

International Democracy Promotion: Patiently Redistributing Power

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The promotion of democracy is enjoying something of a boom. Since the collapse of communism above all the US government's reaction to the attacks of 11 September 2001 has given new impetus to this strategy. Yet, promotion of democracy or democratization is difficult. External actors' possibilities as regards exerting an influence on political transition processes are limited, and there is no simple model of recipes, aims and instruments to follow. The democratization of previously authoritarian or even totalitarian regimes requires a redistribution and limitation of power, while the social, political and economic power structures in each country are different. At the same time, democratization describes a process in which starting points and strategies must be constantly redefined and adapted, and tested for counterproductive effects.

A systematic reappraisal of the instruments and possibilities of democracy promotion should therefore be carried out not »top-down« – that is, from the standpoint of the foreign-policy structures, instruments and aims of donor countries, which often have a tense relationship with the power-political implications and the necessary costs of effective democracy promotion – but rather in terms of the experiences and knowledge of the democratization process of the countries and regions concerned. From that no model of democracy promotion arises but rather a »modular system« whose elements must be chosen and combined always in accordance with the individual case and in dialogue with the actors on the ground. The question of power distribution, and not only its institutional and ideological but also its socio-economic foundations, is a decisive and yet frequently neglected factor in this, which at the same time defines the starting points and the boundaries of external influence on democratization processes.

Democratization: The Societal Foundations of Power Redistribution

Democratization Processes: Present Situation and History

Since democracy¹ is a special form of the state its origin cannot be separated from the development of states. The development of currently existing states took place essentially along two paths: (i) long historical processes in Europe and parts of Asia (China, Japan, Thailand), and (ii) decolonization and state formation after liberation from European colonial rule. The chances of developing a democratic form of state increased in accordance with the historical background:

1. In Europe democracies developed first where the ruling feudal elites did not monopolize military, political and economic power (Tilly 1990; Mann 1991). Above all as a result of constant wars with one another they were dependent upon money and credit from the economic elites and therefore had to offer them some say in things. As a result, central elements of early democracies developed, such as the right to vote of the property-owning classes and parliamentary budgetary rights. These rights and the scope of citizens' rights (first pertaining primarily to males, later to females) slowly and gradually expanded to the extent that affluence, education and the desire to participate in decision-making – not least in relation to class struggles for the emancipation of the rising working class – spread. Where sovereignty was achieved only late (as in central and eastern and in southern Europe) democratization occurred less under the influence of the factors mentioned above than through transnational learning processes. In Asia and parts of eastern Europe, on the other hand, states remained feudal for longer, and their transformation had other causes (communist revolutions in Russia and China; American occupation of Japan) and did not universally lead to democratization.
2. In former colonies various state structures developed in accordance with whether white settlers had settled there in larger numbers or

1. On analytical grounds democracy will here be defined rather narrowly as the legally constituted form of the state in which the state's central power functions are occupied by representatives who have been freely and fairly elected at regular intervals from at least two competing parties by a majority of those entitled to vote. It therefore includes the two central mechanisms of competition and participation (Dahl 1971) which of course are variously mixed in contemporary (and historical) democracies.

whether the colonial power had confined itself to an exploitation regime (agrarian and mineral raw materials) (Acemoglu et al. 2001). In the first case (USA, Canada, Australia, New Zealand, South Africa), democratic institutions developed, if also with drastically curtailed rights for the native population; in the second case, they did not, or only very weakly. This political differentiation is paralleled by an economic one: settler economies had mostly a relatively equal distribution of wealth (above all, land), while in extraction economies control was concentrated on mineral resources or plantations. On independence the new elites took over rental sources and defended them straightaway by means of authoritarian regimes (see below).

The transformation of authoritarian regimes ideal-typically follows a model course through semi-authoritarian or defective democracies to, first, young and, finally, consolidated democracies, although it does not necessarily go through all of these phases. Authoritarian regimes can remain stable for very long periods. Partially liberalizing regimes can long persist in a semi-authoritarian state or as defective democracies. Young democracies can suffer a relapse into authoritarian structures.

Thanks to the third wave of democratization (Huntington 1991; Boix 2003: 67) around 100 countries achieved the status of »transition country.« Only a few have successfully completed this transitional phase and can be counted as largely consolidated democracies. They include principally the eight east-central European EU accession countries, as well as Chile, Uruguay and Taiwan; a few others are almost consolidated. The large remainder are stuck in a grey zone of democratization (Carothers 2002; Merkel 2004: 34–35).

Democratization Processes: Causes and Problems

The historical difference between relatively autonomous democratization processes in developed market economies and obstructed processes in authoritarian post-colonial rentier economies answers the central question of modernization theory's explanation of democratization: Why did the income threshold at which authoritarian regimes begin to democratize rise after 1950 (Boix and Stokes 2003: 545)? After 1950 almost all authoritarian regimes were (post-)colonial regimes with an unequal income and wealth distribution which were subject to completely different internal, but also regional and global structures than the European state system between 1750 and 1950.

Behind this general statistical assertion on closer examination of democratization processes causal contexts emerge on a number of levels. The following presentation follows Merkel's categories (Merkel et al. 2003: 199),² supplemented by Huntington (Huntington 1991):

Economy: Economic development produces actors in the form of the working class and the middle class which initiate and sustain democratization processes. In contrast, there is a weakening of the role of traditional elites whose wealth and power rest on large landholdings and the control of mineral resources (Huntington 1991: 59–72). New economic elites (finance capital) have less to fear from democratization, and the redistribution of wealth which it makes possible, since their assets are less bound to a particular location and therefore less threatened by excessive taxation or even expropriation (Boix 2003). All participants shun violent conflict since potential income losses are high.

Culture and civil society: the self-organization of society (or its parts) beyond the state is a precondition of the development of informed opinion and the power to act against a state controlled by (or merged with) an authoritarian elite. The concept of »civil society« experienced something of a renaissance among the anti-communist dissidents of the Eastern Bloc. Also historically, an active civil society is an important factor in ensuring democracy and prosperity (Tocqueville 2004; Putnam 1993). The economic effect extends from the value of trust (Offe 2003) within society (among other things, reducing transaction costs) to the ability to achieve consensus. Christian traditions can likewise favor democratization processes (Huntington 1991: 72–85). Of course, there is also a »dark variant« of civil society (Merkel 2003: 214–224) which in the form of the self-organization of anti-democratic and criminal forces rather threatens democracy and prosperity.

Type of authoritarian regime and mode of transition: Regimes in which elites and state, as well as political and economic power networks are merged, are more difficult to democratize than regimes in which a »neutral« bureaucratic-administrative statehood is linked to authoritarian political leadership. A negotiated regime change (for example, »roundtables«) makes democratization easier in comparison with violent upheavals.

2. Merkel et al. (2003) identify the contexts of origin and influence factors in relation to defective democracies, but the proposed systematization of factors can also be applied to democratization processes as a whole.

National statehood: In the extreme case of state failure or state collapse a functioning democracy is no longer possible. In special situations (for example, after a war) the state must first or simultaneously be rebuilt. That also applies to re-establishments of independent nation states as occurred in many cases in Central and Eastern Europe between 1989 and 1993. A lack of national identity can hinder the democratization process if citizenship and participation rights are contested and ethnic cleavages are politicized, leading to minority-related conflicts.

International context: In the world of developed states democracy has prevailed above all because it was a militarily and economically stronger form of state. Democracies could on a consensus basis better mobilize the country's resources – above all, capital (Tilly 1990; Mann 1991; Schultz and Weingast 2003). After 1945 the victorious democracies successfully established their form of state in Japan, Germany and Italy. In the world of poor states the international context is more important in the form of support for or pressure exerted upon regimes (Huntington 1991: 85–108). In the course of the Cold War many authoritarian regimes received backing, including military and development assistance, from their allied Great Power – and the opposition from its opponent. Authoritarian regimes whose power of oppression was limited by considerations of Great Power criticism (for example, Iran 1979 and the Philippines 1986) had less chance of survival in comparison with others (for example, Syria, Iraq, Libya) whose inclination towards repression could be pursued without constraint (Brownlee 2002). After 1990 direct international pressure (Cambodia, Bosnia, Kosovo, Afghanistan, Iraq) again played an important role. Finally, international economic relations represent a decisive source of finances and rents for many authoritarian regimes.

Democratization and Power

Ultimately, all transitional regimes are power constellations with which elites defend their economic and political interests. The situation of unfinished reforms can be much more lucrative for certain elites than a market economy oriented towards equality of opportunities (Hellman 1998). That these constellations frequently appear in democratic garb is owing not least to international pressure. How far and how quickly they develop in the direction of liberal democracies, however, depends above all on the power relations and attitudes within society. With Burnell one can distinguish between the following situations (Burnell 2003):

- ▶ An authoritarian and reform-averse regime stands over against a society which is ready and willing for democratization (for example, Poland before 1989, Burma).
- ▶ Over against an authoritarian and reform-averse regime stands a society large parts of which are indifferent, distrustful or hostile to democratization (for example, Saudi Arabia).
- ▶ Regime and society cooperate and the level of conflict is relatively low (for example, Mexico).
- ▶ Regime and society are internally divided concerning the extent and speed of democratization (for example, Russia).

The interests and resources of individual factions of the ruling elites and of »society« (itself as a rule diversely structured) depend on a wealth of factors which ultimately require that each case be assessed individually. Despite that, structuring elements can be specified. They arise from the respective networks, of which, according to Mann, we can distinguish four types (Mann 1991; 1999):

Economy: The decisive factor here is the distribution of income and wealth. If distribution is unequal and is based predominantly on rents from immobile rent sources (for example, large-scale landholding, raw materials) the rich must fear being »fleeced« under democratic conditions and therefore prefer authoritarian structures. The rich control the state which can only finance itself from their property. To the extent that other elites with other sources of wealth (trade, enterprise, financial capital) appear, conflicts of interest can arise between the »old« rentier elites and the new »capitalist« elites. The poor have little economic power to oppose the rich; ultimately, for example, they have no money to buy weapons.

Politics: In a rentier economy state revenues come out of the pockets of the rich elites. In the extreme (feudal) case the state budget can scarcely be distinguished from the »private« household of the rulers (for example, Arabian oil states). A large client group depends on patronage income, frequently in the form of a salary as a public employee, which, however, is often low and increased at the expense of society through corruption. When »capitalistic« elites reach a political compromise a relative autonomization of the state apparatus occurs which finances itself more strongly from taxation. »Democratic« consensus, however, can be limited to these two elites without including the poor population. Their influence grows through conflicts which increasingly take place in and enlarge spaces of »protected consultation« (Tilly 2004).

Military: The means of exerting force must be financed and therefore depend on the resources the state receives from the rich. In Europe military competition forced states to extend their financial base and introduce taxation or borrowing, for the forcing through of which they depended on the consent of ever wider strata of the population. Rentier states in poor countries were and are often in a position to finance their military expenditure from high international revenues (the proceeds of raw material exports and/or credit on global capital markets). This is all the more the case if the military does not have to be enormous, since it is only required for internal repression and not – as in the period of state building in Europe – for use against other similarly powerful states. The leadership of the military (the officer corps) is often recruited from the elite. Above all in rentier economies the military can itself attain political and economic power or competing armed factions can try to appropriate their own slice of the cake, resulting in civil war, warlordism and state disintegration. The poor also eventually resort to violence (criminality) when they are dissatisfied with the distribution of wealth in the society and it is not – at least in their eyes – legitimate.

Ideology: An ideological apparatus which provides religious or ethnic-national justifications for a certain form of rule can preclude such forms of opposition. Today, however, on account of internationally more open communication structures it is increasingly difficult to keep up such an ideology against the global hegemony of the liberal-democratic model. Its dissemination in authoritarian or semi-authoritarian societies undermines the legitimacy of the regime and creates free spaces and models for open forms of exercising power and resolving conflicts.

Democracy Promotion as Power-Political Intervention – and Its Limits

Below we look first at the possibilities of exerting influence at the level of economic development and then at the political instruments of democracy promotion.

Economic Starting Points and Instruments of Democracy Promotion

If – as argued above – economic development is conducive to democratization every boost given to such development is also an indirect boost

to democracy. This applies even more to economic support for young democracies since there is a closer connection between the survival of a democracy and its socio-economic performance. Support for young democracies is politically unproblematic. Supporting authoritarian regimes in their economic development, however, causes problems, although these were and are readily overcome on geostrategic grounds – above all in the Cold War and today in the ›War against Terror‹. Whoever argues that dictatorships should not be supported or even should be punished must weigh up whether he might thereby be contributing to the perpetuation of the authoritarian regime in question. Proposals (for example, López 2000) to exert pressure on dictatorships through economic sanctions are therefore at least partly counterproductive since they check modernization and development processes which would increase the likelihood of democratization (Boix and Stokes 2003: 517–518).

Trade Liberalization

Trade liberalization points in two directions: the (developing) countries in question can and should open their markets; and the rich democracies open their markets in order to offer the poor countries export opportunities.

The poor countries can take the first step themselves (for example, Estonia after 1992). According to classical trade theory such a dismantling of trade barriers at any rate increases prosperity, regardless of whether the (rich) trading partners really make market access easier or not. The assumed increase in prosperity requires, of course, that there is full employment and that the factors of production (above all, labor) released from the enterprises ruined by cheaper imports find new employment in other, mainly export-oriented economic activities. Already in the classical Ricardo model, however, free trade leads to labor savings (fall in employment), accompanied by increasing productivity. Apart from that, a redistribution of wealth occurs between producers and consumers in the opening economy. Alongside this – obviously only under certain conditions – probable increase in prosperity the advocates of free trade hope for a reduction in corruption and a drying up of rental sources, which often arise from the political-bureaucratic control of foreign trade (Sandholtz and Gray 2003). More important are the expected dynamic effects, consisting in the efforts of the domestic economy triggered by import competition. However, heightened competition can also lead to a decline

in local suppliers, as well as to an accelerated passage along the »learning curve«. The experiences of successful countries such as Japan, Korea and Taiwan rather show that an appropriate measure of protectionism also belongs to catch-up and modernization processes. If a state forgoes the regulation of trade-determined redistribution of income it is likely to lose its general management capability and legitimation (Rodrik 2001).

The second step – the opening up of rich markets – offers poor countries obvious opportunities. In the ideal case, demand for the abundant low-skilled labor would increase in the poor countries. They would profit from liberalization by which inequality would decrease and opportunities for democratization increase (Boix 2003: 142–143). In the rich countries the converse mechanism (stronger demand for skilled labor, weaker for unskilled) would increase inequality (Reuveny and Li 2003: 579). These effects are usually overestimated, however, for a number of reasons:

- ▶ The rich countries are protectionist in important but sensitive economic branches (including agriculture, steel, textiles and clothing). They protect the very sectors in which poor countries could become competitive soonest.
- ▶ Progressive global trade liberalization (various GATT rounds, WTO) has lowered average tariffs so much that the preference differential has clearly decreased and offered trade preferences are almost meaningless, particularly since other cost factors such as exchange and inflation rates fluctuate a lot more.
- ▶ Opening up markets does not give rise automatically to a corresponding supply capacity in a poor country. Domestic entrepreneurs and foreign investors make their production decisions on the basis of a wealth of other factors (including quality of the labor force, legal certainty, infrastructure, meso-economic environment) which take a long time to restore.
- ▶ A large proportion of world trade is intra-firm trade. All countries, particularly poor ones, increasingly have to attract parts of international production networks and value added chains to their territory. The aforementioned factors are decisive in this.

Raw-material exporting rentier economies when they wish to profit from trade liberalization have to overcome a particularly difficult obstacle: the »Dutch disease.« This consists in the overvaluing of the national currency on the basis of high foreign currency inflows as a result of which all other exports lose their competitiveness. Tariff reductions in rich markets as a rule do not suffice to compensate for this disadvantage.

Direct Investment

Direct investments are a way of rectifying supply weaknesses which reduce the usefulness of trade liberalization. Conversely, liberalization increases the attractiveness of a location when products for further processing can be imported tariff free and end products do not face any trade barriers in the main destination countries. Since investors have a high regard for property rights, the guarantee of the rule of law is often regarded as an essential attraction for foreign investors. However, its effects are readily overvalued, above all in relation to poor countries (Kosack and Tobin 2003; Nunnenkamp 2004; Milberg 2004). Successful countries such as Japan, Korea and Taiwan had little direct investment, while others (for example, Singapore) had a great deal of it. In the investment phase a boom can likewise lead to an overvaluation of the currency, which is eventually followed by a financial crisis if investor confidence is shaken (as happened in the Asian crisis in 1997 or in the Czech Republic in 1996). In the production phase the classical problem of indebtedness (debts cannot be serviced if the investment turns out to be un- or less profitable) does not exist, but instead the distribution of value added can turn out to be even worse than in the case of the much maligned credit financing. Foreign investors often pay higher wages than domestic enterprises, but in general foreign direct investments impair income distribution (Reuveny and Li 2003).

Migration

The allowing of migration is economically a mixed form of support since it also takes away important human capital from the country. The remittances of guest workers, however, represent an important source of foreign currency for many countries of origin by means of which economic development is boosted in a decentralized fashion. After their return (if they in fact return) immigrants can contribute to the modernization process by means of the political and economic experiences of democracies and the corresponding expectations they bring with them. The admission abroad of victims of persecution on the one hand offers authoritarian regimes a practical safety valve by means of which to thin out the opposition, but it also makes possible the formation of groups of exiles who can influence the democratization process at home.

Development Aid

Development aid for a long time pursued a modernization strategy pinning its hopes on financial and technical cooperation. Experience, above all in Africa, shows that there is no connection between aid received and growth (World Bank 1998; 2001). That did not and does not exclude positive effects in the immediate environment of particular projects. More recent studies are more positive, although they discern a slight negative effect in very poor countries with a low degree of human development (Human Development Index – HDI), while in less poor countries with higher HDI the effect is positive (Kosack and Tobin 2003). Common to all analyses ultimately is that aid has a positive effect when the recipient country pursues »good« policies and possesses »good« institutions.

If that does not apply, development aid inflows lead only to another variant of the Dutch disease and become a source of rent incomes. Aid flows in the first place to governments and so to the elites who are mainly responsible for the underdevelopment of their country and are the main beneficiaries from the situation. Traditionally development cooperation was rarely able to free itself of the predominance of foreign-policy, economic and institutional constraints and to really force through developmental policies and institutions against the ruling elites in the recipient countries there. This demand was formulated at the latest in the 1980s and the instrument of choice was political dialogue.

Political Dialog

The donors linked pledges of credit to conditions (conditionality) which mostly demanded a mix of policies known as the »Washington Consensus.« It included a solid monetary and fiscal policy, and often devaluation, trade liberalization, deregulation and privatization.

The successes were rather modest. One of the main problems was coordinating the different donors, who often pursued different interests. This divergence of interests has diminished, but not ceased since the end of the Cold War. The second core problem was the reduced effect when proposed reforms collided with strong elite interests in the partner countries. Often only superficial reforms supervened which formally created new economic freedoms which, however, were not used or again were used only by the still powerful elites. This has led to demands for political

reforms in the narrower sense (participation, democracy) being more strongly expressed in dialogue (Spanger and Wolff 2003).

Not least, liberal reforms have led and continue to lead frequently to a strengthening of inequality when powerful actors translate political power into market power. This could be seen very clearly in the post-communist transition societies in which income and wealth distribution deteriorated dramatically. The withdrawal of the state from economic policy often demanded by liberal advisers undermines their capacity for action and legitimation in other important areas (Fukuyama 2004). With that, however, the prospects of a sustainable democratization diminish.

In summary, economic instruments reveal themselves to be contradictory. Trade policy and capital inflows only work in a political field in which a development-oriented state seeks stability and appropriate distribution structures (for example, East Asia). There economic development does lead to democratization in the long run. In the course of economic liberalization necessary state control capacities should not be undermined, under the watchword of »Do No Harm!« Among other less-development-oriented states the political conditions for successful development and effective aid must first be created. Here democracy promotion is closely linked to measures for supporting the rule of law and good governance.

Political Starting Points and Instruments for Democracy Promotion

All economic starting points and instruments which have an influence on the distribution of material resources, the shaping of economic processes and market relations are always also »political«. However, »analytically« we can distinguish between primarily economic levers and a second set of instruments and strategies which are aimed at national and international »political configurations,« that is, constitutions and political institutions, political norms and discourse, and in this connection can change political power relations.

Promotion of Civil Society and a Democratic Culture

Democracy, even if in rare cases (Germany, Japan, Italy after 1945, Iraq today?) imposed from outside, must always be called in and animated internally by the population and its organizations. For the external promotion of democracy civil society is consequently a central starting point and

lever: it is on the one hand a motor of regime change, and on the other hand the foundation for the consolidation of democracy and development of social trust. Using Brumberg's (2004) concepts, an active and democratically oriented civil society ensures the »demand« for democratization. It is an important task of civil society to break up ideological power networks by means of increased transparency and the demonstration of political alternatives and to call into question the legitimacy of political and military power networks.

However, recent discussions concerning democracy promotion caution that the lever of civil society has long been overvalued or the difficulties of exerting influence on societal processes downplayed. Challenges for donor countries are access opportunities, above all in authoritarian regimes, the difficulty of identifying the »good guys« and true NGOs, conflicts of interest when existing civil society organizations pursue aims which are only partly compatible with ideas of liberal democracy, the creation of a constructive relationship between civil society and the party system, and finally the danger of producing an »artificial« NGO-world – dependent on the West and decoupled from the grassroots – which is not sustainable (Burnell 2004). One problem with the democratization of authoritarian rentier economies is that large parts of the population are economic »clients« of the ruling elite and so have reason to fear relative impoverishment as a result of a regime change. After a regime change they constitute potential critics of democracy whose role is particularly problematic because they are often also almost the sole bearers of the numerous technocratic skills which are necessary for a functioning state. A further challenge for civil society in transition countries and consequently also for external influence is striking a balance between the requirement of controlling and criticizing state institutions, and the danger of undermining trust in still young democratic institutions through such criticism (see Nohlen 2004). The new »power« of civil society therefore always runs the risk of threatening democracy. On the donor side, it is thus important to avoid the promotion of the forces of civil society being associated with an exaggerated (»libertarian«) distrust of the state. In other words, top-down approaches primarily addressing state structures and actors should not be fully replaced by the bottom-up approach since civil society actors rarely possess the resources to undermine the military and economic foundations of the ruling power networks alone.

Democracy promotion clearly interferes in the competition for power and influence rather than being neutral to it. This applies particularly in the early phases of democratization when the main task is to weaken authoritarian and conservative elites, make room for reforms and liberalization, and sanction retrograde steps in the democratization process. The available instruments range from economic »carrots and sticks,« sometimes linked with political dialog, through conditional membership of organizations (see Hazelzet 2001), to financial and political promotion of pro-democratic parties and opposition groups. The economic-policy instruments (see above) are also important for undermining the merging of economic and political elites and their power monopoly.

Instruments of democracy promotion, which interfere directly or indirectly in the political processes of system and policy formation and try to influence power relations for the benefit of democracy, are confronted by a range of possible problems:

- ▶ In relation to measures aimed at individual political groups (for example, dialogue, financial support for parties, targeted sanctions) the problem of choosing the target group arises (see also Sandschneider 2003: 34ff) which requires an accurate knowledge of political power relations and possible consequences of destabilization.
- ▶ The right choice of negative and positive means depends on an accurate knowledge of development dynamics and the phase of the transition process. Dalpino (2000) argues that in the case of incipient liberalization (also when democratization in the narrower sense is not planned) above all cautious, cooperative strategies are more helpful, while the direct demand for democracy can be counterproductive. Risse et al. (2002: 198ff) show, on the example of the imposition of international human rights norms, that sanctions are effective above all when they create room for already existing and mobilized civil society opposition groups. If, however, the government still has the situation under control material sanctions can even have a counterproductive effect. On the other hand, in phases of transition in which the government makes concessions sanctions must give way to incentives, positive support and dialog, in order to boost – almost pro-cyclically – opening-up processes. The fact that economic sanctions have historically been only a partly effective instrument (Hufbauer and Oegg 2003) may presumably be attributed to the poorly targeted use of this instrument.

- ▶ With this the central problem on the donor side is addressed which above all applies to negative measures (diplomatic pressure, economic sanctions): a coherent and consistent policy will usually not be generally realized on the grounds of the priority of economic and strategic interests (see Herman and Piccone 2002: 11; see also, however, the more positive results of Hazelzet 2001). Against this background the indirect path of influence plays an important role: i.e. via non-state actors which operate at the interface between civil society and the political system, support parties and democratic forces and promote political dialog and in comparison to governments have to pay less attention to other foreign-policy interests.
- ▶ Finally, with increasing »depth« of intervention, particularly when enforcement measures such as sanctions are applied, international legitimacy becomes a challenge for external democracy promoters, given that state sovereignty is still not linked compulsorily to a democratic form of government (see below). Above all, the question of whether the most far-reaching form of interference – namely military intervention with the aim of overthrowing an authoritarian regime and/or the restoration of a democratic government – is to be counted as an instrument of democracy promotion (»democratic intervention«) remains controversial. Each case must be judged in terms of whether the strict conditions of international law are heeded. Alongside the question of legitimacy the question of effectiveness is decisive: only a few democracies installed in the last century by US military intervention have survived (Pei and Kasper 2003) and experiences in Iraq confirm the view that multilateral engagement concentrated on the rapid building of legitimate local governance structures is the minimum precondition (ibid. and Burnell 2004: 107).

Influencing Institutions: The Politics Dimension

The field of action is broad and encompasses assistance in the drafting of a democratic constitution, the preparation and implementation of elections, the building of rule-of-law institutions and parliamentary bodies, as well as local government structures and reforms of the security sector corresponding with democratic rules.

In the application of these instruments, consequently, the challenge of choosing target groups arises to a lesser extent since not political actors but rather structures are in the foreground. The intervention problem-

atic is likewise less distinctive since as a rule institutional reform is carried out with the consent of the ruling elites. However, it is a challenge to take proper account of the »politics« dimension – that is, specific interests, conflicts and power relations – and to avoid a technical application of pre-established models (see also Carothers 2002: 333f). Democratic institutions must be adapted to the respective societal conditions and problems. This applies particularly to »divided societies« with ethnic cleavages or even conflicts and a lack of collective identity. Precisely during periods of democratic transition the demands of individual ethnic groups may gain impetus and ethnicization grow. Models of democracy introduced in an attempt to do justice to ethnic cleavages and group boundaries can also contribute to consolidate these boundaries (Pfaff-Czarnecka 2004). Existing power relations and identity structures are also to be taken into account when it comes to institutional solutions for giving equal rights to women. In this connection gender-specific quotas can constitute an important step, although they do not guarantee that political progress will be made concerning substantive gender policy questions (see Jaquette 2001: 120f). Here too, in parallel with institutional reform the socio-economic foundations of gender inequality (poverty and ignorance among men *and* women) must be changed in order to break up historically grown patriarchal structures (for Afghanistan, see Kreile 2005).

*Making Democratic Systems Effective and Capable of Action:
The Policy-Dimension*

Promotion of democracy and good governance are frequently mentioned in one breath and for two reasons: on the one hand, democratic government structures, particularly the requirement of transparent and controllable policy formation and the possibility of being voted out by the people, are a precondition for »good governance« which is oriented towards the needs of the populace. On the other hand, the promotion of good and effective governance which approaches and solves political problems in accordance with the wishes of the people can be understood as a contribution to democracy promotion in that it increases the political system's output-legitimacy. In this sense the whole spectrum of development aid which enhances the performance of democratic governments in satisfying the people's needs can also be understood »indirectly« as a part of external democracy promotion.

Instruments addressing the »policy« dimension, however, encounter all the problems of general development cooperation, that is, limited means, lack of capacities on the side of the recipient countries, corruption and misappropriation of resources, as well as difficulties in securing sustainability. Beyond that there is the dilemma that in authoritarian states or defective democracies external assistance for achieving better policy results may strengthen the ruling elites in the short term. One possible way out is the linking of the »politics« and the »policy« dimensions through targeted »allocative conditionality,« which is increasing in importance (Santiso 2001; Steinhilber 2004) in the development cooperation of both the EU and the USA: certain parts of development aid, credit allocation or even debt relief programmes are made dependent on performance indicators which, among other things, comprise efforts – not necessarily the achievement of goals – in relation to democratization and the realization of human rights. This strengthens the democracy-friendly elites and reduces rental sources for old power networks. On the donor side, however, there are difficulties in the objective measurement and application of performance indicators in the area of political reforms and liberalization processes (see Santiso 2001: 21).

Creation of a Democracy-Friendly International Environment

All the measures mentioned above – if credibly and efficiently transposed – help to create a democracy-friendly international environment. Beyond that, the actors of democracy promotion try to establish formal global rules on democratization by means of multilateral organizations and to use them for the »international socialization« of states in a community of democratic states (see Schimmelfennig 2000). Not only the systematic linking of international norms of democracy and carrots and sticks out of the politics toolbox, but also the legitimacy pressure borne by global public opinion can contribute to shaking the material and ideological foundations of power networks.

International organizations are important platforms for and partners in transnational networks or advocacy coalitions which can exert pressure on autocratic regimes both »from above« (inter-state level) and »from below« (intra-state, civil society level) (see also Keck and Sikkink 1998; Risse et al. 2002).

In the European context, on the basis of the hegemony of the liberal-democratic model, an overlapping set of organizations has formed (EU,

OSCE, Council of Europe) for which democratic norms are constitutive. One can speak of an effective »democracy regime« in Europe. Also in other regions democratic principles have been made the constitutive moment of regional cooperation. A forerunner was the Organization of American States (OAS), while newer monitoring and sanctions mechanisms are developing in, among others, the Commonwealth and the African Union (see also Rich 2001; Herman and Piccone 2002: 228ff). At the global level democracy is increasingly acknowledged as a universal value and goal of the international community in numerous UN documents. Rich (2001) sees the emergence of a »universal right to democracy.«

Still lacking at global level, however, is a consensus to make a democratic form of rule a precondition of membership of the international community, apart from the fact that the concept of democracy itself is still disputed.

Furthermore, the existing international structures for promoting democratization suffer from the following weaknesses:

- ▶ All international organizations and agreements are based on voluntary membership. As regards the lack of international consensus only those become members which are already democracies and, in accordance with the theory of »republican liberalism« (Moravcsik 2000), have an interest in safeguarding national rules against internal counter-movements through international institutions (see on this result also Herman and Piccone 2002: 11).
- ▶ International democracy regimes also run the risk that due to diplomatic considerations and conflicting foreign-policy interests norms are implemented in an inconsistent manner. Member governments may get away with a merely rhetorical recognition of democratic principles, although the path from the recognition of international democratic norms to their internal enforcement and sustained implementation can be very long (see above; cf. Carothers 2002; Burnell 2004).
- ▶ A third challenge for the promotion of democracy through international organizations and institutions consists in reducing the democratic deficit from which these regional and global organizations themselves suffer.

Options for Effective Democracy Promotion

Economic Starting Points

All the abovementioned economic instruments of democracy promotion (Economic Starting Points) prove to be weak for a number of different reasons. The actors in the rich democracies are as a rule not ready to use them radically in the interest of democratization. The hoped for indirect effect on economic development is doubtful. Frequently they even hinder democratization processes since they strengthen elites and/or increase inequality.

Resolutely pro-democratic economic-policy intervention would have to aim rather at the following:

- ▶ Redistribution of wealth, above all land (land reform). One step in this direction would be the formal-legal recognition of the informal property titles of the poor (De Soto 2001).
- ▶ Massive investments in the education and health care of the poor in order to increase their productivity.
- ▶ Opening up of markets in the rich countries in areas in which poor countries can be competitive and involving as widely dispersed a group of producers as possible. In the first place this means agriculture. Acceleration of narcotics liberalization would also be helpful: the great demand for drugs even today generates enormous income, although it scarcely reaches the small initial producers but rather deforms whole societies as rental income based on violence.
- ▶ Pressing for political control over rental incomes which overwhelmingly stem from international transactions (raw material exports, credit, aid, and so on). The most radical option would be a condition that business partners in the rich democracies no longer make such payments to elites and undemocratic governments but rather into funds to finance modernization, including those policies mentioned under points 1 and 2 (land reform, education, health).

Political Instruments

On the whole, an impressively diverse set of policy instruments for democracy promotion is confronted by an equally extensive set of problems, which explains the fundamental scepticism of many observers concerning the likely effectiveness of external interventions in democratization processes. In contrast to the economic starting points these

problems of course do not call into question the instruments themselves, but rather make clear the need to apply high qualitative standards to the formation of democracy promotion policies and for sound analysis of power-political conditions and the (unintended) consequences of external interventions.³ Central requirements of effective democracy promotion are the following:

Country-specific and flexible planning: renunciation of the ›transition paradigm‹ (Carothers 2002) and the numerous factors which influence democratization processes and with that the respective effect of different instruments of democracy promotion clearly show the need to develop country-specific strategies of influence and mechanisms allowing rapid reaction to changing frame conditions. Scenarios – not prognoses – can be developed concerning how political intervention affects the redistribution of power resources. Accompanying procedures of evaluation and impact assessments (particularly also of possible unintended consequences, for example, in relation to conflicts) need to be further developed and applied. The definition and adaptation of strategies of political democracy promotion must be carried out on the basis of a thorough knowledge of countries which can be ensured through the involvement of regional and country specialists (see also Dalpino 2000: 95f), and include a sound political-economic analysis of the frame conditions (see BMZ 2004: 9).

Long-term support structures: long-term investment in positive instruments of democracy promotion (dialogue, support for civil society, decentralization, and so on) is advisable in three respects: (i) it gives donor-country actors the knowledge of the situation and problems which is necessary for appropriate and flexible action (see above); (ii) precisely in countries with weak democratic traditions and weak civil society one first has to build up partner structures for external democracy promotion and empower reform forces – this requires time, however: a democratization process which develops step by step with societal conditions may ultimately advance more successfully and more quickly than an abrupt tran-

3. The democracy promotion policy of Western countries can today build on many years' practical and academic experience which, however, so far has not established any theory of successful democratization assistance. Alongside the general »classics« of democratization studies (among others, Carothers 2002; Diamond 1995; Burnell 2000), the experiences and evaluation reports of state and non-state institutions (for example, BMZ 2004; FES 1999; on methodology, Crawford 2003) offer important starting points.

sition (Dalpino 2000: 11); (iii) The conflictual character of democratization processes, which always produces winners and losers, establishes an obligation not to leave partners in the country at the mercy of these conflicts: »they have a right to continuing solidarity« (Adam 1999: 33).

Comprehensive coordination of external influence: although democratization benefits from a multitude of actors it is indispensable for the effectiveness of measures that these actors coordinate their activities and do not work against one another. This becomes all the more significant the more actors get involved and the more strongly international organizations (UN, World Bank, EU) establish their own democracy-promotion and political institution-building programmes.

The promotion of transnational civil society networks: the problems of state democracy promotion (sovereignty boundaries, inconsistency due to goal conflicts, difficulties in selecting target groups) and comparative advantages of non-governmental organizations in democracy promotion (credibility and better access to non-governmental partner organizations; know-how and experience in civil society action) presuppose the special role of non-governmental actors in the promotion of democratization and liberalization processes. However, their often modest resources need to be topped up through contributions from international organizations and states.

Consideration of the material basis of transformation processes: economic and political instruments of democracy promotion can be separated only analytically. In practice, the effect of political instruments of democracy promotion can be determined only in consideration of the dynamics in the area of economic frame conditions, distribution of income and wealth and the material basis of societal power relations (see, for example, BMZ 2004: 50). For the development of appropriate instruments of democracy promotion this also means that country-specific economic expertise must be consulted. In the case of policy-oriented instruments those policy areas are to be focused on which can generate wider access to material resources, as for example education policy, health care policy and the promotion of women.

External security and democracy: even in old democracies civic freedoms and the balance between different power centers can be threatened, particularly during security crises. War scenarios, terrorism and external enemies, moreover, shore up military power networks. Liberalization and democratization are – as, for example, Czempiel (2004) shows – improbable in precarious security situations. The pacification of regional con-

flicts and the building of cooperative security structures should therefore be regarded as part of a comprehensive strategy of democracy promotion.

Internal security and democracy: democracy requires a minimum amount of internal security which allows all citizens and their organizations – that is, civil society – to articulate their political values and interests without fear of violence and to assert themselves competitively in accordance with democratic rules. If pre-democratic, possibly even authoritarian states fail or are crushed without other legitimate and efficient state structures taking their place, societal conflicts threaten to become violent when a civil society fraught with systemic/sociostructural conflicts is freed from authoritarian constraints («from voting to violence,» Snyder 2000). Under such conditions gradualism is to be recommended, giving priority to maintaining the security apparatus and subjecting it step by step (as a rule, top-down) to democratic control.

Conclusion

Democracy promotion should on the whole prepare to be patient. Its possibilities for exerting influence are modest, although they increase hand in hand with a long-term commitment. Where it is able to establish formal democracy, with a constitution and free elections, it must count on their being undermined if fundamental societal power relations and income distribution remain unchanged. To change this by means of economic development requires long-term and pragmatic action which cannot rely solely on free markets, but also demands development-oriented state action and the elites' commitment to development. Political intervention must be closely linked to economic approaches and continually monitor the development of power relations. Lasting democratization requires wider diffusion of resources in society, a competent state in order to protect rights and impose obligations, and a public space in which a societal discourse can develop which controls the exercise of power.

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