

*The European Union and Democracy
in Latin America*

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ABSTRACT

The European Union has developed a significant range of democracy promotion initiatives in Latin America since the 1990s. The E.U.'s approach to democracy building has been seen to possess a number of strengths relative to U.S. policy, especially in connection with grassroots developmental imperatives. European policy itself, however, has a number of limitations. It has inadequately conceptualized the linkages between economic and political dimensions; it has insufficiently recognized the potential benefits of balancing bottom-up and top-down approaches. The E.U.'s influence over Latin American governments has remained more nebulous than that of the United States. European and U.S. policies in Latin America have both rivaled and complemented each other. Understanding this might inform both actors' democracy promotion efforts in the region.

Latin America offers an illuminating case study of the international dimensions of democratic change. Its reception and acceptance of democracy promotion policies from other regions is colored by the variety of its political trends: from incremental transition in Mexico to a lack of any tangible political liberalization in Cuba; democratic regression followed by apparently abrupt change in Peru; the dismantling of countervailing institutions in Venezuela after 1998; and the challenge of deepening democracy in a context of conflict, as in Colombia, or fragile peace processes, as in Central America. Across the region, analysts suggest, the quality of democratic procedures has been undermined by rising corruption; weakening parliaments, parties, and judiciaries; and the tendency toward "soft authoritarianism."

While U.S. democracy promotion policies have inevitably attracted the overwhelming share of attention in Latin America, the European Union has also sought to establish itself as a leading player in this field. An assessment of the E.U.'s democracy promotion policies (meaning those of the European Commission plus member states, acting individually and collectively) in Latin America is instructive for several reasons.¹ From a European perspective, the scope and effectiveness of E.U. policy in Latin America provides a good test of the organization's aim of estab-

lishing a global presence beyond the influence it has exerted over political change on its immediate periphery. From a U.S. perspective, it is instructive to assess how the E.U. has either complemented or undermined U.S. policy in Latin America. From a Latin American perspective, the question arises of whether European influences have secured any notable or distinctive profile relative to the lead role of the United States in the region.

This article traces the significant European commitment to democracy promotion in Latin America and outlines the E.U.'s social, grass-roots approach to democracy building, along with the range of factors that explain the nature of European policy. In contrast to many democracy promotion studies, this one pays particular attention to the linkages between micro- and macro-level policies. It argues that European policy conforms closely to theorists' focus on the need for democratic enhancement to be predicated on embedded "positive consent," but that its fostering of "bottom-up" dynamics to political change has been unsatisfactorily nebulous and fragmented.

PERSPECTIVES ON DEMOCRACY PROMOTION

The Western states' commitment to prioritizing democracy promotion in the wake of the Cold War engendered debate over the most appropriate means of encouraging a deepening of democratic norms in developing countries. A number of authors contended that the impact of external democracy promotion policies needed more attention. A common thread in these writings was the suggestion that international policies should be seen not as overriding the influence of domestic factors but as relevant in the ways they conditioned and profoundly intertwined with those domestic factors. The policies of Western governments resided at the interface between domestic politics and international structure, shaping the way each of these levels of analysis affected the other (Whitehead 1999; Pridham 1991, 1994). This broad understanding of how international policies might be conceptually pertinent to political reform in developing countries fed into the consideration of what types of democracy promotion strategy would be most apposite.

Considerable consensus emerged that coercive policies would, in most cases, be counterproductive. It was widely held that sanctions would actually inflict most damage on the incipient entrepreneurial class, in many cases the most influential agent of political change. Sanctions were also difficult to make watertight, and Western governments could too easily be tricked by cosmetic reforms that did little actually to curtail arbitrary executive power.

It was most commonly argued that encouraging democracy required constructing positive "consent" behind democratic norms. Political lib-

eralization adopted reluctantly as a result of external pressure would, it was commonly contended, not be firmly rooted. Punitive measures might also undermine the appeal of democracy, to the extent that the latter became associated with Western heavyhandedness. Building ideational support for democracy, moreover, placed a premium on regularized structures of partnership, through which the developed democracies might successfully convey an understanding of democratic practice (Whitehead 1996; Nelson 1992; Stokke 1995; Burnell 1994).

Theorists invested much faith in the potential for generating “bottom-up” dynamics for political reform; yet the potential impact of positive approaches to democracy promotion increasingly appeared to have its own limitations. The tendency to see civil society as a panacea drew particular criticism. While recognizing the strengthening of autonomous civil society groups to be a vital component of democracy building, many experts warned that there were limits to what civil society could achieve on its own.

Civil society’s democratic potential depended not simply on the strength and autonomy of individual advocacy groups but also on effective links between civil society as a whole and the political arena. In many new and nondemocracies, it was suggested, the need was not so much for more civil society per se as for better linkages between grassroots associational activity and national-level policymaking. It was the paucity of the articulation between civil and political society that was held to have contributed to the growing social exclusion and violent crime besetting many fledgling democracies. More effective state institutions were, in this sense, needed to combat the rise of “uncivil society” (Walzer 1995; Robinson 1995; Pearce 1997; Whitehead 1997; Kaldor 1999; Bermeo 1997).

A similar questioning emerged in the economic domain. The widely held assumption that economic liberalization could be expected to ignite political liberalization attracted critical scrutiny. While it was still almost universally recognized that the relationship between economic and political reform was generally positive, it was also argued that beyond a point this linkage became essentially symbiotic; democratic deepening and the reform of systemic-level political institutions themselves were both needed to maintain the momentum of economic change (Przeworski et al. 1995; Whitehead 1993). These concerns implied that a balanced democracy promotion policy should combine bottom-up civil society and economic assistance with top-down political society work focused on political parties, local governments, the role of legislatures, and the accessibility of state institutions.

Early assessments of Western democracy aid projects mirrored such analysis. Analysts generally agreed that democracy assistance could play a useful role in offering recipient civil society groups a degree of pro-

tection against state repression; it might also foster the dissemination of new ideas and information. Beyond this, doubts emerged over the potential of civil society projects to develop broader democratizing dynamics. Authoritarian regimes might allow a limited degree of external civil society funding to enhance their own international image, while successfully ensuring that such projects generated no change in the fundamental nature of political control. Analysts warned that individual projects might proceed with apparent success but with no tangible impact on underlying power structures.

Indeed, external funding might actually deepen existing imbalances. A disproportionate orientation of democracy assistance toward a small circle of cosmopolitan, westernized nongovernmental organizations might actually work against the broader range of small, local NGOs struggling to survive. While advocating an emphasis on bottom-up capacity building, some analysts cautioned that without an effort to improve linkages with political society institutions, the stress on assisting civil society advocacy groups might actually weaken the incentives for democracy activists to form the necessary intermediary organizations between civil society and the state.

Analysts also expressed concern over the long-term sustainability of NGOs that had become heavily dependent on external funds. Far from gaining more autonomous vibrancy, much of the local civil society might become precariously reliant on international sponsors. Some practitioners also feared that in seeking to replicate Western “best practice”—sophisticated election technology, complex techniques of party organization, elaborate parliamentary research services—donors were actually diverting attention and resources away from measures more immediately appropriate to local conditions. Problems of access were, it was suggested, likely to arise in both pre- and posttransition contexts; democracy assistance might then be possible only if accompanied by a degree of punitive pressure of precisely the type that the “positive” approach was supposedly designed to avoid. To this end, some analysts advocated a form of micro-level conditionality, imposing modest requirements relating to, for instance, civil society involvement in the management of particular aid projects.²

In sum, theorists continued to debate the appropriate mix of positive and coercive measures and the most productive areas in which to focus democracy promotion strategy.

ASSISTING DEMOCRACY: A SOCIAL, GRASSROOTS APPROACH

European policymakers have seen Latin America as the region where their strategy has been most heavily predicated on the protagonism of

civil society. European democracy promotion policy claims to be guided by a positive and comprehensive philosophy of democracy building, consistent with a self-avowedly socioeconomic approach to international relations. Latin America was one of the areas where the E.U.'s socioeconomic approach initially took shape in the mid-1980s, and many policymakers still perceive it as the most emblematic case of Europe's "socialization" approach.

Assessments of the effectiveness of the E.U.'s ongoing San José framework in Central America, for example, differ, but generally concur that since the 1980s, it has constituted a distinctive and innovative effort to facilitate inclusive and institutionalized dialogue on political change.³ This is one of the E.U.'s broadest and densest frameworks of cooperation in Latin America, involving NGOs, parliamentarians, unions, business organizations, and cultural bodies. It is the project in which politicians, officials, academics, and policy documents talk most confidently of significant European influence flowing from cultural proximity. An apparent assimilation of values has invariably been seen to underpin the societal links that have, in turn, helped ensure a convergence in political norms.

This broad approach was reflected more specifically in the nature of the E.U.'s new democracy assistance work in the region during the 1990s. European democracy aid was more comprehensive and far-reaching in Latin America than in most other regions. Reflecting an explicit commitment to enhance funding for posttransition challenges, E.U. aid to Latin America during the 1990s was maintained at high levels relative to the region's level of development and limited strategic urgency for European governments. Despite the new focus on Central Europe and the Arab states of the southern Mediterranean, the share of European Commission aid going to Latin America actually increased from 4.3 percent to 5 percent over the first half of the decade as the shares going to Asia and sub-Saharan Africa declined (Cox and Koning 1997, 7, 82).

By the start of the new century, 5.5 percent of EC aid was still going to Latin American countries—a dip in this share during 1997–98 having been reversed in 1999—providing the region with significantly more in per capita terms than the poorer regions of Asia. Indeed, in per capita terms, the E.U.'s aid program to Central America was its most generous anywhere in the world (Whitehead 1999, 56). Several member states' bilateral aid was also heavily oriented toward Latin America, most obviously that of Spain, which continued to advance nearly half of its entire aid budget to Latin America throughout the decade. Of the main European donors, only France donated less to Latin America than to the Mediterranean; and until 1998, Latin America received more European aid than the Balkans (OECD 1998). The region received nearly two-

thirds of its aid from the E.U. and less than 10 percent from the United States (IRELA 1998, 1).

These relatively high levels of aid were forthcoming precisely because of the E.U.'s more marked focus on institution building and the post-conflict fostering of democratic procedure. As peace processes started to take root, the E.U. pumped new funds into Central America during the mid-1990s, most notably a \$200 million commitment after the 1996 accords in Guatemala, while the United States was criticized for prematurely diverting funds out of the region.

In its first three years (1994–97), more than a third of the E.U. Democracy Initiative's funds went to Latin America. This share subsequently fell as other regions were brought into the initiative's remit; but during 1996–99, Latin America still received 17 percent of European Commission democracy assistance, three times the region's share of general aid. This was more than went to North Africa, the Middle East, and the whole of Asia and was not significantly less than the amount allocated to sub-Saharan Africa (Commission 1996). This funding accounted for 4 percent of total Commission aid in Latin America between 1991 and 1995, compared with under 1 percent in other regions; it then increased to over 6 percent in the two following years, before settling back to just under 3 percent (Cox and Koning 1997; Cox and Chapman 1999, 103). Spain apportioned 7 percent of its aid to the region for civil society and governance and introduced plans to increase this to over 10 percent as the new century started (Ministerio de Asuntos Exteriores 1999, 22). Democracy was also a relatively strong focus of German aid to Latin America, particularly through the party foundations: developments elsewhere in the world notwithstanding, Latin America remained the main focus of the Siftungen during the 1990s.

European-U.S. comparisons are complicated by European donors' use of broader categories of aid in preference to the U.S. delineation of "democracy assistance." Table 1 uses the OECD's category of "government and civil society" aid, which differs from donors' own, contrasting political aid definitions but is directly comparable across countries. It shows that in 1999 overall E.U. (member states plus Commission) government and civil society funding to Latin America amounted to \$139.6 million alongside a U.S. figure of \$86.8 million. The table shows that the United States and the E.U. gave very similar proportions of their Latin American aid allocations to government and civil society work (5.5 percent and 5.8 percent, respectively). It also records that they allocated similar shares of their government and civil society funds to Latin America—the E.U.'s 15.9 percent actually slightly greater than the U.S. 14.6 percent.

The breakdown of the overall E.U. figures demonstrates great variation among different member states. The gap between European

Table 1. Democracy Assistance to Latin America

	Government and civil society aid to Latin America, 1999 (in US\$ millions)	As percentage of total aid to Latin America	As percentage of total government and civil society aid
Denmark	14.9	21.0	22.9
France	3.2	1.5	5.8
Germany	26.5	5.8	21.0
Italy	0.02	0.05	0.04
Netherlands	24.3	8.4	41.1
Spain	14.4	4.4	22.7
Sweden	22.6	13.8	18.8
United Kingdom	15.0	8.9	17.1
Commission	14.0	2.8	14.0
EU total	139.6	5.8	15.9
United States	86.8	5.5	14.6

Source: Author calculations based on OECD DAC Online statistics.

and U.S. funding levels grew after 1996, until USAID was encouraged to respond to what was seen as its declining concern with Latin American democracy by allocating an increase to just over \$100 million for political aid to the region in 2000 (Interview, USAID; Carothers 1999, 55).

The E.U.'s democracy funding exhibited several notable features. Most striking is that it was strongly oriented toward supporting NGOs. More funds were given for political institutions (parliaments, political parties) and central umbrella groups (union federations, employers' groups) than in any other region except Eastern Europe, but such top-down work was still limited compared to the scale of bottom-up funding. Overall, more than half the political aid budget went to narrowly defined human rights issues, as opposed to broader political-institutional reform. About 70 percent (\$11 million out of \$15 million) of the Commission's spending on democracy and human rights in 2000 went to a single project funding local, principally human rights-oriented NGOs in Central America. This pattern was repeated in 2001 in the Andean Community, with nearly all other Commission projects also going to NGOs. Less than 1 million of the Commission's initiative went to legislatures between 1996–99, and there was no significant work on civil-military relations (Commission 1999).

E.U. political aid was notable for the breadth of civil society and socioeconomic work that it included. It placed a strong emphasis on civic education, aiming specifically to improve understanding of the

democratic process and to engage marginalized citizens, particularly in rural communities, in the policymaking process (Commission 1996, 17). Funds allocated for democracy assistance were used for projects with street children, drug users, displaced persons, healthcare, and psychological rehabilitation of the victims of violence.

Work on these social and developmental issues dwarfed the amount of funding that went to political institutions. The Nordic states and the Netherlands were the most enthusiastic exponents of this approach, but other member states adhered to it with apparently increasing conviction. Within Spain's lead project with the United Nations Development Program in Central America, for example, funding for judicial reform was aimed overwhelmingly at improving access to justice by the poor (AECI-UNDP 1998). One-fourth of the Commission's democracy assistance budget was classified as conflict resolution work, and was presented as reflecting the importance of strengthening the social roots of democratic development (Commission 1999).

In (post-)conflict situations, there was a special focus on mediation forums, fusing the promotion of reconciliation and democratic awareness. The breadth of work was particularly marked in Central America: a team of "democracy educators" was funded in El Salvador; the E.U. played a major role in preparations for key post-peace agreement elections; Guatemala's *Comité Nacional de Reconciliación* was supported primarily by European money; and separate frameworks for work on indigenous rights were created (IRELA 1994). Beyond limited amounts channeled through the U.N., little was given for "broad institutional support" in Central America, to the extent that European donors themselves recognized the need to broaden assistance away from NGOs and indigenous groups (Danida 1999, x). In Colombia, the priority was to support the organizational and decisionmaking capacities of those excluded from the political arena, as a means of encouraging more democratic expression of social grievances.

More general funding for NGOs was seen indirectly to reinforce the effect of this profile of political aid. In the 1990s, 14 percent of Commission aid to Latin America was classified as going directly to NGO building, compared with under 5 percent in all other developing regions (Cox and Koning 1997). A whole range of civil society-to-civil society links was promoted. The breadth and scope of these initiatives extended beyond U.S. civil society work. In some cases, the civil society dimension to E.U. policy was notably more dynamic than government relations. Ministerial forums with both Central American and Andean Community countries struggled to attract high-level European representation during the 1990s—and were consequently made less frequent—while both humanitarian NGOs and the European Parliament became more heavily engaged in these areas.

This was the opposite of relations with other regions, such as North Africa and the Middle East, where E.U. governments upgraded formal policy commitments while struggling to attract civil society involvement. The E.U.'s stated priorities in Latin America for 2000–2006 reaffirmed the importance of strengthening civil society links (Commission 2000). New, formalized civil society follow-up forums were established in relation to the E.U.-Latin America summit process launched at Rio in 1999 and E.U.-MERCOSUR and Chile negotiations. It is significant that policymakers conceived the extent of such general NGO and civil society funding as pertinent to the strengthening of a broad “democratic capacity” in Latin America.

The European strategy focused on such democratic “capacity building”—measures designed to facilitate the effective articulation of citizens’ interests—rather than “institutional designs.” Experts criticized the United States and the Organization of American States for continuing to focus on “firefighting,” intervening in an overtly political fashion at crucial moments when democracy needed to be propped up (Diamond 1996). European policymakers conceived their approach as a corrective to the shortcomings of such episodic intervention. The E.U. professed an aim of addressing the root causes of democracy’s precariousness, and consequently directed its policy at the underlying social prerequisites to sustainable pluralism rather than the immediate replication of particular institutional forms (Interviews, E.U.).

In the wake of the 1996 peace accords in Guatemala, one of the E.U.’s priorities was to develop new social programs, explicitly as part of its democracy promotion effort. Trade preferences to Andean and Central American countries aimed at encouraging alternative crops to drug cultivation were also introduced expressly in pursuit of the new democracy promotion mandate and linked to the development of local-level decisionmaking and capacity-building initiatives (Commission 1991, 99). Spain’s democracy program in Central America included a fiscal reform initiative aimed at increasing revenue earmarked specifically for meeting the social commitments accepted under the various peace agreements (AECI-UNDP 1998). Most notable was that the E.U. rejected the military focus of Andrés Pastrana’s U.S.-backed Plan Colombia and agreed to contribute only a series of social and capacity-building projects outside the plan framework.

This profile differed significantly from both U.S. and multilateral efforts. If the International Financial Institutions (IFIs) appeared extremely cautious in carrying forward their new civil society remit, being reluctant to fund projects that were objectionable to Latin American governments or not tightly linked to economic modernization programs (Pearce 2000), European donors were considerably less tentative. The United States adhered to a more top-down approach than did the

E.U.: while the E.U. put considerable emphasis on ensuring “local ownership” of democratization projects, encouraging authorities in the region to forward their own ideas for funding and always working with a local partner, many U.S. projects were still controlled to a great extent from Washington and undertaken by U.S.-based consultants (Freres 1999, 54).

In Central America, the E.U.’s grassroots developmental approach, focusing on combatants’ participation in new democratic forums, contrasted with the deepening of the longstanding U.S. engagement with parliaments and judiciaries. Most notably, the E.U. declined to provide the kind of direct military and police aid favored by the United States as a means to tackle social violence. It also provided additional social projects linked to antidrug education and development as an alternative to the U.S. policy of decertification.

All this indicates a close approximation of E.U. policy to theorists’ concerns with the ideational and socioeconomic foundations for improving democratic quality. In practical terms, however, the approach was not without its weaknesses. The links between much grassroots, socially focused work and tangible improvements in democracy appeared highly nebulous. The label “democracy promotion” was, arguably, too readily applied to work with NGOs and social development. No evaluation mechanisms existed to assess the impact of E.U. projects on “democratic capacity.” Member states’ categorization of funding as “political aid” remained subject to a range of definitions and, in most cases, incorporated work with what appeared to be a highly tenuous pertinence to political reform.

If the aim was to correct the imbalances of U.S. democracy policies, moreover, by the later 1990s the E.U.’s perception of “the U.S. approach” appeared unduly simplistic; the U.S. focus had itself become more bottom-up, and could no longer be accused of being overly focused on elections or just on supporting a façade of formal democracy so as to help militaries legitimate their suppression of radical movements. By 2001, 47 percent of U.S. democracy assistance was allocated to civil society, the largest category of political aid funding (Interview, USAID). Meanwhile, the E.U. had increased the use of European-based consultants.

ESCHEWING CONDITIONALITY AND COERCION: A STRENGTH OR A WEAKNESS?

The E.U.’s positive approach was also reflected in a disinclination to employ political conditionality as an instrument of democracy promotion. Even in many of the pretransition contexts of the 1980s, European governments did not impose punitive measures to the same extent as the United States did; even policy toward the Pinochet regime in Chile constituted only a partial exception.⁴ Although it did introduce new instru-

ments of political conditionality in the form of new suspension clauses included in all third country agreements and aid protocols, the E.U. maintained a similar caution throughout the 1990s. Aid was suspended in response to the presidential *autogolpes* in Guatemala in 1993 and Peru in 1992, but beyond these two occasions—where E.U. action was, anyway, more limited than U.S. intervention—punitive policies were not adopted.

The more common situation of countries suffering a gradual deterioration in the quality of democratic procedures elicited no substantively critical response. After 1992, Peru became the biggest recipient of E.U. aid in Latin America, and President Fujimori was supported right up to the second round of the 2000 elections and the emergence of a credible and popular political opposition. Even then, while the United States completely withdrew its backing from Fujimori, most European states still sought to negotiate a solution with challenger Alejandro Toledo rather than openly insisting that the president resign.

During a two-year dispute, the E.U. stood firm in insisting that Mexico sign a democracy clause as part of a new trade agreement, but then did not seek to employ this clause, even in relation to the nonimplementation of the 1996 Agreement on Indigenous Rights in Chiapas (see IRELA 1997, especially contributions by Lecomte and Whitehead). While the United States exerted strong diplomatic pressure or hinted at possible aid reductions over the actions of Hugo Chávez in Venezuela and Ernesto Samper in Colombia and democratic shortfalls in El Salvador and Nicaragua, in each of these cases the E.U. expressly adopted a less confrontational approach.

This moderation was seen as a legacy from the 1980s, when most European governments had engaged with both governments and militants to offset what they saw as the one-sided nature of U.S. policy. In 1990, European states rebuffed U.S. proposals to submerge the San José framework into a common multilateral effort precisely because the E.U. perceived the United States as too likely to revert to political posturing (Nelson 1992, 56). Only in reaction to President Arzu's ambivalence in setting up an enquiry to investigate Bishop Gerardi's murder in 1998 did the E.U. openly suggest that funds to Guatemala might be held back (Interviews, European Commission and Spanish MFA; Forsythe 1996; de LaIglesia 1997).

Cuba is often cited as the most notable example of the E.U.'s preference for positive engagement, one that is emblematic of the differences between European and U.S. approaches. The E.U. developed a policy toward Cuba that it presented as based on "incentives conditionality," but it has had trouble effectively maintaining even such nonpunitive diplomatic pressure. Negotiations for a Trade and Cooperation Agreement were initiated in the early 1990s, and Cuba was one of fastest-growing recipients of European aid. Negotiations broke off in 1996, when politi-

cal space tightened and Cuba shot down the civilian aircraft of the Cuban American group Brothers to the Rescue. Some aid programs were suspended or scaled back, and a new E.U. Common Position stipulated for the first time that relations would be conditional on improvements in political and civil rights. Since 1998, however, E.U.-Cuban trade and investment have increased significantly, and a number of European states have notably enlarged aid flows. The E.U. has consolidated its position as by far Cuba's biggest trade partner and aid source.

A political and human rights dialogue was initiated under the Common Position, but diplomats acknowledge that in this forum they have pushed Cuba critically only on cases of individual prisoners. Fidel Castro was invited to participate fully in the new process of summits between European and Latin American heads of government, in contrast to his exclusion from the OAS. The E.U. has actually appeared more eager than Cuba to renew trade negotiations. Most significant is that in response to Cuba's petition to join the Lomé Convention, the E.U. stipulated only that Cuba would have to sign a democracy clause, not that substantive change must be implemented prior to accession. Cuba refused to sign this clause, and in April 2000 withdrew its entry request—this seen by policymakers as one of the big disappointments for European foreign policy in recent years. Even by putting generous rewards on the table, the E.U. has not managed to get Cuba to adopt a different discourse on political rights.

A key factor in policy toward Cuba was that even the relatively "light" conditionality introduced at the E.U. level was undermined by member states' bilateral policies in areas where formal responsibility still fell to national governments. Indeed, this occurred across Latin America; principled E.U. statements contrasted with national governments' largely unconditional promotion of trade and investment, aid projects, political visits, and debt relief. Some European states did advocate a tougher approach, but their proposals were nearly always diluted by the more "realist" states, particularly France and Spain.

This split also appeared in the more general evolution of E.U. policy instruments. Spain argued for a watered-down democracy clause for the EC aid protocol covering Latin America. The Commission proposed attaching tougher, coercive conditionality to the special Generalized System of Preferences (GSP) on trade that went to Central America and the Andean Community, but was rebuffed by member states—and no Latin American state took advantage of the general E.U. provision offering additional trade preferences in return for improvements in social rights (Agence Europe 1998b). In negotiations with MERCOSUR in 1999, a number of E.U. states pushed for a broadening of the democracy clause to include conditionality in relation to good governance issues. Not only did the MERCOSUR states make it clear that they would not

accept such a clause, but a number of E.U. states, led by Spain, themselves blocked the proposal. The critical focus on good governance even within political dialogue was acknowledged to be limited (Interviews, European Commission, Argentine MFA).

The E.U.'s eschewal of punitive conditionality accorded with most analysts' skepticism over whether coercive measures were appropriate for generating consensual adherence to democratic norms. It would be reasonable to suggest, however, that one weakness of European policy lay in its reluctance to exert any significant pressure at a more modest level, specifically in relation to the management of its own aid projects. While Latin American governments claimed to welcome the European approach to democracy assistance, seeing it as often better attuned than U.S. policy to local needs, they themselves constantly scaled back the E.U.'s democracy work. Despite its broadly bottom-up conceptual approach, the E.U. did offer some more top-down democracy funding but found most Latin American governments strongly resistant to such intimations (Interviews, Colombian and Mexican E.U. Missions). The E.U. exerted little coercive pressure where democracy funds were thus blocked, and was more reluctant than the United States to push governments to gain access for controversial projects. Spain and other southern E.U. member states were particularly cautious in pushing for access beyond the types of funding actually solicited by Latin American governments (Youngs 2000).

This "cooperative" approach limited the scope and effectiveness of the E.U.'s democracy assistance funding. European donors found it impossible to realize plans for more work on judicial reform in Colombia, and virtually no political aid funding was possible in Peru before 2000. In Central America, much European work was either blocked or inadequately deployed, to the extent that Spain, operating the biggest program in the region, contemplated discontinuing its democracy and governance projects. Spain did secure a primary role in helping to strengthen the police and "de-Sandinistacize" the armed forces in Nicaragua, a task for which the United States was not seen as an appropriate partner (MAE 1999, 22; *El País* 1997); but more generally its range of work was circumscribed.

Indeed, in much of Central America, resistance to external democracy-related aid strengthened, if anything, toward the end of the 1990s (Agence Europe 1994; *Economist* 2000a). Brazil pushed to negotiate a memorandum of understanding with the E.U. to clarify the issue of political aid, with the aim of closing off a number of areas to external assistance. In general, as European donors shifted away from the party-to-party funding that had developed in the 1980s as a means of assisting opposition movements under dictatorships, they were less inclined to work against the grain of Latin American governments' own priorities

(Grugel 1996). The reluctance to push with any vigor for access was one of the main reasons for the relatively limited level of democracy assistance. Moreover, after natural disasters, such as Hurricane Mitch in 1998, democracy funds were invariably the first to be diverted to humanitarian tasks (Agence Europe 1998a).

The scope for democracy assistance was particularly limited in Mexico. Mexico refused to accept a democracy clause in its 1991 third-generation agreement with the E.U.; and without a formal remit for democratization and human rights projects, no significant work was undertaken in this area (Interview, European Commission; Lecomte 1997, 21). On a number of occasions, projects were agreed on but then reined back, as Mexican authorities balked when they could not control the aid's deployment (Agence Europe 1997). Most notably, Mexico blocked European funding for the National Commission for Mediation, its work on conciliation in Chiapas, and for the Mexican Academy of Human Rights, an NGO, for an electoral education and information program.

In 1998, after resisting strongly for two years, the Mexican government did agree to a new article in its upgraded agreement with the E.U. providing for democracy assistance work. The E.U. sought to use this concession as a basis for securing wider access for work in Chiapas, offering assistance for improved policing (to displace the use of paramilitaries), judicial capacity building, and strengthening decentralized institutions (Interview, European Commission). Despite the evolution of political reform in Mexico, however, democracy assistance remained problematic. The Mexican government drastically restricted the number of E.U. election observers permitted for the 1997 elections, and at the 1999 Rio Summit, insisted on qualifying references to new work on building up independent civil society organizations and the rights of indigenous peoples (Lawson 1997, 17; *El País* 1999).

Perhaps less surprisingly, the E.U. struggled to gain a foothold for various types of aid work in Cuba. A new Eurocenter was opened in Havana in May 1998, but the Cuban government blocked elements of a program aimed at setting up links between Cuban and European companies. Ironically, while the Castro government was concerned with the potential political spillover from such economic projects, the U.S. Congress lambasted the E.U. initiative as helping to prolong one-party socialism.

The Commission's scope for civil society work was limited in Cuba by the difficulty of finding genuinely independent NGOs with which it could work. Only in the delivery of humanitarian aid was the E.U. able to work to any significant extent through the NGO sector. The Commission presented a far-reaching aid package at the beginning of 1999, including projects on judicial training, economic reform, public administration strengthening, statistics, energy, information technology, and

civil society (Agence Europe 1999a). The extent of the proposed work on judicial reform had to be considerably scaled down at the insistence of the Cuban authorities (Interview, FCO).

While reformists eagerly sought E.U. support for economic restructuring, there was firm resistance to cooperation in the political sphere and often also in relation to relatively narrowly defined good governance issues. The E.U. expressly did not seek to foment opposition, in contrast to how the United States—prompted by the Cuban American National Foundation and Senator Jesse Helms—made funds available for civil society, and especially church-based, groups with the explicit intent of undermining the government. While the E.U.'s approach did gain it a degree of purchase on Cuba's reform process, it could not carve out any significant space for bottom-up democracy-building projects in Cuba. Indeed, one observer suggested that Cuba restricted funding opportunities at moments of progress in its relations with the E.U. specifically so as to disabuse the E.U. of the notion that its constructive approach would be better able to engender political change (Barahona de Brito 1998).

These examples show that serious shortcomings were inherent in the E.U.'s positive, developmental approach. Often the U.S. willingness to use diplomatic pressure secured it broader funding access; often the OAS "firefighting" interjections pried open space for subsequent on-the-ground, bottom-up engagement. For example, the United States succeeded in getting OAS members Peru and Mexico to accept OAS human rights projects and monitors when both these countries had blocked European "interference." The OAS 1991 Santiago and 1993 Washington Protocols became ingrained in Latin American policymakers' terms of reference in a way the E.U.'s equivalent democracy clause, which actually had a farther reach and conditioned a far larger flow of development aid, did not.

Toward the end of the 1990s, the E.U. did tentatively begin adding a degree of political pressure to its offers of particular parcels of democracy funding. Individual tranches of money were linked to specified constitutional changes or to agreement on a wider participation of civil society and political opposition in the management of those projects. Most notably, in 1997 in Guatemala, the E.U. deliberately structured a big aid package to proceed only when stalled constitutional reforms were unblocked. This was also how the E.U. sought to apply pressure in Paraguay: new funds were offered for an electoral tribunal on the condition that this body were properly balanced and independent—a response to President Wasmosey's intimations that restrictions would be placed on *Oviedistas'* participation in the elections.

Governments' efforts to set up "parallel NGOs" and draw funding away from genuinely independent activists was a particularly notable

target of European pressure. On several occasions this led the E.U. to hold back funds that nominally were already committed. European policymakers claimed to be committed to using such micro-level incentives conditionally more systematically. By 2001, however, that use was still at an early stage and considerably more measured than other types of aid. Many types of projects remained blocked, and doubts persisted over the genuine independence of many civil society recipients of E.U. funds. While the Commission specified, in recipients' indicative strategy papers, detailed conditions linked to particular categories of aid funding, it continued to exclude democracy assistance from this practice (Interview, European Commission).

LINKING POLITICAL AND ECONOMIC DIMENSIONS

In addition to the E.U.'s new instruments aimed directly at promoting and deepening democracy, it is also important to consider the relationship between the democracy promotion agenda and the broader economic aspects of European policy. The E.U. regularly enunciated a commitment to link the political and economic dimensions of its policies in a more systematic and mutually enhancing fashion. At the broadest level, this economic-political linkage has been expressed through the E.U.'s contention that the main contribution to democratic stability would come from the fuller insertion of Latin American economies into the global economy, with, as noted above, such orthodoxy complemented by assistance for social adjustment.

Latin America was one of the first areas where the E.U. fused its trade ("pillar one") and foreign ("pillar two") policymaking bodies so as to facilitate the linking of commercial and political deliberations (Interview, E.C. Council Secretariat).⁵ Apart from the democracy-related trade preferences already noted, at the 1999 Rio Summit the E.U. explicitly recognized the adverse political impact of global financial instability; the summit's follow-up programs included a forum charged with exploring possible cooperation to mitigate this. The economic-political linkage certainly showed signs of being more tightly developed than in some of the E.U.'s other regional initiatives (Youngs 2001).

The democracy promotion commitment, however, had little impact on many of the core features of European commercial policies. A growing asymmetry emerged in commercial flows between the E.U. and Latin America. Latin America's traditional surplus with the E.U. turned into a deficit after 1993. The E.U.'s increasing use of antidumping duties, safeguards, and other "new protectionist" measures, such as the imposition of restrictive environmental and social standards, hit Latin America disproportionately hard (Grilli 1993; de León and Morales 1997). Many

Latin American states began graduating out of the E.U.'s GSP provisions, reducing their preferential access to the European market. The E.U. dismissed Central American and Andean Community requests for free trade agreements—in contrast to the U.S. consideration of forwarding NAFTA-equivalence measures to Central America. Tensions over the banana regime often seemed to overshadow all other aspects of European policy. Arguably most significant, the notion of shifting the quality of trade to higher-value high technology sectors was something the E.U. was less inclined to encourage than was the United States (Bulmer-Thomas and Page 1999).

Policy toward Mexico was the clearest case in which commercial policy—the exceptional offer of a free trade agreement beyond the E.U.'s “near abroad”—was designed as an integral part of the aim to secure influence over political change. Yet the Mexican example only served to emphasize the lack of any such linkage in other parts of the region (Interviews, Mexican and Colombian E.U. Missions).

Latin American governments argued that the E.U.'s lack of generosity on agricultural and textile quotas more than cancelled out its direct work on democracy building. Many analysts saw Latin American trade deficits, and the overvalued exchange rates they engendered, as a genuine and significant obstacle to democratic consolidation (Naim 1993, 140; Domínguez 1998). While a counterargument might be that some Latin American leaders saw in international constraints a convenient cover for their own reluctance to extend political reforms, it would be reasonable to suggest that certain aspects of E.U. commercial and financial policy restricted the maneuverability of genuine reformers. At the very least, the degree to which the E.U. prioritized a defensive commercial self-interest gave Latin American governments a riposte to European strictures on human rights and democracy that, in practical terms, weakened the E.U.'s negotiating purchase.

Whatever the objective impact of European economic policies on democratic deepening in Latin America, policymakers acknowledged that in the day-to-day minutiae of policymaking, little attempt was made to address the intricacies of the economic-political link. While academic analysis has resoundingly established that the relationship between economic and political liberalization is complex and varied, European policymakers worked only on a basic assumption that the extension of market structures was likely to be broadly favorable to the extension of democratic rights. While the social element was intensified as a means of “smoothing” such spillover, there was, by policymakers' own admission, little effort to mold policy around shifts in domestic alliances specific to individual Latin American countries. And where the E.U. backed leaders whose economic reforms for a long time appeared to engender a restriction rather than expansion of effective democratic rights—

Menem, Fujimori, Salinas, the Portillo government in Guatemala—the E.U. showed little evidence of modifying its approach to confront such “reverse spillover.”

Despite the fused trade and foreign policy forums, a substantive divide remained between the diplomatic and commercial policy communities. The latter, in several cases, resisted pressure from CFSP officials to use preferential trade relations as a means of assisting the democracy promotion agenda. Indeed, at the beginning of the new century, the Commission and a number of member states separated responsibilities for human rights and democracy from their Latin American departments: in the Commission, a new Democracy and Human Rights Unit was created, replacing the practice of inserting democracy officers into each geographical department. This appeared actually to widen the disconnect between region-specific socioeconomic deliberations and democracy promotion strategy.

A more specific, micro-level component of the economic-political link was seen in the E.U.’s broadening conceptualization of the good governance agenda. While the World Bank, the Inter-American Development Bank, and the OAS retained a primarily technical, apolitical perspective on good governance initiatives (Nelson and Eglington 1996), European states increasingly sought to harness the good governance agenda to work on political reform. European policymakers saw as central to the E.U.’s distinctive approach the purposive attempt to design and pursue trade-related governance measures in a way that facilitated systemic improvements in democratic processes. They acknowledged that big projects on governance dwarfed those budgets defined directly as “democracy assistance” and that the former offered the best prospect for securing purchase on institutional capacity building.

Administrative reform programs in Central America and Colombia were designed to correct the virtual absence of state authorities in many localities, which was judged to have encouraged many citizens to opt out of a peaceful, democratic process. Governance projects on state reform also built in increasing amounts of human rights training for police, along with various indirect measures designed to strengthen police forces in regard to still-powerful military forces (Interview, European Commission).

In the area of judicial reform, E.U. member states fell between the World Bank’s narrow approach to technical legal assistance—focused on commercial and civil law and the protection of property rights—and the more overtly political U.S. work on constitutional courts and the separation of judicial and executive powers (Germany and the Scandinavian countries were closest to the U.S. focus) (Ciurlizza 2000). Many Latin American countries certainly judged the E.U.’s institution-building focus both to be more socially oriented than that of the United States

and to have broadened significantly over the latter half of the 1990s (Interview, Colombian E.U. Mission).

EXPLAINING EUROPEAN STRATEGY

A number of factors account for the extent and nature of the E.U.'s focus on democracy promotion in Latin America, although the explanatory value of each has been no more than partial. At the most general level, the E.U.'s Latin American policy has been part of an overarching aim to establish a global "presence." Both the E.U. and the United States have professed strongly to reject a "spheres of influence" model of post-Cold War international relations; and to this end, European governments have sought to resist the notion that Latin America is a natural and unique preserve of U.S. foreign policy.

The relationship of this broad geostrategic logic to democracy promotion has been complex. It has commonly been asserted that the "values-based" foreign policy agenda has provided the E.U. with an opportunity to establish a distinctive international identity. The E.U. has often been characterized as a unique type of international actor that tends naturally to project an internal logic predicated on the importance of socioeconomic cooperation and socialization networks in underwriting democracy. In this sense, the focus on democracy promotion, and the pursuit of this agenda through a bottom-up, socially oriented approach, has been seen as a means of enhancing the E.U.'s strategic presence. Its success in developing dense networks of economic and social cooperation has partly compensated for the E.U.'s lack of military security protagonism. While the E.U.'s more limited strategic preoccupations in Latin America might have given it more scope to adopt tough, critical approaches, in practice European policymakers have seen this strategic distance as providing the E.U. scope for building a more balanced, comprehensive, and regularized engagement than the United States has achieved.

Yet although policymakers undoubtedly have demonstrated a tendency to rationalize European strategy in these terms, it would be easy to overstate the familiar suggestion that the E.U. is a qualitatively different type of international actor. While Latin American governments have recognized the distinctive nature of the European approach, they also have insisted that differences with the United States were exaggerated in order to enhance the E.U.'s own visibility (Interviews, Mexican and Colombian E.U. Missions).

Alongside new strategic thinking, a more traditional concern with alliance building has mitigated against the prioritization of democracy promotion policy. The concurrent mix of these contrasting logics was seen most clearly in policy toward Mexico. European governments were

driven by the need to secure some degree of engagement with Mexico to offset the halving of the E.U.'s share of the Mexican market in the wake of Mexico's accession to NAFTA. This encouraged the E.U. to make an exception to its own 1997 decision not to encourage more FTAs, a response to President Salinas's claim that he had turned to NAFTA after being rebuffed by the E.U. at the beginning of the 1990s. It also led a minority of member states to let an EU agreement proceed without having Mexico sign the supposedly standardized democracy clause.

If geoeconomic imperatives engendered such caution, however, European policymakers also insisted that one of the best ways for the E.U. to develop its engagement was through its emphasis on social institutions and grassroots democracy in Chiapas. This was explicitly presented to President Vicente Fox during his visit to Europe in the autumn of 2000, as a means through which the E.U. would seek to develop a profile distinct from that of the United States in Mexico.

This illustrates a more general point; namely, that a key factor in Latin America has been the way the U.S. and European approaches have conditioned each other. Each has defended its own approach as correcting the shortcomings of the other—the United States lamenting the lack of European support for, in its view, necessary critical diplomacy; the E.U. insisting that its social approach addresses aspects neglected by the United States. This was seen especially in Central America, where European policymakers saw U.S. policy as having a lingering negative impact on citizens' attraction to democratic norms, making the bottom-up generation of positive support all the more necessary. Similarly, at the end of 1999, the E.U. allowed a new slice of democracy aid for the Andean Community, focusing on local NGO partnerships, awareness building in rural communities, and capacity building in local service delivery explicitly as a counterbalance to the new U.S. package of military aid (Agence Europe 1999c). In some contexts, this mutual conditioning of E.U. and U.S. policy provides a more identifiable explanation of policy initiatives than the more abstract and difficult-to-substantiate assertions about the E.U.'s "externalization" of its own social model.

The E.U. has presented the disproportionate level of its democracy funding in Latin America during the 1990s as demonstrating a commitment to providing posttransition assistance. This presentation was conceived as a response to criticism of early, especially U.S., democracy promotion strategies for winding down assistance as soon as formal elections were established. In justifying its Latin American focus this way, the E.U. was, to some degree, making a virtue out of necessity: Latin American governments' resistance to some types of political aid notwithstanding, it was simply easier for the E.U. to gain access to spend the funds it had set aside for democracy assistance in Latin America than in most other regions of the world.

The positive rationalization of its approach, moreover, should not obscure the point that E.U. strategy would have been less generous and less solicitous of the region's elites were it not for an implicit acceptance of Spain's lead role in Latin American policy. Spain was able to win extra funding for Latin America in return for new initiatives in regions favored by other states; in this context, Spain supported raising democracy assistance budgets as a means of increasing the overall share of official development assistance (ODA) to Latin America. (The latter was likely to gain from aid being correlated to democracy rather than just to poverty levels.) Spain's stress on "common Hispanic values" also made it the E.U. state most intent on a socialization-based approach to democracy promotion (Interview, ICI; Montobbio 1998, 22). While weaknesses in European policy are ritually attributed to the shortcomings in E.U. institutional procedures, a more nation-statelike E.U. would almost certainly have been less indulgent toward Latin American governments by undermining the scope for both internal trade-offs and bilateral policies favorable to Latin America.

Focusing on government-level calculations and trade-offs, however, does not completely explain European policy. Civil society input became more influential, but also complex in relation to the democracy agenda. The role of international advocacy NGOs has, of course, been widely seen as increasingly relevant to issues of human rights in Latin America (Sikkink 1993; Risse et al. 1999). Specifically in relation to the elaboration of E.U. policy since the mid-1990s, European and most Latin American NGOs actually expressed concern over the way democracy had been linked to human rights, and over the prospect of political aid draining off resources that were more urgently needed for basic development work (Interview, Coordinadora ONG). Most European NGOs working in Latin America, moreover, focused mainly on criticizing the E.U. itself for the nature of its trade policies and the pressure on economic reforms (Grugel 1999, 127). This was especially true of Spanish NGOs, which criticized any signs that the Spanish government might adopt political conditionality or that funds might be diverted from social to political projects. Such unease was particularly evident regarding Cuba: when the Commission solicited proposals from European NGOs to use new funds for democracy-related work there, it received no applications (Interview, European Commission).

NGOs nudged European governments in the direction of grassroots capacity building, the aspect of democracy promotion most strongly supported by civil society networks. In the United States, higher-level intermediary organizations, which saw their work as more closely linked to the foreign policy agenda, were more engaged in the democracy agenda. This was another legacy from the 1980s, when European NGOs focused on criticizing incumbent governments rather than on building

up needed state and political institutions, the better to articulate civil society interests. NGOs, both European and Latin American, were particularly influential in relation to the E.U.'s opposition to military-oriented strategies in Andean Community countries. In many senses, nevertheless, European governments' focus on democracy went beyond NGOs' advocacy, especially by introducing democracy clauses and by approaching democracy building through market-related good governance initiatives.

Business input was similarly hesitant. Despite their growing concerns over corruption and the paucity of policymaking transparency, E.U. business input on good governance was less marked than that of U.S. companies on U.S. policy. Investors' influence was limited to very specific issues, such as judicial transparency and corrupt customs procedures, rather than systemic-level developments.⁶

The constant complaint of U.S. competitors and Latin American NGOs was that European companies often accommodated themselves rather well to local business practices. Spanish companies openly prided themselves on being able to do just that. U.S. legislation forbade U.S. firms to pay overprice for contracts abroad; any such restrictions were absent in Europe. Some high-profile corruption cases involving U.S. firms notwithstanding, this difference was perceived as crucial. Siemens, Renault, BP in Colombia, and Telefónica in Peru were all implicated in repressive or corrupt practices.

Where the private sector did lobby was in areas pertinent to competition between the E.U. and United States, to push Latin American governments toward adopting European styles of regulatory structures. Far from seeing multinational corporations as allies in efforts to improve democratic quality, most Latin American governments suspected that the E.U.'s democracy, good governance, and human rights agenda was really a cover for the aim of pushing up regulatory standards and labor costs to help European MNCs maintain competitiveness (Agence Europe 1999b).

On the broader democracy promotion agenda, the European private sector was even more ambivalent. Business generally saw the good governance and democracy agendas as distinct. Investors did not press for more coercive policies; if more open and pluralistic decisionmaking was seen as ultimately desirable, business's priority was to ensure that democratic change was gradual and not destabilizing—a concern evident in Mexico during the 1990s and in Cuba in relation to any future political transition.

Often, European investors perceived contrasting dynamics in the relationship between political liberalization and economic reform. In Mexico, international enthusiasm for democratization strengthened when the PRD was replaced as the main opposition by the PAN. Populism, threats of protectionism, declining investor security (especially

new regulations that permitted international contracts to be rescinded), and more arbitrary policymaking were serious concerns in Chávez's Venezuela. Yet Chávez on some occasions actually cut through local patronage networks that had captured key contracts for domestic firms, and thus increased investment opportunities for international investors in some sectors. The telecommunications sector, for example, opened up fully for the first time in 60 years (*El País Económico*, 1999; *El País Digital* 1999; *Financial Times* 2000; *Economist* 2000b).

European governments' policies in some respects reflected this caution but also transcended it. Indeed, policymakers explicitly expressed disappointment that companies had resisted assuming any notable protagonism in backing up the democracy promotion agenda. The EU's focus on strengthening civil society, combined with the diversity of investor concerns, rendered unsatisfactory assertions that democracy promotion primarily represented a transnational, capital-driven agenda for "low-intensity" democracy in Latin America (Robinson 1996).

SUCCESSES AND SHORTCOMINGS

The European Union has developed a program of democracy assistance of similar magnitude to the United States, one that has incorporated a distinctive range of work linking local-level capacity building with social development objectives. There is significant compatibility between E.U. policies and theorists' advocacy of democracy promotion strategies geared to the construction of "consent" behind political reform.

The aim to harness democracy-building work to grassroots social development also targets what has been seen as one of the most significant weaknesses of many democratization processes. It is equally clear, however, that analysts' concerns over the limitations of bottom-up approaches have a marked resonance in assessing E.U. policies. While avoiding the dangers of an overly prescriptive, top-down perspective, the E.U.'s approach has paid insufficient attention to assisting the articulation of civil society interests through state institutions. The tendency has been to conceive an incomplete range of bottom-up work as sufficient in itself as a "democracy promotion" agenda. U.S. aid has, in contrast, included a broader and more notable focus on political society institutions, and a less exclusive prioritization of advocacy NGOs.

European policymakers have increasingly acknowledged the imbalance in E.U. policy, but as of late 2001 they had done little to correct it. Amounts of democracy assistance were still relatively limited, and punitive instruments were poorly developed. Linkages between democracy promotion and other areas of policy have been improved but remain partial, with democracy still constituting something of an appendix to mainstream policies. The presumption of spillover from economic to

political liberalization was central to European reasoning, but in practice was shaped only in the most general of terms. These shortcomings must be seen as undermining the potential impact of European policy.

Policy instruments targeted directly at democracy and human rights have been secondary to the more nebulous aim of generating socialization dynamics and disseminating norms among civil societies. If elites in states such as Peru and Mexico did come to perceive, even in a relatively nonspecific sense, that full participation in the international community required a deepening of democratic procedures, the E.U. can be seen as one actor whose new discourse on democracy influenced this change. Indeed, the E.U. played a useful role by ensuring that democracy promotion could not be equated in the region with a uniquely U.S. foreign policy agenda. Latin American political elites, however, did not seek directly to use E.U. pressure as a “cover” for political reforms in the way they did in pushing through economic reforms. Indeed, European policy in Latin America was notable for providing one of the clearest illustrations of how democracy work can remain controversial and difficult well beyond formal transitions, qualifying the notion that “positive” approaches provide an entirely nonconflictive alternative to high-level diplomatic pressure.

While the E.U.’s aim of constructing regularized, stable partnerships with Latin American states should be seen as a strength, the reluctance—or inability—to inject stronger political pressure at particular junctures mitigated the impact of the E.U.’s own democracy-related cooperation and discourse. European policymakers, in this respect, did not adequately grasp how positive and critical approaches, far from being mutually exclusive, might be combined to enhance their respective potentialities. This was demonstrated most notably by the apparent failure of the E.U.’s positive approach toward Cuba to make any more headway than the punitive U.S. policy.

European policy was conditioned by a complex interplay of internal E.U. trade-offs, civil society dynamics, material self-interest, and general international competition with the United States. None of these factors provides a sufficient explanation in its own right, but none can be completely dismissed. The Latin American case demonstrates that civil society networks do not necessarily represent a panacea for international dimensions to democratization. Indeed, it is significant that even here, in the area of E.U. external relations where civil society networks were most dense, NGOs’ protagonism in relation to democracy promotion policy exhibited significant limitations. While NGOs played the primary role in implementing European policies on the ground, their own political advocacy cautioned against more direct, top-down approaches to democracy building and tended to reinforce the caution evident in E.U. policy.

The study of European policy in Latin America suggests that the role of civil society networks in the new values-based foreign policy agenda can easily be overstated. The extent to which government-level policy is needed to generate civil society engagement—rather than itself simply reflecting civil society pressure—can be seen to remain crucial. A better understanding of these complexities and subtleties of European policy, resisting the more simplistic assumptions customarily made about the E.U., could be of significant value to both the design of U.S. policies and the E.U.'s Latin American partners.

NOTES

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1. The E.U. operates a complex system of external relations. Foreign policy cooperation takes place between member states on an intergovernmental basis; trade policy is managed mostly by the European Commission on a supranational basis; member states are enjoined to cooperate on aid priorities; but each state runs a bilateral aid program in addition to the Commission-run aid budget financed from national contributions.

2. For general overviews of the state of democracy assistance, see Carothers 1999; Burnell 2000; Crawford 2001.

3. Smith 1995 offers a positive assessment, Gomes Saraiva 1996 a more critical one.

4. This is brought out by the various contributions to the special edition of *Síntesis* (1993), especially those of Freres, Bayo, and Yopo.

5. Pillar one refers to the trade policy competences managed on a largely supranational basis by the European Commission; pillar two refers to the Common Foreign and Security Policy (CFSP) undertaken by member states on a largely intergovernmental basis.

6. These two paragraphs are based on interviews with executives of a number of multinationals and business organizations (see list of interviews).

INTERVIEWS

The interviews cited in the article were carried out between 1991 and October 2001. Subjects were kept confidential. They are classified in general terms as follows.

European Union interviews: Ministries of Foreign Affairs (MFA) and Development of the United Kingdom, the Netherlands, Germany, Denmark, Spain
European Commission, Brussels
E.C. Council Secretariat, Brussels
Colombian and Mexican missions to the European Union, Brussels
Institute for Iberoamerican Cooperation (ICI), Madrid
Coordinadora Organizaciones Nongovernmentales (ONG), Spanish NGO umbrella group, Madrid

Argentina, Ministry of Foreign Affairs
 Business-related background interviews: four European multinationals
 Union of Industrial and Employers Confederation of Europe (UNICE), the pan-European employers' organization
 Fundación Invertir, Buenos Aires
 President, Transparency International for Latin America
 Confederación Española de Organizaciones Empresariales (CEOE), the Spanish employers' organization
 Confederation of British Industry (CBI)
 U.K. Foreign and Commonwealth Office (FCO), Latin America Department
 U.S. Agency for International Development (USAID)

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