Trends in Democracy Assistance

WHAT HAS THE UNITED STATES BEEN DOING?

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Since the end of the Cold War, democracy assistance has become an explicit and increasingly large component of many bilateral and multilateral aid programs. This is in sharp contrast to the Cold War period itself, when democracy assistance was either absent entirely from donors' portfolios or was simply the byproduct of other programs. The recent expansion of democracy assistance, along with the U.S.-led military campaigns in Iraq and Afghanistan, has spurred a spirited debate on the ethics and efficacy of democracy-promotion activities. Yet too little is known about the overall trends in U.S. democracy assistance since the end of the Cold War. This essay fills that gap, and in so doing places Iraq within the broader context of what the United States has done in the realm of democracy assistance worldwide since 1990.

Democracy assistance is now among the top categories to which the United States Agency for International Development (USAID) directs funds, the only larger ones being health and what USAID calls agriculture and economic growth. In 1990, by contrast, as the Cold War was nearing its end, democracy assistance was near the bottom, ahead only of funding for humanitarian concerns. In brief, what began as a largely regional effort in Latin America in the late 1980s has now become a worldwide endeavor—one that has expanded in magnitude and diversity, and that has branched out into areas, such as governance, that in the early 1990s received only scant attention.

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In the post–Cold War era, U.S. foreign-policy discourse has consistently underscored the importance of aid designed to foster democracy and economic development. Presidents Bill Clinton and George W. Bush both have emphasized that supporting the growth of democracy in the world is an essential task. President Clinton in his 1994 State of the Union address called the promotion of democracy and human rights the "third pillar" of his foreign-policy agenda,[1] and President Bush has time and again highlighted the prominence that democracy building around the world takes among his foreign-policy goals.

Because budgets reflect priorities, it is fair to assume that if democracy assistance is a top issue on the U.S. foreign-policy agenda, resources will be allocated accordingly.

Before beginning, it is vital to make a conceptual distinction between democracy promotion and democracy assistance, as this essay focuses exclusively on the latter. Democracy promotion refers to an array of measures aimed at establishing, strengthening, or defending democracy in a given country. Such measures may range from diplomatic pressure to conditionality on development aid to economic sanctions, and even to military intervention. Democracy assistance is a *form* of democracy promotion. It provides funds or direct assistance to governments, institutions, or civil society actors that are working either to strengthen an emerging democracy or to foster conditions that could lead to democracy's rise where a nondemocratic regime holds power. This analysis examines democracy assistance only—what Thomas Carothers has called "the quiet side" of U.S. democracy promotion.[2]

Until now, the absence of comprehensive and systematic data on the magnitude and distribution of U.S. democracy assistance—where, on what, and in which quantities these funds have been spent—has prevented analysts from identifying patterns of assistance and has frustrated rigorous empirical research into democracy aid's impact. Earlier studies rest on data regarding foreign assistance that fail to distinguish democracy assistance from other types of development aid. Our use here of a newly assembled dataset showing all U.S. foreign-assistance through USAID over a sixteen-year period (1990 through 2005) allows us to clarify some of those questions and to identify patterns in the data. Our major aim is to describe where U.S. democracy assistance went during those years and in what amounts, using the most comprehensive multiyear data currently available, so as to provide a solid point of departure for future studies.[3]

This analysis will clear up at least some of the confusion and ambiguities that currently muddy the topic of U.S. democracy aid. The database we use tracks USAID democracy-assistance funds from 1990 to 2005 and comprises 44,958 records that capture the composition of

USAID budgets for specific activities in all sectors for that period.[4] The dataset contains the most extensive and finely grained information on USAID expenditures in the democracy and governance sector (hereafter DG) currently available for scholarly analysis.[5]

Democracy Assistance in the Foreign-Aid Budget

Because budgets reflect priorities, it is fair to assume that if democracy assistance is a top issue on the U.S. foreign-policy agenda, resources will be allocated accordingly. This first exploration of the data seeks to determine how democracy assistance ranks in comparison to other types of aid provided by the United States via USAID. A multiyear analysis of the data shows that USAID's democracy assistance worldwide was quite limited in the early 1990s, but has been steadily growing, even relative to other forms of assistance and even when we apply controls to take inflation into account. In constant (2000) dollars, democracy assistance increased from US$128 million in 1990 to $902 million by 2005. In current dollars, the expansion represented a roughly tenfold increase from $103 million in 1990 to more than $1 billion in 2005. In terms of the overall USAID budget, DG represented only 7.7 percent of the total in 1990, a figure that grew to 12.3 percent by 2005. Moreover, the scope of assistance has expanded, not only in dollars but also in terms of geographical coverage and the number of subsectors that have received funds.

The increase in DG assistance is shown in Table 1, which tracks the outlays in all categories of USAID assistance for the sixteen-year period. In 1990, outlays for DG lagged far behind those for the agriculture and growth, health, education, and environment sectors. By 1994, however, DG had surpassed education, and by 2001 it had overtaken environmental funding to become the third-largest category of USAID expenditures. Note that these changes came *before* the even greater increases that swelled the DG budget after the start of military operations in Afghanistan (October 2001) and Iraq (March 2003). Clearly, democracy assistance has been a rising priority for the United States at least since 1990—a trend that pre-dates the terrorist attacks of September 11, 2001, but which accelerated in the aftermath of those assaults.

It is also instructive to examine the relative share of USAID's total DG disbursements in the different regions of the world vis-à-vis other types of assistance.[6] In some localities, DG assistance has become one of the largest elements in the U.S. foreign-aid portfolio. This is true, for example, in the former Soviet-satellite countries of Central and Eastern Europe, where DG aid formed less than 10 percent of USAID's regional spending up to 1995. From 1995 on, DG assistance to the countries of this region began to increase until in 2004 it accounted for nearly half the funds allocated there. USAID democracy programs in Eurasian states such as Ukraine began in 1992, and until 1996 they represented

TABLE 1—USAID DEMOCRACY ASSISTANCE VIS-À-VIS OTHER TYPES OF ASSISTANCE, 1990–2005*

YEAR	DEMOCRACY ASSISTANCE (DG)	HUMAN RIGHTS	AGRICULTURE AND GROWTH	HEALTH	ENVIRONMENT	EDUCATION	CONFLICT MANAGEMENT AND MITIGATION	HUMANITARIAN ASSISTANCE
1990	128.08	—	5699.53	813.86	543.12	403.16	—	33.20
1991	195.70	—	5319.19	1014.30	587.50	522.91	—	23.04
1992	259.82	—	4374.49	1013.01	535.48	392.73	—	43.99
1993	352.56	—	3745.72	1168.67	563.09	425.21	—	76.57
1994	414.37	—	4087.54	1175.38	620.00	393.51	—	67.41
1995	483.34	—	3394.55	1185.06	843.52	395.48	—	23.07
1996	418.10	—	3102.82	992.43	620.97	309.75	—	25.74
1997	446.30	—	2968.15	1082.33	715.91	189.98	—	30.78
1998	555.92	—	3134.42	1187.96	441.32	209.46	—	37.32
1999	520.18	—	3443.90	1050.52	532.90	333.64	—	67.55
2000	539.59	—	3406.16	1097.22	621.89	294.32	—	45.80
2001	549.17	3.46	2499.92	1238.29	528.87	323.03	81.54	423.83
2002	753.62	8.36	3466.27	1406.00	462.70	395.31	94.61	381.16
2003	817.22	14.81	5130.44	1491.65	424.64	449.26	108.69	619.16
2004	1134.44	15.42	4429.15	1846.23	488.24	606.12	145.09	580.89
2005	901.94	16.92	3346.72	2183.92	798.07	547.08	119.59	979.76
Total	8470.35	58.96	61548.97	19946.83	9328.20	6190.96	549.52	3459.27

* Totals expressed in millions of constant 2000 U.S. dollars. Note: The Human Rights column reflects only programs dealing with human trafficking and assisting victims of torture and war. Other human rights activities (already in place by 1990) are covered under Democracy and Governance (DG).

only about a tenth of all the USAID money flowing into the region. After 2001, however, DG funding steadily increased from 20 percent of USAID's total funding to Eurasia that year to 36 percent in 2005. Across the rest of the globe, DG assistance has not bulked quite so large vis-à-vis other types of U.S. aid. In 2005, for instance, USAID spent about 20 percent of its total Latin American budget, 12 percent of its Middle Eastern budget, 8 percent of its African budget, and just 5 percent of its Asian budget on aid to promote democracy and improve governance.

We have examined democracy funding in comparison to other types of assistance across the various global regions. But how do regional totals for democracy funding compare to one another? The regional allocation of democracy assistance helps to paint a picture of USAID's priorities during the period under study. Between 1990 and 2005, Latin America and the Caribbean received the largest aggregate share (20 percent) of USAID democracy funds, followed by the Middle East, Africa, Eurasia, and Europe, with about 16 percent in each case (see Table 2). Comparatively, Asia received the smallest share of the DG aid provided by USAID during that period, getting only 12 percent of the total. Overall, though, there appears to be surprisingly little regional variation in the distribution of democracy assistance.

Yet when we examine the last column in Table 2, we see that on a per-country basis, the differences are sharp. Excluding the Pacific-island region of Oceania, African countries received the lowest allocation per country, while the former Soviet Bloc received the highest. Some of these differences are in part a response to the variation in per-capita GNP, but much of the DG funding is spent in ways that vary little from one region of the world to another—contracts for international technical assistance, for example—and thus the variation reflects real differences in the amount of DG "effort" per country. There are, moreover, sharper distinctions in the regional distributions over time, as Table 3 on p. 156 shows.

Whereas in the early 1990s Latin America was receiving the largest U.S. investment in democracy—garnering 72 percent of the total democracy assistance budget in 1990—in the years since then the relative investment in democracy in that region has declined significantly. This pattern of spending no doubt reflects the success that Latin American countries had, beginning in the 1980s, at making the transition from authoritarianism to democracy. In constant dollars, USAID's DG budget for Latin America grew at a far slower rate (about 70 percent between 1990 and 2005) than the overall democracy budget (604 percent in the same period). Thus the region's share of the total DG budget shrank considerably. In 1994, as countries that had once belonged to the Soviet sphere were leaving communism behind, Eurasia took the lead as the main DG funding recipient region. It should be noted, however, that by the 1990s the variance between regions had already become smaller, and

TABLE 2—DISTRIBUTION OF U.S. DEMOCRACY ASSISTANCE BY REGION, 1990–2005*

Region	Total Democracy Assistance Allocated to Region[1]	Region as Percentage of Worldwide DG	Number of Countries in Region	Number of Recipients of Democracy Assistance	Average Funding per Recipient Country in that Region over Period[2]
Latin America and the Caribbean	1710.52	20.19	33	22	77.75
Middle East and the Mediterranean	1374.70	16.23	20	14	98.19
Africa	1370.44	16.18	48	42	32.63
Eurasia (former Soviet states)	1347.72	15.91	12	12	112.31
Europe (former communist countries)	1320.73	15.59	40	16	82.55
Asia	1058.25	12.49	26	17	62.25
Oceania (Pacific Islands)	0.22	—	14	1	0.22
North America[3]	—	—	1	0	n/a
Cross-Regional Programs	287.77	3.4	n/a	n/a	n/a
Total	8470.35	100.00	194	124	68.31

* Totals expressed in millions of constant 2000 U.S. dollars

[1] Totals for regions include regionwide programs covering multiple countries

[2] Total for Region/Number of Recipients

[3] North America is a residual regional category applied to Canada (Mexico is included in Latin America).

between 1996 and 2002, democracy aid became more evenly divided among most regions, Oceania excepted.

The wars in Afghanistan and Iraq have produced the sharpest change in democracy spending since 1990. There was a dramatic increase in democracy aid to the Middle East and the Mediterranean in 2003, which can be explained entirely by the infusion of funds into postinvasion Iraq (which represented 85 percent of the democracy budget for the Middle East in 2003, 86 percent in 2004, and 80 percent in 2005). Likewise, democracy funding to Asia, which includes Afghanistan, increased dramatically after 2001. Together, funds allocated to Iraq and Afghanistan alone represented 23 percent of the total democracy budget for all regions in 2003, 43 percent in 2004, and 26 percent in 2005. The heavy allocation of funds to these two countries has meant a shift of resources away from other areas of the world.[7]

It is often said that Western donors are satisfied simply to see electoral or procedural democracies set up in countries that previously had authoritarian governments. But does this mean that democracy assis-

Table 3—Annual Distribution of U.S. Democracy Assistance by Region, 1990–2005*

Year	Africa	Asia	Eurasia	Europe	Latin America	Middle East	Oceania	Cross-Regional	Annual Total DG
1990	1.51	12.45	—	15.12	92.50	2.10	—	4.40	128.08
1991	35.45	23.70	—	26.42	98.87	9.57	.07	1.62	195.70
1992	63.37	16.85	15.10	34.80	117.19	8.86	—	3.65	259.82
1993	74.02	23.72	58.02	21.64	150.27	12.03	—	12.86	352.56
1994	115.61	21.57	146.63	26.88	84.96	8.48	—	10.23	414.37
1995	82.56	23.12	64.58	86.67	122.02	67.60	—	36.79	483.34
1996	86.39	26.67	61.80	65.25	76.75	65.53	—	35.72	418.10
1997	92.67	39.01	79.83	81.55	82.26	40.40	—	30.58	446.30
1998	96.36	53.47	86.51	91.37	96.05	100.69	.16	31.32	555.92
1999	95.37	53.30	131.16	99.84	86.74	24.43	—	29.34	520.18
2000	84.01	71.88	106.14	111.46	95.93	56.41	—	13.76	539.59
2001	88.30	83.04	94.83	128.13	94.58	42.23	—	18.07	549.17
2002	123.05	148.47	126.07	155.11	133.94	60.51	—	6.48	753.62
2003	107.79	119.01	113.36	149.06	104.87	201.76	—	21.38	817.22
2004	99.01	219.62	115.57	149.77	116.49	410.12	—	23.87	1134.44
2005	124.99	122.36	148.12	77.67	157.09	264.01	—	7.70	901.94
Total per Region	1370.44	1058.25	1347.72	1320.73	1710.52	1374.70	.22	287.77	8470.35

* Totals expressed in millions of constant 2000 U.S. dollars

TABLE 4—DISTRIBUTION OF U.S. DEMOCRACY ASSISTANCE BY SECTOR, 1990–2005*

SUB-SECTOR	TOTAL	PERCENTAGE OF TOTAL
Elections	1190.43	14.1
Rule of Law	1611.95	19.0
Governance	2494.20	29.4
Civil Society	3173.77	37.5
Total	8470.35	100.0

* Totals expressed in millions of constant 2000 U.S. dollars

tance is geared only toward holding "free and fair" elections? Some years ago, Peter Burnell noted that international attention was shifting away from the promotion of elections to other kinds of assistance, such as civil society development.[8] To assess whether elections in fact have been the main goal of U.S. democracy assistance, we have examined the distribution of aid among the four subsectors of democracy assistance identified by USAID: Elections and Political Processes, Rule of Law, Civil Society, and Governance.[9]

As Table 4 shows, in the post–Cold War era the Civil Society subsector, not Elections, has received the bulk of USAID's democracy assistance (38 percent of the total), followed by Governance, which garners between a quarter and a third of the total aid (29 percent). By contrast, investment in the Rule of Law has amounted to a mere 19 percent of the total, and only 14 percent has gone to support electoral processes. While Civil Society was long the steady leader, the Governance subsector has expanded markedly over the years, surpassing even Civil Society after 2003.[10] This area of growth is a reflection of the rising concern over corruption and how to control it, as well as the increasing attention to decentralization and local government.

The distribution of aid by subsector has varied across regions of the world. In most, civil society—and not the electoral process—has come in for the lion's share of aid. In Eastern Europe and Eurasia, for example, civil society assistance has comprised almost half the total democracy aid over the years. In the Middle East, on the other hand, the majority of DG assistance has gone to governance programs. In Latin America, meanwhile, the rule of law has been the dominant subsector. By contrast, the rule of law has been the lowest-funded sector in the former communist countries of Europe. Electoral assistance is relatively low everywhere, but especially in the Middle East, Eastern Europe, and Eurasia.

The U.S. Record on Democracy Assistance

The data show that USAID's democracy assistance reflects a long-term U.S. commitment to furthering democratic development in particu-

lar countries, rather than a quick-fix approach lasting only one or two years. Many of the countries that have received democracy assistance have done so for long periods during the sixteen years tracked in this study; the median number of years during which the countries received such assistance was 10.5 years.[11] Latin American countries, which began to democratize twenty years ago, are a good example, as they have received democracy assistance during the entire period under study.

The increases in USAID Democracy and Governance expenditures since 1990 reflect a clear shift in U.S. priorities regarding democracy assistance, one that pre-dated the controversial military actions in Afghanistan and Iraq. Democracy assistance had already risen by 2001 to become one of the largest categories of USAID outlays worldwide, with a particular focus on regions such as Eastern Europe. Furthermore, the data show that electoral assistance per se has been only one area in which democracy funds have been invested, and clearly not the major one.

In fact, civil society has been the key area of intervention—a sign that USAID democracy funding aims to promote more than the merely procedural dimensions of democracy. Moreover, the distribution of democracy assistance within each subsector varies by region—in other words, there is no "one-size-fits-all" model. Finally, the data show that democracy assistance is typically not short-term. Rather, at the country level USAID on average has provided democracy aid for about a decade.

Scholars, committed democrats around the world, and perhaps even U.S. taxpayers may wonder to what extent U.S. foreign assistance has been an effective mechanism for supporting democracy abroad. It is unlikely that democracy aid alone can create or sustain a democratic regime. But such aid can help to establish self-sustaining democratic institutions at all levels—national and local—and it can empower domestic actors to monitor elections, defend human rights, provide independent news, fight corruption, and be effective citizens and leaders. By understanding in detail the past distribution of U.S. democracy assistance, policymakers and analysts can better determine where to direct funds in the future in order to achieve greater impact.

NOTES

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1. James Meernik, Eric L. Krueger, and Steve C. Poe, "Testing Models of U.S. Foreign Policy: Foreign Aid During and After the Cold War," *Journal of Politics* 60 (February 1998): 63–85.

2. Thomas Carothers, *U.S. Democracy Promotion During and After Bush* (Washington, D.C.: Carnegie Endowment for International Peace, 2007), 10; available at *www.carnegieendowment.org/files/democracy_promotion_after_bush_final.pdf*.

3. See Steven E. Finkel, Aníbal Pérez-Liñán, and Mitchell A. Seligson, "The Effects of U.S. Foreign Assistance on Democracy Building, 1990–2003," *World Politics* 59 (April 2007): 404–39.

4. The database is available at *www.pitt.edu/~politics/democracy/democracy.html*. Part of the data was initially compiled by John Richter at USAID and the database was later expanded by Andrew Green, a USAID Democracy Fellow, in 2004–2005. The database includes the funds allocated to democracy assistance by USAID. In consultation with Andrew Green, we developed a series of aggregation routines to generate yearly totals for: a) DG spending at the country level; b) DG subsectors [Elections, Rule of Law, Civil Society, and Governance] at the country level; c) non-DG sectors [Agriculture and Economic Growth, Education, Environment, Health, Humanitarian Assistance, Human Rights, and Conflict Management and Mitigation] at the country level; d) programs that operate at the regional level [in any of the fields just described]; and e) programs that operate at the subregional level [in any of the fields].

5. Although USAID is the main channel for U.S. democracy assistance, it should be noted that not all DG money goes through USAID. We do not include funding from other institutions such as the National Endowment for Democracy (NED). According to the data presented by the annual report on U.S. Overseas Loans and Grants, funds allocated internationally by NED between 1990 and 2004 represented on average 5.1 percent of the annual USAID Democracy and Governance budget during the same period. See James Scott and Carrie Steele, "Assisting Democrats or Resisting Dictators: The Nature and Impact of Democracy Support by the United States National Endowment for Democracy, 1990–1999," *Democratization* 12 (August 2005): 439–60.

6. See Table A (USAID Democracy Assistance as a Percentage of the Total Aid Received by Regions, 1990–2005). This and other supplementary graphics are available at *www.journalofdemocracy.org/articles/gratis/AzpuruGraphics-19-2.pdf*.

7. See Table B (U.S. Democracy Assistance by Region, 1990–2005) and Table C (Recipients of USAID Democracy Assistance, 1990–2005) at *www.journalofdemocracy.org/articles/gratis/AzpuruGraphics-19-2.pdf*.

8. Peter J. Burnell, *Democracy Assistance: International Co-operation for Democratization* (London: Frank Cass, 2000).

9. The area of Elections and Political Processes includes activities corresponding to various aspects of electoral assistance, support for the development of a political-party system, and legislative representation; Rule of Law includes human rights programs and funding for legal and judicial development; Civil Society includes programs promoting independent mass media, civic education, and labor; and Governance (a very broad category) covers anticorruption projects, decentralization, and local-government activities, among others.

10. See Table D (Distribution of U.S. Democracy Assistance by Sector, 1990–2005) at *www.journalofdemocracy.org/articles/gratis/AzpuruGraphics-19-2.pdf*.

11. This figure probably underestimates the continuity among recipients, since our observations are limited to the period from 1990 through 2005. Space limits prevent us from discussing volatility in levels of investment, which is a different but closely related issue that deserves careful attention.