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## *Introduction*

The peaceful democratic transitions in Eastern and Central Europe in the late 1980s and early 1990s were tailor-made for American sentiments. When the linchpin of Soviet domination was removed, postcommunist leaders in the region reflexively pledged their support for the principles of democracy and free markets. In contrast to the more gradual, sometimes indiscernible, movement toward democracy in other regions, the transitions in Eastern Europe had a decisive ring, punctuated by such dramatic moments as the fall of the Berlin Wall. And in the subsequent transformation of the geopolitical map—the “velvet divorce” of Czechoslovakia, the reunification of Germany, and the initial separation of the Yugoslav states—the automatic assumption was that any new state would also be democratic.

It is understandable that the West, and the United States in particular, would respond to this astonishing chain of events with euphoria and an unequivocal sense of triumph. Zero-sum struggles, as many perceived the ideological competition of the cold war to be, serve up more complete victories. Equally important, the return of the Eastern European states to genuine, rather than nominal, self-rule brought the cold war to a full-circle conclusion. In the battle that began over the capture of Eastern European populations by the Soviet Union and the imposition of communism upon them, cold war liberation theology appeared to have worked.

Mitigating factors are noted but often obscured. The liberation of Eastern Europe was launched by the Soviet Union itself, when President Mikhail

Gorbachev revoked the Brezhnev doctrine of hard-line (as opposed to reform) communism for the Eastern bloc. Nor did the sudden collapse of communism instantly produce its democratic opposite. In the southern tier of Eastern Europe, particularly the former Yugoslavia, new electoral democracies were shattered by ethnic conflict, often engineered by nationalist demagogues who had come to power through popular elections. Even the northern tier countries, some of which had democratic experience before communism, were forced to confront lingering authoritarian practices beneath the surface of their new democracies. One irony of the post-communist period was the 1995 electoral defeat of Poland's president Lech Walesa, possibly the most renowned dissident of the 1980s, by the leader of a former communist faction.<sup>1</sup> But these qualifications notwithstanding, the seeming swiftness of the Eastern European transitions created a paradigm of democratic revolution for many in the U.S. foreign policy community and a prescription for democracy promotion in countries still under repressive rule.

Against this backdrop, several key countries have defied the democratic contagion, commonly known as the Third Wave, that has seemed to sweep through the former Soviet block and parts of Asia and Africa in the past twenty years.<sup>2</sup> As a result, political practices in these countries often draw an unusual degree of scrutiny and criticism in the U.S. policy community. Although negative views of these states persist, some are in the midst of reform efforts that are reshaping relations between state and society and that carry the possibility, but by no means the guarantee, of future democratization. These experiments are largely uncharted territory. Most of these societies have no democratic experience in living memory; at best, they may have had brief episodes of relative openness.

This study examines U.S. policy in those countries that are opening windows to political and social reform (often as a consequence of attempts at economic reform) but are still ranked among the most repressive in the world by Western standards. It focuses on states in which power rests in the hands of a collective authority or ideologically determined group, however much that ideology may have waned. Some are postrevolutionary societies, such as China, Vietnam, and Iran, whose current experiments in openness can be attributed both to the successes and the failures of their revolutions. Their regimes are distinct from those produced by strict personal rule, such as that of Ferdinand Marcos in the Philippines, Mobutu Sese Seko in Zaire,

or Suharto in Indonesia. Because these regimes have been more successful than personalistic ones in institutionalizing rule, their control has endured beyond the first generation. Indeed, some of these states have undergone significant (if unheralded) transitions from one-man to corporatist rule and from totalitarianism to authoritarianism. Nevertheless, incumbents are determined to manage change in a manner that maintains continuity and a central role for the regime. These societies are in the process of gradual political liberalization but have not attempted a formal democratic transition. In that respect, they are different from many semiauthoritarian countries in which a democratic transition has stalled or failed.

Present U.S. policy to promote political change in these countries does not recognize nor does it reinforce these positive trends and ultimately does not serve U.S. interests. By advocating—indeed, often insisting upon—immediate democratization and the guarantee of human rights in societies where political change is a complex and volatile process, the United States is often viewed as ideologically self-serving and overly simplistic, even reckless, by reformers and hard-liners alike in these countries. At the least, these strident and unrealistic policies can raise nationalist hackles (and anti-Americanism) in the broader population of the target country and marginalize U.S. influence on domestic processes. At worst, they can exacerbate the instability that is inherent in political and social change by upsetting delicate internal dynamics.

This study proposes a policy to promote openness in these countries that builds upon existing trends of liberalization and that need not wait until a democratic transition is in sight. The underlying thesis of this policy is that the best way to promote liberalization in these countries and build a more solid foundation for an eventual transition to democracy is to defer a democracy promotion effort for the near term. Whether or not liberalization becomes a stepping stone to democratization, a successful policy will produce a net gain for political pluralism and the protection of rights.

An effective policy to promote liberalization requires an understanding of the differences between the processes of liberalization and democratization, terms that are broadly and loosely applied in the academic and policy communities. For the purpose of this study, liberalization is defined as a loosening of control by an authoritarian regime without the intention to move immediately toward a democratic transition. Authoritarian leaders most often relax or modify their own rules in an attempt to preserve the core

of their power because their legitimacy or their performance has come under widespread domestic criticism. Whatever freedoms this may bring, the underlying goal of the regime is to strengthen public support for its rule.

In the course of liberalization, some individual and group rights may be extended, and these improvements may even be codified in the legal system. However, dramatic institutional reform that guarantees the widespread protection of citizens' rights and enshrines popular selection and control over leaders must usually await democratization.<sup>3</sup> In this regard, democratization can be viewed in terms of institutional transformation, among other functions. Liberalization is best conceived as a process of transforming relationships—among members of the regime, between the regime and state, the state and society, the people and their rulers, and even among everyday citizens—that stops short of comprehensive institutional reform. Because it emanates from the regime itself, liberalization can be unannounced and halting, while democratization is a more deliberate and public process, requiring the involvement of a wider range of political and social actors.

Democratization is usually preceded by liberalization, but democracy cannot be taken as the assured outcome of a liberal experiment. History has shown that such experiments are just as likely to produce systems suspended in “soft authoritarianism” for decades,<sup>4</sup> or cause a return to previous levels of repression. The uncertain nature of the liberalization process discourages the notion of a brisk and seamless sequence with a political democracy as the immediate goal.

In light of these risks, in many of the countries in this study a policy to promote liberalization rather than democratization is arguably the better path at this time. Realistically, the hold maintained by these regimes often makes liberalization the only viable option. Moreover, the gradual nature and incremental pace of liberalization offers the possibility of combining some degree of stability with political change. Although “stability” is viewed by some as shorthand for maintaining the status quo, in volatile societies with social or ethnic cleavages that pose a risk of serious disruption, or in postrevolutionary societies with living memory of widespread political violence, it may be a requisite element of any process of political change.

In comparison to democratization, the signs of liberalization are more difficult to detect from the outside, and the processes of liberalization are less responsive to external intervention. Political liberalization can be an

official policy; more often, it begins as the regime's tacit no-objection to openness created in other areas of reform. Either way, it is a high-risk undertaking. In the early stages of liberalization, progress is usually dependent upon maintaining the incumbent's sense of security. Political rules are in flux and are difficult to discern. When tacit boundaries are violated, the regime's actions can be swift and brutal, as was the case in Burma in 1988, when widespread prodemocracy demonstrations were suppressed, or in China in 1989, when the Tiananmen Square movement to urge reform of the regime was brought to a violent end. The result can be a net loss of personal and political freedom for a number of years. For opposite reasons, the uncertainty of the liberalization process creates nervousness among authoritarian rulers and would-be democrats alike. In this instance, these two groups are often, in the words of a Chinese proverb, "sleeping in the same bed but dreaming different dreams."<sup>5</sup>

Beyond the tenacity of their rulers, the authoritarian countries considered in this study have characteristics that call for an approach to political development different from that of the recent wave of democratic transitions. The remaining Leninist systems (all of which are in Asia, with the exception of Cuba) are rooted as much (or more) in authoritarian tradition and nationalism as in communist doctrine, making sudden collapse less likely than in the Soviet bloc. Another set of nations, primarily in the Middle East, have Muslim-majority populations facing strong Islamic fundamentalist pressure.<sup>6</sup> Abrupt political change in these countries, even movement toward democracy, could either cause an authoritarian backlash from regime conservatives or create an opening to an Islamic fundamentalist order.<sup>7</sup>

U.S. policy tends to ignore immediate opportunities for promoting beneficial changes in these societies and, as a result, pushes our own goals farther from our grasp. In policy toward the remaining Leninist states, particularly China, this can be attributed in part to lingering cold war views that press for rapid democratization—even an authoritarian collapse in the Eastern European mode—and rely upon outdated cold war practices. A different dynamic applies to U.S. Middle East policy, which is largely influenced by security concerns—over access to oil, the Arab-Israeli peace process, and the nature and intentions of political Islam<sup>8</sup>—that temper enthusiasm for political change in the policy community.<sup>9</sup> Democracy promotion has nevertheless filtered into U.S. assistance programs for the

region, as evidenced by the inauguration in 1997 of the Middle East Democracy Fund, which allocates money for small projects administered by the State Department.

With both the Asian Leninist regimes and the Middle Eastern states, appropriate strategies are lacking because democracy promotion is perceived as negating broader bilateral and regional policy goals and because conditions in these countries do not meet the criteria for impending democratization. This study advocates a policy to promote openness in these systems while deferring pressure to democratize, a policy more consonant with other U.S. policy goals and likely to be more effective in encouraging political change.

In pursuit of such policy, this study looks first at reforms of state and society in a sample of liberalizing countries of particular concern to the United States. On the basis of reforming trends in these countries, an alternative model for U.S. policy is proposed, with recommendations for change in paradigms and practices. At present, the most significant target of opportunity is China, because of its current trends, its present and potential role in the international community, and its near-normal relations with the United States. In comparison to Vietnam and Laos (and particularly to the still-Stalinist North Korea), China is by far the most liberalizing of the Asian Leninist states,<sup>10</sup> despite the regime's continued crackdown on groups that are perceived to threaten the ruling order. These presently range from a small would-be political opposition, the China Democracy Party, to the much larger and apparently apolitical Falun Gong.

Key liberalizing regimes in the Middle East, the most important of which is Iran, are also considered. In comparison to several other Middle Eastern states, Iran has a high degree of political openness, all the more significant because it has evolved under an Islamic regime. However, U.S. relations with Iran are dramatically less developed than U.S.-China relations, leaving the United States with fewer openings to encourage political reform. Signs of liberalization are also emerging in some traditional monarchies of the Middle East, albeit at a slower and more cautious pace.

At any given point, the recommendations in this study may be immediately useful in only a few countries. They apply in full to China at the present time but would be difficult for the United States to implement in Iran. Some recommendations presently pertain to the Leninist states of Southeast Asia but are likely to have little effect on draconian totalitarian states such

as North Korea. They may form the basis for policy to promote liberalization in Burma when the beginning of an attitudinal shift or a widening spectrum is seen within the military regime.<sup>11</sup> In the Gulf States under traditional rule, these policy prescriptions best apply to Kuwait, which has continued the liberalization experiment it began after the Gulf War. They are likely to have some use but not the fullest possible impact at this time on more entrenched traditional regimes, such as that of Saudi Arabia.

It is not the intention of this study to suggest that those countries that appear to be sitting out the Third Wave of democratization are in any way monolithic. Assembly-line policy has proved to be ineffective with the present democratizing systems, even among those emerging from a common political bloc.<sup>12</sup> Although some broad similarities may be found, easy equations are deceptive, even dangerous, for this new group of liberalizing regimes because of significant differences in political structures and history and because of deeply rooted indigenous forces. For example, it would be inaccurate to equate modernization automatically with democratization in either Iran or China. Many democratic transitions during the 1980s occurred in countries that had reached certain standards of economic development and social mobility.<sup>13</sup> To date, however, both China and Iran have demonstrated some ability to raise the standard of living of their citizens and to allow some access to modern features such as global media without significant impact on their political systems.

At the same time, it would be incorrect to assume that modernization presents identical attractions and problems in each society. It is generally seen as a positive force in China, while its long-standing equation with Western values makes it a double-edged sword in Iran. Neither do the regimes in this study necessarily pursue reforms with equal vigor. Iran's experiment in political liberalization is presently more extensive than those of the Asian Leninist regimes. However, Beijing and Hanoi are currently more invested in market reform than Teheran.

Rather, the regimes in this study are bound by a common paradox. They are more entrenched than authoritarian rulers in many other states. Asian Leninist regimes, Islamist governments, and traditional monarchies are inherently more conservative and (by virtue of history, tradition, or revolutionary claim) more embedded in the political and social fabric than many of the regimes that crumbled after the cold war. On the other hand, several of these states are undergoing a process of change more dynamic than that

found in seemingly more benign regimes whose liberal reforms have long since stopped.

### **An Optimistic Paradigm and a Cautionary Tale**

For most of the 1990s, Americans favored a model of political change that, in mythology if not in experience, sidesteps the disturbing ambiguities of the liberalization process and obviates the need to deal with questionable ruling elites. The events in Eastern Europe in 1989 had resonance with Americans not only because they seemed to deliver a clear-cut ideological victory, but because they also reinforced a model of “people power” revolution that had been building in the 1980s. The popular version of this model features mass demonstrations or strikes that force the collapse of an authoritarian regime, to be replaced immediately by democratic government. Through this lens, every popular demonstration is a potential democratic uprising, and every attempt to suppress a demonstration is an effort to stem a democratic revolution. The Chinese government’s crackdown on demonstrators in Tiananmen Square in 1989 is remembered in some American policy circles more for what might have been than for the actual event.

The genesis of this paradigm in contemporary American thinking is the example of the Philippines, a close ally of the United States, in 1986. Three days of popular demonstrations in Manila led by the National Movement for Free Elections (NAMFREL) not only mobilized popular resistance to Ferdinand Marcos but also caused two key military leaders to break from the regime and provide crucial support to Corazon Aquino. The outcome vindicated a last-minute decision by the Reagan administration to abandon support for Marcos and provided some balance to U.S. cold war policy in the Philippines, in which concern for maintaining security had helped Marcos accumulate authoritarian powers.<sup>14</sup> Public demonstrations in Eastern Europe later in the decade were accorded similar weight, although accounts of that time point to decisions made in Moscow to disengage from the Soviet satellites preceding disturbances on the ground. In reality, the only genuine “people power” revolution in Eastern Europe occurred in Romania, although mass mobilization clearly strengthened the hand of reformers in Poland and Czechoslovakia.

This paradigm is even less common in the broader spectrum of countries outside Eastern Europe that have begun transitions to democracy in the past twenty years. Apart from the Philippines, only Portugal and Greece (and to



a lesser extent Indonesia) have followed the path of “people power” revolution. The great majority of transitions have involved complex negotiations between authoritarian regimes and opposition groups, with substantially longer time frames. Preparing the ground for these negotiations in advance of any tangible signs of democratization often involved years of gradual liberalization, in which the regime debated political reform while civil society was reorganized and reoriented. Even most “collapse” countries underwent some preliminary period of liberalization. In the Philippines, NAMFREL’s successful maneuvers were the culmination of a process originating in the mid-1970s, when Marcos began to loosen martial law and civil groups worked to widen political space.

The assumption of a popular groundswell behind every transition to democracy has encouraged the view of democracy as a universal aspiration. By extension, all populations in authoritarian societies are pressing constantly and restively for democracy, and therefore all authoritarian states are or should be on the verge of democratic transitions.<sup>15</sup> Promoting democracy universally is accordingly a logical policy goal.<sup>16</sup> Despite the difficulties that some new democracies have faced in consolidating their systems, and even the reappearance of authoritarian trends,<sup>17</sup> belief in a democratic trajectory remains strong.

Some Americans renewed this belief in observance of the tenth anniversary of the fall of the Berlin Wall, but a more mixed celebration approaches, marking a decade after the collapse of the Soviet Union. The democratic victory that is widely held to have occurred at the cold war’s end invariably includes the dissolution of the Soviet Union and attempts by some of the national governments to move toward democracy. The most important of these is clearly Russia. In reality, however, the Russian experience of the 1980s and 1990s runs counter to the tenets of the Berlin Wall paradigm. The “second Russian revolution,” as analysts now frame those decades, was distinguished by its lack of major protest movements.<sup>18</sup> Russian dissidents whose names appeared on the lists compiled by concerned American human rights officials in the 1970s and 1980s did not lead the charge for reform, nor did they emerge in prominent positions in the new democratic government. Rather, the push for change came from the “partocracy”—Mikhail Gorbachev, Edward Shevardnadze, and Boris Yeltsin—all of whom had held positions in the inner circle of Brezhnev’s ruling structure.<sup>19</sup> Indeed, the public apathy toward reform in the 1980s hampered Gorbachev’s efforts,

because it weakened his ability to override the resistance of hard-line party officials. Yeltsin's more vocal (if erratic) attempts to generate popular support were enough to maintain an electoral edge but not enough to mobilize widespread public consensus for his reforms.

But Russia did follow the Berlin Wall model in the swift collapse of old institutions. The ensuing years have revealed the difficulties of a rapid exit from authoritarianism and central planning when foundations had not been laid for more democratic institutions, much less for the legal and administrative infrastructure needed for open markets. Without traction in these areas, Russia lurched from one crisis to another for most of the decade: the attempted coup of 1991, the political violence brought on by warring factions in 1993, and the economic meltdown of 1998. On another track, the sudden collapse of Soviet sovereignty and the need to refashion a Russian national ethic in short order gave rise to the Chechnyan uprising and a severe response from the central government. The collective weight of these problems has helped to usher in a new president, Vladimir Putin, who has vowed to alleviate social misery, hoist the Russian economy, and banish political gloom through a "dictatorship of law,"<sup>20</sup> a slogan that inspires both hope and fear in Russia's democratic quarter.

Power in Russia has yet to be rebalanced between the executive and the legislature; as a result, executive power is still predominant, if more democratically inclined, and vulnerable to one-man rule. Some realists might consider this to be for the better at this time, since the communists remain the largest political party in the Duma, although their influence may well have waned with the 1999 election. Beyond political standoffs, a more insidious trend threatens to overtake the Russian political system. The uncertainties of political and economic reform since the Soviet Union's collapse have given a boost to new economic oligarchies, whose rapid accumulation of power seems impervious to the meager checks and balances presently available.<sup>21</sup> This, in turn, has helped elevate political and economic corruption to near-ruinous levels, a trend exacerbated by the rise of organized criminal groups.<sup>22</sup> This unfortunate trajectory is testimony to the weakness of the Russian legal system and to the lack of a widespread supporting belief in the rule of law.

There is little the United States can do to help Russian reformers reverse these trends in the short term, although it should clearly continue to promote economic and political reform wherever possible. Nor should Ameri-

cans give way to total despair over Russia's political future. Administration officials are correct in pointing out that organized repression of individual rights in Russia is gone; despite coup attempts and other upsets, Russia has not abandoned its quest for a democratic order.<sup>23</sup> With several elections behind it, Russia seems to have settled into a democratic form, if the content is often lacking.

There are, however, lessons to be learned from the Russian example for U.S. policy toward authoritarian states. First is the recognition that, contrary to the popular post-cold war paradigm, reform may at times originate from the attitudes of elites rather than the desperate maneuvers of freedom-deprived masses. A related point is that the public may lag behind, rather than lead, demands for political change. A final and important lesson is that complicated political, economic, and legal systems do not spring up spontaneously; they are doubly difficult to create in the void left by a collapsed system. A more incremental process of change, if not as romantic as the collapse scenario, is likely to be more successful, and it may be shorter in the end. The Russian case suggests that a very rapid democratic transition can turn into a very protracted one.

### **The Democratic Imperative**

If the paradigms driving U.S. policy after the cold war make it difficult to imagine regimes that are not on a democratic fast-track, the policy apparatus makes it difficult to deal with such states. Democracy promotion has been an explicit goal in U.S. policy since the onset of the cold war, but it has changed dramatically in form and focus since that time.

In the early years of the cold war, a simple bipolar view of regimes as either communist or noncommunist caused political support and economic assistance to be focused on anticommunist allies, actual or potential. However, ideological competition in the newly decolonized Third World proved stronger than originally anticipated. U.S. strategies frequently combined aid with efforts to persuade populations of the advantages of democracy. Communist regimes were naturally targeted for public condemnation. Moral support to populations behind the Iron Curtain in Eastern Europe and the Bamboo Curtain in Asia was considered essential. As a practical matter, however, there was little that could be done directly, other than broadcasts that attempted to counter government propaganda. Despite occasional peri-

ods of political thaw, U.S. democracy promotion policy toward the Eastern bloc was essentially symbolic until the late 1980s.

A more nuanced approach developed toward dictatorship from the right. By the late 1950s, the authoritarian excesses of some anticommunist allies had become an embarrassment for the United States, domestically as well as abroad. A more calibrated view of the political spectrum was emerging, one that acknowledged that anticommunism did not always yield democracy. This realization often sent American policymakers on a quixotic search for a “third force” in developing countries—democratically minded leaders with popular support who were strong enough to fend off insurgencies from the left and coup attempts from the right.<sup>24</sup> Finding few such leaders, by the 1980s the United States had settled upon a two-pronged approach to promoting democracy among its allies: diplomatic pressure urging regimes to curb the most egregious abuses,<sup>25</sup> and political assistance programs to strengthen democratic institutions, primarily in Latin America.<sup>26</sup>

During the last decade of the cold war, American democracy promotion aimed at the Eastern bloc became slightly more dimensional as well. Reform efforts in Eastern Europe created the minimum of political space needed for the emergence of civil society organizations. These groups, the most prominent of which was the Solidarity labor movement in Poland, sought openly to challenge the state. The phenomenon of these organizations was twofold: they were able to function as surrogate political oppositions, and they were able to establish links with civil society groups in the West. Overt U.S. assistance in this effort was managed primarily through private American organizations, such as the National Endowment for Democracy,<sup>27</sup> using public funds. The political character of this assistance and the practice of supporting a nascent but defiant civil society while maintaining pressure on the government had strong appeal for many anticommunist warriors.

Although modest democracy initiatives were launched sporadically in a number of regions, the United States did not have a global strategy apart from anticommunism to promote democracy during the cold war era. In the post-cold war environment, however, a universal approach seemed natural to many Americans because of the range of new democratic transitions and the growing tendency to view economic, social, and political issues in transnational terms. By the 1970s, with the rise of multinational corporations and economic cartels, the concept of an increasingly interdependent world economy had entered popular consciousness. During the late 1980s

and early 1990s, with authoritarian regimes appearing to fall in domino fashion, the notion of a worldwide political demonstration effect was taking hold. In the official policy community this translated into bureaucratic reforms made within foreign affairs agencies. Governments, and bureaucracies in particular, tend to act as bellwethers; by 1993 high-ranking positions to oversee global affairs (some specifically tagged for democracy) had been created in the National Security Council, the Department of State, the United States Agency for International Development, and the intelligence agencies. The position of assistant secretary of defense for democracy and peacekeeping was also proposed by the administration but ultimately was not approved by Congress.

The full impact of this shift was most readily seen in official assistance programs. A universal approach not only reconfigured democracy assistance within the U.S. government but altered the very definition of foreign aid. In the early 1990s, funding for democracy promotion increased dramatically. Statistics on democracy assistance had not been maintained under a discrete category until then, but unofficial inventories estimate that such assistance seldom exceeded \$100 million per year before 1989. By 1991 assistance under a broad definition of democracy promotion had climbed to \$682 million and by 1993 to \$900 million.<sup>28</sup> By that time, major assistance packages for support of democracy in Eastern Europe and the former Soviet Union had been legislated,<sup>29</sup> and initiatives were quickly assembled for several other regions.<sup>30</sup> A global approach also required that common denominators for successful programs be established, which were quickly translated into common indicators for progress in democratization itself.

These indicators tend to adopt concrete measurements, similar to those employed for economic development and infrastructure projects, with an emphasis on quantifiable outputs: the percentage of voters who turn out on election day, the number of judges trained, the volume of bills considered by new democratic legislatures.<sup>31</sup> Progress is assumed when the numbers go up. However, these instruments are seldom useful for gauging the will to reform, in either ruling circles or civil society groups, and so they measure half the progress at best. Moreover, they are designed to assess positive political change but are weak in detecting the warning signs that could send democratization into reverse or in tracking a process that is seldom linear.

Beyond altering the size and shape of democracy assistance programs, post-cold war policy has injected democratization into the criteria for aid

allocation. Under the “sustainable development” formula of the U.S. Agency for International Development, a country’s eligibility for assistance is judged according to a basket of conditions, one of which is the recipient government’s progress toward democratization or its intention to democratize (often measured by movement toward a transitional election).<sup>32</sup> Although the interpretation of an acceptable threshold of democratization often varies from one country to another, this approach to assistance reverses the cold war dynamic: rather than offering aid to induce movement toward democracy, assistance now assumes that movement.<sup>33</sup>

This practice has been buttressed in Congress by a series of amendments to the 1961 Foreign Assistance Act, as well as other legislative initiatives, that attempt to set acceptable levels of political development for aid recipients. The majority of these are ad hoc initiatives aimed at specific countries. In addition, automatic mechanisms are intended to prevent governments that perpetrate gross violations of human rights from receiving assistance and cut off aid to regimes that overthrow elected governments by force. Although some of these measures trace their origins to human rights policy of the 1970s and do not mandate democracy per se, they prescribe a level of freedom that is usually found only in liberal democracies.

Like most automatic sanctions, however, these provisions have built-in problems for implementation. The prohibition of aid to gross human rights abusers might appear to be a self-evident strategy for any human rights policy. In practice, however, human rights officials in the executive branch resist implementing this amendment because of the lack of a shared definition of gross abuse. In addition, a government whose level of abuse is only slightly below the cut-off point may be seen as exempt from pressure or reprisal. A second condition, commonly known as the military coup clause because it addresses the violent overthrow of an elected government, is more frequently implemented. However, it is difficult to apply to violations within the ruling structure, where many problems originate. This was the case with the “auto-coup” of President Alberto Fujimori in Peru against his own government, and the events of July 1997 in Cambodia, when Second Prime Minister Hun Sen drove his senior partner Prince Ranariddh out of the ruling coalition with a show of force. Moreover, as sanctions proliferate in U.S. foreign policy, states with questionable political practices—nuclear proliferation, state-sponsored terrorism, or failure to cooperate on narcotics interdiction—may already have had their assistance reduced or removed under other laws. In

1999 the military coup clause was moot in the face of a military takeover in Pakistan because aid was already prohibited under the Pressler and Glenn amendments, both of which address nuclear weapons issues.

Apart from democracy's place in the foundation of post-cold war assistance, it has featured increasingly in international negotiations to resolve internal conflicts, often through the mechanism of a transitional election. Increasingly, these elections are managed by the international community. Because there is usually profound deterioration in the political, social, and even physical infrastructure by the time the conflict is resolved, large and comprehensive assistance packages are usually required during the post-election period. Democratization figures heavily in these packages. In the 1990s, a number of postconflict states—Cambodia, Haiti, Bosnia, Liberia, and East Timor—were ministered by the international community in this way, with significant contributions from the United States.<sup>34</sup>

### Handling “Intransigent” Hold-Outs

The approach to nondemocratic states in this new framework also underscores the assumption of a universal democratic movement. Authoritarian governments are usually chastised for their intransigence in the face of global democratization. In assistance programs, however, they are labeled as “pretransition” or “prebreakthrough” states, categorically assuming a democratization process, however distant.<sup>35</sup> Ruling elites in these states are assumed to be the primary obstacle to democratic change. Accordingly, attention is focused upon alternative groups that are judged to be the future engines of a democratic transition. Available measures are employed to provide support, even safe haven, for these embattled opposition groups or for what is assumed to be an opposition.

In most of the countries that form the central focus of this study, the “pretransition” approach to promoting political change is implausible at this point. In the liberalizing Asian Leninist states, no organized political opposition has emerged (or, at this stage, can emerge) to provide a beachhead for external support. Nor has a critical mass of advocacy organizations formed to function as a surrogate political opposition. The Middle East presents additional complications. In some systems, even those in which a formal opposition is permitted to operate to any degree, citizen-state relations and basic definitions of political legitimacy depart from standard Western mod-

els. In the past, the intelligentsia in some societies were the major champions of socialist and nationalist reforms and were viewed as having endorsed authoritarian practices as a result.<sup>36</sup> More recently, the increased role of religion in political and social affairs, ranging from Muslim-based social service groups to Islamist political factions, raises questions about the ability of civil society in these countries to deliver a democratic political opposition as it is understood in the West.

Although internal dynamics ultimately determine the prospects for political change, they are only one of the challenges facing U.S. policy to promote democracy in these countries. Policy trade-offs are particularly difficult with many of these states. Some hold strategic advantages because of their role in regional negotiations (China with respect to the Four Party talks on North Korea, Jordan in the Middle East peace process) or because of their vital resources (Saudi Arabia, Kuwait). Some (such as China) are calculated to become future economic powers and key trading partners. Some are also perceived as presenting strategic threats, which include concerns about terrorism and nuclear proliferation, and are subject to containment strategies as a result (Iran and, for some, China).

Those countries with large and heterogeneous populations (ethnically or regionally) pose a potential security threat of increasing concern in the post-cold war world—that of violent internal conflict. Humanitarian concerns aside, the international community might be able to tolerate a “failed” Haiti of 7 million people. It could not risk a “failed” China of 1.3 billion. At worst, the resulting chaos from a collapsing China would have a profound effect on the stability of Asia, and on U.S. policy to guarantee the security of its Asian allies. At the least, China could turn to the West for economic relief and reconstruction, the pricetag of which would be overwhelming.

Such factors underscore the need for caution in attempting to influence the internal political affairs of these nations in order to avoid disturbing fragile, circumstantial alliances or exacerbating tensions. Internally, they argue for a sound process of political change without dramatic disruption or the risk of violent reversal.

These important but ambiguous relations are further complicated in some cases by the absence of full normalization. As a result, access and leverage are restricted, sometimes severely so. Relations with the Asian Leninist states vary in their degree of normalization, but no relationship can be said to be fully secure. Of these, the most advanced is with China, but annual



debates in Congress over most favored nation status during the 1990s and the pitched debate over permanent normal trade relations for China during the year 2000 are reminders that the relationship has not reached reliable equilibrium. Diplomatic recognition was recently achieved with Vietnam, but trade relations are not yet fully normalized. At present, official relations of any kind with Iran are nonexistent. President Muhammad Khatami has called for improved relations, but he has been careful to confine them to unofficial exchanges that are unlikely to fuel anti-American sentiment or threaten support for his reforms. To date, he has rejected the proposal for an American interests section in Teheran, the first formal step toward the normalization of official relations.

Normalization with these countries is hampered by historic antagonisms that resonate in domestic populations on both sides. In relations with Iran, the events of the late 1970s, when the dying shah was granted entry into the United States and American embassy officials were seized as hostages in Teheran, still cast a shadow. Indeed, many analysts consider the clergy's public support of the hostage-taking to have tipped the scales in favor of fundamentalist rule in Iran.<sup>37</sup> It was doubtless a defining event in the American political psyche, which continues to view Islamic government as invariably repressive and anti-American. The communist victory over South Vietnam and issues over American prisoners of war have cast long shadows over U.S.-Vietnamese relations. In the United States, such transitional events generated hostility not only toward the governments of these nations but also among Americans themselves. For the last half-century, disagreements have lingered over who "lost" China in 1949 (an issue that ushered in the McCarthy era), whose decisions ultimately led to the fall of Saigon in 1975, and who failed to commission (or read) the "right" intelligence on Iran in 1979. These dynamics are changing, particularly as prominent victims in these cases have encouraged Washington to pursue new paths with old adversaries.<sup>38</sup> Nevertheless, nationalist hackles are easily raised on both sides, and attempts to influence political development in these societies can invite suspicion that old agendas are in play.

Nor are these suspicions confined to old guard ideologues who waged anti-Western campaigns decades ago. Demographic change is sure to moderate resentment over past conflicts with the United States. Roughly half the population of Vietnam was born after 1975 and demonstrates little awareness or appreciation for the revolutionary changes of their parents' generation. The

post-1979 population explosion in Iran, urged by the ruling clerics, has produced a baby boom that, ironically, is more amenable to increased contact with the United States and other Western societies. However, these changes do not prevent bouts of nationalism, often urged by regimes to deflect attention from economic policy failures. Nationalism is promoted by some regimes as a substitute for ideology after the cold war.<sup>39</sup> It is also seen in countries with new economic power (and prestige) resulting from rapid growth, even among the newly minted professional and middle classes. This nationalist resurgence can be confusing to some Western promoters of democracy when they discover that their efforts are suspect in the liberal communities of a target society. Many Americans were surprised when Chinese students, who had been the standard-bearers in Tiananmen Square in 1989, probed for the “hidden agenda” behind U.S. human rights policy during President Clinton’s address to Peking University in 1998.<sup>40</sup> Nor is this phenomenon restricted to authoritarian countries. Since the end of the cold war, some democratizing societies have found that nationalism is revived as democratic ideals are strengthened. In the post-Marcos Philippines, for example, the democratically elected Senate voted not to renew the agreement for U.S. bases.

As these societies move along an uncertain path, nationalism also provides insurance for the regime against the threats posed by external influence. Under siege domestically, regimes see nationalism as a sealant, helping to keep discussion (and disagreement) within national borders. Reform efforts in these states are an undeniable acknowledgment by the ruling order that many of the structures they had installed and maintained are seriously flawed or no longer viable. China’s per capita income at the end of the Cultural Revolution, for example, was one of the lowest in the world, roughly on par with that of Somalia.<sup>41</sup> This led to the reform platform introduced by Deng Xiaoping; by the late 1980s, however, it was increasingly clear to the Chinese population that Deng’s economic measures were not adequately supported by political reform. The system could not accommodate new constituencies created by economic reform, nor curb rising corruption and inflation. In Vietnam, the Communist Party turned to *doi moi* (“new thinking”) in 1986 to pull the country out of severe economic distress, the result of a decade of central planning and the costs of military occupation in Cambodia.

In Iran, failed economic policies in the postrevolutionary decade, a drop in oil prices, and the drain of the Iran-Iraq War created serious social unrest in the early 1990s. Attempts by President Ali Akbar Hashemi-Rafsanjani to ini-

tiate economic reforms on the margins of strict clerical control were largely unsuccessful.<sup>42</sup> The election of Mohammad Khatami in 1997, with 70 percent of the popular vote, was a watershed because his platform of political liberalization gave a referendum quality to the election. The 2000 parliamentary elections could further strengthen the mandate for economic reform. Assuming it is allowed to go forward, the new reform-dominated parliament may lend more support to Khatami's economic initiatives than its predecessor parliaments, which were captive to conservative interests.<sup>43</sup>

In many Middle Eastern states under traditional rule, regime legitimacy has come under scrutiny because of the revenue crisis of the late 1980s when, as in Iran, declining oil prices caused a drop in these countries' gross national product. These fiscal declines encouraged debate over resource allocation and economic policy. More important, in many cases they forced the state to curtail government funding in several sectors. Economic functions were moved to the private sector, and civil society became more involved in education and welfare. Islamists have taken advantage of the shrinking power of these states to develop alternative programs. These shifts have in turn created pressure to open the political system, and cautious steps have been taken in that direction in Jordan, Kuwait, and even (to a much lesser degree) in Saudi Arabia.<sup>44</sup>

In each of these cases, the impetus for political liberalization was a crisis in regime legitimacy, originating in economic failure and felt both within the regime and in the general population. But these countries pose a significant challenge to the post-cold war maxim that economic reform (commonly identified in the West with market reform) and democratization are inextricably linked. In general terms, some studies have found correlations between per capita income (which is usually attributed to economic development) and a society's tendency to democratize. Some have proposed thresholds that correspond to democratic transitions or that help new democracies consolidate.<sup>45</sup> However, these conclusions are based on data from the recent Third Wave of democratic transitions, while the remaining authoritarian holdouts, as noted above, have characteristics that may distinguish them from these new democracies. Moreover, the time lines involved in the economic development of Third Wave countries are so broad it is difficult to point to specific examples of cause and effect. However, it is clear in many remaining authoritarian states that economic reform (or its need) has created pressure for political change, although no clear or

uniform path (much less a standard outcome) for such change has been established. Economic reform that fails, or that succeeds but produces obvious and severe inequities, can stir popular protest and force the regime to tolerate greater openness. Conversely, it may cause rulers to clamp down on personal and political freedoms.

Neither can external factors dictate the course of political change, although they are usually taken into account, positively or negatively, in the regime's calculus. Some, although not many, decisions to liberalize have been influenced by changes in the country's international status. De-recognition of Taiwan in the late 1970s, which enabled the United States to recognize the People's Republic of China, helped convince the Kuomintang Party that a more liberal political climate would enhance Taiwan's status in the international community. The loss of Moscow as an economic patron in the late 1980s as a result of the dissolution of the Soviet Union spurred Hanoi into reform (although it did not have a commensurate effect in Cuba).

In the post-cold war era, international action is increasingly directed toward the internal affairs of nations. Pressure is building against authoritarian regimes of all stripes, through conditionality (or its threat) on aid and trade; the growing trend toward multilateral intervention to halt internal conflict, particularly that which results from authoritarian abuse; and increased international involvement in bringing large-scale human rights abusers to justice. Global media intensify this pressure, giving citizens greater awareness of world events and enhanced means to interact with the outside world, as well as with one another. Although these global trends are likely only to increase in influence, they have not yet produced the large-scale impact of the de-recognition of Taiwan or Vietnam's loss of a major economic sponsor, and the impact is still modest.

A related factor is the demonstration effect. The decision to initiate or allow a liberalization process is an intensely internal one, but it would be misguided to assume that the fates of other authoritarian regimes have no impact. Authoritarian leaders in Asia sought to contain media coverage in their countries of Suharto's fall in Indonesia, but it is doubtful they missed the lesson of that fall—that excessively brittle regimes are likely to break.<sup>46</sup> Chinese leadership was clearly affected by the collapse of the Soviet bloc, although its conclusions about the ramifications of the collapse are the opposite of those of Western ideologues. Western democrats tend to stress

the initial victory for democracy in the liberation of Eastern Europe and the demise of the Soviet Union. Chinese elites, as well as many ordinary citizens, point instead to the political, economic, and ethnic chaos that followed. The regimes considered in this study tend to see themselves as more entrenched than those of personal rulers such as Suharto and more resilient than the rigid leadership that characterized the Soviet model. For these leaders, the near-term aim of liberalization is to reshape the system—to improve policy-making and accommodate new interest groups—without replacing it.

### **The Need for a New Policy**

It is in the United States' interest to encourage these experiments in liberalization, however limited, to move in a positive direction and to help consolidate their gains. Whether or not it leads to democratization, liberalization carries with it the possibility of greater openness and improved human rights. In some cases it may move society closer to a rule of law, although that is rarely secured during the liberalization period. Any improvements in these areas ultimately stand to benefit the international community as well as the individual society. Conversely, a liberalization effort that meets a bad end or a serious obstacle can have a profound impact on the country's foreign as well as domestic affairs. A classic example was the downward spiral in China's relations with the West after the suppression of the Tiananmen Square movement in 1989. Another, more far-reaching, example was the shah of Iran's ill-fated attempts at liberalization in the late 1970s, largely at U.S. urging, and the subsequent Islamic Revolution.<sup>47</sup> Because it is controlled initially by a small group of individuals, liberalization can be a closed and arbitrary process in the early stages. Nevertheless, a measured policy to support it can, if it does not threaten the regime and capsize the effort, help keep the process on course, allowing time for the gains of liberalization to accumulate.

But a policy to reinforce and expand these new openings must begin with an awareness—of current trends and conditions in these countries and of the nature of liberalization—that is largely lacking in the present U.S. policy framework. A new policy requires recognition of liberalization as a process separate from that of democratization, for however short or long a time, and actors and instruments different from those used in democracy promotion.

In this policy paradigm, liberalization must be detached from the democratic imperative, which assumes political freedoms that are anathema to many of these regimes.

Although it should not be seen as an endorsement of authoritarian rule, a policy to reinforce liberalizing trends must take into account the reasons why authoritarianism has endured in these countries and why it is now under pressure to reform. In that regard, renewed efforts in both scholarship and policy analysis are needed to support this paradigm shift. Inquiry into the conditions that now foster (or discourage) authoritarianism must be revived and updated to repair a long break.

Not surprisingly, typology is usually determined by the prevailing views of the times. Working parallel to policymakers, the academic community has focused primarily on the process of democratization in the 1990s. In the 1960s, the large-scale reversal of the many post-colonial democratic experiments, coupled with pitched competition between the world's two major political blocs, gave rise to a body of work in the 1970s that attempted to classify authoritarian regimes.<sup>48</sup> The right-wing regimes studied (most of which were in Latin America) were those that had fallen back from some stage of democratization.<sup>49</sup> Attempting to counter this political aphasia, or return to repression, "redemocratization" was articulated as a U.S. policy goal.

Because Leninist regimes were largely out of reach, scholarship on them did not give rise to useful policy prescriptions to promote internal change. (It is difficult to imagine, however, what U.S. policy measures could possibly have affected the course of Chinese political development during the Cultural Revolution of the 1960s and early 1970s, when relations were severed and the United States and China were in military conflict by proxy through the Vietnam War.) And while there was greater attention to communist regimes during the cold war than at the present time, there was also an assumption that they uniformly followed the Soviet model in architecture if not always in political loyalty.<sup>50</sup>

These directions in scholarly research reemerged in policy during the early 1980s with the Kirkpatrick Doctrine, which provided the intellectual underpinnings for the Reagan administration's policies toward left- and right-wing totalitarian and authoritarian regimes. The doctrine maintained that repressive regimes on the left (that is, communist ones) were incapable of evolving into more benign forms and that right-wing regimes offered greater hope for political reform. This distinction helped to freeze in place

a relative lack of attention to prospects for liberalization among Leninist regimes.<sup>51</sup> Vestiges of this view can be found in both official policy and American public opinion twenty years later. For example, a recent survey indicated that Americans consider China to be significantly more repressive than Saudi Arabia,<sup>52</sup> which runs counter to global surveys of human rights protection for the past several years.

For a brief period, events in the latter half of the 1980s encouraged more mottled views of political change and regime type. Gorbachev's dual program of economic and political reforms, which also signaled that reform regimes would be permitted in the Eastern European satellites, was beginning to unravel the Kirkpatrick Doctrine. Many Latin American and some Asian countries on the other end of the political spectrum also underwent periods of liberalization, which eventually produced democratic transitions. In China, Deng Xiaoping's reforms (which predated Gorbachev's in conception, if not always in execution) were beginning to take hold. In response to this widespread loosening of political systems, social scientists attempted to differentiate between varieties of totalitarian regimes and to flesh out the definition of authoritarianism. One leading study, for example, identified nine types of authoritarian regimes: traditional, military, bureaucratic, corporatist, racial or ethnic "democracy," post-totalitarian, mobilizational, personalistic, and populist.<sup>53</sup> Of course, many hybrid regimes exist as well, such as bureaucratic-military (Thailand before 1998) and personalistic-military (Nigeria for most of its post-independence history). But just as study of authoritarianism in the late 1970s focused on the disintegration of democracy, scholars in the late 1980s tended to be more interested in liberalizing regimes that were clearly headed for democratic transitions.<sup>54</sup>

Because a number of states have indeed moved toward democracy since the beginning of the 1990s, the attempt to calibrate political systems on the authoritarian end of the spectrum has been largely abandoned. No new studies have been launched with the scope equivalent to those of the 1980s. Inquiry into nondemocratic states was scaled back because of the need to give greater attention to democratizing regimes, which appeared to pop up daily in the years immediately after the cold war. The only comprehensive regime project that carried over from that decade reverted in the 1990s to a monolithic definition of authoritarian government and chose to forgo a distinction even between totalitarian and authoritarian rule. For example, in a database extending through 1992, China is shown as having undergone

no regime change at all during the course of its modern political history, on par with North Korea.<sup>55</sup>

The literature on individual countries cannot help but take a more detailed approach to political change. As a result, what current study there is of liberalization tends to be embedded in these works. Among the countries of greatest concern to this study, the most extensive body of literature is on China, building upon twenty years of reform, episodic though that reform may be.<sup>56</sup> Because reform efforts in Vietnam and Iran are more recent and foreign analysts have less access to indigenous officials and local scholars, the literature on political conditions in these countries is sparse by comparison. But the relative wealth of information on China is not sufficient in itself to enable policymakers to identify and understand the phenomenon of political liberalization as it is presently taking place in these countries. More comparative study is needed, as well as more stringent analysis of the efforts of external actors to influence these regimes.

It is beyond the scope of this book to contribute to the theoretical understanding of the process of liberalization through a large-scale comparative project, nor can it provide detailed data on each of the liberalizing regimes presently of concern to the United States. Instead, this study pursues three essential tasks. Chapters 2 and 3 delineate the process of political liberalization in some of the present "hold-out" countries, from the perspective of both the regime and civil society. China serves as a prominent example in these studies, with illustrations from other countries where possible. Chapter 4 evaluates present U.S. policy to promote political change in these countries and argues that it is seriously out of synch with the liberalization process. Chapter 5 concludes with the proposal for a policy to encourage positive change in these countries that is a pragmatic approach to the pursuit of moral goals.