy programs of the 1980s and 1990s. They were not, however, conceived of as democracy promotion. They concentrated on economic and social goals and were viewed as new forms of development aid. And they were often carried out in nondemocratic countries. A major USAID-funded program to strengthen the institutional capacity of national legislatures in developing countries including South Korea, Brazil, Ethiopia, Lebanon, and Costa Rica, for example, was developed in the late 1960s and carried out in the 1970s. The underlying assumption was that more competent, efficient legislatures—whether part of democratic systems or not—would further the economic and social development of third world countries.¹¹

The law and development movement entailed a broad range of legal development initiatives throughout the 1960s and the early 1970s, mostly in Latin America, Asia, and Africa, sponsored by both USAID and private sources in the United States, especially the Ford Foundation. The passage of Title IX spurred increased USAID involvement in this domain. Programs emphasized legal education, particularly the goal of trying to recast methods of teaching law in developing countries in the image of the American Socratic, case-oriented method. Based on a jumble of vague but ambitious ideas about development, the thinking was to encourage lawyers and legal educators in developing countries to treat the law as an activist instrument of progressive social change.¹²

“Civic education” became a buzzphrase at USAID in the late 1960s, after Congress modified Title IX in 1967 to include a specific clause referring to it. Large-scale civic education programs were set up, especially in Latin America. Such programs included some explicit teaching of democratic values in the classroom. But they emphasized the fostering of voluntary participation by citizens in diverse social, cultural, and economic spheres, the notion being that increased participation was generally beneficial to development.¹³

Strengthening labor unions abroad was also a component of U.S. assistance in the 1960s that USAID highlighted as involving a high degree of Title IX emphasis. U.S. government support for the international work of the American Federation of Labor–Congress of Industrial Organizations (AFL-CIO) predated Title IX by decades. The

overriding motive of the AFL-CIO's work throughout the cold war was neither democracy promotion nor economic development, but a strenuous anticommunism. The AFL-CIO was committed in all the countries it worked in—dictatorships and democracies alike—to undermining left-leaning labor unions. It received extensive CIA funding in the 1950s and 1960s and contributed actively to U.S. undertakings to topple or discredit leftist politicians abroad.¹⁴

U.S. aid officials added local government strengthening to their portfolio in the 1960s. "Municipal development" in poorer parts of the world was suddenly a fashionable aid concept and was viewed by USAID as a participatory, Title IX approach to economic development. USAID funded projects that trained local government officials, supported local government associations, and provided technical assistance in project design, finance, and implementation for local government entities. Although similar to many U.S.-funded local government assistance projects of the 1990s that are characterized as democracy-building efforts, the municipal development projects of the 1960s and 1970s were not cast as such. Their stated goal was to enable local governments to play a more active role in development, and they did not focus on the representative aspects of local government. Indeed, many were carried out in countries run by dictators and those regimes accepted the projects as compatible with their rule.¹⁵

Although political aid was only a small part of U.S. foreign aid, other U.S. funds were being spent to influence the political life of foreign countries. Both in the developing world and in Europe, the Central Intelligence Agency engaged in numerous covert efforts to bolster selected political parties, to tilt elections, and otherwise to influence political outcomes, to thwart leftist movements and to ensure that governments friendly to the United States stayed in power.¹⁶ Although sometimes described by its practitioners as support for the cause of democracy, such political work was anticommunist above all, and dictatorial regimes were often the beneficiaries. Moreover, the CIA's methods, particularly the covert schemes to manipulate elections, were patently antidemocratic. Although some of this activity stopped in response to public revelations in the late 1960s and early 1970s, it created a powerful legacy of domestic and international suspicion about any involvement of the U.S. government in elections or political parties abroad—a legacy with which democracy programs of the 1980s and 1990s have had to contend.

Why Title IX Fell Short

It is worth considering why, despite the intentions of Title IX's sponsors, democracy promotion did not become a significant element of U.S. aid in the late 1960s and early 1970s.

In the first place, Title IX was a congressional initiative, a mandate externally imposed on USAID. It did not establish or set aside special funds for a new set of assistance programs, was broadly worded, and was passed after little consultation with the agency. Moreover, Title IX went against the grain of deeply held beliefs and well-established practices in the U.S. foreign aid bureaucracy. The great majority of USAID officers were wary of direct involvement by the agency in political development assistance. They thought USAID—being an economic development organization—was ill prepared to influence the political life of other countries through aid programs. Attempting to do so, they feared, could jeopardize its other programs and involve it in foreign policy controversies and undertakings better left to the State Department and the intelligence agencies. Direct assistance for political parties, elections, and political education sounded to many USAID officers like out-and-out meddling in politics, something they were disinclined to do.

Title IX's effect was also limited because it was out of phase with the political tide in the developing world. Democracy was in retreat in the 1960s. Throughout Latin America, elected civilian governments were being ousted by military leaders. In much of Africa and parts of Asia and the Middle East, new constitutional governments that had emerged from decolonization were turning into or being replaced by one-party regimes. Title IX was enacted in part because of this retrogression of democracy, but the backward movement made Title IX difficult to implement. As countries slid into authoritarianism, U.S. aid officials had few opportunities to work cooperatively with pluralistic institutions or politicians and few reasons to be optimistic about work to promote democracy.

Furthermore, in those years the gap between democratic goals and the realities of U.S. policy in the third world grew enormous. Essentially, U.S. policy in the developing world was to fight actual and perceived communist movements, leaders, and governments. This was ostensibly to preserve the borders of the "free world," but

the United States often ended up backing undemocratic governments and repressive militaries, as well as employing blatantly anti-democratic means, ranging from covert funding of political favorites to political subversion campaigns. Under these circumstances, for USAID to have launched a campaign of democracy building would have been irrelevant at best.

The few assistance programs that had some democratic content were often contradicted and rendered pointless, even dangerous, by Washington's overriding anticommunism. In Guatemala, for example, USAID funded a large program in the late 1960s and early 1970s to train rural leaders, so as to give rural communities more say in their own development. At the same time, the Defense Department and the CIA were actively supporting the Guatemalan military's counterinsurgency campaign against the small but growing guerrilla forces and all organized political opposition. A USAID study sponsored in the 1980s reported that more than 750 of the rural leaders who took part in the agency's earlier program were murdered in the war between the U.S.-backed Guatemalan military and the leftist rebels.¹⁷

Back to Basics

By the close of the 1960s, disillusionment in the United States with foreign aid, and with the whole idea of trying to produce economic and political modernization in the third world, ran deep. The shining hopes of the early 1960s had not been realized. Despite unprecedented amounts of aid, poverty and misery were still rife in the developing world. Moreover, what economic growth had occurred had not produced the expected payoff in politics. If anything, democracy had retreated in Africa, Latin America, and elsewhere. Repressive dictatorships were multiplying, and leftist ferment and active insurgency were on the rise. Professor Samuel Huntington of Harvard University had done serious damage to the intellectual framework of modernization theory with his seminal *Political Order in Changing Societies* (1968), in which he argued that economic progress in underdeveloped countries did not lead inevitably to democratization but in fact was often destabilizing and conducive to the rise of authoritarianism. The unpleasant realities of third world politics and economics were taking care of what remained of the theory.

In the late 1960s, the Nixon administration shifted policy into a realist mode, one evincing a palpable disregard for the sovereignty or fortunes of most third world countries (beyond an anticommunist interest) and a deliberate lack of interest in any moral mission for the United States. In the foreign aid realm, the United States and other Western donors de-emphasized economic growth and stressed basic human needs. They allocated assistance primarily to help third world governments provide their citizens basic goods and services such as food, shelter, and medicine, eschewing the idea of a natural connection between economic development and political development. This approach was ecumenical about the relative desirability of different political systems, reflecting a strong reaction to the idealism of modernization theory and the political relativism common among liberals during that period who dominated the U.S. development community. Although over time the basic human needs approach generated an interest in grassroots-oriented, participatory programs, there was little emphasis on democracy per se. Title IX faded from sight by the mid-1970s.¹⁸

The latter 1970s saw the rise of human rights in U.S. foreign policy. In tune with Americans' questioning of their country's role in the world after the Vietnam War, President Jimmy Carter made human rights a major theme of his foreign policy. Little new democratization was taking place in those years, outside of Southern Europe. A human rights focus thus meant attention to basic violations of rights—torture, political murder, and other serious forms of repression—rather than to higher-order political norms such as free expression, freedom of association, and the right to genuine, periodic elections (a right enshrined in the Universal Declaration of Human Rights). Furthermore, although Carter's human rights policy implied intervention in other countries' internal affairs, Carter and most of his top advisers prided themselves on their commitment to noninterventionism in others' affairs—their reaction to the U.S. anticommunist interventions in Chile, Guatemala, Vietnam, and elsewhere. They stressed the universalistic grounding of human rights advocacy in international law, and saw it as separate from any sort of political crusade. Carter did support free and fair elections when the electoral process in the Dominican Republic threatened to fall apart in 1978, but this venture into the democracy arena was exceptional and reflected the unusually long history of U.S. involvement in that country's political life.

Carter's push on human rights, partial and sometimes ineffective as it was, contributed to some later democratic transitions, especially in Latin America, by directing attention to the core issues of political freedom and governments' behavior toward citizens. And as former CIA director Robert Gates acknowledges in his memoirs, the human rights scrutiny of the Soviet Union through the Helsinki process begun in the mid-1970s turned out to be important in the eventual demise of Soviet communism.¹⁹ The Carter human rights policy did not at the time, however, constitute a shift to a democracy focus. Nor did it generate much in the way of democracy aid. It relied mainly on diplomatic measures, aid cutoffs, and some forms of economic pressure; it did not rest on the use of new types of aid. Congress did enact Section 116(e) of the Foreign Assistance Act in 1978, authorizing the use of assistance funds for projects to promote human rights. Some projects were initiated in the late 1970s pursuant to this section, such as ones funding legal aid centers in Latin America, but they were small-scale.

A NEW WAVE: THE 1980s

At the beginning of the 1980s, programs to promote democracy abroad were an insignificant part of U.S. foreign aid. By the end of the decade, such programs were under way in many countries and democracy promotion was close to becoming one of the four core priorities of U.S. foreign aid. This evolution was striking but it was neither steady nor simple. The rise of democracy assistance was clearly related to the heightened anticommunism of Ronald Reagan's foreign policy. Yet the relationship was complex and controversial. The democracy theme arose in the early 1980s as part of the Reagan administration's combative anti-Soviet posture. Yet democracy promotion became an assistance priority during the 1980s mainly as a result of the moderation of Reagan's anticommunist focus, particularly in Latin America and Asia. A moderating trend from the first to the second Reagan administration led officials to take more seriously the idea of developing the political component of the military-oriented policy toward Central America and to shift away from support for friendly tyrants in decline, as in Chile, Paraguay, Haiti, the Philippines, and South Korea. That evolution in policy prepared the way for the creation of programs assisting elections, the administration of justice, and other key areas in the new wave of democracy aid that unfolded in the 1980s.

The War of Ideas

President Reagan took office determined to challenge the Soviet Union and reverse what he perceived as the United States' weakening geostrategic position. Military force—both the building up of the U.S. arsenal and renewed military assistance for friendly anti-communist governments, especially those facing leftist insurgencies—was the core of the new policy line. Yet ideological tactics also had a role. Members of the Reagan team were disturbed by what they saw as a defeatist attitude among American and other Western intellectuals about the future of democracy as a political ideology, and by the Soviet Union's considerable investment in scholarship programs, media projects, and propaganda campaigns to spread the gospel of Marxism-Leninism. President Reagan's initial foreign policy team believed that the U.S. government should fight back in the war of ideas with a substantial program of international activities to promote democracy as an ideology.

In 1981 White House officials began planning a set of such activities—international conferences on democracy, exchanges to expose foreigners to American democracy, book translation programs, increased radio broadcasting into communist countries—under the rubric "Project Democracy." They did not envision Project Democracy as part of U.S. foreign aid, but rather a form of public diplomacy that would be run out of the cultural outreach arm of the foreign policy bureaucracy, the U.S. Information Agency.²⁰

In the same period, a separate initiative to set up a publicly funded, privately run foundation to promote democracy abroad—what would become the National Endowment for Democracy—was taking shape. This idea did not originate with the Reagan administration. The late congressman Dante Fascell (D-Fla.) had introduced a bill in Congress as far back as 1969 to create such an institute. From the mid-1970s, a diverse collection of political activists began talking together to move the idea along; the group included Fascell, Lane Kirkland (AFL-CIO), William Brock (Republican National Committee), Charles Manatt (Democratic National Committee), Michael Samuels (U.S. Chamber of Commerce), George Agree (a political scientist), and Allen Weinstein (a historian). Their early plans were based substantially on the *Stiftungen*, German political party foundations, particularly the valuable role the *Stiftungen* played in the

democratic transitions in Spain and Portugal in the mid-1970s. The AFL-CIO was especially interested in a U.S. democracy foundation as a new source of public funds for its international activities, to replace the CIA support it had lost in the late 1960s.²¹

The Reagan administration was sympathetic to the notion of such an organization, seeing it as consistent with, though organizationally different from, Project Democracy. President Reagan gave both efforts a major boost in June 1982 with his much-quoted speech before the British Parliament in which he announced his intention to develop a global program of democracy assistance:

The objective I propose is quite simple to state: to foster the infrastructure of democracy, the system of a free press, unions, political parties, universities, which allows a people to choose their own way to develop their own culture, to reconcile their own differences through peaceful means.²²

The next year, Congress considered proposals for both Project Democracy and the National Endowment for Democracy. Although intended as complementary projects, emphasizing direct and indirect roles, respectively, for the U.S. government, the two ended up as rivals for congressional support. Some House Democrats were skeptical about Project Democracy, seeing it as a disorganized, hastily assembled set of initiatives that risked becoming heavy-handed efforts to push American ideas about politics at unreceptive foreigners. Although uncomfortable with the “America Knows Best” hubris that surrounded both proposals, they preferred the NED for its bipartisan structure and its partial separation from executive branch control. Congress eventually rejected Project Democracy, appropriating funds for only a few of the proposed activities.²³ It gave the NED \$18 million, in contrast, less than requested, but enough to get it going. Project Democracy, in its proposed form, largely faded away. Some of the administration officials most interested in the public diplomacy concept pushed a narrow, domestically oriented campaign to try to generate American public support for the administration’s anti-Sandinista, procontra policy toward Nicaragua.²⁴

President Reagan inaugurated the National Endowment for Democracy in December 1983, and it has operated continuously ever since. It is financed by the U.S. government, but is a private nonprofit

organization with an independent board of directors, management, and staff. The Endowment, whose annual budget is now approximately \$30 million, has four main grantees, which in NED's first ten years received most of its money, but which now get approximately 55 percent (the rest going to discretionary grants and for administrative costs): the Center for International Private Enterprise, the American Center for International Labor Solidarity, the International Republican Institute, and the National Democratic Institute for International Affairs, affiliated, respectively, with the U.S. Chamber of Commerce, the AFL-CIO, the Republican Party, and the Democratic Party. Each of these organizations is independently run and has its own areas of activity. The Center for International Private Enterprise promotes free-market economic policies in other countries, with the rationale that such policies reinforce democratization and are necessary to democracy. The American Center for International Labor Solidarity supports the development or strengthening of independent trade unions abroad, believing that independent unions are critical to democracy. The two political party institutes concentrate on fostering democratic processes in other countries, through programs for promoting free and fair elections, bolstering political parties, developing civic education, and strengthening parliaments.

During its early years, NED exemplified the keenly anticommunist tenor of the democracy promotion movement of the time. By far the largest recipient of NED's funds was the AFL-CIO, whose international outreach work was stridently anticommunist.²⁵ The AFL-CIO carried out some programs of dubious value in spreading democracy, several of them aimed at battling leftist intellectuals or political activists in Western Europe—through, for example, a labor organization for professors and students in France intended as “a counterweight to the propaganda efforts of left-wing organizations of professors active within the university system.”²⁶ Similarly, the newly founded Republican Party Institute launched anticommunist projects in Europe and Latin America such as support for an effort to find “private enterprise solutions for economic problems in those regions of Portugal that are communist-dominated.”²⁷ NED's early anticommunist focus lessened, however, as the cold war wound down and the relationship in U.S. policy between anticommunism and democracy promotion evolved.