

Assisting Democrats or Resisting Dictators? The Nature and Impact of Democracy Support by the United States National Endowment for Democracy, 1990–99

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With the advance of the ‘third wave’ of democratization, developed countries such as the United States have implemented explicit strategies of democracy promotion by providing assistance to governments, political parties, and other non-governmental groups and organizations through a variety of channels. This article examines one facet of US democratization and democracy assistance in the 1990s: National Endowment for Democracy aid. It draws on a dataset composed of democratization data for the developing world, assistance provided by the NED, and other control variables including growth in wealth, progress in education, and the impact of culture. The article first discusses the nature of NED assistance and then investigates the relationship between NED support and democratization in the developing world in multiple regression analyses controlling for other economic and political factors. The findings cast doubt on the effectiveness of NED grants as an instrument of democracy promotion or consolidation. At the same time they suggest a role for NED aid in weakening or resisting authoritarian regimes in advance of democratization. The conclusions assess the implications of these findings for democracy promotion.

Key words: US democracy promotion; US National Endowment for Democracy

The advance of ‘the third wave’¹ of democratization since 1975 has led to greater attention to policies of democracy promotion by the United States and many other developed countries, especially over the last decade or so. These efforts involve bilateral and multilateral aid, governmental and non-governmental organizations, and national and international actors. This array of policies and players includes an interesting and less-examined participant in the campaign for democracy: government-sponsored (but nominally independent) institutes, or ‘political foundations’, which many countries have established for democracy assistance. In terms of its express purpose, how successful has such foundation assistance been in promoting and assisting democratization?

Building on previous studies, this article focuses on the US political foundation the National Endowment for Democracy (NED), discussing the basic nature of NED assistance and investigating the relationship between NED democracy

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support and democratization in the developing world after the Cold War.² After a brief review of democracy promotion, the article first examines key aspects of NED assistance, and then conducts a test of two hypotheses about the relationship between the grants and democratization. In contrast to most optimistic studies of democracy assistance in general, and of the NED in particular, the results cast doubt on the effectiveness of NED grants as an instrument of democracy promotion or consolidation. Instead, the data suggest a role for NED aid in resisting backsliding regimes or in weakening authoritarian regimes in advance of democratization. In practice, this ‘dictatorship resistance’ role results in NED aid allocations to countries with poor or declining democracy scores. The concluding section discusses this role and its implications for US democracy-promotion policies.³

Democracy Promotion and the National Endowment for Democracy

The premise of democracy promotion as a US foreign-policy strategy is not new to the post-Cold War era. However, in the last two decades American policy makers have made democracy promotion a more central element of US foreign policy.⁴ For example, in his 1995 State of the Union address, President Bill Clinton stated ‘ultimately, the best strategy to ensure our security and to build a durable peace is to support the advance of democracy elsewhere’. In its *National Security Strategy of Engagement and Enlargement* of the same year, the Clinton administration argued:

Our national security strategy is based on enlarging the community of market democracies . . . The more that democracy and political and economic liberalization take hold in the world, particularly in countries of strategic importance to us, the safer our nation is likely to be and the more our people are likely to prosper.⁵

Even more recently, George W. Bush’s first national security strategy committed the United States ‘to create a balance of power that favors human freedom’ and to actively work ‘to bring the hope of democracy, development, free markets, and free trade to every corner of the globe’.⁶ As Cox, Ikenberry and Inoguchi note, democracy promotion ‘rather neatly filled the missionary gap left behind by the collapse of international communism’ and connected foreign policy to long-held democratic norms and, perhaps, the democratic identity of the country.⁷ This heightened interest has not been limited to the United States, but has grown into a broad effort involving most advanced democracies, a wide range of multilateral institutions and a host of non-state actors.⁸ Herman and Piccone, for example, studied the foreign policies of 40 countries between 1992 and 2002, examining their efforts toward promoting democratic institutions and practices and their responses to challenges to democracies abroad.⁹ These authors found serious, but widely varying, commitments and efforts among the 40 countries in their sample.

Academically, this interest in democracy promotion as a foreign-policy goal coincides with renewed interest in the ‘democratic peace thesis’, studies of which indicate that democracies may not resort to war with one another to resolve their

disputes.¹⁰ With respect to US foreign policy, the implications of this literature are significant. As Robert J. Art summarizes,

the reasons to support democracy abroad are simple and powerful: democracy is the best form of governance; it is the best guarantee for the protection of human rights and for the prevention of mass murder and genocide; it facilitates economic growth; and it aids the cause of peace.¹¹

Consistent with these conclusions, the United States expanded its efforts in a number of areas in order better to promote democracy through a range of bilateral and multilateral efforts, political, economic and military elements, and public, quasi-public and private approaches.¹² One approach has been through the National Endowment for Democracy (NED), a political foundation similar to organizations in such countries as Germany, Canada, and the United Kingdom.¹³ The NED was established in 1983 and, during the 1990s, was funded by the US Congress to the tune of around \$30–35 million per year.¹⁴ In its efforts, the NED works to promote democracy primarily through four ‘core institutes’: (a) the International Republican Institute (IRI), loosely affiliated with the Republican Party;¹⁵ (b) the National Democratic Institute for International Affairs (NDI), the Democratic Party’s counterpart to IRI;¹⁶ (c) the American Center for International Labor Solidarity (ACILS), which consists of the international institutes of the American Federation of Labor-Congress of Industrial Organizations (AFL–CIO) who support foreign labour unions through finance, training and services;¹⁷ and (d) the Center for International Private Enterprise (CIPE), a US Chamber of Commerce institute that promotes the development of market-oriented economies and free enterprise-friendly legal and institutional structures.¹⁸ About 60 per cent of NED’s grants are channeled through these four institutes.

As detailed elsewhere,¹⁹ the NED engages in several major activities to promote and assist democracy. The most important of these activities are the NED’s grants to democratizers around the world. Overall, foundation grants support such purposes as elections, institution-building, civil society, and market reforms. Additionally, the NED houses a research arm – the International Forum for Democratic Studies, established in April 1994 – to fund and engage in research and analysis of democratization. This publishes the highly regarded quarterly *Journal of Democracy*. The NED also builds networks among democracy-oriented groups, for example through a ‘World Movement for Democracy’.

The potential contributions of the NED to democracy promotion stem from these activities. For example, anecdotal accounts of the importance of NED assistance include rather effusive endorsements by such leaders as Vaclav Havel in the Czech Republic and South Africa’s Nelson Mandela, among others. Moreover, it is widely reported that rather limited support from foundations such as the NED was vital in the 1988 Chilean plebiscite that eventually resulted in the removal of General Pinochet from power.²⁰ Furthermore, the NED claims to play a key role in what could be termed ‘first-in’ funding, or the provision of start-up assistance to democratizing groups that helps them in their initial efforts. Indeed, as one official at the NED commented, initial aid by political foundations can often help democratizing groups to ‘graduate’ from foundation assistance by securing alternative sources

of funding (internal or external).²¹ In fact, NED officials estimate that NED grants generate about 80 cents of alternative funding for each dollar of NED assistance.²² Also, NED aid through civic organizations typically supports civic education and participation, which is increasingly regarded as essential to the long-term viability and vitality of a democracy.²³ Additionally, because it is so involved in linking groups from different countries together, the NED is part of a growing transnational democracy issue network – ‘a set of organizations bound by shared values and by dense exchanges of information and services, working internationally on an issue’.²⁴ As an NED official suggested, political foundations are, in part, in the business of creating ‘networks and networks of networks’ for the purpose of supporting and promoting democratization.²⁵

Given these objectives, activities and expectations, the examination of NED assistance in this article rests on a growing body of literature focusing on the relationship between aid and conditions within the recipient state. Previous studies on human-rights practices and US aid policy provide an interesting insight into the relationship between US foreign policy and the behaviour among aid recipients. For example, Cingranelli and Pasquarello examined US foreign-aid decisions for Latin America in the early 1980s, finding some relationship between a country’s human-rights record and US decisions. They concluded that the United States made its aid decisions in a two-stage process: a ‘gatekeeper’ decision determining which countries received assistance and a ‘level’ decision determining the amount of aid a country would receive.²⁶

Similarly, other studies lead us to expect a relationship between regime behaviour and governance patterns and subsequent aid levels. For example, Poe’s examinations of human rights and US military and economic aid allocations under Presidents Carter and Reagan concluded that economic and military assistance were related to human-rights records, with aid often being denied to countries with poor records.²⁷ Moreover, Poe and Meernik examined US military aid in the 1980s, concluding that human-rights practices inform aid decisions at the gatekeeping stage.²⁸ Meernik, Krueger and Poe examined foreign-aid decisions during and after the Cold War and concluded that ‘ideological’ goals such as democracy promotion and human rights were relatively more important after the end of the Cold War.²⁹ Apodaca and Stohl studied the 1976–95 period and concluded that a state’s human-rights record affected – in a secondary fashion – the amount of US bilateral economic aid received, but not the amount of US bilateral military aid.³⁰ Unlike more descriptive or qualitative studies, these analyses do not causally link US aid to progress on human rights or democratization.³¹ They do, however, pose the question of whether grant allocations respond to indications of democratization.

Among those studies looking for a link between aid and democratization, mixed results again are the norm. For example, while Finkel concluded that democracy-promotion efforts emphasizing civic education in the Dominican Republic, Poland and South Africa had a meaningful impact on local-level political participation,³² Carothers’s recent assessment of US policy highlights the sometimes inappropriate adherence to a preconceived ‘democracy template’. He argues that this often renders the democracy assistance ineffective.³³ Burnell and Youngs also raise questions about the planning and impact of such assistance.³⁴ Two recent collections of

studies contain similarly mixed assessments of the purposes and efficacy of democracy promotion.³⁵ Furthermore, many evaluations of US democracy promotion conclude that the United States tends to emphasize elections and related procedures to the exclusion of other substantive elements of democracy, often to the detriment of effective support for democratization.³⁶

Some studies are even more negative in their conclusions. For instance, studying foreign aid and democracy, Hook, Regan and others found little evidence of a link between aid decisions and the progress of democracy.³⁷ Indeed, Hook concluded that aid allocation decisions themselves are not even driven by democracy or human-rights concerns, while Knack's multivariate analysis of the impact of aid on democratization in a sample of recipient nations from 1975–2000 found no evidence that aid promotes democracy. Others who have studied military aid and intervention also reach mixed conclusions. For example, Blanton found evidence that human rights and democracy play a role in arms-sales decisions, but little evidence that such decisions are linked to democratization.³⁸ Meernik concluded that US military intervention is not likely to lead to increased levels of democracy.³⁹ In contrast, Peceny and von Hippel both found evidence that military intervention coupled with careful nation-building strategies can promote progress toward democracy.⁴⁰

Of course, the literature on democratization also identifies other factors that may well influence progress toward democracy.⁴¹ Various socio-economic variables such as wealth and education are often posited as important factors.⁴² Some observers maintain that there are important cultural obstacles (and hence cultural conditions or preconditions) to democracy as well, with Asian and Islamic countries frequently identified as less amenable to democratization than others.⁴³ Others have considered the possibility that trade liberalization and integration into the global economy is a factor in democratization as well.⁴⁴ As noted, some have argued that military intervention can promote democratization. Finally, in terms of aid decisions, in addition to considering factors such as human rights and democratization, foreign-aid decision makers are expressly concerned with national political and economic interests as well.⁴⁵

The above brief review of the NED's activities against a background of the wider literature on aid impact and decisions leads directly to the formulation of two central hypotheses about NED assistance:

H₁ – The Democracy Promotion Hypothesis: Democracy assistance by the NED contributes to progress in the democratization of recipient countries.

H₂ – The Democracy Consolidation Hypothesis: The democratization of recipient countries results in NED grants designed to reinforce that progress.

Together, these hypotheses account for the possibility that NED aid precedes and contributes to progress toward democratization, and the possibility that progress toward democratization precedes and is rewarded by NED assistance.⁴⁶ Of the two, the previous studies (reviewed above) lead us to expect greater support for the second, as various kinds of US aid have been shown to respond to changes in the governance and internal behaviour of recipients.

Data and Methods

The analysis first presents key descriptive data on NED assistance, and then examines the relationship of that aid to democratization in developing countries from 1990 to 1999. For our descriptive summary of NED aid, we utilize a data-set of the grants awarded by the NED from 1990 to 1997. The key variables into which we code this sample, which includes 1,754 grants collected from the NED's annual reports and 'Democracy Grants Database', include *region*; *type of recipient* (government, political party, labour organization, business organization, think-tank or educational institution, civic/citizen organization, media organization); and *purpose* (elections/constitution-building; institution-building; human-rights development; media/press freedom and development; promotion of labour development, rights and participation; promotion of civic action, participation and education; promotion of market economics and reform; and conflict resolution).

In order to test the central hypotheses concerning the relationship between NED aid and democratization, the investigation uses both OLS and logistic regression on a dataset composed of state years from 1990 to 1999. This data includes NED grants and democracy scores as well as several control variables including culture, military deployment, bilateral trade and alliance similarity. Our analysis first examines the Democracy Promotion Hypothesis using an OLS regression to examine the impact of NED grants on democratization in developing states, relying on the following equation:

$$\text{DEMOCRACY} = a + b_1\text{AID} + b_2\text{HDI} + b_3\text{ISLAM} + b_4\text{SINIC} \\ + b_5\text{TRADE} + b_6\text{MILINT} + e$$

where DEMOCRACY is a country's democracy score in a given year, AID is NED assistance, HDI is a country's Human Development Score in a given year, ISLAM is a measure identifying those countries in Huntington's Islamic civilization, SINIC is a measure identifying those countries in Huntington's Sinic/Confucian civilization, TRADE is a measure of a country's integration in the world economy, and MILINT is a measure identifying those countries experiencing a US military intervention.

We go on to examine the Democracy Consolidation Hypothesis in two stages, following the characterization of a two-stage decision process for aid allocation offered by Cingranelli and Pasquarello. Logistic regression is used to examine the relationship between a state's behaviour and the likelihood of it being a recipient of grant aid ('gatekeeping' decision), in the following equation using a dichotomous variable (aid, no aid) as the measure for NED aid:

$$\text{AID} = a + b_1\text{DEMOCRACY} + b_2\text{HDI} + b_3\text{ISLAM} + b_4\text{SINIC} + b_5\text{USEXP} \\ + b_6\text{MILPRES} + b_7\text{INTERESTS} + e$$

where AID is NED assistance, DEMOCRACY is a country's democracy score in a given year, HDI is a country's Human Development Score in a given year, ISLAM

is a measure identifying those countries in Huntington's Islamic civilization, SINIC is a measure identifying those countries in Huntington's Sinic/Confucian civilization, USEXP is a measure of US exports to a given country, MILPRES is a measure of the US military presence in a country, and INTERESTS is a measure of US foreign-policy interests in a given country. Then, OLS regression is used to examine the impact of progress toward democracy on the total amount of NED aid received among recipient states ('level' decision). To do so, we use the previous equation, substituting NED aid amounts for the dichotomous NED aid variable.

Dependent Variables: Democracy

The dependent variable for the Democracy Promotion Hypothesis is a measure of democracy within a developing state for each year. These data were collected from the annual Freedom House World Report.⁴⁷ Freedom House publishes two ratings – political and civil – which are roughly equivalent to democratic participation/institutions and liberties. Given the National Endowment for Democracy's support for the development of civil society, using a measure that specifically considers both political and civil freedoms in its measure is not only appropriate but necessary. Both ratings are measured on a scale from 1 to 7 with 1 being the most open, liberal and democratic and 7 being the least. Adding the political and civil scores for each state creates a composite democracy score ranging from 2 to 14 in which 2 was the most democratic and 14 the least. We then inverted the score so larger numbers would indicate higher levels of democracy. To ensure that the hypothesized cause (aid) precedes effect (democratization), we use the previously described democracy score from two years after each year's grant allocation. For example, grant allocation and control variables for 1990 would correspond with the democracy score for 1992, and so on.⁴⁸

NED aid is measured as a dichotomous variable (aid/no aid) and as the total aid amount (in current dollars). To test the 'gatekeeping' stage of the Democracy Consolidation Hypothesis we use the dichotomous variable. States receiving aid are coded as a 1 and states not receiving aid as a 0. Just as with the democracy variable, to ensure that cause precedes effect, we use the NED aid value from two years after each year's democracy and control variables. Thus the democracy and control variables for 1990 would correspond with grant allocations for 1992. We use this variable to run the logistic regression previously mentioned. To test the 'level' stage of the Democracy Consolidation Hypothesis, we use total grant allocations to each state by the National Endowment for Democracy in a given year as reported in the NED annual reports. Again, we lead the variable so the NED aid value corresponds with the independent variables from two years prior. This measure of NED aid is used to run the OLS regression previously described.

Independent Variables

The independent variables are NED aid, democracy, human development, international trade, US exports, civilization, military intervention, military presence, and interests. We measure each of these variables as follows:

- NED Aid: for the Democracy Promotion hypothesis, we expect NED aid to result in improved democratization scores. Aid is measured by total grants allocated to

each state by the National Endowment for Democracy in a given year. The source for the aid allocation is the NED annual reports and grants database for the relevant years.

- **Democracy:** for the Democracy Consolidation hypothesis, we expect improved democracy scores to result in assistance from the NED to support such changes. To measure democracy we use the combined Freedom House score, totaling the political and civil scores, each measured on a seven point scale (1 indicating free to 7 indicating not free), recoding the results to invert the values. Thus, the combined variable ranges from scores of 2, indicating the least free, to 14, the most free.
- **Human Development:** for both hypotheses, we control for the effect of higher socio-economic performance. Socio-economic indicators such as wealth, literacy, and health have been shown in the literature to be related to democracy, and we anticipate that NED assistance might also be targeted toward countries with better socio-economic situations as well. To measure human development, we use the Human Development Index (HDI) for each nation as determined in the World Bank's annual *Human Development Reports*. The values for HDI are calculated to account for varying levels of social development and include education levels, economic factors and basic health indicators. In these reports education is measured using adult literacy rates and combined primary, secondary and tertiary gross enrollment rates; economic development is measured using gross domestic product (GDP) per capita; and basic health is measured using life expectancy. These indicators are used to create Life Expectancy, Education and GDP indices for each state, which then are averaged to find the HDI value, which ranges from 0 to 1.0.
- **International Trade:** for the Democracy Promotion hypothesis, we control for the potential effect of integration into the world economy on democratization. To measure the influence of international liberalization, the analysis includes a control variable measuring the percentage of each state's gross domestic product that is a product of international trade, as reported by the World Bank in its annual World Development Indicators.
- **US Exports:** for the Democracy Consolidation hypothesis, we control for the possibility that the US allocates its assistance toward countries in which the United States has greater economic interests. As an indicator of such economic interests, the analysis uses US exports to a given state, as reported by the US Census Bureau's Foreign Trade Statistics.
- **Civilization:** in both hypotheses, we control for the effect of cultural characteristics, using 'civilization' to group countries into like cultures. Samuel Huntington's classification is used for measuring civilization.⁴⁹ To control for the assumption that various civilizations pose cultural obstacles to democratization and for the potential effect of cultural affinities or distance on US aid decisions, the research design created eight dichotomous variables to differentiate among the various civilizations (Japanese civilization excluded). The equations include the variables for the Islamic and the Confucian (or Sinic) civilizations, as these cultures have been hypothesized by others to limit democratization and freedom.

- **Military Intervention:** for the Democracy Promotion hypothesis, we control for the influence of US military intervention on democratization. A dichotomous military deployment variable is used, in which 1 indicates a major US military intervention within the previous five years and 0 indicates no military intervention within the previous five years. The data are derived from the US Department of Defense, as reported by the Center for Defense Information.⁵⁰
- **Military Presence:** for the Democracy Consolidation hypothesis, we control for the influence of US military deployments on aid decisions on the premise that aid might be directed toward countries with a larger US military presence. Following Apodaca and Stohl (see note 30), data are taken from the US Department of Defense annual *Worldwide Manpower Distribution by Geographical Area* for the relevant years. It is assumed that the number of military personnel deployed in a given country reflect current US security interests.
- **Interests:** for the Democracy Consolidation hypothesis, we control for the potential for US assistance decisions to be driven by US political interests. To operationalize interests, we use the measure for common alliance portfolios represented by Signorino and Ritter's S score, which ranges from -1.0 to $+1.0$. We expect states with alliance portfolios similar to the United States to share similar political interests with and be more frequent recipients of aid from the United States.

Results

The National Endowment for Democracy disperses a relatively limited amount of funds each year to a variety of recipients around the developing world. Tables 1–3 present summary data on the nature of NED aid by regional distribution, type of recipient organization and purpose of assistance.⁵¹ With respect to region, as shown in Table 1, the NED allocates its assistance in a relatively balanced fashion. From 1990 to 1997, it distributed between 15 per cent and 24 per cent of its grants to each of five different regions (Eastern Europe, Asia and the Pacific, Africa, Latin

TABLE 1
ALLOCATION OF FOUNDATION GRANT AMOUNTS BY REGION,
1990–97

Region	Grant allocation (%)
Eastern Europe	23.9
Asia	18.8
Africa	17.5
Latin America	14.9
Former Soviet Republics	14.8
Middle East	6.2
South Asia	1.6

Note: Figures represent percentage of NED grant dollars. The percentages sum to less than 100% because a small portion of NED aid is provided to organizations in the developed world for democracy-promotion activities not specific to any particular region, for example hosting a world-wide democracy conference.

TABLE 2
ALLOCATION OF NED GRANT AMOUNTS BY
RECIPIENT, 1990–97

Recipient	Grant allocation (%)
Civic organizations	28.6
Labour organizations	28.5
Political parties	16.0
Educational institutions	15.4
Media	5.8
Business groups	5.3
Government	0.3

Note: Figures represent percentage of NED grant dollars.

America and the former Soviet Union). In the 1990s (especially early in the decade), Eastern Europe was the top priority for the NED, following by Asia, Africa, Latin America and the former Soviet Republics. South Asia and the Middle East lag far behind in NED assistance.⁵²

As suggested by the data in Table 2, which presents the allocation of NED grant amounts by recipient for the period, the NED appears to make the empowerment of citizens and workers a major priority. Civic organizations – non-government, non-labour, non-business civil associations formed by the citizens of a country – and labour organizations are clearly the preferred channel for grant money, as more than 56 per cent of the foundation's grants go to such organizations. Political parties and educational/research institutions receive the next largest shares, while the media and business organizations lag considerably behind. This focus is especially important, because many observers and analysts have pointed to the importance of civil society and its role in providing a foundation for democracy.⁵³ By channeling their funds through civic organizations, the political foundations in turn support citizens and their efforts aimed at organizing themselves and influencing their government. Foundation support is extended to a wide range of such organizations: a few representative examples from this sample are the Soweto Civic Association in South Africa, the Civic Alliance in Mexico, the Glasnost Foundation in Russia, the Chinese Alliance for Democracy and the Polish Children and Youth Foundation. The NED aids such groups and others like them through grants that assist their growth and ultimately build a society more likely to embrace and sustain democracy.

Perhaps the most critical characteristic regarding the democracy-promotion efforts of the NED concerns the activities that are funded by the grants or, put simply, the elements of democratization supported by the NED. As indicated by the data in Table 3, these grants are directed toward (a) promoting and supporting worker rights and political participation (26.3 per cent); (b) building and supporting civic participation and education (25.3 per cent); (c) promoting human rights (10.9 per cent) and market reforms (10.8 per cent); (d) developing building political institutions such as parliaments and political parties (9.9 per cent); (e) developing the institutions and activities of a free press (8.9 per cent); (f) elections (6.0 per cent); and (g) basic conflict resolution in societies suffering from such instability (2.0 per cent).

TABLE 3
ALLOCATION OF NED GRANT AMOUNTS BY PURPOSE, 1990–97

Purpose	Grant allocation (%)
Strengthen worker organization and participation in politics	26.3
Strengthen civic organization and participation in politics	25.3
Promote human rights	10.9
Develop free markets	10.8
Build political institutions	9.9
Press development	8.9
Support elections	6.0
Basic conflict resolution	2.0

Note: Figures represent percentage of NED grant dollars.

This distribution represents a broad range of purposes generally consistent with what Carothers has characterized as ‘the democracy template’ embraced by US democracy promoters.⁵⁴ However, it is noteworthy that more than half of the NED’s assistance is directed toward civic and labour organizations to assist such groups to organize and participate in the political process.

Overall, then, NED assistance in the 1990s was broadly distributed to countries in every region of the world, in the form of grants channeled through a variety of recipient organizations to support a range of purposes consistent with a typical model of democratization and democracy promotion. But what impact has NED had? Our two hypotheses posit alternative models of the impact of democracy support, which we now examine.

The first survey of the data conducted simple bivariate correlations to explore the relationship between NED grants and democracy (as measured by Freedom House). Table 4 presents the results of this first cut. As the table indicates, for the overall relationship, although the sign of the Pearson’s *R* (0.014) is positive and thus consistent with our hypothesized relationship, it is extremely small and not statistically significant. Hence, for the entire dataset, there is no statistically significant relationship between aid and democracy. However, as the remainder of the table indicates, these

TABLE 4
THE RELATIONSHIP BETWEEN DEMOCRACY AND NED GRANT
SUPPORT BY REGION, 1990–2000

Region	Pearson’s <i>R</i>	Significance
Overall	0.014	0.620
Latin America	0.195	0.041*
Central/Eastern Europe	0.171	0.075
Former Soviet Republics	–0.070	0.137
Middle East/North Africa	–0.134	0.081
Sub-Saharan Africa	–0.085	0.308
South Asia	–0.073	0.446
East Asia	0.198	0.006**

*0.05 confidence level; **0.01 confidence level.

results vary by region. In Latin America and East Asia, there is a modest, positive, statistically significant relationship between aid and democracy (Pearson's R at 0.195 and 0.198 respectively): more aid is associated with better democracy scores. In Central and Eastern Europe, the sign of the Pearson's R is positive, but the significance level fails to meet the standard 0.05 cut-off (it meets the marginal 0.10 level). In all other regions, the relationship between the two variables is negative and statistically insignificant, contrary to our hypotheses (the Middle East and North Africa also meet the marginal 0.10 level). Consequently, our first cut using simple correlations provides mixed results, with only limited evidence in support of the hypothesized relationships. The next step, then, is to move on to multiple regression analyses testing each of our hypotheses.

Our democracy promotion hypothesis suggested that NED grants should result in progress toward democracy in recipient countries. The first regression equation tests this hypothesis, controlling for culture and socio-economic factors. Table 5 presents the results, with our dependent variable (democracy, as measured by Freedom House) leading our independent variables by two years. As in the simple correlations of our first cut, our results here do not support the democracy promotion hypothesis.

As Table 5 indicates, the overall model is significant at the 0.000 level. Additionally, the adjusted R^2 of 0.273 indicates that our model displays a moderate fit; we can explain about 27 per cent of the variance in democracy scores. With respect to the democracy promotion hypothesis, the results shown for our central variable – NED grants – are surprising. NED grants are not statistically significant, and the sign of the coefficient is not in the expected direction. Clearly, this evidence discredits the democracy promotion hypothesis. As we expected, countries in the Islamic and Confucian civilizations tend to have lower democracy scores. Both of these civilization variables display a statistically significant but negative relationship to the democracy measure: Islamic and Confucian countries score about 2.25 and 2.8 points lower on the 14-point democracy scale respectively than other countries. A country's trade liberalization is not a statistically significant factor, although the sign of the coefficient is in the expected direction. US military intervention within the previous five years has a

TABLE 5
OLS ESTIMATES, DEMOCRACY PROMOTION, 1990–99

Explanatory variables	Freedom House Score Lead 2 Year		
	B	Se B	T
Constant	5.333***	–	18.722
NED grants	0.000	–0.000	–0.417
HDI score	5.863***	0.444	13.214
Islamic civilization	–2.257***	0.207	–10.885
Confucian civilization	–2.798***	0.486	–5.759
International trade	–0.002	0.002	–0.906
US military intervention	–1.444***	0.557	–2.590

(Dependent Variable = Freedom House Freedom/Democracy Ratings, 1990–99)

Notes: Adj. R^2 = 0.273; F = 58.242; significance = 0.000; N = 916

* p < .10; ** p < .05; *** p < .01

statistically significant but negative effect on democratization: countries experiencing US military intervention score about 1.4 points lower on the democracy scale two years after the intervention than other countries. Interestingly, the only statistically significant positive factor in democratization is also the most powerful explanatory variable – the HDI scores. While being part of the Confucian or Islamic civilizations and experiencing a US military intervention decrease progress toward democracy (as measured by Freedom House scores), and NED grants and trade liberalization are statistically insignificant factors, progress in human development (defined as education, health and wealth) is associated with progress toward democracy two years later. As the coefficient indicates, moving 0.5 up the HDI scale (0–1) is associated with about a 3 point increase in democracy score.

Hence, these results tend to reject our first hypothesis. Rather than promoting democracy, NED grants seem to be associated with worsening situations (in terms of democracy); certainly assistance in the form of NED grants is not a good predictor of democratization. Instead, the most significant finding of the model concerns the impact of socio-economic factors, as measured by HDI, on democratization. Thus far, of all the explanations, improvements in human development are the most promising contributor to progress toward democracy.

If there is little evidence that NED grants are associated with subsequent improvements in democracy in recipient countries, perhaps there is evidence that the NED *responds* to progress toward democracy in a given country with subsequent grants. Table 6 presents the results of regression analyses testing the democracy consolidation hypothesis, with a logistic regression analysis of the ‘gatekeeping’ decision

TABLE 6
OLS ESTIMATES, DEMOCRACY CONSOLIDATION, 1990–99

Explanatory variables	Gatekeeping NED AID (Yes, No) Lead 2 Years (logistic regression)			Level NED Grants (\$) (Lead 2 Years)		
	B	se B	Wald	B	se B	T
Constant	0.318	0.411	597	354760.17***		2.094
Freedom House score	-0.061***	0.024	6.752	-37506.612***	12413.681	-3.021
HDI score	0.199	0.343	0.335	498381.04***	186255.47	2.676
Islamic civilization	-0.584***	0.171	11.665	-165159.8*	87812.653	-1.881
Confucian civilization	0.208	0.355	0.345	315690.31**	155764.0	2.027
US exports	0.000	0.000	2.169	7.603	6.362	1.195
US military presence	0.000	0.000	1.063	-13.569	9.565	1.419
US interests	-1.176***	0.452	6.771	-242203.8	239363.84	-0.312

(Dependent Variable = National Endowment for Democracy Grants 1990–1999)

Notes: NED AID (Gatekeeping) Lag 2 *p < 0.10 NED Grants (Level) Lag 2

Cox and Snell R2 = .029 **p < 0.05 Adj. R2 = .055

Chi Square = 28.780 .000 ***p < 0.01 F = 4.319

-2 Log Likelihood = 1293.965 Significance = .000

N = 967 N = 404

Percent correctly predicted = 58.9

PRE = 3.7

and an OLS regression analysis of the 'level' decision. Neither set of results provides support for the democracy consolidation hypothesis.

Decisions about which countries receive NED grants are modeled in the gatekeeping equation. This overall model is significant but, as the adjusted R^2 of 0.029 indicates, the model displays very poor fit. The coefficients for the independent variables indicate that HDI, US exports, and US military presence are not statistically significant factors affecting whether or not a country receives aid. Three variables are significant, however: interests, as measured by the S-score; Islamic civilization; and democracy score. Each of the coefficients is negative, so (1) common interests (measured by s-score) decreases the likelihood of receiving NED grants; (2) countries in the Islamic world are less likely to receive NED grants; (3) higher democracy scores decrease the likelihood of receiving NED grants two years later. In short, the results indicate that NED grants are not provided in response to improvement in democracy scores (and, also, that NED grants are not allocated as a function of US political interests, as measured by S-scores). On the 'gatekeeping' element, our findings do not lend support to the democracy consolidation hypothesis.

Decisions about dollar allocations are modeled in the level equation, which includes only those countries receiving aid per the two-stage process proposed by Cingranelli and Pasquarello. Again, the overall model is significant, but the adjusted R^2 of 0.055 displays very poor fit. While interests (S-score), US military deployments and US exports are not statistically significant, the four variables measuring Islamic and Confucian civilizations, HDI and democracy are statistically significant. Islamic countries receive less NED assistance than other countries, even with other factors considered, by an average of about \$165,000, while Confucian countries receive more by an average of about \$316,000. On the other hand, better HDI scores – or higher socio-economic progress – are apparently rewarded by more NED assistance: an increase of 0.5 in HDI score is associated with an increase of about \$250,000 in grants two years later. Most important, the statistically significant relationship between democracy score and NED assistance is negative, indicating that NED aid does not follow improvements in democracy scores to help consolidate progress, contrary to the initial hypothesis. Instead, falling democracy scores are associated with higher NED assistance (a drop of 5 points on the democracy scale would result in an increase of about \$188,000 in NED assistance). In short, the results do not provide support for the democracy consolidation hypothesis.

Analysis and Conclusions

The findings lead to three primary conclusions about the role of NED grants in democratization, and they suggest paths of future research regarding aid and democratization. First, the preceding analysis casts doubt on the effectiveness of NED grants as an instrument of democracy promotion per se. As the data show, the democracy promotion hypothesis that suggests that allocation of NED funding results in greater democratization is firmly rejected. Likewise, the data display equally negative results for the democracy consolidation hypothesis. NED aid neither produces democracy nor follows democratization. The rejection of these hypotheses, made even more

emphatic by the negative relationship between grants and democracy scores shown in the data, serves as an important counter to the optimistic assessments of the NED's impact that were noted earlier in the article.

When combined with the negative relationship between NED grants and democracy, our rejection of both the democracy promotion and the democracy consolidation hypotheses suggests a new hypothesis concerning the relationship between NED assistance and democracy: a 'Dictatorship Resistance' hypothesis. Whereas the democracy consolidation hypothesis suggests that democratization movements attract NED funding, the dictatorship resistance hypothesis suggests that NED funding will be attracted by poor democracy ratings or by reversals of progress toward democracy, in an effort to mobilize resistance against anti-democratic regimes and to sustain threatened or faltering democracies.

The summary data on NED grants lends support to this new hypothesis. Recall that more than 50 per cent of NED grants in the study period were provided to civic and labour organizations for the purpose of organizing, developing and support their activities. Others have speculated along these lines as well. For example, Carothers notes the following:

Most US democracy aid of the 1980s and 1990s has been directed at countries in transition to democracy, or at least openly attempting to move away from dictatorial rule. In a smaller number of cases, democracy aid has been aimed at non-democratic countries, or what US democracy promoters like to call 'pre-transition countries,' such as China, Burma, Cuba, Sudan, Nigeria (before the opening in 1998), Indonesia (before the fall of Suharto the same year), Vietnam, Yugoslavia, Croatia, and several others . . . The approach is instead to spread the idea of democracy, to support the development of civil society, and to help open some political space . . . *The National Endowment for Democracy is the most active American organization in promoting democracy in non-democratic countries . . . Its intention is to foster enough political space, acceptance of the democratic idea, and new civic and political actors to edge a nondemocratic country toward a political opening and elections. In other words, the goal is to help move nondemocratic countries to the starting point of what democracy promoters hope will be a subsequent sequence of democratization.*⁵⁵

Our findings together with Carothers' observation are further supported by the NED itself. For example, in a mid-2004 self-characterization of its strategies, the NED said it

continues to focus many of its resources on the remaining communist and authoritarian countries such as China, North Korea, Cuba, Serbia, Sudan, and Burma. NED maintains a long-term, flexible approach that takes advantage of any realistic opportunity to advance democratic ideals, defend human rights, and encourage the development of civil society. Depending on the circumstances of each country, NED works both with democrats in the country and in exile.⁵⁶

The NED's activities in Venezuela over the past 15 years or so nicely illustrate the dictatorship resistance finding. Early in the 1990s, the NED gave little attention to Venezuela, as that country was among the more democratic in Latin America. Between 1990 and 1999, for example, the NED provided just a little over \$1 million in grants to recipients in the country, nearly all of which was allocated after 1993. Beginning about 1993, challenges to Venezuela's democracy increased. President Hugo Chávez, in particular, has been accused of increasingly 'consolidating control over the judiciary, the legislature, and other official institutions'.⁵⁷ According to Freedom House, Venezuela's score declined from a 1991 score of 4 (political rights at 1; civil rights at 4) to a 2000–03 average of 7.5 (political rights at 3; civil rights at 4.5), indicating a shift from Freedom House's 'free' category to its 'partly free' category.⁵⁸ In our terms, Venezuela was experiencing democratic backsliding. As our dictatorship resistance hypothesis would predict, when the Venezuelan situation deteriorated, the NED became increasingly active. In 2000–01, the NED provided over \$1 million in 12 grants to democracy groups in Venezuela. As the crisis escalated, so did NED aid. In 2002–03, the NED provided over \$2 million in 30 grants to Venezuelan groups, including a number of highly controversial grants to groups pressing for a presidential recall referendum on Chávez in summer 2004.⁵⁹ In short, the NED ratcheted up its efforts to resist the backsliding of the regime.

Given our results, this dictatorship resistance hypothesis bears examination, as it would potentially fill the gap generated by our rejections of both the democracy promotion and democracy consolidation hypotheses. More importantly, it suggests a particular role for political foundations such as NED within the broader range of democracy promotion and support efforts. Foundations could concentrate on early efforts in more authoritarian societies while assistance from official aid sources such as the US Agency for International Development (USAID) potentially target later consolidation efforts. Moreover, if the NED targets more authoritarian or backsliding countries, then it may be playing a complementary role in another way. The literature reviewed earlier suggests that USAID and other sources of official economic or military aid may reduce or withhold US assistance to those countries with authoritarian regimes, or those who violate human rights or regress from democracy. If the dictatorship resistance hypothesis is correct, NED increases its efforts in these situations to support groups in society resisting such actions. Finally, our findings lead us to raise the possibility that the NED's activities may play a role in preventing a bad situation from becoming even worse. As a counterfactual, this would be difficult to demonstrate; measuring what might have happened if the NED had not provided aid is impossible. Although the potentially greater deterioration of democratic regimes in the absence of NED aid suggests an additional motivation for democracy aid allocations, it is not possible to capture in our data any impact that NED assistance might have here. However, the evidence leading to our dictatorship resistance hypothesis lends itself to speculation on this point.

Our findings that socio-economic factors such as health, education and wealth (as measured by the HDI) are positively related to progress toward democracy suggest a third conclusion. Progress on quality of life indicators is more closely related to progress in democratization than NED assistance. The significance of the HDI variable

indicates that a democracy-via-socio-economic-progress approach to democracy assistance might be at least as viable, and perhaps more so, than the social/political institutions approach embraced by the NED, which concentrates on such targets as elections, political party development and civil society.⁶⁰ Of course, foundation aid such as to the NED is just one – and a very small – part of democracy promotion efforts by the United States and by the global community.⁶¹ But democracy assistance might be more successful to the extent that NED and similar assistance is embedded in a broader approach that addresses socio-economic progress.

This last point provides some additional insight into the directions of the larger research project from which this article derives.⁶² First, in terms of US democracy promotion, further analysis should incorporate additional forms of aid including more traditional economic aid. As a very small part of democracy assistance, and an even smaller part of US foreign aid, NED aid cannot be expected to generate great progress toward democracy on its own. Moreover, the claim that foundational aid may attract additional aid must also be considered. Future research on US democracy-promotion efforts should, at minimum, add official democracy aid from USAID in order to further gauge the effectiveness of democracy assistance, as well as examine the ‘first-in funding’ claim. Not only would that provide a more complete assessment of total US democracy assistance, but it would also assess the role and impact of NED aid as an initial mobilizer in the context of America’s aggregate democracy promotion aid. Moreover, it should extend further into the ‘third wave’ time period (1975–present) to include a longer time series. Further analysis could also extend beyond efforts by the United States to include other countries with political foundations and democracy promotion policies. Extending the analysis in these directions will provide a better basis for assessing the impact of democracy assistance on democratization.

Democracy promotion may well be a central organizing principle for the United States and others, since the end of the Cold War. However, the analysis here suggests there is little reason to believe that NED foundation aid is a particularly central or effective element of that effort. In the end, it seems safe to conclude that the NED cannot be said to be responsible for spreading or accelerating the ‘third wave’ of democratization. Whether other forms of democracy assistance might be more significant remains to be seen.

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NOTES

1. See Samuel Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman, OK: Oklahoma University Press, 1991).

2. See James M. Scott, 'Transnationalizing Democracy Promotion: the Role of Western Political Foundations and Think-Tanks', *Democratization*, Vol.6, No.3 (1999), pp.146 – 70; 'Political Foundations and Think Tanks', in Peter J. Schraeder (ed.), *Exporting Democracy: Rhetoric vs Reality* (Boulder, CO: Lynne Rienner Press, 2002), pp.193-213; James M. Scott and Kelly J. Walters, 'Supporting the Wave: Western Political Foundations and the Promotion of a Global Democratic Society', *Global Society*, Vol.14, No.2 (2000), pp.237–57.
3. This article is part of a larger examination of democracy promotion by the United States, Canada and the United Kingdom. The larger project examines foundation assistance provided by all three countries, as well as the democracy aid provided by the US Agency for International Development and corresponding agencies in the other countries. This broad project utilizes an extensive dataset of democracy-assistance programmes in these countries along with variables on political, economic and social characteristics to: (a) compare the approaches of these three countries to democracy support; (b) identify patterns in official and foundation strategies and outcomes; and (c) assess the overall relationship between democracy assistance and democratization in the developing world.
4. See Thomas Carothers, *Aiding Democracy Abroad: The Learning Curve* (Washington, DC: Carnegie Endowment for International Peace, 1999) p.4. For entries to the democracy-promotion literature, see Peter Burnell, *Democracy Assistance: International Cooperation for Democratization* (London: Frank Cass, 2000); Peter Burnell and Alan Ware, *Funding Democratization* (Manchester: Manchester University Press 1998); Michael Cox, G. John Ikenberry and Takashi Inoguchi (eds), *American Democracy Promotion: Impulses, Strategies, and Impacts* (Oxford: Oxford University Press, 2000); Larry Diamond, *Promoting Democracy in the 1990s* (Washington, DC: Carnegie Endowment for International Peace, 1995); Richard Gillespie and Richard Youngs, *The European Union and Democracy Promotion: The Case for North Africa* (London: Frank Cass, 2002); Amy W. Hawthorne, *Democracy Deficit: US Democracy Promotion Efforts in the Arab World* (Washington, DC: Washington Institute for Near East Policy, 2001); Christopher Layne and Sean M. Lynn-Jones (eds), *Should America Promote Democracy?* (Cambridge, MA: MIT Press, 1998); Joshua Muravchik, *Exporting Democracy: Fulfilling America's Destiny* (Washington, DC: American Enterprise Institute, 1991); William I. Robinson, *Promoting Polyarchy: Globalization, US Intervention, and Hegemony* (Cambridge: Cambridge University Press, 1995); Schraeder (note 2); Peter J. Schraeder, 'The State of the Art in International Democracy Promotion: Results of a Joint-European-North American Research Network', *Democratization*, Vol.10, No.2 (2003), pp.21–44; Tony Smith, *America's Mission: The United States and the Worldwide Struggle for Democracy in the Twentieth Century* (Princeton, NJ: Princeton University Press, 1994; and Richard Youngs, *The European Union and the Promotion of Democracy: Europe's Mediterranean and Asian Policies* (Oxford: Oxford University Press, 2002), for entries to the literature.
5. *National Security Strategy of Engagement and Enlargement* (Washington, DC: The White House, 1995), p.2.
6. *Ibid.*, p.i.
7. Cox, Ikenberry and Inoguchi (note 4), pp.5–6.
8. See Burnell (note 4); Gillespie and Youngs (note 4); Schraeder, *Exporting* (note 2) and Youngs (note 4), as well as Kevin F. Quigley, *For Democracy's Sake: Foundations and Democratization in Central Europe* (Baltimore, MD: Johns Hopkins University Press, 1997).
9. Robert G. Herman and Theodore S. Piccone (eds), *Defending Democracy: A Global Survey of Foreign Policy Trends, 1992–2002* (Washington, DC: Democracy Coalition Project, 2002); electronic version available at http://www.demcoalition.org/html/globa_survey.html.
10. Good entry points include Michael Doyle, 'Liberalism and World Politics', *American Political Science Review*, Vol.80, No.4 (1986): pp.1151–69; Charles Lipson, *Reliable Partners: How Democracies Have Made a Separate Peace* (Princeton, NJ: Princeton University Press, 2003); James Lee Ray, *Democracy and International Conflict: An Evaluation of the Democratic Peace Proposition* (Columbia, SC: University of South Carolina Press, 1995); R.J. Rummell, *The Just Peace, Volume 5 of Understanding Conflict and War* (Beverly Hills, CA: Sage, 1981); Bruce Russett, *Grasping the Democratic Peace* (Princeton, NJ: Princeton University Press, 1993); Bruce Russett and John Oneal, *Triangulating Peace: Democracy, Interdependence, and International Organizations* (New York: W.W. Norton, 2001); and Spencer Weart, *Never at War: Why Democracies Will Not Fight Each Other* (New Haven, CT: Yale University Press, 1998).
11. Robert J. Art, *A Grand Strategy for America* (Ithaca, NY: Cornell University Press, 2003), p.69.
12. See for example, Carothers, *Aiding* (note 4), Diamond (note 4), Steven Hook, 'Inconsistent US efforts to promote democracy abroad', in Schraeder, *Exporting* (note 2) pp.109–28; and Rick Travis, 'The Promotion of Democracy at the End of the Twentieth Century: a New Polestar for American

- Foreign Policy?’ in James M. Scott (ed.), *After the End: Making American Foreign Policy in the Post-Cold War World* (Durham, NC: Duke University Press, 1998), pp.251–76.
13. See Sebastian Bartsch, ‘The German Political Foundations Foreign Policy: of What is it an Instance?’, paper presented at the annual International Studies Association, Toronto, 18–22 March 1997; Michael Pinto-Duschinsky, ‘Foreign Political Aid: the German Political Foundations and their US Counterparts’, *International Affairs*, Vol.67, No.1 (1991), pp.33–64; ‘The Konrad Adenauer Foundation and Latin America’, in Laurence Whitehead (ed.), *International Dimensions of Democratization: Europe and the Americas* (Oxford: Oxford University Press, 1996), pp.227–55; and ‘The Rise of Political Aid’, in Larry Diamond *et al.* (eds), *Consolidating Third Wave Democracies* (Baltimore, MD: Johns Hopkins University Press, 1997), pp.295–324; Quigley (note 8); Scott, ‘Transnationalizing’ (note 2); Scott, ‘Political Foundations’ (note 2), and Scott and Walters (note 2).
 14. See, for example, Thomas Carothers, ‘The National Endowment for Democracy at Ten’, *Foreign Policy*, No.95 (1994), pp.123–8; ‘Democracy Promotion under Clinton’, *The Washington Quarterly*, Vol.18, No.4 (1995), p.13–28; Scott, ‘Transnationalizing’ (note 2); Scott, ‘Political Foundations’ (note 2), and Scott and Walters (note 2).
 15. See the IRI at (<http://www.iri.org>). IRI programmes stress individual freedom, equality of opportunity, and entrepreneurship, and in party development, elections, civic education, legislative procedures, and other activities.
 16. See ‘National Democratic Institute for International Affairs’ at (<http://www.ndi.org>). NDI emphasizes party development, civic participation, elections, governance and women’s political participation.
 17. These ‘labour institutes’ – the Free Trade Union Institute, the American Institute for Free Labor Development (Latin America), the African-American Labor Center, and the Asian-American Free Labor Institute – have their own networks of field representatives.
 18. See (<http://www.cipe.org/obj.html>).
 19. Scott, ‘Transnationalizing’ (note 2); Scott, ‘Political Foundations’ (note 2), and Scott and Walters (note 2).
 20. For instance, NED support was purportedly instrumental in voter registration for the plebiscite. The Chile case is interesting for other reasons as well, including the example it provides for complementary efforts by different political foundations, in this case, the NED and the German Stiftungen, who were active in a range of efforts. Such parallel efforts would appear to magnify the effects of foundation efforts.
 21. Interview with Jane Riley Jacobsen, manager of public affairs, National Endowment for Democracy, 12 July 1999.
 22. Interviews with Jane Riley Jacobsen (note 21) and Kathryn Mudge, program officer for Latin America, National Endowment for Democracy, 10 May 1999.
 23. See, for example, Robert Dahl, ‘Development and Democratic Culture’, in Diamond *et al.* (note 13), pp.34–9; Robert Putnam, *Making Democracy Work* (Princeton, NJ: Princeton University Press, 1992) and ‘Bowling Alone: America’s Declining Social Capital’, *Journal of Democracy*, Vol.6 (1995), pp.65–78; Francis Fukuyama, *Trust: The Social Virtues and the Creation of Prosperity* (New York: Free Press, 1995); Marina Ottaway and Thomas Carothers (eds), *Funding Virtue: Civil Society and Democracy Promotion* (Washington, DC: Carnegie Endowment for International Peace, 2000).
 24. Kathryn Sikkink, ‘Human Rights, Principled Issue-networks, and Sovereignty in Latin America’, *International Organization*, Vol.47, No.3 (1993), p.415.
 25. Interview with Jane Riley Jacobsen (note 21). Analysts of issue networks have argued that such networks expand communication and resource-sharing, apply pressure for policy or behaviour change, spread norms, condition perceptions of interests, and offer alternative routes to implement policy. See Sikkink (note 24) and Margaret E. Keck and Kathryn Sikkink, *Activists Beyond Borders: Advocacy Networks in International Politics* (Ithaca, NY: Cornell University Press, 1998).
 26. David L. Cingranelli and Thomas E. Pasquarello, ‘Human Rights Practices and the Distribution of US Foreign Aid to Latin American Countries’, *American Journal of Political Science*, Vol.29, No.3 (1985), pp.539–63.
 27. Steven C. Poe, ‘Human Rights and the Allocation of US Military Assistance’, *Journal of Peace Research*, Vol.28, No.2 (1991), pp.205–16; and ‘Human Rights and Economic Aid Allocation under Ronald Reagan and Jimmy Carter’, *American Journal of Political Science*, Vol.36, No.1 (1992), pp.147–67.
 28. Steven C. Poe and James Meernik, ‘US Military Aid in the 1980s: a Global Analysis’, *Journal of Peace Research*, Vol.32, No.4 (1995), pp.399–411.
 29. James Meernik, Eric L. Krueger and Steven C. Poe, ‘Testing Models of US Foreign Policy: Foreign Aid During and After the Cold War’, *Journal of Politics*, Vol.60, No.1 (1998), pp.63–85.

30. Clair Apodaca and Michael Stohl, 'United States Human Rights Policy and Foreign Assistance', *International Studies Quarterly*, Vol.43, No.1 (1999), pp.185–98.
31. See, for example, Muravchik (note 4); Smith (note 4) and Carothers, *Aiding* (note 4).
32. Steven Finkel, 'Can Democracy be Taught?', *Journal of Democracy*, Vol.14, No.4 (2003), pp.137–51.
33. Carothers, *Aiding* (note 4).
34. Burnell (note 4) and Youngs (note 4).
35. Schraeder, *Exporting* (note 2); Cox, Ikenberry, and Inoguchi (note 4).
36. See, for example, Robinson (note 4), and Marina Ottaway and Theresa Chung, 'Toward a New Paradigm', *Journal of Democracy*, Vol.10, No.4 (1999), pp.99–113.
37. Steven Hook, 'Building Democracy through Foreign Aid: the Limitations of United States Political Conditionalities, 1992–1996', *Democratization*, Vol.5, No.3 (1998), pp.156–80; Patrick M. Regan, 'US Economic Aid and Political Repression: an Empirical Evaluation of US Foreign Policy', *Political Research Quarterly*, Vol.48, No.3 (1995), pp.613–28; Steven Hook, Charles Kegley, Jr and Margaret Hermann, 'Dollar Diplomacy: Foreign Aid and the Promotion of Democracy', paper presented at the annual meeting of the International Studies Association, Chicago, 20–24 February 1995; Stephen Knack, 'Does Foreign Aid Promote Democracy?', *International Studies Quarterly*, Vol.48, No.1 (2004), pp.251–66. See also Gordon Crawford, *Foreign Aid and Political Reform: A Comparative Analysis of Democracy Assistance and Political Conditionality* (New York: Palgrave Macmillan, 2001).
38. Shannon Lindsay Blanton, 'Promoting Human Rights and Democracy in the Developing World: US Rhetoric versus US Arms Exports', *American Journal of Political Science*, Vol.44, No.1 (2000), pp.123–31.
39. James Meernik, 'United States Military Intervention and the Promotion of Democracy', *Journal of Peace Research*, Vol.33, No.4 (1996), pp.391–402.
40. Mark Peceny, 'Two Paths to the Promotion of Democracy during US Military Interventions', *International Studies Quarterly*, Vol.39, No.3 (1995), pp.371–401; *Democracy at the Point of Bayonets* (College Park, PA: The Pennsylvania State University Press, 1999); Karin Von Hippel, *Democracy by Force* (Cambridge: Cambridge University Press, 1999); 'Democracy by Force: a Renewed Commitment to Nation Building', *The Washington Quarterly*, Vol.23, No.1 (2000), pp.95–112.
41. See Valerie Bunce, 'Comparative Democratization: Big and Bounded Generalizations', *Comparative Political Studies*, Vol.33, No.6 (2000), pp.703–34; Barbara Geddes, 'What do We Know about Democratization after Twenty Years?', *Annual Review of Political Science*, No.2 (1999), pp.129–48.
42. John F. Helliwell, 'Empirical Linkages Between Democracy and Economic Growth', *British Journal of Political Science*, Vol.24, No.2 (1992), pp.225–48; Huntington, *Third Wave* (note 1); Alex Inkeles and David H. Smith, *Becoming Modern* (Cambridge, MA: Harvard University Press, 1974); Seymour Martin Lipset, 'Some Social Requisites of Democracy: Economic Development and Political Legitimacy', *American Political Science Review*, Vol.53, No.1 (1959), pp.245–59; *Political Man: The Social Bases of Politics* (Baltimore, MD: Johns Hopkins University Press, 1981); Mancur Olsen, 'Dictatorship, Democracy and Development', *American Political Science Review*, Vol.87, No.3 (1993), pp.567–77; Adam Przeworski and Fernando Limongi, 'Political Regimes and Economic Growth', *Journal of Economic Perspectives*, Vol.7, No.3 (1993), pp.51–70; Adam Przeworski, Michael E. Alvarez, Jose Antonio Cheibub and Fernando Limongi, *Democracy and Development: Political Institutions and Well-Being in the World, 1950–1990* (Cambridge: Cambridge University Press, 2000); Henry S. Rowen, 'The Tide Underneath the "Third Wave"', *Journal of Democracy*, Vol.6, No.1 (1995), pp.52–64.
43. See, for example, Samuel Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon and Schuster, 1996); and Huntington, *Third Wave* (note 1).
44. Mary Comerford Cooper, *International Organization and Democratization: Testing the Effect of GATT/WTO Membership*, Working Paper, Asia/Pacific Research Center, (Stanford, CA: Institute for International Studies, Stanford University, 2003); Thomas Friedman, *The Lexus and the Olive Tree: Understanding Globalization* (New York: Anchor Books, 2000); as well as discussion in Bunce (note 41) and Geddes (note 41).
45. See, for example, Steven Hook, *National Interest and Foreign Aid* (Boulder, CO: Lynne Rienner Press, 1995).
46. There are also those who are sceptical about the very premise that there is any promotion of democracy going on at all, such as Noam Chomsky, *Deterring Democracy* (New York: Hill and Wang 1992) and Robinson (note 4).
47. We recognize that operationalizing democracy is contentious, and that different measures such as Freedom House, Polity IV, or the index offered by Tatu Vanhanen, 'A New Dataset for Measuring

- Democracy, 1810–1998', *Journal of Peace Research*, Vol.37, No.2 (2000), pp.251–65 have different strengths and weaknesses. We opt for the Freedom House indicators as they are commonly used and, despite their weaknesses, implement a more maximalist definition of democracy. See Gerardo Munck and Jay Verkuilen, 'Conceptualizing and Measuring Democracy: Evaluating Alternative Indices', *Comparative Political Studies*, Vol.35, No.1 (2002), pp.5–35. We also ran equations using the Polity IV scores for democracy. Our results were not appreciably different, so we report only the results with the Freedom House scores here.
48. We opt for a two-year lead to allow aid decisions to be made, the aid distributed, and the impact to begin. With respect to the democracy consolidation model, it also seems plausible that changes in democracy scores in year x would impact aid allocations in year $x+2$ (i.e., changes at year x call attention to the situation and prompt grant applications in $x+1$ which are awarded/allocated at $x+2$). We concede that the impact of NED aid might take longer than a two-year lead, and therefore that we might underestimate the effect of NED assistance. We are confident that modestly shorter or longer leads do not change our results, as we ran our models with 1- and 3-year lags with little effect on our parameter estimates. Moreover, excessive leading/lagging complicates cause-and-effect arguments, as lags between cause and effect increase the possibility that intervening factors not in the model may play a role in the effect.
 49. Huntington, *Clash* (note 43).
 50. See 'US Military Deployments/Engagements, 1975–2001', at the Center for Defense Information (<http://www.cdi.org/issues/USForces/deployments.html>), accessed 25 September 2004). For the purpose of this analysis, we define a deployment as a commitment of US troops (air, land or sea) to a country on a mission involving a lasting military, security or peacekeeping operation aimed at a given regime. Our dummy variable codes interventions for Panama, Somalia, Haiti, Iraq, the countries of the former Yugoslavia, and Indonesia/East Timor in the period of our study.
 51. For an analysis of these and other aspects of NED aid in the 1990s, see Scott and Walters (note 2), which also compares the NED activities to those of similar foundations in Canada and the United Kingdom.
 52. There is evidence that the NED shifts its efforts from region to region per opportunity and US interests. As another empirical analysis of NED aid notes, 'NED grants have shifted substantially in regional priorities over the time period [1990–1997] ... Latin America and Eastern Europe are initially major targets [1990–1992], then the former Soviet Union in its initial democratization efforts [1992–1993], and finally, Asia and Africa as top priorities from 1994–1997. It would seem that, while the NED has become a global operation over time, dispersing its funds more widely, it has also been somewhat opportunistic, moving its grants from region to region as democratizations opportunities emerge'. See Scott and Walters (note 2), p.248. Hence, it should come as no surprise that the Bush administration has targeted the Middle East, long ignored in US democracy promotion efforts, for increased attention since the attacks of 11 September 2001 and the subsequent US military actions in Afghanistan and Iraq. For example, in 2003, President Bush called for a doubling of NED grants (from \$40 to \$80 million), mostly targeted to new efforts in the Middle East. At the time of this writing, the House of Representatives had pared back the request to a mere \$1 million, while the Senate had reduced it to \$10 million. Under White House pressure the House-Senate conference restored most of the Funds, increasing the NED's budget to \$60 million, an amount which then passed both chambers.
 53. See, for example, Ottaway and Carothers (note 23) and Putnam (note 23), as well as Benjamin Barber, *A Place for Us: How to Make Society Civil and Democracy Strong* (New York: Hill and Wang, 1998); Daniel Elazar, *Covenant and Civil Society: The Constitutional Matrix of Modern Democracy* (Brunswick, NJ: Transaction Publishers, 1997); and Adam B. Seligman, *The Idea of Civil Society* (Princeton, NJ: Princeton University Press, 1995).
 54. Carothers, *Aiding* (note 4), p.86.
 55. *Ibid.*, p.95 (emphasis added).
 56. See 'How the NED Works' at (<http://www.ned.org/about/how.html>), accessed 24 September 2004.
 57. Statement of Carl Gershman to the House International Relations Committee, 7 July 2004, obtained via Lexis-Nexis Academic Universe, accessed 9 November 2004.
 58. Polity IV scores show a similar decline, although not as dramatic, from a solidly democratic score of 9 in 1990 to a more marginal score of 7 in 1999. Typically, a score of 6 is used as the cutoff for labeling a regime 'democratic'.
 59. United States activities, including NED grants, have been as controversial as the rule of Hugo Chávez. In 2002, for example, the United States was accused of acquiescing, at the least, in a coup attempt against Chávez. The Bush administration initially recognized the coup leaders before reversing itself in the face of pressure from other states in the region. This did not put an end to suspicion that the

United States might have supported the coup. Moreover, the NED provided some of its grants in 2003–2004 to groups who were supporters of the coup attempt, leading to criticism, as well as condemnation by the Chávez regime. The August 2004 referendum favored Chávez, and subsequent October 2004 regional and local elections resulted in victories for Chávez supporters.

60. See, for example, Helliwell (note 42); Huntington, *Third Wave* (note 1); Inkeles and Smith (note 42); Lipset, 'Some Social Requisites' (note 42); Lipset, *Political Man* (note 42); Olsen (note 42); Przeworski and Limongi (note 42); Przeworski *et al.* (note 42) and Rowen (note 42).
61. See Schraeder, *Exporting* (note 2) and Scott and Walters (note 2).
62. Another approach would be detailed, country-by-country evaluations. Such assessments are being undertaken at the Carnegie Endowment for International Peace in its 'Democracy Project', directed by Thomas Carothers. This effort evaluates democracy-building programmes and policies through case studies, study groups with national and international participants, and workshops and other meetings on democracy promotion. Carothers' *Aiding Democracy Abroad* (note 4) is based on this project. See also Gordon Crawford, 'Promoting Democracy from Without – Learning from Within (Part I)', *Democratization*, Vol.10, No.1 (2003): pp.77–98; and 'Promoting Democracy from Without – Learning from Within (Part II)', *Democratization*, Vol.10, No.2 (2003): pp.1–20 on methodologies for evaluating democracy assistance.

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