The International Context

Hakan Yilmaz

Overview

This chapter discusses the major theoretical approaches to the issue of the international context of democratization. It also reviews the principal dimensions of the international context, namely, democracy promotion strategies of the USA and the EU, and examines the effects of **globalization** and the formation of a **global civil society**.

Introduction

Until recently, most analyses of democratization have treated their subject primarily as a national issue, by paying little or no attention to the influences coming from the international environment. Despite a variety of rich empirical analyses, the subject of external and internal linkages in the processes of democratization has remained an under-researched and under-theorized field. Transitions to democracy, whether in the distant past or in the more recent times, have almost always been accounted for by the operation of domestic factors. Thus, historical cases of democratization in early modern Europe were explained by underlining the legacy of separation of powers, church-state separation, independent towns, and by **social contracts** based on the principle of 'no taxation without representation' between the tax-paying citizens and the autocratic rulers of the **state**. More recent cases of democratization were studied by underlining sometimes the structural factors (e.g. the degree of national unity, the level of political institutionalization, economic development, and political culture) and sometimes the more intimately political factors (e.g. the nature of civil-military relations, the cracks within the ruling blocs, and the relative weights of the costs of suppression and toleration). Whether structural or political, in the historical and the more recent cases of democratization, the factors that were attributed primary explanatory power belonged mainly to the domestic social and political life, implying that democratization had little to do with the forces operating outside national borders.

The International Context of Democratization: Theoretical Approaches

In a famous essay on the interaction of domestic and international politics, Robert D. Putnam wrote that '[d]omestic politics and international relations are often somewhat entangled, but our theories have not yet sorted out the puzzling tangle' (Putnam 1993: 431). Putnam's critique has targeted the classical theories of international relations, but some scholars of comparative politics have expressed similar ideas concerning their own discipline. Douglas A. Chalmers observed that comparative political analysts frequently ignore international factors or relegate them to the contextual background. When attention is paid, it is usually restricted to intervention, dependency, subversion, or foreign aid (Chalmers 1993). For various intellectual, institutional, methodological, and historical reasons, examined in some detail by Andrew Moravcsik (1993) and Tony Smith (1994), theories of international relations and comparative politics have constructed two separate, independent, and self-contained political universes, domestic and international, with distinct actors and specific rules of the game. It was a rare exception for an analyst to refer to the developments in one of the political universes with the purpose of explaining an event that was taking place in the other universe.

Democratic transition has been one particular field of study in comparative politics in which the dismissal of the international factors was perhaps more pronounced than in the other fields. Geoffrey Pridham, writing on the Southern European democratizations in the 1970s, has argued that '[t]he international context is the forgotten dimension in the study of democratic transition. Growing work on this problem, both theoretical and empirical, has continued largely to ignore international influences and effects on the causes, processes and outcomes of transition' (Pridham 1991: 1). At the same time, a critical dimension of the international context affecting democratic developments in smaller countries, namely the efforts of the USA, EU, and other democratic powers to promote democracy worldwide, has also remained remarkably underresearched (Smith 1994: xiii–xiv).

By the early 1990s, influenced by the more obvious role played by the international environment in the Central and Eastern European transitions to democracy, theorists in the fields of international relations and comparative politics have made serious attempts to build approaches that would bridge the gap between the two political universes. In this connection, a number of interdisciplinary approaches have emerged, with the purpose of confronting the problem of external-internal linkages in the processes of democratic **regime** change. Important examples of the new approaches to the issue of external-internal linkages in democratization include Laurence Whitehead's concept of 'democratization through convergence' (Whitehead 1991), Geoffrey Pridham's idea of 'democratization through system penetration' (Pridham 1991), Douglas Chalmers' notion of 'internationalized domestic politics' (Chalmers 1993), and various theories of 'diffusion' in the vein of Samuel Huntington's 'snowballing' effects. Whitehead and Pridham developed their approaches from their analyses of the Southern European democratizations, while Chalmers based his theory on the Latin American cases. For now, it should be noted that such attempts have not yet produced widely accepted models of explanation. All such works are still at the level of initial reflections and explorations to be developed by further theoretical refinements and case studies. In fact, Putnam himself has called

his two-level game approach a 'metaphor' that could at best serve as the starting point for building an 'algebra' (Putnam 1993: 437).

Whitehead's 'democratization through convergence' occurs in a process in which a non-democratic country joins a pre-existing democratic community of states without losing its sovereignty. Examples are the democratizations of Spain, Portugal, and Greece while these countries were being integrated with the European Community. According to Whitehead (1991: 45–6), the greatest puzzles in measuring the effects of the international factors arose in the intermediate cases of democratization through convergence where 'the key actors involved in regime change and democratization may have been overwhelmingly internal, [but] their strategies and calculations have often been strongly shaped by the pressure of externally designed rules and structures'.

Pridham's concept of 'system penetration' is similar to Whitehead's notion of 'regime convergence'. According to Pridham, long term external factors that 'penetrate' a given domestic system affect the background conditions of and prepare the way for regime transition. Hence, even if there is no immediate external factor at the time of the transition itself, the impact of the long-term external factors and the degree of 'system penetratedness' must be accounted for in the explanation of regime change (Pridham 1991: 21–5). The convergence approach of Whitehead and the penetration approach of Pridham are useful for understanding the impact of the international factors on the political regimes of countries which were not politically or economically dominated by a foreign power. The pitfall of both approaches is that they are not themselves theories. They are rather conceptual frameworks within which we can develop a model of explanation for the particular cases at hand.

A third approach to the role of the international factors in domestic politics has been developed by Douglas Chalmers, which he has called 'internationalized domestic politics'. Chalmers has formulated the concept of 'internationalized domestic politics' to account for the impact of the international factors on the cases of authoritarian breakdown and democratic transition in Latin America in the 1970s and 1980s. The author defines an 'internationally based actor' as any actor who stays involved in a country's domestic

politics over a period of time, becomes built into the political institutions of the country, and is identified with international sources of power (Chalmers 1993: 1). When internationally based actors are a significant presence, then the political system that results is called 'internationalized domestic politics'—'internationalized' because of the presence of international actors, and 'domestic' because the problem at hand is not a question of foreign policy or interstate relations, but of decision-making on local issues. In contrast to a more conventional perspective that limited the international factors to the ones that arose solely from state-to-state relations and considered them as being external to a country's political system, Chalmers redefines political systems 'to include internationally based actors as normal parts of the system, not actors external to it' (Chalmers 1993: 35). Although Chalmers underlines the fact that internationalized domestic actors are not a novelty, he also says that internationalized domestic politics is a recent phenomenon. He attributes that phenomenon, on one hand, to the tremendous increase in the numbers, types, scope, and resources of internationally based actors, and on the other hand to the post-Cold War trend of globalization which is progressing through developments in communications, sales of national assets to foreigners by privatizations, liberalization of world trade, and a general decrease of a nation-state's control over social organization and production within its borders.

A fourth view on external-internal linkages in the processes of democratization centres on the idea of 'diffusion'. Diffusion refers to the various interactions and inter-linkages between two structures, one being the international context and the other one a single country that is situated in that context. Although various authors have later developed more focussed models of diffusion, Samuel Huntington's well-known theory of the three 'waves' of democratization can be taken as a predecessor of the diffusion approach. In his 1991 book, *The Third Wave: Democratization in the Late Twentieth Century*, Huntington refers to the 'snowballing' or demonstration effects, enhanced by new international communications, of democratization in other countries, as one of the factors that had paved the way for the third wave of transitions to democracy. In a later article, 'After Twenty Years: The Future of the Third Wave', Huntington has put

the accent on the concept of diffusion for explaining the chances of electoral democracies to develop into liberal democracies. In that article Huntington argued that 'the extent to which non-western societies have proven receptive to either electoral democracy or liberal democracy tends to vary directly with the extent to which those societies have been subject to western influences' (Huntington 1997: 10). For Huntington, Western influence primarily meant being in the Western sphere of 'civilization', the latter being shaped by the norms and values of Christianity. Hence, in his view, among the non-Western countries, the Roman Catholic countries of Latin America and the Orthodox Christian countries of Central and Eastern Europe had the greatest chances for the transformation of electoral democracies into liberal democracies. Huntington went on to recommend the formation of a network or club of the liberal democratic nations of the world, in the form of a Democratic International, which he would baptize as the 'Demintern' in reference to the Communist International or Comintern. The primary function of this 'Demintern' would be 'expanding democracy on a global basis and enhancing the performance of democracy within countries' (Huntington 1997: 11–12). The 'Demintern' would in a sense institutionalize the mechanisms and channels of the diffusion of liberal democratic ideas and institutions across the nations and over the globe.

The idea of democratic diffusion has subsequently been elaborated in two analytical models. For these diffusion models, the international context for a country is formed mainly by its web of relations with the neighbouring countries in its own region. As such, it does not include the states, international organizations and other entities that are operating in the other, more distant parts of the globe. Daniel Brinks and Michael Coppedge (2006) examine the magnitude and direction of regime change in a set of countries between 1972 and 1996. They have found that countries tend to change their regimes to match the average degree of democracy or nondemocracy prevalent in their neighbourhood, with countries in the US sphere of influence being particularly prone to becoming more democratic. Brinks and Coppedge have also found that countries tend to follow the direction in which the majority of other countries in the world are moving.' (Brinks and Coppedge 2006: 463).

They insist that 'any model exploring the determinants of democratization that does not account for these spatial relationships is underspecified' (Brinks and Coppedge 2006: 482–3). A second diffusion model of democratization has been developed and tested by Kristian Skrede Gleditsch and Michael D. Ward (2006). These authors have found that the probability that an autocracy will become a democracy increases markedly as more of its neighbouring states are democracies or experience transitions to democracy' (Gleditsch and Ward 2006: 928). According to the authors, '[t]here is a marked tendency for cases to change in ways similar to their regional context over time, and transitions in one country often spill over to other connected states' (Gleditsch and Ward 2006: 929).

While diffusion models have quite convincingly shown that some sort of diffusion effect was in place in many recent cases of democratization, the models are unable to show just how diffusion works and through which channels democratic ideas and institutions spread among neighbouring states and societies. This weakness of the diffusion model has been noted by Brinks and Coppedge (2006: 482–3) who acknowledge that '[t]he nature of our testing precludes any empirical examination of the nature of the causal mechanisms; the best we can offer in that regard is a sketch of a theory that makes neighbour emulation plausible'. Similarly, Gleditsch and Ward (2006: 930) observe that 'it is difficult to fully specify the full range of possible micro-level processes of democratization and show how international factors influence these in a model at the aggregate level'.

Box 7.1 Key points

- Most analyses of democratization have treated their subject primarily as a national issue, paying little attention to the influences coming from the international environment.

- The international dimensions of democratization have been conceptualized as democratization by means of 'convergence', 'system penetration', 'internationalization of domestic politics', and 'diffusion'.

Democracy Promotion Strategies of the USA and the European Union

In most theories of democratization, the international context is portrayed as a 'structure', with no central logic, no overall design, no final destination, and no leading actor. Agency is usually ascribed to the militaries, political parties, elites, and other social groups within an individual country, that are reacting to the various, and in many cases conflicting, signals and influences coming from the international context surrounding it. In theories of 'democracy promotion', on the other hand, which have proliferated from the end of the 1980s onwards, the 'international context' has turned into a 'global agent', be it a single state like the USA, a supranational organization like the European Union, an international organization like the United Nations, or a transnational advocacy network like Amnesty International. This global agent, rather than being a passive or slow-moving structure, has been shown as consciously and deliberately trying to impart new mentalities, new institutions, and new codes of behaviour to a country for the openly declared purpose of promoting democracy in that country. According to Peter Burnell (2008: 38), '[t]he democracy promotion industry is multinational and its size at an all-time high. Current spending ranges somewhere between US $5 and $10 billion annually'.

The key terms of the democracy promotion literature are 'democracy promotion', 'democracy protection', and 'democracy assistance'. Philippe C. Schmitter and Imco Brouwer (1999) offer working definitions for these key terms. According to these authors 'democracy promotion' aims to contribute to the political liberalization of autocratic regimes and their subsequent democratization in specific recipient countries. 'Democracy protection', on the other hand, is implemented to consolidate a newly established democracy. Finally, 'democracy assistance' refers to specially designed programs and activities that are meant to raise the democratic performance of individuals and institutions in a democratic regime, such as training parliamentarians, educating citizens, or assisting local organizations in monitoring elections. Democracy promotion, democracy protection, and democracy assistance, regardless of their separate goals, are carried out by such activities as sanctions, diplomatic protests, threats of military intervention, activities to promote the observance of human rights, the acceptance of civic norms, and the transfer of institutional models such as electoral systems. Schmitter and Brouwer's definition excludes secret activities and covert operations, as well as activities (such as literacy campaigns or financial assistance) that might only indirectly promote democratization in a given country. The definition also excludes more objective factors of the international context that could positively influence democratization, such as imitation, contagion, or learning through contact with others.

What has been the driving logic behind the democracy promotion activities of the democratic powers, and what have been the achievements and failures of democracy promotion from its beginnings by the end of the Cold War until today? We will turn to an evaluation of the democracy promotion policies of the European Union, the USA and in the following section.

Democracy promotion by the USA

According to Tony Smith, liberal democratic internationalism is 'the American idea of a world order opposed to imperialism and composed of independent, self determining, preferably democratic states bound together through international organizations dedicated to the peaceful handling of conflicts, free trade, and mutual defense' (Smith 1994: 7). In this view, US support for the right wing dictatorships in various parts of the world in the post-war era was an exception rather than the rule, and it was caused by the need to prevent the more ominous prospect of letting these states turn into Soviet satellites. This view of the USA as a 'liberal internationalist' can be contrasted by the approach of James Petras and Morris Morley (1990), which portrays the USA as an 'imperialist power'. In their Marxist interpretation of the USA hegemony in Latin America, Petras and Morley make a distinction between the regime and the state. The state 'represents the permanent interests of class power and international alignments' while the regime 'represents the day to day policy decisions at the executive . . . level that can modify or negotiate the operations of the permanent interests but never challenge them without evoking a crisis' (Petras and Morley 1990: 111). If an authoritarian regime proves incapable to contain a social movement against the state, then the USA can 'sacrifice the dictators to save the state' (Petras and Morley 1990: 111). In order to prevent the anti-state movement of the masses, the USA can replace the former dictatorship by a more inclusive regime under the leadership of the moderate factions of the opposition. In this view, the driving force behind the US actions is not an idealist goal to promote democracy but the determination to protect the integrity of a client state, which is politically, militarily or economically subordinated to a more powerful state in international affairs, while remaining nominally sovereign. Thus, Petras and Morley argue that US policymakers' 'interpretations' of policy shifts from support for dictatorships to support for democratic regimes in terms of a White House commitment to promoting, or imposing, democratic values cannot be sustained.

In the aftermath of the Cold War, for the US policymakers, promoting democracy in the world was expected to serve two fundamental interests of the USA, the first one stemming from an **idealist** and the second one from a **realist** perspective (Gillespie and Youngs 2002: 8). First, democracy promotion would appeal to the underlying ethical concerns of US foreign policy, which adopted for itself the mission of spreading human rights and democratic norms across the world. This idealist position has been epitomized in the words of US President Woodrow Wilson's (1917) address to a joint session of Congress seeking a declaration of war against Germany:

The world must be made safe for democracy. Its peace must be planted upon the tested foundations of political liberty. We have no selfish ends to serve. We desire no conquest, no dominion. We seek no indemnities for ourselves, no material compensation for the sacrifices we shall freely make. We are but one of the champions of the rights of mankind. We shall be satisfied when those rights have been made as secure as the faith and the freedom of nations can make them.

The second, 'realist' drive behind the post-Cold War promotion of democracy stemmed from security concerns and it was meant to make the world safe for the USA. This reasoning has been influenced by the 'democratic peace' hypothesis, according to which war was unlikely between democracies. The origins of the democratic peace theory can be traced back to the German philosopher Immanuel Kant (2006), who, in his 1795 essay entitled 'Perpetual Peace: A Philosophical Sketch', argued that constitutional republics were a **necessary condition** for a perpetual peace in the world. Kant's idea was that a majority of the people would never vote to go to war, unless in self defence. Therefore, if all nations were republics, it would end war, because there would be no aggressors. Arguably, neither the idealist nor the realist logic fully dominated the US democratic promotion policies at any one point in time. As Robert Gates, the former head of the CIA and current Secretary of Defense, stated in a speech in 2007, 'from our earliest days, America's leaders have struggled with "realistic" versus "idealistic" approaches to the international challenges facing us. . . . We have at times made human rights the centrepiece of our national strategy even as we did business with some of the worst violators of human rights' (Gates 2007).

The record of US democracy promotion policies to date, particularly during the George W. Bush Administration, is at best mixed. The Middle East has taken the lion's share in the overall democracy promotion programmes of the Bush administration. Latin American countries, for instance, have not been paid a lot of attention in the last decade, though many democracies in the region have been shaken by political and economic crisis, which has paved the way for the coming to power of anti-American regimes in countries like Venezuela and Bolivia. Except for the heightened funds and efforts dedicated to the Middle East, the US democracy promotion activities in the other countries of the world, such as Indonesia, Nepal, and Liberia, remained unambitious. Even in the highly publicized 'colour revolutions' in Georgia, Ukraine, and Kyrgyzstan in the

early 2000s, despite the claims that US government and institutions had been the prime movers of the revolutionary movements, the role of the US was at most modest (Carothers 2007: 10–11). With respect to the US democracy promotion activities in the Middle East, one can safely say that the returns on the increased funds and efforts remained marginal. First of all, much of the US funds and efforts have been consumed by the invasions and occupations of Afghanistan (since October 2001) and Iraq (since March 2003), both of which were far more related to the realist concerns of security, stability and oil rather than motivated by any idealist mission of bringing human rights and democracy to that part of the world. Except for its engagements in Afghanistan and Iraq, the USA has largely continued to do business as usual in the other countries of the Middle East. As US Secretary of Defense Robert Gates put it '[i]t is neither hypocrisy nor cynicism to believe fervently in freedom while adopting different approaches to advancing freedom at different times along the way – including temporarily making common cause with despots to defeat greater or more urgent threats to our freedom or interests' (Gates 2007).

Recently, many authors have observed a 'backlash' against democracy promotion by the USA. According to Peter Burnell, 'the current mood in and around the industry itself appears to be at an all-time low' (Burnell 2008: 39). What are the factors behind this backlash? Thomas Carothers identifies four main causes. In the first place, US invasion and occupation of Afghanistan and Iraq, and the rhetorical **legitimation** by the US Administration that these actions were taken for the sake of bringing democracy to these countries, have helped to associate democracy promotion with US military intervention. Second, conspiracy theories claiming that the 'colour revolutions' of Ukraine, Georgia and Kyrgyzstan were stage-managed by such US organizations as the National Democratic Institute (NDI), the International Republican Institute (IRI), Freedom House, and the Open Society Institute, have helped to associate democracy promotion with US covert operations. Third, the violation of human rights by and within the USA, symbolized by such incidents as Abu Ghraib, the practice of detaining people indefinitely at Guantanamo Bay, the undermining of fundamental civil liberties through the US Patriot Act, and discrimination against Muslim Americans by such practices as terrorist profiling, has discredited the USA as the champion of democracy in the other parts of the world (Carothers 2006). Finally, a growing assertiveness of President Putin's international stance combined with Russia's improved financial prowess, as well as the wealth that is being accumulated by some commodity exporting developing world governments as a result of rising demand from the booming economies of China and India, have all served to reduce the leverage that Western governments could exert on behalf of democracy promotion (Burnell 2008).

What could be a more successful and sustainable regime of US democracy promotion? Edward Mansfield and Jack Snyder (2006) have argued that democratization has certain preconditions. These preconditions have to do with sufficient levels of state-building and nation-building. In other words, prior to launching democratization, a society must have established a mode of peaceful coexistence between the various ethnic groups that make it up, and it must have built the necessary institutions for interest representation and conflict resolution. If democracy, and particularly an externally imposed democracy, comes before these preconditions are met, then it will almost certainly lead that country to internal conflict and external aggression. Mansfield and Snyder recommend that a democracy promotion program should help a country to establish the preconditions of democracy, which consists of developing the economy, building an impartial and effective public bureaucracy, inducing the state to move away from patronage and repression as the basic instruments of government, and promoting a pro-democracy constituency within the civil society, the latter to serve as the internal push for democratization.

Democracy promotion by the EU

The term 'conditionality' has been coined to describe the democracy promotion strategy of the EU. Schmitter and Brouwer (1999: 15) have defined 'conditionality' as 'imposing or threatening to impose sanctions or providing or promising to provide rewards in order to promote or protect democracy'. Given the pace and depth of the democratic transformation of post-communist countries of Central and Eastern Europe under EU conditionality, it would not be wrong to claim that in the last two decades the EU has been a far more successful democracy promoter than the USA. However, the main qualification of this claim to success is that it has only worked for countries that were on the way of joining the EU. These cases of democratization were, in the words of Peter Burnell (2008: 38), 'easy victories' for the EU. The countries of Central and Eastern Europe had just come out of Soviet domination, and EU membership was the best choice for them to secure themselves against Soviet power and to consolidate their newly won democratic regimes. Hence, they were ready to comply with the membership conditions that the EU set for them. From the perspective of the member states of the EU, on the other hand, Central and Eastern European nations were seen as part of a common European civilization, history, and geography. Therefore, enlargement to the East was viewed as the exercise of necessary solidarity with their kin.

For EU conditionality to be an effective catalyst of democratization, a number meta-conditions have to be met. First, in order to be effective political conditionality must involve a rightly balanced mix of conditions and incentives. The adoption of the political conditions by the receiving countries create serious adjustment costs, which can only be outweighed by substantial incentives. Thus, in the case of the Central and Eastern European transitions of the 1990s, the principal incentives involved a clear timetable for quick accession to the EU coupled with generous aid, credit, and direct investment flows from member states to the candidate countries. Those incentives helped the candidate countries to face the costs of political and economic transition, which was undertaken in line with the EU requirements. On the other hand, a situation of conditions with no incentives, instead of contributing to the promotion of democracy, might produce just the reverse effect and might play into the hands of the opponents of liberalization and democratization. Second, the EU must not change the conditions in the middle of the game (consistency of the conditions). Third, the EU must apply essentially the same conditions to all the candidates (fairness of the conditions). Finally, the candidate country must have an undisputable prospect for joining the club, when she meets all the conditions for membership (attainability of the prize).

If one or more of these meta-conditions are violated, conditionality might not produce the desired outcomes. What is more worrisome, violations of these meta-conditions by the EU might provoke a nationalist reaction within a candidate country and thereby produce the opposite outcome, in the form of a backlash against EU-driven democratization and liberalization.

The case of Turkish candidacy illustrates the point. Turkey has been a candidate state for the EU since December 1999 and it has started accession negotiations in October 2005. Turkey has been the only candidate country for which an accession date has not been specified. Not only has a date for joining the European club not been set, but many influential politicians from the EU member states, including French President Nicolas Sarkozy and German Chancellor Angela Merkel, have started to question whether Turkey is a European country and therefore has a right to join the EU. New membership conditions have also been created for Turkey, which make the accession process harder and longer, compared to the Central and East European countries. For example, for the case of Turkey, the EU has formulated a new concept, the so-called 'absorption capacity' of the EU, meaning that, even if Turkey met all the conditions, the EU could still refuse entry, if it judged that it was not ready to take in a new member. The impact of these and other violations of the meta-conditions of conditionality was to bring about in Turkey what may be called a 'reverse conditionality'. In other words, as the EU has started to disengage itself from Turkey, critically placed Turkish political actors and social forces have responded to this signal coming from the EU by either detaching themselves from the EU project or at least adopting a position of indifference with respect to it. The consequence of 'reverse conditionality' might be that European values might lose their support base in the Turkish political and civil society, with the outcome of an erosion of the reforms made in the area of democratization and liberalization. Ironically, to save the earlier democratization reforms that had been made under EU conditionality, Turkey might now need to de-link the project of democratization from the project of EU accession, because reversals in the latter process could seriously harm the advances made in the former.

As Antoaneta Dimitrova and Geoffrey Pridham (2004) observed, EU conditionality has not been very effective for countries with no prospect of membership. A case in point is the Mediterranean countries of North Africa. The Barcelona Process, which had been set in motion in the mid-1990s to bring the Mediterranean countries to a closer political and economic cooperation with the EU, and to socialize the political class and civil society in the region into a greater acceptance of European democratic ideals and values, has not produced tangible results (Gillespie and Youngs 2002). A closer analysis of the newly proposed 'Union for the Mediterranean', which had been put into the EU agenda by French President Nicolas Sarkozy, reveals that, unlike the previous Euro-Mediterranean Partnership (the Barcelona Process), this new EU-Mediterranean cooperation scheme would not have any political or democratic substance. Avoiding politics, the Mediterranean Union's focus would be on crime and terrorism, sustainable development, illegal immigration and energy security, and its key objective would be to establish a Euro-Mediterranean free trade area by the year 2010.

Box 7.2 Key points

- In 'democracy promotion', a global agent (the USA, the EU, the UN, or a transnational advocacy network) consciously and deliberately tries to impart new mentalities, new institutions, and new codes of behaviour to a country for the openly declared purpose of promoting democracy.

- The term 'conditionality' has been coined to describe the democracy promotion strategy of the EU. 'Conditionality' is defined as imposing sanctions or providing rewards in order to promote democracy.

- Recently, there has been a 'backlash' against democracy promotion by the USA. The association of democracy promotion with US military intervention; the violation of human rights by the USA; and a growing assertiveness of states like Russia and China have all served to reduce the leverage that the USA and other Western governments could exert on behalf of democracy promotion.

Globalization, Global Civil Society, and Democratization

Globalization and the decline of state power

The internalist understanding of democratization, prioritizing the role of domestic factors in paving the way to democracy, was relatively plausible until the onset of globalization in the 1980s. In a world where nation states could effectively control the movements of money, commodities, people and information through their borders, it made sense to take the state, with all that existed within its borders, as the basic level of analysis for political change. This closed-polity view of change in political science corresponded roughly to the closed-economy model of economics: in both,

the role of international factors was seen as secondary to explaining political or economic outcomes. In a world dominated by nation states, the kind of international factors that were significant enough to exert a lasting impact on domestic developments could only come from one state clashing with other, competing states, which typically took the form of war, invasion, occupation, economic domination, economic sanctions, and colonization. One likely consequence of such clashes was that, like defeat in war, they dramatically weakened state power at home, both physically and normatively, thus increasing the chances of the opposition forces to win the political struggle they were waging against the forces of the state. Theda

Skocpol (1979) underlined the role of such state-weakening international factors in explaining the French and Russian revolutions. Losing external wars was no doubt the primary cause of the collapse of fascist regimes of Germany and Italy after the Second World War. In the 1970s, the failure of the colonial adventures of the Portuguese army led to the downfall of the Salazar regime in Portugal, while the Turkish military intervention in Cyprus triggered the end of the 'colonels' regime' in Greece. More recently, the US-led NATO operations against Serbia and Afghanistan, and the US invasion of Iraq, helped remove the ultranationalist, Islamic fundamentalist, and Baathist regimes in these countries. Regime change, and in particular democratic regime change, as a result of the impact of state-weakening international interventions, will no doubt be with us for years to come. In fact, that has been the favourite method for 'democracy promotion' for the Bush Administration and the 'neoconservative' sections of the US foreign policy establishment in recent years.

By the end of the Cold War, however, state power has arguably been weakened by globalization. Globalization meant, particularly for the smaller states, that their control over the movements of money, commodities, people and information across their borders has entered a process of decline. This has been particularly the case for financial capital and information, whose cross-border movements are increasingly independent from regulation by individual states. The enormous progress in information and communications technologies, the spread of the internet, and the world-wide proliferation of the alternative markets for investing financial capital meant that state borders have become increasingly porous and permeable. Some authoritarian states, such as Iran and China, have been waging a quixotic struggle to slow down the penetration of their borders by banning the use of the satellite dishes or restricting the use of the internet. Some other semi-authoritarian states, such as Russia, have been trying to cleanse their societies from the 'infection' of globalization, by ousting international NGOs from their countries, nationalizing the assets of newly emerging capitalists, censoring the media, and persecuting journalists.

Positive and negative effects of global civil society upon democratization

Globalization has prepared a very different field for the game of democratization, involving both encouraging and discouraging facets. Global forces, whether they come in the form of superpowers such as the USA, **supranational** organizations such as the EU, or transnational companies, have acted like double-edged swords, sometimes cutting in favour of democratization and sometimes against it. In the process of globalization states have become more vulnerable to the demands of the global forces that control capital movements, investment decisions, technological innovation, and the production and dissemination of information, norms, and values. These global forces can and sometimes do use their power to further the cause of democracy. One example is no doubt the democratic transformation in the post-Communist countries of Central and Eastern Europe under EU conditionality. US-led NATO actions to prevent ethnic cleansing and to establish stable political regimes in former Yugoslavia is another example of the positive impact of global forces on the promotion of human rights and democracy. Yet a third example is the fact that human rights violations have gained an unprecedented visibility due to the widespread information networks of human rights organizations. This global visibility is no doubt a factor that has made authoritarian governments think twice before proceeding to suppress democratic forces. At other times, however, states, transnational companies and other globally operating entities have not shied away from backing utterly repressive regimes, such as the ones in the oil-producing countries in the Middle East and Central Asia, often in return for securing lucrative political or economic deals. Facing the increasing challenges of globalization, and in order to cope with rising internal dissent, states have resorted to extreme measures, which involved, primarily, anti-globalist mass mobilizations along the lines of populist, nationalist, religious fundamentalist ideologies. These are what can be called 'de-democratization' or 'authoritarian restoration' attempts in the age of globalization. In these

processes of authoritarian restoration, dissenters are often tainted as foreign agents, imperialist lackeys, and enemies of the nation, and are persecuted under the charges of betrayal and subversion. Putin's Russia, Ahmadinejad's Iran, Chavez's Venezuela are all examples of this anti-globalist authoritarian backlash. Most states that take these de-democratizing measures against the forces of globalization can afford to do so because they are oil or natural gas exporting **rentier states** (see Ch. 8). As exporters of a highly demanded global product, their bargaining power vis-à-vis the global forces is high compared to the non-rentier states such as Turkey, Argentina, Chile, and Brazil. Rentier states also have access to financial resources to finance their anti-globalist restoration or preserve their authoritarian systems. The non-rentier states, on the other hand, have had to be more responsive to the liberalizing and democratizing conditions recommended to them by the outside world.

What impact has globalization had on the world's authoritarian regimes? On the positive side, globalization has spread democratic norms and values through the national boundaries and helped generate new ethical codes of behaviour for the states, international organizations, and multinational companies. The advances in the information technologies have greatly increased the visibility of the actions of the states and other powerful actors, thereby eroding secrecy, widening transparency, and exposing the states to the scrutiny of the global civil society. Under the circumstances of increasing transparency, states that are in search of global prestige and credibility have had to restrain their despotic actions. On the negative side, globalization has exacerbated economic and political inequalities in the world, further widening the gap between the richer and poorer nations and regions. Their growing wealth has made richer nations more self-centred, more conservative, and more indifferent towards the problems of the poorer nations. Richer nations' main concern for the more disadvantaged nations of the world has remained limited to aid, charity, and the prevention of migration. Poorer nations, on their part, having seen no way out of the cycle of poverty, have become more susceptible to the manipulations of religious fundamentalists, ultranationalists, terrorists, and human traffickers. Amy Chua (2002) pointed to another dangerous liaison between a country's insertion into economic globalization and the democratization of its political

regime. Chua argues that, if there was an economically dominant ethnic minority in that country, the initial impact of globalization would be to further enhance the dominant position of that minority. Economic globalization tends to exacerbate existing inequities insofar as the economically dominant minorities are better-positioned to take advantage of new economic opportunities, have better access to capital, and they are endowed with a cultural tradition of entrepreneurialism that other groups do not have to an equal extent. This can result in growing resentment on the part of an impoverished and marginalized majority. Hence, when democracy is introduced into such a tense domestic environment, a majority group or coalition of groups may be tempted to use its democratic powers for settling of scores, which can lead to many incidents of ethnic clashes and ethnic cleansing. As examples of democratization resulting in the majority's aggression against market-dominant ethnic minorities, Chua cites anti-Semitism in Weimar Germany and post-Communist Russia; hostility for the wealthy Chinese minority in the Philippines; Serbian assaults against the more affluent Croats in former Yugoslavia; violence against the more prosperous Tutsi minority by the Hutu majority; and seizures of white-owned farms in Zimbabwe.

A significant outcome of globalization has been the formation of transnational advocacy networks, defending global norms and values in the areas of human rights, minority rights, democracy, and the protection of the environment, which together have been paving the ground for the emergence of a global civil society. Transnational advocacy networks have brought together individuals and associations from all over the world in defence of certain highly valued issues. Some of those issues have been truly global in nature, such as global warming. In many cases, though, advocacy groups managed to 'globalize' certain essentially local issues, such as the massacres in Darfur (Sudan) or the mistreatment of the detainees at the Abu Ghraib prison in Iraq. When an issue found its way onto the global agenda, chances increase that it becomes the subject of some sort of 'humanitarian intervention' by the most powerful agents of globalization, including the UN, NATO, transnational companies, the USA, the EU, or INGOs .

We are, as yet, only at the beginnings of a global civil society, which exists mostly in the form of a virtual community enabled by the internet. However,

even at this initial stage, a global civil society has played two very significant roles in democracy promotion. First, it has given an unprecedented global 'visibility' to the suppressive policies and atrocities committed by the governments. Secrecy and denial had traditionally been the Chinese Wall behind which authoritarian governments could hide their objectionable actions. New communication technologies, from the internet to cell phones, have made secrets much more difficult to keep. Sooner, rather than later, massacres, tortures, extrajudicial killings, electoral fraud, and other such practices, are likely to find their way onto the global agenda. Misinformation, disinformation, selective information, bad information, and manipulation of all sorts have always been, and probably will always be, with us. This does not, however, refute the fact that the age of secrecy is coming to an end. Governments and oppositions will increasingly have to operate in an environment of abundant information and will not be able to rely on secrecy.

What can we say about the impact of the global civil society on democratization? On this issue we can discern two contrasting views, one optimistic and the other one more cautious and pessimistic. From an optimistic point of view, the growth of a global civil society is seen as helping build social capital, trust and shared values across the globe, facilitating an understanding of the interconnectedness of global problems and their solutions. Global civil society is considered to be a vehicle that spreads ethical norms and values across national boundaries, and that acts as a deterrent for governments who might attempt to violate human rights and freedoms. Pessimists, on the other hand, would argue that transnational advocacy networks avoid the more important but politically sensitive causes, and they turn their attention to

the less important but generally acceptable issues. As such, they do not make a real difference because they do not challenge the unfair distribution of political power and economic resources over the globe. This anti-political attitude of transnational advocacy networks stem from two factors. One factor is that they often ask for funding and understanding from the dominant actors of the global system, such as superpowers, supranational bodies, and multinational corporations, which leads them to compromise with their supporters' conservative agendas. The second factor is that they want to appeal to as broad an audience as possible, which forces them to choose mainstream discourses and overly general issues.

Conclusion

Is democracy possible within the borders of a single state? Or should democracy, if it is to survive in any country, become a transnational system, sustained by supranational agencies? A similar debate had been made in regard to socialism in the early twentieth century. Shortly after the Russian revolution, one

hot topic of debate among the theorists of socialism of the day was 'socialism in one country' vs. 'socialism as a universal system'. A realist camp, among which were figures like Nikolai Bukharin and Joseph Stalin, were staunchly defending the idea of consolidating socialism in Russia only, even at the expense

of revising some of the most well-known texts of Marxism, in which the founders of the movement talked of a universal, at least pan-European, proletarian revolution and socialism as a world-system. The idealist camp, first defended by V.I. Lenin himself, and then by Aleksandr Zinoviev and most notably by Leon Trotsky in his theory of Permanent Revolution, argued that unless the socialist revolution had been spread to at least the advanced countries of Europe, by the force of arms if necessary, and a socialist European and then world system had been established, a socialist regime could not survive in Russia or, for that matter, in any other single state.

The question that we are facing today in relation to democracy bears some resemblances to that historical question of the socialist revolution: Can an advanced democratic regime, fully equipped with influential participatory mechanisms, and based on a comprehensive array of individual or human rights, survive in any single country, unless democracy becomes the global norm, perhaps eventually supported by accountable and competent supranational authorities? In its early years, democracy was a rather simple system, involving the guarantee of basic rights and liberties and **participation** in free and fair elections at the level of the nation state or below. Democracy today has become a much more complex system. One dimension of its complexity has to do with an immensely widened and detailed system of rights, going far beyond the basic rights and liberties of the early days. Rights today cover individuals, ethnic groups, age groups, **gender** groups, foreigners living in a country, animals, and the ecosystem, and encompass a whole array of political, economic, social and cultural matters. Parallel to the widening and deepening in the area of rights, participation too grew far more advanced than its rather uncomplicated early meaning of free and fair elections. Today, democratic participation covers many more areas, including decision-making at the work place, in schools, local communities, political parties, and various civic associations. What is more, direct democracy, which had been in the past not feasible but for very small polities, has now become manageable for large populations, thanks to the advances in information and communications technologies. What we are observing is the evolution of democracy to a deepened, advanced and complex political system. As a result, one can argue that a single country, however large and rich it may be, might not possess the economic resources, political institutions, social capital, and cultural traditions required to sustain such a regime. Hence, disciplinary mechanisms of international or supranational bodies, to which individual democratic states would pool part of their sovereignties, may be necessary for the democratic regime in each state to have the best chances to survive at its most highly developed stage.

QUESTIONS

1. By the early 1990s, theorists in the fields of international relations and comparative politics began taking into account the international dimensions of democratization. What were the important changes in the international arena that led the theorists to pay more attention to the international dimensions of democratization?

2. Is a supranational global authority needed to promote and sustain democratization at a global scale?

3. Various authors have shown that the diffusion of democratic ideals and institutions across the nations in a world region has been one of the most effective international dimensions of democratization. What could be the specific ways and means of the diffusion of democracy?

4. Imagine an authoritarian country being surrounded by democratizing neighbours. What could be, for this country, the economic, political, and security costs of remaining authoritarian in an increasingly democratizing regional environment?

5. The state in country C faces charges of human rights violations while trying to keep radical opposition forces under control. C's interests in the international system incentivize it to forge an alliance with democratic states. However, such an alliance is made conditional upon C's improvement of its human rights record. Under these circumstances, what kind of policies can C follow in the domestic and international arenas?

6. How do superpowers such as the USA and transnational unions such as the EU behave when their particular political, economic or military interests come into conflict with the outcomes of democracy promotion abroad? How should they behave?

Visit the Online Resource Centre that accompanies this book for additional questions to accompany each chapter, and a range of other resources: <www.oxfordtextbooks. co.uk/orc/haerpfer/>.

FURTHER READING

Grugel, J. (1999) (ed.), *Democracy without Borders: Transnationalization and Conditionality in New Democracies* (London: Routledge). This book analyses the transnational dimensions of democratization, by putting the emphasis on the role of civil society and non-state actors. The chapters examine selected cases from Europe, Africa, and Latin America.

Yilmaz, H. (2002), 'External-Internal Linkages in Democratization: Developing an Open Model of Democratic Change', *Democratization*, 9/2: 67–84. This article presents an open model of democratization for the semi-peripheral states of the international system. It introduces two new external variables: the expected external costs of suppression and toleration. It then applies the open model to the cases of political change in Spain, Portugal and Turkey in the aftermath of the Second World War.

Pevehouse, J. C. (2002), 'Democracy from the Outside-in? International Organizations and Democratization', *International Organization*, 56/3: 515–49. This article explores the linkages between membership in regional international organizations and democratization. It discusses which organizations should be expected to be associated with democratic transitions. It also presents a statistical test of the major arguments it has developed.

Munck, R. (2006), 'Global Civil Society: Royal Road or Slippery Path?', *Voluntas - International Journal of Voluntary and Non-profit Organisations*, 6/3: 325–32. This article offers a critical discussion of the dominant views that global civil society has become an important mechanism for global democratization. It argues that these approaches depoliticize global civil society and make it the social wing of neoliberal globalization. It calls for bringing progressive politics back in the global social movements.

Carothers, T. (2007), *US Democracy Promotion During and After Bush*. Washington, D.C.: Carnegie Endowment, Carnegie Endowment Report, September 2007. Available at <www. carnegieendowment.org>. This report offers a critical discussion of the US democracy promotion under President George W. Bush. It argues that Under George W. Bush, US democracy promotion has been widely discredited through its association with American military intervention. It also claims that beyond the Middle East US foreign policy is primarily driven by economic and security interests. It argues that the success of US democracy promotion requires ending the close association of democracy promotion with military intervention and by strengthening the core institutional sources of democracy assistance.

Dimitrova, A. and Pridham, G. (2004), 'International Actors and Democracy Promotion In Central And Eastern Europe: The Integration Model And Its Limits', *Democratization*, 11/5: 91–112. This article focuses on the influence of the European Union in the process of democratization in Central and Eastern European states. It argues that the EU model of democracy promotion through integration has been more successful in fostering democracy than the efforts of other international organizations in other parts of the world. The weakness of the model is that it has limited potential when encountering defective democracies with little chance of becoming EU members.

IMPORTANT WEBSITES

<www.carnegieendowment.org> The web site of the Carnegie Endowment publishes important articles on US democracy promotion.

<www.brookings.edu> The Brookings Institution website includes many useful commentaries on the successes, as well as failures, of the US democracy promotion in the Middle East and other regions of the world.

<http://usinfo.state.gov> The website of the US State Department offers the official US views on democracy promotion.

<www.alde.eu> ALDE stands for the Alliance of Liberals and Democrats for Europe. It brings together liberal and democratic members of the European Parliament. This website includes many useful articles on the European democracy promotion.

<www.fride.org/publications> FRIDE is a think tank based in Madrid that aims to provide innovative thinking on Europe's role in the international arena. Its research interests cover the areas of peace and security, human rights, democracy promotion, and development and humanitarian aid.

<http://ec.europa.eu> The website of the European Commission's department of External Relations and European Neighbourhood Policy offers the official EU views on democracy promotion.

Democracy, Business, and the Economy

Patrick Bernhagen

Overview

This chapter explores the relationship between democratization and the economy. After an historical overview of the emergence of capitalist democracy the chapter introduces some general problems of the relationship between democracy and capitalism, drawing out the main areas in which the two systems condition each other. This is followed by an analysis of the role of business in democratizing countries. Lastly, the intricacies of combining major political and economic reforms are discussed.

Introduction

With the demise of the Soviet Union and the communist regimes in Central and Eastern Europe in the late 1980s and early 1990s, capitalist democracy has virtually become the only game in town except in most countries around the world. The atrocities, human rights abuses, economic inefficiencies, and numerous other failings of these systems that were gradually uncovered was such that almost any other politico-economic system would be deemed preferable. With feudal and kinship-based economic structures restricted to all but the most primitive agrarian societies, capitalism remains the sole