



US Interests in the Arab World: Democracy Promotion by American NGOs

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- Following September 11, 2001, democracy promotion in the Arab world became a top priority in U.S. national security. American non-governmental organizations working on this topic began to receive considerably more funds for programs targeting the Middle East.
- American enthusiasm for democracy promotion waned after the electoral victories of Hamas in the Palestinian territories and of the Muslim Brotherhood in Egypt. It was further influenced by increased emphasis on U.S.- Arab coalition building to contain Iran.
- The hesitancy to support the 'wrong' election results and the association with the *war on terror*, raised serious doubts with regards to the entire concept of democracy promotion.
- While many observers expect the U.S. to return to stability-oriented *realpolitik* vis-à-vis the Arab world, this approach is out of the question for the 2008 presidential candidates. The sheer necessity of economic and social reforms in the Arab world makes it impossible to offer limitless support to authoritarian regimes, as was the case in the past.
- Despite an expected change of regional focus by the next elected U.S. government, due to a lack of alternatives, the concept of democratization will remain on the agenda. Subsequently, the work of U.S. NGOs in the Arab world will continue to be relevant.

U.S. Interests in the Arab World – a Paradigm Shift?

U.S. foreign policy regarding the Arab world has changed noticeably since the attacks of September 11, 2001. Until that date, the U.S. government had no significant national interest in shaping the political and social landscapes of Arab countries. It was not until the terrorist attacks of 9/11 that the Middle East became an area of increased focus for the U.S., due to national security reasons. By spreading freedom and demo-

cracy, the goal was to neutralize potential havens for terrorism. The export of democratic principles and ideals to foreign countries is not a new phenomenon. U.S. NGOs – which are often largely financed with U.S. taxpayers' money – have been operating in foreign countries for decades in order to draw attention to a lack of human rights and rule of law, and a democratic deficit in many countries around the world. For a number of years – and barely noticeable to the public – there have been efforts underway in Arab countries that were

carefully working towards promoting and establishing democratic governments. Under the administration of Bill Clinton, which placed great emphasis on democratization, the Middle East was largely excluded from those democracy promotion efforts. According to Martin Indyk, who was the U.S. Ambassador to Israel and Assistant Secretary of State for the Middle East at the time, U.S. geo-strategic interests were too important to engage in democratization efforts and could have possibly hampered the Arab-Israeli peace process.²

During its first few months in office, the George W. Bush administration proclaimed a return to key U.S. policy interests and to distance itself from soft issues such as democratization and nation-building. However, the administration's priorities were adjusted according to the new security imperatives after September 11, 2001. Development policies, such as *democratization* that had previously been relegated to a status of secondary importance, were suddenly judged to be in the U.S. national interest and highlighted in the *National Security Strategy 2002*. Furthermore, the *UN Arab Human Development Report* (published in April 2002), and the subsequent justification for the Iraq War (to democratize the country) were contributing factors to the political consensus that a need existed to re-orient U.S. foreign policy in the Middle East. This new approach to transform the region also had a significant effect on the financial support that was available to non-governmental organizations focusing on the Middle East. Many of these organizations had lobbied for greater support for years and stressed the necessity not to ignore the lack of freedom and rights in the Arab world. Now, they would receive increased funds, for national security reasons.

The Global Spread of U.S. Ideals

The eight most important U.S. NGOs that focus on democracy promotion are the four organizations of the National Endowment for Democracy (NED), as well as Freedom House, Internews, the American Bar Association and the International Foundation for Election Systems (IFES), which, as part of their world-wide programs, also work in the Arab world. For a number of years, these NGOs have been some of the most active organizations operating in the fields of democracy promotion, human rights, rule of law, and freedom of the press. Although these organizations' overall goals are fundamentally similar, they exhibit significant differences in terms of their activities, areas of focus, and financial backing.

The National Endowment for Democracy was launched by Ronald Reagan in 1983. The organization is based on the consensus among Republicans and Democrats, that regardless of day-to-day political events, upholding political and civil rights and democratic processes around the world should be supported. It was envisioned that tensions between short-term and long-term security interests would be bridged with the help of an institution that operates independently from day to day imperatives. Additionally, this would also make the funding of programs and actors in civil society possible in cases that Washington could not otherwise officially support or those that generally would not accept U.S. government support. The NED, which is inspired by the German foundation (Stiftungen) model, is the overarching body of the National Democratic Institute (NDI), the International Republican Institute (IRI), the Center for International Private Enterprise (CIPE), and the American Center for International Labor Solidarity (The Solidarity Center).

These four institutions receive approximately half of all NED funds, as well as funds from the U.S. Agency for International Development (USAID), the State Department, as well as funds from private donors and foreign countries. The other half of NED funds is distributed to local organizations in recipient countries.

The National Democratic Institute is closely associated with the Democratic Party and supports the establishment of democratic ideals, practices, and institutions in 65 countries. This organization receives similar funding to that of other large NGOs, for example in 2007 its total budget was \$124.4 million. NDI received 91% of its funding from the U.S. government – primarily from USAID, the State Department and NED. Seven percent of its funding came from foreign countries including Great Britain, Norway, Sweden, and Switzerland, as well as international organizations such as the World Bank and the United Nations. Two percent of its funding were private donations. From 2006 to 2007 alone, funding for the Middle East rose by 38%.³

John McCain, the presumed presidential candidate of the Republican Party, is a board member of the International Republican Institute, which is closely associated with his party. This institution, while more conservative and more market-oriented, also supports similar goals and stands for ideals similar to those of NDI. The Center for International Private Enterprise supports the Chambers of Commerce, trade, and business reforms. The Solidarity Center works to support the rights of workers, as well as economic and social justice. Apart from the funds it receives from NED, USAID, and the State Department, this organization also receives funding from the Department of Labor and the AFL-CIO. The NED members thus support clearly defined and distinct goals.

Freedom House is another major NGO that is active around the world and in the Middle East. It is known in particular for its *Freedom in the World Index*, which measures the level of civil liberties and political rights in 194 countries. Freedom House supports human rights activists, journalists, and other civil society actors that operate in foreign countries and is renowned for its very public criticism of countries that commit human rights abuses. It is funded very similarly to the NED organizations with the difference that its support from foreign and private donors is significantly higher (25%). Internews is an institution that fights for freedom of the press around the world. To accomplish its objectives, the organization educates journalists and publishing companies. This organization is financed through U.S. taxpayers' money, as well as with the help of private and foreign donations. The American Bar Association supports legal reforms and is funded primarily with the help of U.S. taxpayers' money and foreign donations. The organization IFES – Democracy at Large is primarily concerned with the administration of elections and offers technical support and council to developing countries, as well as established democracies, that require help with improving their election processes. This organization is financed through U.S. taxpayer dollars, as well as private and foreign donations.⁴

Competition, Cooperation, and the Pressure to Produce Positive Results

Because NGOs apply for government funds, which are appropriated by USAID and the State Department, they – as well as many other NGOs in the field – are in direct competition with one another from a financial perspective. However, from a practical point of view, their division of labor functions rather smoothly. Every institution has its area of expertise.

These eight key institutions often cooperate to draw attention to human rights abuses and democratic deficits in certain countries to Congress and the responsible government departments, and lobby collectively for an increase in funding for their programs.

However, these institutions are in much greater competition with the countless „for profit“ organizations that engage in similar programs. These organizations are sometimes viewed as being more effective and, in response to the increase in outsourcing taking place at USAID, added a specialization in democracy promotion to their development portfolios. Both types of institutions lobby intensively. So-called earmarks, which are part of the yearly Foreign Appropriations Bill and which can frequently be traced to a single member of Congress, are often the direct result of intensive lobbying.

In contrast to many European institutions, publicly funded NGOs in the U.S. are under constant pressure to produce short-term results. Additionally, these institutions are beginning to receive a larger percentage of their total annual funding from the State Department rather than USAID; the State Department is in contrast largely interested in pursuing short-term goals. These NGOs must report their progress on a constant basis, which is difficult in a field like democratization where success is hard to measure. Yet, they need to convince Congress of the necessity and efficiency of their work to secure next year's funding. This immense dependence on the state and financial insecurity both hold risks with regards to the work these organizations produce.

Thomas Melia, vice president of Freedom House and a veteran in the field of democratization efforts, remarks that interactions among the government and the different NGOs have changed significantly over the past few years. Until a few years

ago, the NGOs created their own agenda and drew attention to the issues they thought most noteworthy. Today, their attitude has turned reactive. One example of this general trend is NED's acceptance of additional State Department funds. Furthermore, even though NED was originally founded to operate independently of day-to-day politics, over the past few years, Congress and other government institutions has increasingly tried to interfere with NED projects. Although many employees such as Laith Kubba, the managing director of NED's Middle East and North Africa division, continue to emphasize their independence, the fact that the Foreign Appropriations Bill effectively determines the amount that can be spent on each region is a disturbing sign for the organization.⁵

Ambitions, Resistance, and a Slow Retreat

After September 11, 2001, funding for the aforementioned organizations rose significantly for those programs focused on the Middle East and North Africa. The prevailing attitude among the NGO community is that the Bush administration made a concerted effort to rethink the historic U.S. support of authoritarian states and to advance democratization efforts in the Arab world. NGOs received unprecedented support from the White House. However, whether this new strategy was then actually implemented was dependent upon the respective ambassador of a given country, the decision-makers in the State Department and USAID, and their respective interest in democratization efforts. Additionally, this new focus on democratization was undermined from the very beginning by competing imperatives and a general skepticism that existed vis-à-vis Islamists. Short-term security gains in the war on terror were for the most part regarded as more valuable than a long-term approach. Furthermore, government officials at the State Department in particular remained highly skeptical of this new policy direction

due to the association of democracy promotion with the war on terror.

The idea that democratization was a potent way to fight terrorism was a notion that was viewed with much skepticism in the U.S. and elsewhere, and the implementation of democratization policies was therefore frequently challenged by skeptical U.S. government officials. Common counter-arguments are that there exists no causal relationship between underdevelopment, a democratic deficit, and terrorism; that democratization in fact contributes to political instability; that the Middle East is simply not receptive to democracy due to social, cultural and historical reasons, and that fair elections would result in Islamists taking power, who would then support anti-American policies. Many of these questions remain open to debate.

Skeptics of this new U.S. strategy in the region interpret the rhetorical withdrawal after the election victories of the Muslim Brotherhood and Hamas in 2006 as a clear indicator that the Bush administration was not truly committed to democratization and in fact backed off quickly when results did not match U.S. expectations. Indeed, the U.S. push for democratization has lessened considerably since 2006. Rhetorical and diplomatic pressure on the Middle East, which is regarded as the most effective way to achieve real change, has significantly decreased. Furthermore, the geo-strategic necessity of building alliances with Arab states to counter Iran's growing influence has made it more tenuous for the U.S. to pressure these states. Many observers already see a return of *realpolitik*, which existed prior to September 11, 2001, to restore the stability oriented balance.

In addition, observers note that the Broader Middle East and North Africa Initiative (BMENA), which was initiated in 2004 and which was intended to function as a G-8 led (primarily transatlantic-led) Middle East strategy, disappeared entirely from the

agenda. While large meetings continued to take place from 2004 to 2006, these meetings came to a complete halt in 2007. The slow death of BMENA cannot be blamed entirely on the electoral victories of Hamas and the Muslim Brotherhood. BMENA's demise rather must also be associated with Europe's hesitance to be linked to unpopular U.S. democratization efforts; a general disinterest of Arab leaders; and bilateral issues between the U.S. and Yemen where the last meeting was to have been convened in 2007. However, it has become quite evident that determination to lobby actively for the democratization of the region has greatly diminished.

What to Expect from the Next U.S. Administration?

It is difficult to judge how much the next U.S. administration will prioritize U.S.-led democratization efforts. Think tanks and NGOs alike are lobbying hard just to keep democratization efforts in the Middle East on the US government's agenda. The Iraq War and the discrepancies between speeches and actions by the Bush administration have significantly discredited the field of democracy promotion. Already considerations are being discussed in Washington, DC, to change the term *democracy promotion* to *democracy assistance* so as to avoid negative connotations. In addition, it is to be expected that the next U.S. government will seek to distance itself from the Bush administration and start its own new initiatives. This is one reason why the survival of the 2002 Middle East Partnership Initiative (MEPI) is in question. The funding for MEPI has already dwindled from \$120 million to a mere \$38 million in recent years.

The presumed presidential candidates and large parts of DC's political establishment seem to agree that there is no return to the past. The Bush administration raised so many expectations that have largely gone unmet that a return to the politics of

unquestioned U.S. support for authoritarian regimes seems impossible without inciting significant frustration and sentiments of anti-Americanism in the region. Simply due to its economic and social necessity, democracy promotion will remain on the agenda as an answer to the region's deficits and a tool to win the war on terror in a time of increased population growth and resource shortages. Organizations that promote democratization in the region will continue to benefit from this. Les Campbell, director of Middle East programs at NDI, notes that while the reaction following the electoral victories of the Muslim Brotherhood and Hamas was hysteric, this reaction had no significant negative impact on the amount of funding NDI received. Cooperation with Islamic political parties also continues to garner support. Campbell points out that funding for the Middle East (with the exception of Iraq) reached an all-time high in 2007. Consequently, no radical change is to be expected regarding the funding of democracy promotion initiatives when the next U.S. administration takes office. To the contrary, presumed presidential candidate Senator John McCain emphasizes, „the time has run out on the U.S. strategy of relying on autocrats to provide order and stability in the greater Middle East“.⁶ The director of IRI and Senator Obama are both co-sponsors of the 2005 ADVANCE Democracy Act. This law has yet to be adequately evaluated, but the mere support of both presidential candidates indicates that both candidates are interested in the approach.

Little Optimism, Old Fears, and an Uncertain Future

Experts disagree on the question as to what the reduction in diplomatic pressure on the region signifies. Some, like former Deputy Assistant Secretary of State in the Bureau of Near Eastern Affairs Scott Carpenter, support the continued funding of democracy promotion programs. He argues that the best results can be achieved when expectations for success are lowered. Many

NGO activists, whose initiatives suffered from the association of democratization with the war on terror, are hopeful that the field will receive less publicity so that they can continue their work without being associated with aggressive regional transformation strategies. Others are shocked by the U.S. government's dwindling interest in democracy promotion in the Middle East and argue that reforms and democratization initiatives cannot be successful without diplomatic support. They fear a return to the *realpolitik* of the past.

It remains to be seen how much support the field of democracy promotion will receive from the incoming administration. The unbridled optimism that envisioned transforming Arab societies throughout the region into functioning democracies has faded, and knee-jerk reactions vis-à-vis Islamic political parties remain. One may hope that the topic of democracy promotion will remain on the U.S. foreign policy agenda, that discrepancies between talk and action of the next administration will be less pronounced, and that long-term interests such as democracy promotion will more often win over short-term operational interests.

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² Martin Indyk, "Back to the Bazaar" in *Foreign Affairs*, January/February 2002 and Interviews with NGOs.

³ National Democratic Institute, Treasurer's Report for the Fiscal Year ending September 30, 2007.

⁴ For an excellent overview see: Thomas O. Melia, "The democracy bureaucracy", http://www.princeton.edu/~ppns/papers/democracy_bureaucracy.pdf.

⁵ Consolidated Appropriations Act, 2008, H.R. 2764 / Public Law 110-161, Explanatory statement, Division J, page 2183. http://www.gpoaccess.gov/congress/house/appropriations/08_conappro.html.

⁶ David Broder, "McCain's Manifesto" *Washington Post*, 30. März 2008.