US Foreign Policy, Business NGOs and Low-Intensity Democracy

Ronald W. Cox
Florida International University, coxr@fiu.edu

Recommended Citation
DOI: 10.25148/CRCP.4.2.01669
Available at: https://digitalcommons.fiu.edu/classracecorporatepower/vol4/iss2/1

This work is brought to you for free and open access by the College of Arts, Sciences & Education at FIU Digital Commons. It has been accepted for inclusion in Class, Race and Corporate Power by an authorized administrator of FIU Digital Commons. For more information, please contact dcc@fiu.edu.
US Foreign Policy, Business NGOs and Low-Intensity Democracy

Abstract
U.S. intervention in developing countries has routinely enlisted the assistance of corporate NGOs whose activities in civil society are often an extension of U.S. policy objectives. The pattern of collaboration between the U.S. government and NGOs has included electoral intervention, destabilization campaigns, and support for pro-U.S. governing coalitions. The U.S.-NGO relationship has also been used to legitimize elections in highly militarized environments where conflict between opposing interests undermines democratic accountability.

Keywords
NGOs, Business NGOs, US Foreign Policy, Low-Intensity Democracy, Honduras

Creative Commons License

This work is licensed under a Creative Commons Attribution 4.0 License.
The Civil Democratic Union of Honduras, a network of Honduran NGOs funded by the US Agency for International Development, voiced public support for the military coup that overthrew the democratically elected government of President Manuel Zelaya on June 28, 2009. The group described the military ouster of a democratically elected President as “democratic regime change,” and welcomed the removal of the President as essential for the protection of the Honduran constitution. Meanwhile, the US State Department under President Barack Obama refused to legally classify the regime change as a coup d’etat. Instead, State Department officials, including Secretary of State Hillary Clinton, argued that both the Honduran military and the ousted government of President Manuel Zelaya shared blame for the events leading to the removal of the Honduran head of state. The US preference was for a mediated solution to the political crisis, led by President Oscar Arias of Costa Rica, who urged both parties in the conflict to accept a power-sharing arrangement in the months leading to the next presidential elections in Honduras. While the Organization of American States condemned the military coup as a blatant violation of international law, and insisted on the return of President Zelaya to power without conditions, the US government negotiated with the coup leaders and Zelaya over the terms of Zelaya’s return to power. The Obama Administration also supported the disbursement of $70 million of assistance to the Honduran government in the aftermath of the military coup, over twice the amount of money that the US had suspended. These events pose questions about whose interests are being protected by the Honduran military, the US government, and the largest US-funded NGO network in Honduras.

The US role in the aftermath of the Honduran coup illustrates the politics of U.S.-NGO intervention that has guided US foreign policy strategy from the early 1980s to the present. While publicly criticizing the coup as a violation of democratic norms, US foreign policy makers have worked closely with Honduran political and economic elites through an NGO network that is closely linked to transnational business interests. In fact, the Civil Democratic Union is an umbrella group of NGOs that includes Honduran business associations long funded by the US Agency for International Development (USAID), including the Honduran Council of Private Enterprise and the National Federation of Commerce and Industry. The same NGO groups that applauded the coup against Manuel Zelaya include representatives of telecommunications firms and export assembly companies that are members of the Civil Democratic Union of Honduras. The Honduran opposition to Zelaya is based on his support for policies that threatened the political agenda of significant sectors of Honduran and transnational capitalists represented by this NGO network, which opposed Zelaya’s decisions to raise the minimum wage, to block the sale of the state-owned telecommunications sector to private transnational firms, and to take control of foreign-owned petroleum storage facilities in an effort to check profiteering and to lower the price of gasoline. As a justification for the coup, Honduran coup leaders were joined by the US-funded coalition of NGOs, the Honduran Supreme Court and the Honduran Congress, in charging Zelaya with violating the Honduran constitution by going forward with plans to have a referendum placed on the November ballot. The referendum in question would have asked Honduran citizens whether or not they supported the convening of a National Constitutional Assembly to change the current Honduran constitution. Opponents of the referendum
characterized it as an unconstitutional power-grab that would have extended the presidency of Manuel Zelaya beyond the four-year term limit specified in the Honduran constitution. Defenders of Zelaya contend that the referendum was non-binding and only sought to authorize a constitutional convention after Zelaya left the office of the Presidency.

The debates over whether Zelaya’s proposed referendum violated the Honduran constitution miss the larger, and more significant, battle over socioeconomic and strategic issues that were at the center of the opposition to Zelaya’s presidency. President Zelaya was moving toward political alliances with the governments of Venezuela, Bolivia, Nicaragua, Dominica and Cuba, epitomized by his decision to join the Bolivarian Alternative of the Americas (ALBA), a regional trade group formed in 2004 that has sought to counteract the corporate friendly regional trade agreements supported by the United States. Prior to the coup, Zelaya was in the process of organizing the removal of the US military presence from the Soto Cano airbase, using a fund from the ALBA countries to convert the Pentagon base into a commercial airport. These moves threatened the US-Honduran strategic relationship, and the stability of the Honduran constitution that had been drafted by the Honduran military under US direction in 1982. The US role in crafting the Honduran constitution was central to US geostrategic objectives in Central America during the 1980s, including the use of Honduran territory by the CIA and the Pentagon to finance paramilitary missions against the left throughout the region. At the same time, the constitution provided the Honduran government with a political legitimacy that allowed the dominant Honduran parties to share power within an institutional framework that discouraged the emergence of populist or leftist coalitions that might otherwise challenge the political and economic interests of the Honduran elite. As sections of the Honduran elite became more closely tied to transnational firms with strong links to the US State Department, the US Agency for International Development began supporting a network of NGOs that have long advocated a neoliberal agenda in Honduras, defined as a deeper integration of the Honduran economy with sectors of transnational capital supported by the US government.

The Politics of U.S.-NGO Intervention

The relationship between the US government, NGOs and the Honduran military coup of 2009 needs to be located within a broader history of US financial support for NGOs throughout the developing world. In the following pages, I follow the work of several scholars in developing a conceptual framework for analyzing US support for NGO networks in the context of broader political, geostrategic and economic strategies of intervention. I will conclude in the final section by returning to the Honduran case to illustrate my central arguments. This framework locates US funding of NGOs within a broader political economy of US foreign policy from the 1980s to the present. Since the creation of the National Endowment for Democracy (NED) in 1983, the US state has relied on both the NED as a quasi-governmental organization and USAID to channel money to NGO groups and networks in the developing world whose work coincided with US geostrategic, political and economic interests. In fact, there is a strong correlation between US assistance to NGOs and broader patterns of US military and economic aid to particular countries and regions that the US state has deemed important to US foreign policy strategies.

From the 1980s to the present, there have been four purposes for US expansion of aid to NGOs and NGO networks. First, the US has sought to use NGOs to bolster civil society support for governments allied with the US. In the case of El Salvador and Honduras in the 1980s, the
US dramatically expanded assistance to NGOs in an effort to build support for pro-US governments. Similarly, in Afghanistan and Iraq in the 2000s, the US extended assistance to a wide range of NGO groups that provided technical, logistical and/or monetary aid for development projects favored by the US-backed governments of those countries. In these contexts, US government assistance to NGOs often faced opposition from rebel movements opposed to US military intervention. NGOs were often perceived as working on behalf of the US state, regardless of the nuances of their relationship to US foreign policymaking.

Second, the US state has financed oppositional NGO groups and networks whose goals were to weaken, to undermine or to overthrow governments that the US had targeted as geostrategic enemies. This has been evident in a wide range of cases, including US aid to oppositional NGO groups in Nicaragua during the late 1980s, in Haiti during and after the elections that brought Jean-Bertrand Aristide into office, and more recently in Bolivia and Venezuela after the elections of Evo Morales and Hugo Chavez, respectively. In all of these cases, including the case of Honduras under Zelaya, US assistance to NGO networks included business associations and elite socioeconomic coalitions that were opposed to the redistributive policies pursued by these governments. The US channeled assistance through the NED and/or USAID to groups in these countries that had been closely aligned with the US policy objectives in the past, especially the promotion of neoliberal economic policies that were threatened by governments considered unacceptable by the US foreign policy bureaucracy.

Third, the US has financed NGO groups and networks in the aftermath of military interventions when the US has assumed a leading role in building government institutions in countries that are occupied by US troops and coalitions of foreign troops allied with the US. This fits the pattern of US assistance to NGO networks in the former Yugoslavia, including Bosnia-Herzegovina and Kosovo. The same NGO groups that had lobbied for US military intervention in the former Yugoslavia were often recipients of US government funds through the NED and USAID during and especially after the NATO military intervention that turned the balance of power against Serbian forces and in favor of US-backed militias in Croatia, Bosnia and Kosovo. In Bosnia and Kosovo, the NGO International Crisis Group emerged at the head of a broader NGO network that mobilized support for the US-led military intervention and played an active role in governance after the interventions. NGOs thereby assumed some of the functions typically associated with governments in direct support of policy objectives favored by the NATO coalition. Similar patterns have occurred in Haiti with the most recent overthrow of the Jean-Bertrand Aristide government, in Iraq after the overthrow of Saddam Hussein, and in Afghanistan after the overthrow of the Taliban.

Fourth, the US has increasingly relied on financing of NGOs to provide technical, logistical and ideological support for elections in countries that the US considers geostrategically important. This strategy was pioneered in El Salvador in the mid-to-late 1980s, in Nicaragua in the late 1980s, early 1990s, and in Bosnia-Herzegovina and Kosovo after the US military achieved victories against Serbian forces and began to construct electoral frameworks within a the context of a lengthy period of military occupation. Similarly, the US has provided assistance for NGOs in Iraq and Afghanistan to promote elections in the midst of civil wars and military occupation. Thus the use of soft power has accompanied US hard power by helping to facilitate US military objectives, including the deployment of troops engaged in combat operations, an escalation of military aid, and the establishment and expansion of military bases in the country. As I will document in the section entitled, "Elections by Any Means Necessary," there are troubling questions associated with such an expansion of aid in circumstances of civil war.
The next section locates my analysis within a broader framework of scholarly discussion about the origins, purposes and politics of NGO networks. I argue that to this point in the literature, there has not been enough sustained focus on the ties of NGOs to state objectives. Instead, scholarly assessments of NGOs have tended to downplay the extent to which development aid is tied to the geostrategic, political and economic objectives of leading states in the global economy, especially the US. In addition, there has not been enough attention paid to the relationship between NGOs and corporate coalitions pursuing neoliberal policy objectives in the developing world. In order to grasp the significance of the US-NGO relationship, I categorize US-financed NGOs as "business NGOs", capturing the extent to which such NGOs either are comprised of corporate interests, or, more commonly, receive aid in a context that legitimates neoliberal policy solutions that seek to privilege civil society by bypassing governments in favor of private sector actors. In short, the US-NGO nexus occurs within a context that is usefully labeled "the Development Industry," a term which helps capture both the explicit ties of NGOs to the corporate sector, as well as the organizational structures of NGO groups that are increasingly dependent on financing development projects that can curry favor with big donors, including the US government itself.

The Emergence of the “Development Industry”

Early scholarly discussions of NGOs adopted the language used by NGO members to describe their distinguishing features, which included “being good at reaching the poor, using a participatory process of project implementation, being innovative and experimental, and carrying out projects at low cost.” In her systematic evaluation of NGO behavior, Judith Tendler concluded that NGOs were “not good at reaching the majority of the poor or the poorest,” were “not participatory,” but engaged in “top-down decision process which they control,” were not innovative in the development of their projects, and “usually have worked collaboratively with government agencies when projects succeeded.” Tendler and others have also indicated that, contrary to the apolitical classification of NGOs in the early scholarly literature, the type of work that these organizations engage in is often highly political. NGOs are involved in activities directly related to the distribution of wealth and power, and are often deeply embedded in financial relationships with donors and recipients that reflect a particular political orientation.

Given the breadth and scope of NGO activity, the purpose of this article is not to make sweeping generalizations about NGOs. The range and types of NGOs, both national and international, is vast and includes an array of complex organizational structures and relationships that go beyond the particular type of NGOs most relevant to this study. The definitional complexity of NGO classification is indicated by the typologies that scholars have developed in an attempt to move beyond the “articles of faith” discussion of NGO behavior that dominated the earliest literature. As such, more recent scholarly investigations of NGOs have attempted to add more layers of complexity to classifying NGOs based on legal definitions, economic/financial definitions, functional definitions and structural definitions. Legally, NGOs are bound by the laws and regulations of the particular country in which they operate. Economically, NGOs receive donations from particular sources, whether they are governments, individual donors, or corporations, which may affect their behavior in carrying out particular operations. Functionally, NGOs may be defined by the types of activities that they engage in, from monitoring human rights, to participating in electoral procedures and processes, to distributing food aid and development assistance, and to participating in the promotion of community organizations and
activities. Structurally, NGOs are characterized by the type of bureaucracy and rules that govern the organization, whether it is run by a well-paid professional staff with offices in a first world country or by a primarily volunteer organization with strong ties to the grassroots communities in which it is based.  

Recent scholarship has emphasized the relationship between developed countries, including the United States, and NGOs in delivering development aid, monitoring elections, providing administrative expertise in building state institutions, and reporting on human rights violations, among other tasks. The rapid growth of international NGOs is increasingly tied to a development industry linked to official flows of assistance from first world governments, multilateral organizations such as the United Nations and the World Bank, and private contributions from corporate foundations. This has led some scholars to conclude that the politics of particular NGOs derive from an organizational culture that is heavily shaped by its relationship toward the states and societies in which it is based.

The United States, especially since the Reagan Administration in the early 1980s, has shifted a greater percentage of its aid flows to private voluntary organizations and away from states in the developing world. If we examine development aid alone, USAID is currently funneling about one-third of its aid flows through NGOs today, compared to between 10 and 20 percent annually during the 1980s, and between 20 and 30 percent during the 1990s. This has resulted in stronger linkages between US state objectives and the activities of NGOs, especially in the areas of development and democratization. Aid to promote democratization is funneled to private voluntary organizations by both USAID and the National Endowment for Democracy. Democratization assistance is often a mixture of aid flows to non-profit organizations working to facilitate and to monitor elections and to political associations and parties actively involved in the electoral process. US geostrategic and economic interests provide the context for understanding these aid flows. With that in mind, I turn to an examination of the Reagan Administration’s political calculations in supporting a shift of US aid flows to NGOs in the developing world.

**Historical Roots of the US-NGO Relationship**

In the early 1980s, the Reagan Administration worked with the U.S. Congress to implement significant tactical changes in the delivery of US foreign aid that involved giving a higher percentage of US aid to NGOs. In 1981, Congress required that 13.5 percent of development assistance be channeled through US private voluntary organizations, which then passed along aid allocations to indigenous NGOs in select countries. The Reagan Administration sought to channel aid to conservative and pro-business NGOs in order to counter the rise of left-leaning NGO groups, movements and governments that had emerged during the 1970s to challenge US-backed governments in Central America and the Caribbean. During the 1970s, the Inter-American Foundation (IAF), created in 1969 with a mixture of public and private money, channeled aid to indigenous NGOs in Latin America that were often critical of US-backed governments in the region. The IAF’s aid decisions were made independently of the US State Department and USAID, and its aid allocations to NGOs in Latin America came at a time of reductions in US AID lending. The US government had grown disillusioned by the failure of large-scale US AID projects during the 1960s, and, as a result, the US government reduced aid allocations to developing countries during the 1970s in favor of a greater reliance and encouragement of private sector lending.
The Reagan Administration, supported by the US Congress, were concerned that NGOs with leftist ideological views were receiving IAF aid allocations during the 1970s in a manner that allowed them to challenge US-backed governments in Central America and the Caribbean in particular. To counter the influence of these groups, the Reagan Administration reversed the decline in US AID allocations of the 1970s in favor of significant increases in US AID funding during the 1980s, especially in Central America. For example, the US government had given just 12 percent of its Official Development Assistance (ODA) to Latin America in 1981, but by 1985 that figure had increased to 20 percent. Of the ODA assistance to Latin America, 89 percent went to the Central American and Caribbean region. The Reagan Administration prioritized military aid to pro-US governments in El Salvador and Honduras, but also worked to organize and fund rebel movements fighting the government in Nicaragua. In all of these cases, the US supplemented significant increases in US military aid with rising aid allocations to conservative NGOs, often NGOs that were directly linked to pro-US business groups in the region.

US government support for shifting a higher percentage of US AID to NGOs has its roots in a crisis of legitimacy that confronted policymakers in the Reagan Administration in the early 1980s. Neoconservatives in the administration worked to develop a political counterweight to the rising tide of left political movements and revolutions sweeping the developing world. For the more sophisticated members of Reagan’s Cabinet, it was not enough to provide greater military assistance to authoritarian governments long backed by the US during the Cold War struggle with the Soviet Union. Military assistance to these governments would increase, but such an approach would also be combined with a renewed emphasis on democracy promotion that would involve aid to NGOs in civil society, similar to earlier U.S. efforts to promote limited democratic reform during the Cold War. As with earlier democracy promotion efforts, the emphasis of the Reagan Administration was on the promotion of what some scholars have labeled “low-intensity democracy,” which allowed for an institutional shuffling of political elites in a manner that privileged elections without challenging the economic power of the pro-US business class. The creation of the NED in 1983 was the embodiment of this approach, especially important because it received support from both Reagan hardliners and mainstream moderates and liberals who sought to isolate the revolutionary left in the developing world.

The NED was created in a particular political, economic and ideological context that is crucial for understanding the dynamics of US democracy promotion efforts long after the Cold War ended. For Reagan Administration supporters of the NED, the organization was viewed as a necessary political response to the crisis confronting US-backed authoritarian governments, beset by challenges from leftist revolutionary organizations that posed threats to US investors and their allies in the developing world. The crisis of authoritarianism divided US political elites, and the Democratic and Republican Parties, regarding which policies the US should adopt to protect its allies in the Third World. On the heels of the Vietnam War, the US Congress during the mid-1970s, specifically the work of the Church Commission, unleashed the most far-reaching critical investigation of US support for military governments, military coups and repression of democratic movements and organizations than had ever been authorized by any part of the US government. The Reagan Administration hardliners criticized this inquiry as an illegitimate weakening of executive privilege in the shaping of US foreign policy, contending that it damaged US national security by weakening US resolve to defeat the Soviet threat. However, there was also a recognition that the long-standing critiques of US foreign policy behavior had provided its political opponents with newfound legitimacy, especially when it came
to critiques of US support for authoritarian regimes, just as these regimes were struggling to survive in the midst of stronger political challenges to their rule.

The challenges to authoritarianism in the developing world are complex, and it is not the intent of this article to capture the subtleties and nuances of the crisis of authoritarianism during the late 1970s and early 1980s. However, there are several aspects of this crisis that are worth noting, because they help us understand the increasing reliance of the US government on democracy promotion as a way to maintain support for authoritarian allies even as the basis of their old political authority began to unravel. The first aspect was the failure of previous US development strategies to provide legitimacy for US-backed rulers in the developing world. For over two decades, beginning in the mid-1950s, US non-profit foundations, most notably the Ford Foundation, provided considerable funding that allowed for a network of academics and policymakers to collaborate on the development of modernization theory as a way of advancing US interests in the developing world and countering threats from the left. The modernization approach, elevated to scientific doctrine, posited a connection between economic and political development, so that the growth of a middle class in the developing world was seen as crucial for promoting both capitalism and democracy against threats posed by the revolutionary left. US efforts to promote economic and social modernization, as a vehicle for the eventual promotion of “democratization,” was embodied by the Alliance for Progress, whose failures led many one-time proponents of modernization theory to declare the theory a colossal failure. The consolidation of power by authoritarian governments that continued to be backed by the US left the US political establishment divided about the best set of alternatives for promoting US political and economic interests in the Third World.  

Influential US academics addressed this problem in the 1970s, including a publication co-authored by Samuel Huntington, who warned of the political instability in the developing world that had accompanied rapid and uneven economic growth which eclipsed the ability of political institutions to effectively govern their societies. The instability generated new openings for the revolutionary left, which in some cases had been able to mobilize broad coalitions opposed to authoritarian rule, including alliances of left revolutionaries with moderate reformers and liberals who had given up on changing the system from within. At the same time, academic critiques of modernization theory emerged that argued the theory had always been intellectually bankrupt, used by US political and economic elites to provide economic and military aid to pro-US regimes whose real purpose was to protect foreign direct investors and their allies in the developing world against even mild redistribution of wealth, let alone social revolution.  

The greater linkage between transnational investors in the US and the developing world contributed to the growth of an NGO network tied to the promotion of neoliberal reform. US and corporate-funded NGOs proliferated during the 1980s and 1990s, tied to the growth of export-led assembly operations and non-traditional agricultural exports. During the 1980s, US policies in Central America fused the interests of democracy promotion advocates with the interests of transnational business organizations, with the US State Department providing funding to NGOs active in building low-intensity democratic institutions while also providing money for development NGOs active in promoting investment opportunities linking transnational investment coalitions in the US and Central America. The US state, then, was deeply engaged in managing the transition from traditional authoritarian rule to low-intensity democratic rule, designed to maintain a stable continuity for elite coalitions within the negotiated parameters of a US-brokered transition. For a complete understanding of the context of democracy promotion, we need to examine more fully the term used here: low-intensity
democracy, and the extent to which a shift in scholarly interpretations of democratization accelerated and reinforced the political and economic goals of the US state in managing these transitions.

Low-Intensity Democracy Then and Now

The US government has a history of providing resources, personnel and foundation funding toward “democracy promotion” during the Cold War, when such organizations as the Congress for Cultural Freedom worked with CIA financing in assisting the electoral fortunes of pro-US political coalitions and in organizing propaganda against leftist organizations with suspected or alleged ties to the Soviet Union. The US government’s promotion of democratic institutions was contingent on its ability to advance US strategic, economic and ideological interests in the world, and would often give way to support for authoritarian governments when US officials feared that democracy promotion would result in gains for leftist coalitions. The consistent US support for authoritarian regimes during the Cold War was an indication of the US preference for political stability over democratic access to the political process, especially in the developing world, where US-backed economic modernization programs led to a more polarized socioeconomic environment. Rather than live amiably with fellow democracies, as democratic peace theory might suggest, US elites were quick to help dismember democracies in the developing world in circumstances where those democracies were led by left nationalist governments and were relatively weak in comparison to the resources of the US national security state.32

The US promotion of democracy during the Cold War was limited in scope by an assessment of whether or not such democratic institutions would advance US-defined national security interests. In the context of the competition with the Soviet Union for allies and resources, the US often relied on the strongest institutional actors in the developing world: dictators and the military, to advance US policy goals. The limitations of the Cold War approach became evident during the 1970s, when significant challenges emerged to the power and authority of authoritarian regimes previously backed by the US state. The shifting context of the 1970s provided the incentive for US state actors to adopt a more far-reaching political program of low-intensity democracy promotion than had been attempted during much of the Cold War period. The political economy of democracy promotion evolved within a structural crisis of US foreign policymaking and within a context of substantial changes within the global political economy that brought new opportunities for expanding the promotion of low-intensity democracy throughout the world. Authoritarian governments supported by the US were struggling to maintain power in the midst of revolutionary movements and splits within civil society that sometimes led to civil wars. Socioeconomic coalitions that previously supported authoritarian rule broke apart due to significant changes within the global political economy. Economic and political elites split into competing factions, threatening their ability to maintain stable institutions to protect class privilege against mounting challenges from movements based in the working class and the peasantry.33

The Reagan Administration, in this context, sought to advance a democracy promotion project whose outlines have continued to shape democracy promotion to this day, whether pursued by Republican or Democratic administrations. The first aspect of low-intensity democracy is the centrality of formal elections, with a de-emphasis on the larger political and economic context in which elections take place. The Reagan Administration showcased this
strategy by providing political, military, and economic support to the staging of elections in El Salvador in the midst of a civil war during the 1980s. The circumstances in which elections were held in El Salvador, in both 1982 and 1984, violated most of the tenets that political scientists consider necessary for free and fair elections to be held, including: 1) An ongoing civil war that endangered lives and threatened transportation and communication infrastructure necessary for equal access to polling places. 2) A powerful military that was politically connected to the dominant Salvadoran political party and instrumental in “guarding” the very ballot boxes necessary to facilitate the electoral process, and 3) The repudiation of the elections by significant sections of the population who felt that participation validated the ongoing institutional rule by the Salvadoran oligarchy in combination with the oppressive military bureaucracy.

Nonetheless, the Reagan Administration not only helped finance the Salvadoran electoral process, but used US support for elections to secure the necessary votes from a Democratic-controlled Congress for a continuation of US military and economic aid to the government of El Salvador. The Reagan Administration portrayed the Salvadoran elections as a successful byproduct of US democracy promotion efforts needed to build lasting democratic institutions inside the country and to weaken the political extremes on the far right and far left in the Salvadoran civil war. But this characterization of the meaning of the Salvadoran elections was ideological window-dressing. A careful examination of the allocation of US military and economic aid to the Salvadoran government indicates how low-intensity democracy evolved as a political strategy to strengthen a particular fraction of the Salvadoran political and economic upper class, which was firmly dependent upon US-backed institutional reform to secure its political power. With the changes in the global economy that were occurring in the late 1970s and early 1980s, the Salvadoran political and economic elite could no longer be characterized as simply a landed oligarchy. Instead, fractions of the Salvadoran elite had diversified away from strictly land ownership to a more complex range of financial and manufacturing investments that helped produce a modernizing coalition supportive of US-backed institutional reforms, including the holding of elections. The US used “democracy promotion” to legitimize a Salvadoran political process in which the distribution of wealth and privilege had not changed, but the political mechanisms to protect those privileges were evolving from authoritarianism to low-intensity democracy.

The ideological framing of democracy promotion as an institutional process that would challenge the extremes of the far right and the far left obscured some fundamental realities about the continuity of democracy promotion with traditional US-backing for authoritarian regimes. First, during the process of “democracy promotion”, the US kept increasing military assistance to the same Salvadoran military that the US had historically backed during the decades of authoritarian rule. Second, the institutional changes supported by the US preserved the power and privileges of much of the Salvadoran bourgeoisie, and created new opportunities for profit-making by simultaneously promoting economic reforms that linked Salvadoran capitalists with US foreign direct investors. The diversification of the material interests of the Salvadoran oligarchy proved crucial in building political support in El Salvador for US-funded NGOs that would promote neoliberal economic reforms designed to support a transition to export-led manufacturing and non-traditional agriculture. The US promotion of low-intensity democracy enabled the political and institutional changes needed to protect the interests of a newly emerging transnational class in El Salvador, increasingly linked to the global economy and moving away from an exclusive dependency on traditional land-owning activities.
The Reagan Administration developed a strategy of low-intensity democracy for both political and economic reasons. Politically, the transition away from direct authoritarian rule to low-intensity democracy promised a more stable institutional environment for the types of financial, manufacturing and non-traditional agricultural investments that were in ascendancy in El Salvador and the rest of Central America. Economically, the shift to low-intensity democratic institutions provided a way to restructure the Salvadoran state to promote neoliberal economic reforms. This included a greater openness to transnational investments that linked foreign firms, primarily US-based, to Salvadoran manufacturers and non-traditional agricultural producers. The introduction of property laws and judicial reforms geared toward the protection of private investment helped guard against the threat of usurpation of such investment in the event that left-wing or populist governments came to power. In short, low-intensity democracy promoted institutional changes that left the socioeconomic power structure intact, while allowing for the kind of neoliberal reforms necessary to accommodate the priorities of a newly emerging transnational class.

**Elections By Any Means Necessary**

A notable development of US foreign policy making from the 1980s to the present is the combined use of military occupation, development aid, and elections to secure particular political, economic and geostrategic objectives. This section will locate the context of elections within a broader structure of global political and economic power relationships, including US geostrategic power, the power and influence of transnational business coalitions and the role of US-funded NGOs, which have helped to shape institutional arrangements leading to elections. I will also examine the extent to which electoral competition in the developing world has increasingly involved a global constellation of actors, from US-backed NGOs to international organizations to transnational coalitions, all of whom have lent support and institutional credibility to furthering the procedural aspects of electoral competition. The phrase “elections by any means necessary,” is intended to capture the extent to which the electoral process has been defined by an increasingly narrow set of criteria: procedural and institutional facilitation of access by citizens to the ballot box so that votes may be cast. The structural circumstances in which elections are held are often minimized or disregarded in favor of a focus on the procedural aspects designed to enable voting to take place. In many US-backed elections in the developing world, there has been a lack of adequate infrastructure necessary to maximize turnout, a lack of information about particular candidates and their policy positions on issues that matter to voters, and overwhelming concentration of resources and political and economic power in the hands of dominant parties and organizations which are often allowed to structure the electoral process in a manner that is highly advantageous to their interests. In addition, a wide variety of transnational actors, including the US state, transnational corporations, and NGOs, are often involved in the political process of transforming state institutions before elections take place, giving such groups a privileged position in the restructuring of state institutions that is often disconnected from the procedural aspects of voting that takes place on designated election days. In the exercise of US political, economic and military power from the early 1980s to the present has been instrumental in the creation of political institutions necessary for elections to occur. The role of US-financed NGOs, increasingly staffed by democracy professionals, has been increasingly important in monitoring the processes associated with the holding of elections.
When elections are held during civil wars or military occupations under the supervision of US political elites and foreign election observers, transnational election monitors are often more important guardians of the electoral process than ordinary citizens of countries in which elections take place. Under these conditions, there is a growing transnationalization of elections, meaning an overwhelming reliance on foreign governments, including military personnel and election monitors, international NGOs and international organizations such as the United Nations, to police and to supervise the broader infrastructure within which elections take place.

Any attempt to assess elections in the developing world from the 1980s to the present must include attention to the determinants of political and economic power that provides the context within which elections are held. There have been four patterns associated with varying degrees to US-backed elections in the developing world since the US supported the Salvadoran elections in the early 1980s as an important early test case for low-intensity democracy. The first pattern is the degree to which the US military has been involved in aiding or occupying the developing country while elections take place. The militarization of the electoral environment has been a consistent feature of the transition from authoritarian rule to low-intensity democracy in a wide range of developing country case studies that will be analyzed in this book. Starting with El Salvador, where the US provided extensive military aid to the Salvadoran government at the same time that the US provided institutional, economic and political support for the holding of elections, to the cases of Haiti and the Philippines in 1986, to Panama in 1989, to Bosnia and Kosovo during the 1990s, and, most recently, Afghanistan and Iraq after the US military occupations of 2001 and 2003, respectively.38 In these cases, the US continued to either aid the most repressive organizations in these societies, such as the Haitian and Philippine militaries during the mid-1980s, or, more commonly, to rely on US (or NATO) military troops to provide the security and police presence necessary for the holding of elections in every other case mentioned.

The second pattern is US and NGO monetary support for political coalitions favoring neoliberal economic policies in the developing world. The US-backed financing of pro-US political coalitions, facilitated by an NGO support structure with close links to those coalitions, has occurred in a wide range of cases, including El Salvador and the rest of Central America to varying degrees, as well as Haiti and much of Eastern Europe during the transition from cold war to post-cold war institutions, including states within the former Yugoslavia, as well as Bulgaria, Poland, and Hungary. In the case of Yugoslavia, US support for breakaway republics, including parties and political coalitions favoring neoliberal economic policies, helped contribute to the disintegration of the state and the ongoing intervention by foreign powers and transnational actors that culminated in a NATO military operation. The US provided economic, political and institutional support for elections in the newly constituted state of Bosnia following the negotiations in Dayton, Ohio, with the presence of NATO troops linked to the process of institutional restructuring that would include international organizations such as the IMF, the World Bank, and the European Union. As part of this restructuring, a transnational network of foreign elites, tied to states, NGOs and international organizations, determined the future shape of elections and institutions in Bosnia. Later, after another NATO military intervention in Kosovo, US, EU and UN officials backed a neoliberal restructuring of state institutions that occurred while the US established its largest military base in the world. At the same time, NATO forces presided over elections that were being heavily monitored by a diverse array of transnational organizations and NGOs. In each of these cases, Western elites facilitated a transition to low-intensity democracies despite the lack of engagement or enthusiasm of much of
the local populations, whose long-standing political conflicts and ethnic and socioeconomic divisions often took precedence over civic engagement.\textsuperscript{39}

The third aspect of political and economic power that has helped shape electoral outcomes is the growth of divisions between a cosmopolitan elite culture, rooted in international norms, values, relatively privileged lifestyles, and strong connections to transnational organizations including corporations and NGOs, and poor majorities within developing societies who are less mobile, less involved in political activities, tied by economic limitations and cultural traditions to more localized community structures. This schematic portrait of such divisions is not intended to suggest that these groups are isolated from one another. Rather, it suggests the extent to which the globalized economy has intensified polarization and socioeconomic stratification, even as the transnational classes at the top of the hierarchy in developing societies continue to be engaged politically in the reshaping and reorganization of local and indigenous economies and cultures as part of the processes of globalization. The very process through which low-intensity democracies were created, in the midst of profound changes within the global political economy, have made such democracies more vulnerable to opposition from lower classes of workers and informal sectors whose exclusion from the formal political process has led to increasing disillusionment and cynicism about the very concept of “democratization.” The rise of Hugo Chavez in Venezuela, as well as Evo Morales in Bolivia, are the best examples of how the frustration of the lower classes have led to support for economic populists of the left, whose socioeconomic program contrasts with the neoliberal policies that have historically been supported by dominant classes, or class fractions, in their respective countries.\textsuperscript{40} At the same time, the emergence of Latin American leaders who have challenged the institutional and economic basis of low-intensity democracy have drawn strong opposition from the US state, US-backed NGOs, international organizations, and transnational groups with strong linkages to the upper classes and professional middle classes in these societies.

The fourth power dynamic is the creation of a wide range of transnational NGO networks that have developed the very definitions and procedures of what constitutes acceptable and workable democracies in developing countries. These organizations, claiming to be impartial observers, consist of a growing professional class of democracy experts who are increasingly relied upon by US and Western European governments to help establish democratic institutions, to provide mechanisms to ensure that elections can be held in a manner that promotes transparency, accountability and voting rights for citizenries, and to monitor elections based on standards that have largely been developed within Western cultural traditions, with little input from the citizen majorities in developing societies. These international NGOs view themselves as a kind of transmission belt of liberal democratic values, transported from the developed countries to the developing world, but also influenced to some degree by their interaction with a wide range of professional and citizen NGO networks based in developing countries. Their existence has provided a robust acceptance and enthusiasm for the democratic process among a wide range of ideological tendencies, including neoconservatives and liberals who see the transmission of democratic practice as a necessary route to a kind of global cosmopolitanism, which ideally will work to provide a check on the worst human impulses, including human rights violations, and, at the most extreme end of the spectrum, genocidal actions undertaken by unaccountable political and socioeconomic elites. It’s here that international NGOs derive their most noble aspirations: they can justify electoral interventionism, and even military intervention
Patterns of US-NGO Relations: From the 1980s to the War on Terror

The political power of business NGOs has accelerated in the past three decades, due to several trends that will be the subject of a brief overview here, with the hope of spurring more detailed research on the political economy of US-NGO intervention. The first trend includes the shift by US foreign policymakers, beginning with the Reagan Administration and extending through the current Obama Administration, to privatize aid flows in the areas of development assistance and democratization. Each of these aspects of the US aid process has helped to empower business associations and political coalitions favorable to a specific political and economic agenda. That agenda has often been advanced by the US state in the process of intervention in the domestic political economy of particular third world countries. Starting with El Salvador during the 1980s and extending to the cases of Bosnia, Kosovo, Iraq and Afghanistan during the 1990s to the present, the US has relied on an NGO network to help restructure state institutions following US-led military interventions. In the process, US-financed NGOs, including business groups and non-business groups, have been assigned tasks that were previously undertaken by governments, including various development projects, humanitarian relief programs, fiscal and budgetary management and oversight, and implementation of neoliberal economic strategies that have included privatization and structural adjustment in cooperation with multilateral organizations such as the IMF and the World Bank.

The elaborate structure of US-NGO cooperation has had elements of cooperation and conflict, including a pronouncement by the George W. Bush administration that NGOs receiving US money needed to be more deferential to US political goals and ambitions. US officials have grown accustomed to financing NGOs as a way to advance particular economic or strategic interests within a Third World country. When asked what would happen to US interests when the US troops left Haiti after the “humanitarian intervention” from 1994-1996, Assistant Secretary of State Strobe Talbott remarked that the US would continue to exercise power through the elaborate network of NGOs that would continue to be financed by the US government. In Haiti, the US would attempt to rely on a US-financed NGO network that would try to advance a variation of the “modernization program” that the USAID had pursued in El Salvador during the 1980s and early 1990s, whereby the El Salvadoran economy was restructured to orient itself to transnational production strategies in manufacturing and agriculture. As previously discussed, in El Salvador this strategy was supported by USAID and the ARENA Party, which was closely linked to US-financed business associations that included Salvadoran firms and US-based transnationals. In Haiti, USAID attempted to finance, without much success, a restructuring of Haitian agriculture toward providing inputs for transnational food processing industries alongside establishing a platform for the assembly of low-wage manufacturing products. The aid network in Haiti, according to documents prepared by US AID officials, was designed to try to replicate the “success” of similar development strategies in El Salvador.

In the aftermath of the US military occupation of Iraq in 2003, the US also referred to El Salvador as a “model” for both the US counterinsurgency program and the neoliberal economic reforms that the US Coalitional Provisional Authority (CPA) would implement during the US occupation. The US CPA contracted with business associations that were closely tied to US-based transnational firms, who were given privileged access to the Iraqi market through a
privatization process that was, in part, directed by US-financed NGOs. Bearing Point Corporation, Inc., of Virginia, supervised the US-financed restructuring of the Iraqi economy, alongside an NGO network with political and economic expertise in reducing state involvement in the economy in favor of greater reliance on foreign capital and private sector participation. The result was that US-based MNCs often received preferential access to the Iraqi market, due to longstanding ties to business NGOs that received contracts from the US government to attempt to remake Iraq through the implementation of neoliberal economic policies. This economic process, as in El Salvador, occurred alongside a political/military process that employed counterinsurgency techniques borrowed from those used by the US during the civil war in El Salvador during the 1980s. The degree of private sector involvement in both neoliberal restructuring and counterinsurgency policies in Iraq replicated many of the policies followed in El Salvador, with very mixed results.

The third trend is the growth of international NGOs that occurred in the context of the end of the cold war and the rise of peacekeeping operations and “humanitarian interventions.” With the onset of arms reduction treaties between the US and the Soviet Union, an international environment was created that facilitated agreement among the members of the UN Security Council regarding the expansion of peacekeeping operations. Organized within the UN with considerable backing by the US, and with much greater participation by the US military than had been the case with cold war peacekeeping operations, there was a dramatic increase in the deployment of “blue helmets” to a variety of locations, engaging in everything from keeping the peace between two previously warring parties to monitoring national and local elections to delivering humanitarian relief in conditions of instability and military conflict to protecting civilian populations that were being threatened by warring militias. The growth of NGOs connected to such operations was one of the most significant developments in international politics. Human rights organizations were enlisted to monitor violations of peace agreements between warring parties and to deliver reports from areas in which military/civil warfare caused or threatened to cause wholesale human devastation and slaughter.

The goal of such NGOs was to solicit greater awareness of international atrocities and humanitarian emergencies and to (at times) enlist the intervention of foreign armies authorized by the UN Security Council to engage in more robust peacemaking operations of the type that occurred in Somalia and the former Yugoslavia. These human rights groups often received considerable assistance from governments, including the U.S., and gained considerable proficiency in addressing their concerns to the international media. Combined with the rise of development organizations increasingly funded by governments and a wider range of private donors, there emerged a professional human rights and development industry committed to publicizing global atrocities with sophisticated media campaigns urging international cooperation and intervention by powerful states to respond to atrocities within the borders of sovereign nations. Supported by NGOs that specialized in international law and its application to human rights atrocities committed by governments or warring militias within the boundaries of sovereign states, human rights groups and development NGOs advocated a robust “humanitarian interventionism” that led to support for the use of US-led peacekeeping operations in Somalia, Haiti and the former Yugoslavia. In turn, the US state was increasingly willing to utilize NGO networks to legitimize a wide range of military interventions that would involve the promotion of US economic and geostrategic interests alongside professed “humanitarian motivations” increasingly articulated by professional NGOs engaged in development and human rights work.
The fourth trend is the aftermath of humanitarian intervention, when international NGOs were often enlisted in the political coalitions established to reconstruct states in the aftermath of military occupation. Examples of this include the cases of Bosnia, Kosovo and Afghanistan as examples of (attempted) nation-building by Western states, international organizations and international NGOs assigned to carry out many of the functions of governance, including economic development, humanitarian assistance, monitoring of elections and coordination of government policies. The role of international NGOs in helping to manage states has often put them at odds with grassroots NGOs who have a longer history of local engagement but operate with fewer resources and fewer political connections, often leaving grassroots groups at a considerable disadvantage in participating in global governance initiatives that emerge from collaboration between the most powerful Western states, led by the US, and international NGOs increasingly dependent on those Western states for funding, access to, and enlistment in, a range of development initiatives. In the case of Afghanistan, the international NGO network is increasingly subject to the militarization of foreign assistance which defines the purposes, orientation and scope of activities pursued by NGOs. Under such circumstances, it has become more common for some leading development NGOs, including Care International, to assert that the militarization of Western aid has put their own aid workers in jeopardy, damaging a longer history of Care International’s involvement in development activities in Afghanistan that extends back to the 1960s, and interfering with the humanitarian and development activities undertaken by the organization.49

The fifth trend is the emergence of oppositional NGO networks in countries such as Venezuela, Bolivia and Honduras. US government and transnational corporations have established ties to business NGOs in opposition to the leftist and statist policies of populist governments. Business coalitions in Venezuela and Bolivia, integrated in production networks and business associations with transnational firms, have emerged as powerful opponents of the governments of Hugo Chavez and Evo Morales.50 The US State Department, through the National Endowment for Democracy, have provided these groups with a steady flow of foreign assistance, including aid to groups implicated in the 2002 coup attempt against President Chavez of Venezuela. Similarly, in Bolivia, foreign aid has been linked to the financing of propaganda, protests and demonstrations, and electoral mobilization of disaffected voters rallying against Evo Morales. Each of these cases illustrates the extent to which domestic politics has been thoroughly transnationalized, with foreign assistance to political coalitions operating in lockstep with the transnational economic ties that have been built through decades of globalization.

As the opening of this article referenced, the close ties between the US state, transnational firms and international NGOs is evident in the politics of the Honduran military coup. But the actions of various US state bureaucracies and politicians to the Honduran military coup were not entirely uniform. Republicans in the US Congress voiced the loudest support for the coup and the provisional government that took power after President Manuel Zelaya was overthrown. Congressional Republicans were strongly supportive of the public line articulated by the network of US-funded NGOs in Honduras, and warned the Obama White House that they would use their power in Congress to block future Obama appointees to Latin America if the Administration took actions that were supportive of the reinstatement of President Zelaya.51 After the coup, the State Department continued to fund the Honduran NGOs through the National Endowment for Democracy, and through the International Republican Institute and the National Democratic Institute, which complemented the private financing from transnational firms that included US-based telecommunications companies. The State
Department maintained strong linkages to the Honduran business associations that supported the coup, a relationship that affected the policies adopted by the Obama Administration. The State Department took a circumspect position on the coup, working to mediate the conflict in a manner that was intended to preserve the institutional arrangements that the US had helped to promote as early as 1982, when the US worked with the Honduran military to draft a constitution that provided for regular elections while continuing to give the military considerable institutional power. 52

The US ultimately broke with the Organization of American States in recognizing the legitimacy of the Presidential elections that took place in Honduras after the ouster of Zelaya, whose presence in Honduras was considered too threatening to the political and economic elite of country to be accepted by the US. Ultimately, the Obama Administration, led by the State Department and aggressively supported by Congressional Republicans, viewed the Honduran conflict as part of a larger struggle with regimes such as Venezuela and Bolivia. The close ties of President Zelaya to these Latin American populist regimes, combined with Zelaya’s increasingly populist policies, proved threatening to US-based transnationals that had close linkages to Honduran business associations. US-financed NGOs represented the political expression of long-term US policies in Honduras, designed to push the Honduran economy toward the Salvadoran model, including greater integration with US capital and away from any semblance of statist policies that might lead Honduras toward other political alliances in the region. 53

The US-financed NGOs in Honduras were opposed by a grassroots Honduran NGO network that consisted of labor unions, teachers’ organizations, farmer associations, and professional groups that supported Zelaya’s populist policies. These grassroots organizations were largely cut off from international funding and access to the foreign media enjoyed by the US-sponsored NGOs, which orchestrated an international propaganda campaign on behalf of the provisional Honduran government and in support of the coup. In US newspapers, the pro-coup political bloc was able to exert a dominant position in the global propaganda battle surrounding the interpretation of the coup was a reflection of their superior financing, and their connections to US business interests that had a vested stake in opposing Zelaya. In contrast, the grassroots organizations in Honduras had relatively little resources, were vulnerable to a campaign of intimidation and terror in Honduras waged by the coup government, and, as a result, were relatively isolated in opinion pages in the United States, where the political weight of the pro-coup faction was clearly superior. In Latin America, however, the pro-Zelaya interests were much more successful in getting their voices heard, namely due to the strong backing from the Venezuela, Bolivian and Brazilian governments. When Zelaya returned to Honduras in the aftermath of the coup, Brazil allowed the deposed President to use its embassy in Honduras as a sanctuary from the Honduran authorities.
Conclusion

There are considerable tensions between competing NGO networks in an age of deepening political rivalries over the terms of the globalization process and over the expansion of the US empire. The US state, alongside the European Union and Japan, has lent support to a global network of NGOs that favor a globalization process that includes greater incentives for foreign direct investment, protection of intellectual property rights for transnational firms, greater integration of domestic and foreign capital in the global production process, and anti-statist policies that allow more privileges and rights for foreign investors against tighter regulations and controls promoted by populist states in Venezuela and Bolivia. The battle over the future shape of the globalization process is illustrated in microcosm by the different orientations of NGOs, with NGO networks funded by the US state often working to facilitate US-backed trade agreements such as NAFTA and CAFTA-DR, while grassroots groups in Mexico and Central America, linked to domestic NGO networks, have been the loudest critics of these agreements. At the same time, there is a very robust tension between international NGOs who are working closely with the US in its military intervention in Afghanistan, and the grassroots NGO networks who are generally opposed to the US escalation of the war, but receive little funding and have much less access to the foreign media. In this framework, the NGO networks have a complex and differentiated relationship to governments and localities, with even some international NGOs emerging as critical of US interventionist tactics, and the US struggling to maintain influence over an NGO network that is utilized for the delivery of aid to warzones in places such as Afghanistan.

The task for students of global politics will be to examine the political economy of NGO networks to ascertain their location within transnational power structures. Where NGOs get their funding is an important place to start, as is their relative dependence on the US, and the political context in which they operate. Powerful states increasingly rely on NGO networks, as do transnational classes who use them as a conduit to achieve greater market privileges and power. The extent to which these NGO networks are opposed by civil society organizations or even competing NGO structures are an important manifestation of socioeconomic and class conflict within the new globalization.

1 Credit goes to Barry Gills and Joel Rocamora, for developing the term “low-intensity democracy”. See their co-authored, “Low Intensity Democracy,” *Third World Quarterly*, 13:3, 501-523. Also see Barry Gills, Joel Rocamora and Richard Wilson, eds. *Low Intensity Democracy: Political Power in the New World Order*. Pluto Press, 1994. See also the seminal work of William Robinson, which has been invaluable for this article, starting with his framing and extensive empirical documentation of these issues in *Promoting Polyarchy: Globalization, US Intervention and Hegemony*. Cambridge University Press, 1996.
2 CNN Interview with representative from Grupo Paz y Democracia, July 28, 2009.
9 Kent Norsworthy with Tom Barry, *Inside Honduras*. Inter-Hemispheric Resource Center, 2004, 7-14
19 Ibid., 181-191.
25 For the most sophisticated and elaborate development of this type of intervention, see the work of William Robinson, who has used this framework in developing a more extensive analysis of this type of intervention, first in his Promoting Polyarchy: Globalization, US Intervention and Hegemony. Cambridge University Press, 1996.
42 Anna Ohanyan, NGOs, IGOs, and the Network Mechanisms of Post-Conflict Global Governance in Microfinance, Palgrave Macmillan, 2008.
45 Ibid.