

# **The EU Norm-Diffusion towards Latin America**

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This paper analyzes the EU norm-diffusion towards Latin America. The objective is to discuss the prospects of success for EU democracy and human rights promotion policies in the region. Theoretically, the paper discusses the use of social-constructivist theories to study diffusion of norms and emphasizes three stages for the study of EU norm diffusion in Latin American countries, which have no prospects of EU membership. The first is the setting for norm diffusion, the second positive and negative conditionality and the third the appropriateness of the norm-takers by the orientation of EU values, developing a sense of ownership and enhancing dialogue with the EU. Unlike the Central and Eastern European countries where the prospects of membership were strong incentive for internalizing EU norms, the transformative power of the EU is limited in Latin America and Asia. Nonetheless, depending on the region or the country in Latin American, the EU's policies of norm-diffusion have a varied impact by offering settings and resources conducive to the internalization of democratic values, practices of rule of law and human rights. In light of this, the paper empirically selects three contrasting cases: Mexico, Venezuela and Honduras. The paper is divided in four sections. After presenting an overview of the studies on external influence of democratization processes, the second section explains the analytical framework of the paper; the third section emphasizes the problem of the quality of democracy in Latin America and the fourth presents three case studies.

## **1. The Study of the External Influences in Democratization Processes**

The study of external influences in democratic transitions in the 1980s occupied a secondary role in the research agenda of scholars who were studying the third wave of democratization. (Magen 2009, 14-16). However, by the early 1990s, the end of the Cold War set the conditions for the proliferation of democracy and Western norms worldwide and the role of external influences was gradually inserted in the studies in democratization. The EU enlargement process provided evidence of the transformational effect of regional integration and was the object study *par*

*excellence* in the literature of external influences in domestic democratization. Ever since, the inclusion of external variables in the study of transitions has expanded by including more cases and types of interrelations and causalities of democratization. The approaches to explain the interrelation between external norms and state behavior has taken different angles: some identified aspects such as the different configurations of state-society relations (Risse 1994), while others the congruence between international norms and pre-existing political cultures (Checkel 1999); some others focused on how domestic groups instrumentally appeal to international norms to further their own local interests (Cortell 1996), and others concentrated on the processes by which international norms re-constitute national interests (Vieira 8).

The academic debates have been heavily permeated by the leading role of the United States and the European Union in the promotion of democracy across the globe since the early 1990s. On the one hand, the United States has been a pivotal actor in democratization processes worldwide because it was ready to deploy an arsenal of incentives right after the fall of the Berlin Wall. On the other, the European Union has indeed been actively promoting a specific set of European values based on democracy, human rights and rule of law, but with some limitations due to dynamic of the integration process and the relatively new emergence of external relations as part of the EU policies. Börzel and Risse argue that these set of values were effectively integrated into a common framework by the EU only at the turn of the century. As a result of it, the EU can be viewed as a civilian power, which “requires pro-active foreign policies and it necessitates that a polity has the whole range of political, economic, cultural military instruments at its disposal. If we use this yardstick, one could argue that the EU only became a civilian power at about 2000” (Börzel and Risse 2007, 28).

The role of the EU as a source of diffusion of norms has stimulated a scholarly debate about its motivations and effects. As to the former, Tafel (2008) groups three main trends in the literature: ideational-constructivist, material-instrumental, and constitutional. The first strand emphasizes the EU’s normative impulse in its cultural and social environment as a community of democratic states, in which the union conceives its identity as an international actor (Manners 2002). The second approach locates the EU’s drive in the promotion of norms as a function of self-interest calculations based on perceived cost and benefits of political actions (Hyde-Price 2006). The third ponders the inter-institutional bases of the EU policy making process, which represents a significant source for understanding inconsistencies in the EU external actions in the area of democratic governance and protection of human rights (Smith 2003).

With regard to the effects, the analysis of the external relevance of the EU has continued to flourish especially with policies and resources created to benefit Central and Eastern Europe, the immediate neighborhood and the ACP countries. However, as geographical distance increases and the incentives fade away, the influence of the EU decreases. From the perspective of diffusion of norms, the analysis EU democracy promotion policies in Latin America remains understudied. The EU role as a civilian power has been tardily displayed in the region and overshadowed by the presence of the United States. By the mid-1990s, most of the countries in the region were already electoral democracies and the EU’s policies were focused on the processes of deepening and widening. Nonetheless, democracy in Latin America is far from complete and the EU civilian power gradually developed the instruments to enhance its presence

in the region. It is at the turn of the century that the EU was effectively able to reinforce the in some cases or to avert in others further deterioration of democracy in Latin America.

## **2. Analytical Framework**

This paper holds the argument that to evaluate the diffusion of norms in countries where membership is not an option, the analysis of EU policies should include three main elements: a) the setting for norm diffusion (linkages and diffusers coordination), b) the strength of conditionality (negative and positive), and c) the mechanisms of appropriateness (orientation, ownership and dialogue).

At the end of the Cold War, the literature on norm diffusion proliferated exponentially. According to Barry and Barry, diffusion is a “process by which an innovation is communicated through certain channels over time among members of the social system” (1999, 171). The field of International Relations gradually developed a research agenda to comprehend the diffusion of norms by detecting at least two general trends. On the one hand, diffusion comes into play when international norms are trickled down to the national level which in turn leads to domestic change; this is a top-down process, in which international norms influence the action of actors in the domestic arena. On the other, diffusion may happen as a bottom-up process, whereby national norm advancement precedes or even drives international norm development (Glatz 2007, 12-13). For instance changes in human rights norms on an international level stimulate domestic change (Risse and Sikkink 1999), while on the other hand, small arms legislation at a global level (Glatz 2007), may have been initiated at the local level. While analytically both processes represent the opposite ends of a continuum, political practices in Latin America indicate that norm diffusion can result as a combination of both depending on the case or through the simultaneous interaction between domestic and international actors.

From the perspective of international organizations and based on the studies of EU enlargement, the diffusion of norms seems to be more effective when incentive-based methods such as membership conditionality are used to change domestic actors’ policies than socialization-based methods. Judith Kelly (2004) has presented an approach that encompasses the diffusion of norms by grouping them in two main mechanisms: conditionality and normative pressure. In her view, two different logics guide both mechanisms, namely, logic conditionality and logic of appropriateness. According to the former, domestic actors follow norms because they want to maximize their individual utility and decrease the cost of non-compliance. Further actors follow norms for intrinsic reasons such as personal dispositions informed by social belief. Kelley’s framework is useful for the purpose of this paper. The emphasis, though, is on the logic of appropriateness because of the weakness of the logic of conditionality in the EU policies toward Latin America. In this context, the analysis of the diffusion of norms should encompass other elements to enhance a better understanding of how and why the EU promotes democracy and human rights in Latin America.

### **a) Setting for norm diffusion**

The first element is the setting for norm diffusion where geographical proximity and political will play a very important role in the effectiveness of norm diffusion. During the Cold War, the spheres of influence were determined by the two powers, leaving in some cases leeway for a few countries to develop a degree of autonomy. The reconfiguration of the political geography in the 1990s paved the way for countries in the global south to deepen the interconnections with the West. The economic, political and economic linkages between West and countries under the Soviet sphere of influence were indeed influenced by geography, but also by the way political actors constructed their identity. The end of the Cold War allowed governments to redefine their preferences and to deepen the linkages with the West.

The concept of linkage, defined as “the density of ties to the European Union, the United States, and Western-dominated multilateral institutions,” (Levitsky and Way 2005a, 520), has helped to add a new variable to the analysis of norm diffusion. The general trend is the deeper the linkages, the higher the cost of authoritarianism in a variety of ways. The assumption is that deep linkages intensify the salience of government abuse to Western countries, increase the likelihood that Western governments will take action to autocratic abuses and eventually shape preferences of domestic actors. (Levitsky and Way 2005a, 521). Thus, linkages are a source of soft power with indirect effects and often difficult to detect. Yet, “when linkage is extensive, it creates multiple pressure points—from investors to technocrats to voters—that a few autocrats can afford to ignore” (Levitsky and Way 2005a, 521). Lewinsky and Way (2005b) have identified five dimensions of linkages: a) economic ties, b) geopolitical ties, c) social linkage, d) communication linkage and e) transnational civil society ties. However, the operationalization of these dimensions often times hit limitations. Some scholars have solved difficulties of data availability for such transnational interactions as visits, communication, or academic exchange by focusing on trade and adopting the assumption that the intensity of linkages increases with geographical proximity. (Schimmelfennig and Scholtz 2007a, 17).

The second set of elements to analyze is the setting of norm diffusion, which is related to what Levitsky and Way called leverage that is “defined as governments’ vulnerability to external democratizing pressure.” (Levitsky and Way 2005a, 520). This leverage is affected by at least three factors. The first is states’ raw size as well as their military and economic strength. In the case of Latin America, while the military variable is important and the assumption remains true (Panama, 1989, and Haiti, 2004), it is less significant than in other regions due to the fact that the continent is legally free of nuclear weapons and the use of U.S. military intervention has considerably decreased in the past two decades. More significant is the economic weight of the Latin American economies, particularly in the case of Brazil and Mexico.

The second factor that can limit or enhance the Western leverage is the competing or complementary issues in Western policies agendas. The United States and the European Union have developed two different approaches towards diffusion of norms, which eventually clash and erode the effective promotion of norms. Cuba epitomizes the competing views between the long-standing embargo of the United States and the cautious engagement of the European Union. In other cases, both agendas may not necessarily coincide but they can complement each other and cooperate to achieve better results such as the case of Colombia. Finally, the third element is when governments have access to political, economic, or military support from an alternative

regional power. There is a recent trend of growing influence of China's investment in Latin America as an alternative to the European or U.S. leverage; in the case of Venezuela, the military ties with Russia have rapidly grown in the past lustrum.

### **b) Conditionality**

The transformational power of the EU in Central and Eastern Europe was based on the power of conditionality. Material benefits to partners in the form of assistance and institutional inclusion alters the potential of the EU's ability to be an effective norm-maker (Bjorkdahl 2005). The literature on norm diffusion indicates that without the incentive of potential membership, EU's influence over other countries' domestic political developments is likely to be minimal (Tafel 2008, 2-4). Thus, the promise of rewards and hence leverage to obtain democratic outcomes declines with non-candidate countries.

There is indeed a gap between the powers of incentives offered in membership and partnership in association agreements. While the attractiveness of EU membership and the strict conditionality attached to the accession process vested the EU with considerable transformative power (Schimmelfennig 2005), the effect of conditionality on democratization is best conceived as an interaction between effect of the size and the credibility of EU incentives. "High incentives are necessary but not sufficient condition of EU impact unless these incentives are also credible. Equally, highly credible but substantively small rewards will not be an effective lever for democratic reforms" (Schimmelfennig and Scholtz 2007a, 17). In the case of those countries of the European neighborhood, the impact of EU democracy promotion has been severely weakened. Thus, "the highest size of incentives lies in the promise of membership and decreases in the associations and partnership agreements" (Schimmelfennig and Scholtz 2007b, 15).

Nonetheless, the lack of prospects of membership does not equate to the assumption that conditionality is not present in the relation of the EU with Latin America. The EU used negative incentives, comprising of economic sanctions, when President Manuel Zelaya was ousted in July 2009 by suspending all aid programs to Honduras. Positive incentives, on the other hand, offered by the EU to a democratizing state can include institutional membership, association status, trade benefits, technical assistance, and other types of aid, as well as increased aid as an additional reward in case of satisfactory performance of the recipient (McDonagh 2008, 144). In the case of Latin America, the incentive of membership is not on the table of negotiation. However, the negotiation and conclusion of association agreements with Mexico and Chile have constituted positive incentives to reinforce the democratic practices in both countries.

### **c) Appropriateness**

The setting for diffusion of norms and limited conditionality are not enough to explain the effectiveness of EU democracy and human rights promotion policies. The targeted country or norm taker is not a passive actor. Indeed, in numerous cases it determines whether or not to adopt or deepen Western-style standards of democracy and human rights. The EU has actually learnt over time that the top down approach of the EU democracy promotion may face limitations by recognizing that "there is no unitary institutional model to promote democratic

governance and that efforts have to take into account the situation inside a particular country” (Borzel and Risse 2007, 5). Thus, the recent experience on norm diffusion indicates that in the variety of norm diffusion in the inter-state system, the role of norm takers do matter a great deal (Vieira 8-9).

While great share of the literature on democracy promotion at both the academic and the policy level has focused on the strategies of donors or norm makers, Jonasson (2009) argues that “democracy promotion should be country sensitive,” where democracy promotion be inclusive and cooperative between the donor and the recipient state. This is a strategy to strengthen the logic of appropriateness proposed by Kelley and described above, which today finds a common agreement in the discourse of development cooperation. In light of this reasoning, Jonasson asserts that in order to develop policies with effective and lasting effect, policies should encourage the positive orientation of the norm taker, the active participation of beneficiaries through domestic ownership of projects and the development of a close dialogue between donors and recipients (Jonasson 2009, 7).

The first element is orientation. The orientation is based on the theories of norm diffusion and socialization. While the ultimate goal of socialization is that actors internalize norms to ensure compliance without external pressure (Risse, Ropp and Sikkink 1999, 11), Jonasson argues that the prospect of successful democracy promotion will increase if the recipient partners are oriented towards democracy promotion policies. In the eyes of the norm-taker, the internalization of norms is not the only option for policy makers. The external normative influence can be “met with the adoption of the new norms, localization of the new norms to the local pre-existing context, resistance and also rejection” (Björkdahl 2005, 274). In Latin America, Cuba embraces an orientation of democracy and norms that contradicts the policies of the EU. Similarly, in the past decade Venezuela has revisited the fundamentals of democracy and implemented policies that produced acrimony in the relations with Western countries. Mexico and Chile, on the other hand, were able to negotiate association agreements once they had moved forward in the process of democratization.

The second element of the analysis is domestic ownership of the process. While the definition and assessment of domestic ownership remains unclear, Jonasson takes a practical, less elusive approach and understands it as the extent to which recipients of different kinds (NGO’s, local government, state) are actually involved in the development of the democracy promotion policies and their implementation.” (2005, 10). The assumption here is that the greater the role of recipient actors in the process, the greater the sense of ownership and the greater the prospects of long lasting effect of democratic practices. The EU has gradually offered grants through different programs to NGOs and local governments to promote human rights and democracy in Latin America.

The third and final is dialogue. This is essential to grease the engine of diffusion of values. The argument here is that the needs and priorities of norm takers evolve over time and it is only through dialogue that the policies can be revisited. Thus, Jonasson (2005, 10) proposes that dialogue can be summarized in two different areas: a) dialogue between donor and the actual recipient of assistance (the state or local NGOs), and b) broadly based dialogue between the

donor and different segments in the recipient country (not necessarily receiving assistance). In the relationship between the EU and Latin America, the dialogues at regional level have been in place for more than a decade, while at the country and civil society is more developed with Mexico, Chile and Brazil in comparison to Cuba, Venezuela or Honduras.

### **3. The Problem of Quality of Democracy in Latin America**

The end of the Cold War renewed the expectations of improving democracy in Latin America. Most of Latin American countries were already electoral democracies in the early 1990s and at the end of the first decade of the 21<sup>st</sup> century no country has seen a return to military rule. This positive long standing trend, however, has not been without setbacks, disruptions and unfulfilled goals producing hybrid regimes (Morlino and Magen 2009) or Illiberal democracies (Zakaria 2004) in numerous cases.

Electoral democracy has not been enough to propel the quality of democracy. Effective application of the rule of law, human rights respect, and good governance are still areas where progress is needed. As a result of two decades of high expectation of electoral democracy, there is a widespread mood of disappointment in the region which is reflected in public opinion and academic writings. Panizza and Miorelli (2009, 42) explain this disillusion based on two interconnected factors. The first is the institutional fragility of the democratic order, evident in the weakness of the rule of law, the politicized nature of the state, the lack of political accountability, and the discrediting of parliaments, political parties and other representative institutions. While the region is highly diverse and the performance of the countries varies depending on the variables under evaluation, in most of the cases the indexes of rule of law, corruption and government effectiveness indicate a general trend where just a few countries have significantly improved their positions and several others have actually remained stagnant or worsened their positions. The second element that has eroded democracy has been the persistence of historical high levels of socio-economic exclusion, aggravated by the free market reforms of the 1990s. Latin America is still the continent with the highest GINI coefficient in the world.

The above-mentioned conditions in Latin America have been conducive to remonstrations against the undelivered promises of the liberal reforms in the 1990s and the weakness of the democratic model. In some cases, the social dissatisfaction has been managed by strong populist leaders who fashion a political divide between the people and the traditional political parties, which often times support neoliberal reforms. While constitutional-liberal democracy and populism coincide in enacting the sovereign rule of the people, both differ on how to conceive the holders of sovereignty, and how to organize political representation. Populism stresses on the collective rights of the people while the constitutional-liberal discourse emphasizes the importance of individual rights, check and balances, and toleration of differences. “While populism’s collective representation of the people crystallizes in the figure of the leader as the one ‘who speaks for the people,’ constitutional liberalism privileges the role of public institutions over that of office holders and emphasizes the importance of these institutions in shaping and limiting political life” (Panizza and Miorelli 2009, 41-42). In other words, radical populist leaders such as Hugo Chávez or Evo Morales seem to be less convinced of the intrinsic value of

democracy and human rights in comparison with moderate left-wingers such as Michelle Bachelet in Chile, Luiz Inácio da Silva in Brazil, and Tabaré Vázquez in Uruguay, who embrace representative democracy and respect for human rights (Castaneda 2006).

The problem of the quality of democracy in Latin America is multidimensional. Nonetheless, in the past decade there has been an emerging trend where radical populist governments have performed poorer than center and moderate governments. As of the end of 2010, the political spectrum in Latin America governments can be classified into four blocks by their regional orientation: communism, radical socialism, moderate left to centrism and conservative of right centre. Cuba is the only government in the region to follow Marxist-Leninist principles and is confrontational of US policies in the region. The radical socialist group is composed of Venezuela, Bolivia, Ecuador and Nicaragua and the dominant leader is Hugo Chavez. The third group is moderate to left; it follows social democratic principles, distancing themselves occasionally from the United States, but trying to maintain a good relationship; Argentina, Chile, Uruguay, Brazil, Haiti, Paraguay, Peru, Panama, Costa Rica, Guatemala and the Dominican Republic are in this cohort. Finally, the conservative or right centre group are the liberal conservative in Colombia, El Salvador and Mexico correspond to it. (Emmerich 2009)

The ideological orientation of the governments has not only affected the performance of governments in terms of domestic democracy, but also their willingness to embrace further democratization particularly if it is qualified or sponsored from abroad. Venezuela and Bolivia have actually expelled US diplomats and human rights activist or nationalized European and US companies in the past years. On the contrary, countries such as Mexico or Chile have signed most of the human rights international conventions and also negotiated association agreements with the EU where democracy clauses are included.

While the skepticism of Latin American countries to external influences in democratic performance is explained by a history of US interventionism in Latin America in the 19<sup>th</sup> and 20<sup>th</sup> centuries, the end of the Cold War relatively attenuated such distrust, but some doubts still remains in the relationship between the United States and Latin America. This skepticism is even enshrined in Organization of American States For instance, Article 3 (e) of the OAS Charter states that “Every State has the right to choose, without external interference, its political, economic and social system and to organize itself in the way best suited to it,” and article 19 stipulates that “No State has the right to intervene, directly or indirectly, for any reason whatever, in the internal affairs of other any other State.” Furthermore, the state-centric nature of the OAS process has led to the emergence of “by invitation only” norm, which requires a formal invitation by the host government including fact-finding missions led by the Secretary-General and electoral observation missions. (Legler and Kwasi Tiekou 2008, 11-14) There are two exceptions to the “by invitation only” norm, suspending member states and the use in Haiti in 1991 of economic sanctions following a coup. Despite this generalized skepticism, Latin America countries vary greatly in their sensitivity to accept and internalize external incentives oriented to the diffusion of democratic norms.

#### **4. Cases: Mexico, Venezuela and Honduras**

## Mexico

Despite Mexico not being considered an electoral democracy until 2000 by Freedom House, the electoral system had undergone several reforms and the authoritarian rule had gradually ceded power to a more organized opposition. In 2008, freedom scores considered Mexico as a Free State while the global governance scores of the World Bank indicate that in the area of rule of law and corruption Mexico has slightly decreased its rank, while it has increased or maintained stability in the areas of government effectiveness between 1996 and 2008 (Kaufmann, Kraay and Mastruzzi, 2009). (See comparative tables in annex)

Since 2000, several reforms were implemented under the Fox administration, notably among them, the Law on the Reform of the Civil Service and the Law on Transparency. Likewise, the Fox Administration pursued a more active policy towards better protection of human rights with the Senate adding 26 supplementary legal instruments, the creation of the Special Prosecutor's Office for Crimes of the Past, and the Inter-Secretarial Commission on Government Policies in the area of Human Rights. Nonetheless, the illiberal features of the Mexican democracy have survived the political change and enormous challenges need to be overcome. Mexico currently faces skyrocketing numbers of violence associated with drug-trafficking organizations, resulting in the deaths of at least 6,200 people, including several top police officials in 2008. Thus, Presidential authority over the armed forces is extensive, but the military has historically operated beyond public scrutiny, and human rights advocates, including the National Human Rights Commission, have warned that its strengthened counternarcotics role has not been accompanied by increased clarity regarding limitations on its conduct.

The Mexican transition has been explained as greatly motivated by domestic variables. Similar to other Latin American countries, there was a rejection toward the foreign intromission in domestic affairs. Nonetheless, during the 1990s Mexico experienced dramatic changes in the acceptance of external influences in the democratization process. On the one hand, electoral process made the country more political plural in terms of political parties sharing the legislative and the governorships. The second was the economic opening of Mexico crystallized in the North American Free Trade Agreement. Both events increased the pressure for political opening.

In this context, the negotiation of the *Agreement on Economic Partnership, Political Coordination and Cooperation*, which came into force in 2000 and was the first between the EU and a Latin American country, was also an incentive for democratization. The external trade of Mexico has been dominated by relations with the United States and the EU represented only from 6.5 % in 1999 of the Mexican exports. However, the administration of president Zedillo set to remedy this with goal of reaching an association agreement with the EU. The negotiation was protracted initially due to the Mexico's reluctance to include the democracy clause however Mexican government quickly realized it had no other choice but to accept the democracy clause, which in turn concluded the negotiation process and the agreement came into force in 2000. (Dominguez 2004). A second element that the EU propelled in the democratization of Mexico was the pressure to accept European funding for NGOs to monitor elections. In the context of the association agreement, Mexico also ceded to this pressure and over time the monitoring of electoral processes and funding to NGOs has become a routine political practice. After a period

of competing views about the ways to enhance democracy, Mexico's goals developed to coincide with the European values and eased the way for the association agreement.

As for concrete areas of cooperation, between the periods 2007-2013, the EU has earmarked €55 Million for Mexico, focusing on three sectors: a) Social cohesion and support to related policy dialogues; b) Sustainable Economy and c) Competitiveness. In each one of the areas, the sectoral policy dialogues envisaged are innovative instruments that allow bilateral assessment and priorities in the programs. (European Commission 2007a)

Cooperation in the human rights sector has substantially increased since the European Initiative for Democracy and Human Rights (EIDHR) included Mexico as one of three priority countries in Latin America in 2002. With the active participation of the Mexican government, in the framework of the EIDHR, the EC Delegation has been responsible for 19 projects in Mexico for a total of approximately €3.2 million. The Commission has also negotiated two targeted projects with the UN Office of the High Commissioner for Human Rights (OHCHR) with a total EU contribution of €1.4 million.

The association agreement has also developed mechanisms of dialogue to include NGOs and civil society, igniting a sense of ownership of the projects. In the case of civil society, there is a bi-annual meeting of Mexican and European civil society organizations, which is emulated in the case of Chile and the EU. While civil society organizations do not have any decision making power in the context of the bilateral relationship, they have contributed to increasing the awareness of European resources to promote democracy and human rights. Despite the relatively small size and value compared to bilateral cooperation, NGO co-financed projects in Mexico (7 projects / €4.5 million) have an important impact as their thematic and grass-root focus is highly relevant to the social, cultural and economic situation of the country.

## Venezuela

The deteriorating quality of democracy has been a trend in the past decade in Venezuela. Since 1990, Freedom House has evaluated Venezuela as an electoral democracy. Nonetheless, due to politically motivated disqualification of opposition candidates and the abuse of state resources by incumbent politicians during state and local elections in 2008, Freedom House downgraded it to non-electoral democracy (Freedom House 2009). Likewise, Venezuela's status on freedom was Free until 1999, which has been since changed to Partially Free. The World Bank indicates that in the area of rule of law, corruption and government effectiveness, Venezuela's rank has been steadily dropping (Kaufmann, Kraay and Mastruzzi, 2009). (See comparative tables in annex)

When President Hugo Chávez was elected in 1999, the expectations of change were high and to some extent he has responded to it by pursuing policies aimed at tackling poverty and social exclusion, particularly through programs known as *Missions*. The main problem associated with the consolidation of democracy in Venezuela has been the polarization promoted by the government and the erosion of pillars of the democratic structures such as division of power, accountability and freedom of expression, *inter alia*. The use of laws to undermine the opposition has been a common strategy of the two consecutive Chavez administrations since

1999. In March 2005, for instance, the amendments to the Criminal Code came into force extending the scope of Venezuela's disrespect laws, which criminalizes expressions deemed to insult public officials or state institutions, and increase penalties for criminal defamation and libel. Likewise, the 2004 Law on Social Responsibility of Radio and Television gives the government the authority to control the content of radio and television programs and limit the use of airwaves by opposition station by revoking their licenses.

Chavez has pressed ahead with further centralization and attacks on the opposition. In the increasing milieu polarization, on February 15<sup>th</sup> 2009, President Hugo Chavez won a referendum on changing the constitution to remove the cap on the number of terms that an elected official may serve. Following the amendment of decentralization law and commandeering by central government of ports and airports controlled by local authorities, in April 2009 the National Assembly passed a law establishing a "head of government" for the capital district of Caracas, which undermines the role of the popular opposition leader and mayor of the city. Thus, most of the budget, authority and assets accessible to the opposition mayor, Antonio Ledesma, will now be redirected to the city's unelected head, a post selected by Mr. Chavez. In the absence of strong opposition, it seems that voter would prefer to retain the option of re-electing Chavez in 2012, rather than risk the uncertainty of an unknown and inexperienced successor (Economist Intelligence Unit 2009a).

In light of the deterioration of democracy in Venezuela, the role of the European Union has been quite limited. The United States is the main trade partner of Venezuela (35%), followed by the European Union, which represents only 8.9% of Venezuela's total trade. From nationalizations to diplomatic incidents, the United States has been unable to produce any change in the government or deter the weakening of the democratic structures in Venezuela. Actually, the United States has been accused of indirectly sponsoring the failed coup d'état in 2002. The leverage of the United States and the European Union is also undermined by the alternative alliances Venezuela has been forging with Iran, China, and Russia and the abundant oil resources Venezuela currently sits on. For instance, Venezuela and Cuba have reportedly offered Russia the use of air bases, which would allow Russia to step up the operations of its bombers around US airspace. Four air bases would be in Cuba and one on the Venezuelan Island of La Orchilla for the use of strategic bombers (Economist Intelligence Unit 2009b). As for the oil sector, this represents about 30% of GDP and 80% of exports, making Venezuelan economy vulnerable to oil price fluctuations. In the absence of any Association agreement, the incentives the EU can put forth for negotiations with Venezuela are limited.

The course of the reforms in Venezuela is to some extent opposed to the type of policies the United State and the European Union embrace. Venezuela opposed the Free Trade Area of the Americas, and together with Cuba, has proposed the Bolivarian Alternative for Latin America and the Caribbean. As a testimony to the opposing views of the EU and Venezuela, the President of the European Commission, José Manuel Barroso, warned that European businesses have found some obstacles in Latin America: lack of predictability of the economic setting, market access difficulties (trade and on-trade barriers), political instability, excessive red tape, customs problems, insufficient regional infrastructures, corruption and so forth. He added: "On top of these obstacles, there is a worrisome new one: the tendency to understand European

investment under a negative light.... Make no mistake, whether this political attitude prospers, European businesses will not be harmed as a consequence because there are abundant investment opportunities in other regions, and the victims will be poor people in Latin America.” (Barroso).

Despite the limited leverage of the EU, the Union has reacted in several occasions in light of the deterioration of democracy in Venezuela. The use of declarations to condemn or support significant events in Venezuelan politics has been used often times. For instance, the European Union issued declarations showing concern in the case of the non-renewal of the broadcasting license of Radio Caracas on May 29, 2007, or supporting the December 2007 referendum by asserting that “the voting took place in a transparent manner.” Nonetheless, in the case of monitoring elections there have been disagreements. In 2004, for instance, the rules set up by the government-friendly National Electoral Council (CNE) collided with the Code of Conduct of the International Institute for Democratic and Electoral Assistance, reacting to this the European Union refrained from sending a mission stating that ‘it has not been possible to secure with the Venezuelan electoral authority the conditions to carry out observation in line with the Union’s standard methodology” (Breuer 2007).

Concerning EU assistance to Venezuela in the EU strategic programs, it is noteworthy that in the 2001-2006 Country Strategy Paper the areas of human rights and democracy promotion were discreetly outlined as the main partnership strategy followed, targeting two sectors, firstly prevention and reconstruction (due to the floods in 1999) and secondly trade diversification (fisheries) with a provision of €38.5 million. On the other hand, in the 2007-2013 Country Strategy Paper, the EU has identified two specific sectors for cooperation: a) support to the modernization and decentralization of the Venezuelan state and b) assistance aimed at diversifying the country’s economy. The amount slated for this is €40 million for the period.

In this second period, the areas of human rights and democracy are also indirectly covered; more importantly, gradually some new programs have been developed to include more NGOs and local governments. In 2005, EIDHR included Venezuela in the list of focus countries, eligible therefore for the implementation not only of regional projects, but also national ones. Under this instrument, Venezuelan civil society is able to receive support in two specific areas, namely, campaigns to foster culture of human rights and efforts to advance equality, tolerance and peace. As of April 2009, the EU sponsored 7 projects with local NGOs in Venezuela related to human rights and democracy promotion. On the other hand with the aim of promoting democracy, in 2002 the EU Commission approved a project to assist the OAS in its efforts to implement the agreement reached between the OAS, the Venezuelan government and the opposition after social unrest early that year.

## **Honduras**

Since democratic life was restored, Honduras has undergone a gradual institutional transition, moving from an authoritarian military regime to a pluralistic one. For the last 25 years, the successive electoral contests have been held regularly, with power alternating peacefully between the two main traditional parties. Honduras has signed and ratified almost all the international and inter-American conventions on human rights, although their actual

implementation remains uneven or, in a few cases, is only just beginning. Freedom House has evaluated Honduras as electoral democracy for more than two decades and in the freedom scores Honduras' status was classified as Partially Free in 2008 (Freedom House 2009). This positive trend meets the World Bank governance scores where while in the area of rule of law the score has slightly decreased, in the sectors of government effectiveness and control of corruption it has improves scores in the period 1996-2008 (Kaufmann, Kraay and Mastruzzi, 2009). (See comparative tables in annex)

While elections are marred by violence and vote-counting problems, they are considered free and fair by international observers. The main problem lies in the lack of implementation of laws and the discretionary use of power. Official corruption continues to cast a shadow over the political scene and progress such as 2006 passage of a transparency law are mired by flaws in the legal design. Thus, while authorities generally respect the constitution's press freedom guarantees, lack of access to public officials and information is a significant obstacle for reporters. Constitutional guarantees on the freedoms of assembly and association are generally observed the 2006 Citizen Participation Law protects the role of civil society groups and individuals in the democratic process. The judicial system is weak and inefficient and accused of high levels of politicization. About 79 percent of inmates are awaiting trial, and the prison system is notoriously overcrowded. While the murder rate dropped from 154 per 100,000 inhabitants in 1999 to 49.9 per 100,000 in 2007, it is still among the highest in the region. The UN Office on Drugs and Crime estimates that there are 36,000 gang members in Honduras (Freedom House 2009b).

After the USA and Central America, the European Union is Honduras's third trade partner, while Honduras's trade (0.04% of world exports in 2004) remains relatively insignificant for the EU, save a few sensitive products (e.g. bananas). In recent times, particularly during the tenure of the deposed president Manuel Zelaya, Venezuela played an increasingly important role in domestic politics, particularly in the emulation of concentration of power and the attempts to allow the reelection of president. This situation had slightly lessened the influence of the United States with whom Honduras has a free trade agreement.

Following the orders of the Supreme Court and the Honduran Parliament, the military deposed President Zelaya in July 2009. While the international community reacted unanimously for the reinstating of President Zelaya, the EU was one of the first political entities, even before the United States, to use negative conditionality against the *de facto* government. The European Union has suspended financial aid to Honduras worth €5.5 million after the failure of talks aimed at reinstating Manuel Zelaya to the country's presidency in late July 2009. The €5.5 million was the part which was due to go directly to the Honduras budget (Vogley 2009). A byproduct of the events in Honduras has resulted in a temporary postponement of the negotiations for an EU-Central America Association Agreement, which was already in the 8th round of negotiations. As of November 2009, the situation in Honduras was tense but conducive to hold elections and paved the way for the return of democracy in 2010.

The strategy of EU towards Honduras has underscored the relative stability of this Central American country as a "window of opportunity", whereby the "leverage offered by EU

cooperation should support this new development momentum, in order to make it more conducive to actually reducing poverty.” Consequently, between 2002-2006, the European Commission provided funds for three specific areas: a) sustainable management of natural resources (45%), b) local development and decentralization (26%), and c) education (21%). It is interesting to note that direct funding for democracy promotion or human rights was not directly considered. In this regard, in preparing the Country Strategy Paper for 2007-2013, the mission in Honduras emphasized the urgent need to improve justice and public security, Law enforcement (human rights), rehabilitation and reinsertion. For the period 2007-2013, the EC foresaw to provide €223M in funding for: a) social cohesion (50%), b) management of forestry resources (30%), and c) improving the legal system and public safety (20%) (EU Commission 2009c).

Despite the recent setbacks in the Honduran democracy, the positive trend of democratization has been conducive to orient Honduras in the same direction of the European values and cooperation. At the same time, the Honduran delegation has been quite insistent in working coordinately with other donors, providing gradual empowerment to national authorities dealing with cooperation, and transferring of responsibilities from EC headquarters to the EC regional Delegation in Nicaragua, which covers Honduras, with a view to bring the level of operational decision-making closer to the actual needs and beneficiaries.

## **Final Considerations**

The role of the EU as a norm-maker and norm-diffuser is not limited to the prospective EU candidates. For policy maker and scholars, the EU is now facing an extraordinary challenge of providing innovative formulas to persuade countries to continue or start the process of democratization as it expands the scope of its democratization policies without conditionality as a foreign policy instrument.

From a theoretical standpoint the analysis exclusively centered on the power of conditionality is insufficient to encapsulate other variables that hamper or stimulate EU policies focusing democracy and human rights promotion. This paper has explored three groups of variables to explain the scope of EU's norm diffusion in Latin America. The first is the setting for norm diffusion. In regions such as Latin America, where the main problem is improving the quality of democracy, the diffusion of norms is constrained due to the limited EU linkages with the region in comparison to other dominant countries in the region. Nonetheless, the EU diffusion of norms can exponentially grow if there is coordination of policies with dominant regional actors such as the United States or the Organization of American States. Likewise, the EU's policies can be affected if other regional or extra-regional actors display policies that entail a different perspective of values such as the case of Venezuela in Honduras or Russia and Iran in Venezuela.

The second element of the analysis is positive and negative conditionality. While its transformational effect is not as powerful as the incentive of membership, in the case of Mexico, the prospects of reaching an association agreement with the EU was an incentive for the Mexican government to accept the democracy clause, the EU funding to NGOs to monitor elections and more recently EU monitoring missions themselves. In the case of Honduras, where the extreme event of ousting a President occurred, the use of negative conditionality by suspending the EU aid to that country contributed to bring the parties in conflict to the table of negotiations.

The third crucial element is the appropriateness of the norm-takers of the Western values. The initial domestic agreement in Latin American countries to adopt policies to improve the quality of democracy and the respect of human rights is pivotal for the success of EU's policies. Mexico reoriented its approach with regard to the transparency of external monitoring on elections, while Venezuela has actually revisited its concept of democracy and taken a direction that clashes in some areas with the EU values and principles. The appropriateness can be also enhanced in those cases where the EU promotes the participation of local groups in the implementation of projects and maintains a permanent dialogue with the recipients of aid in order to adapt it to the priority needs in the field. In this regard, the analysis of the EU strategies in the three countries reflects the fact that priorities and strategies differ from case to case depending on the specific needs of the country.

Unlike the Central and Eastern European countries where the prospects of membership were strong for internalizing EU norms, the transformative power of the EU is limited in Latin America. Nonetheless, this does not preclude the EU to act in order to help improving the

quality of democracy in the area by offering settings and resources conducive to the internalization of democratic values and practices of rule of law and human rights.

**Annex**  
**Comparative Tables on Democracy**

**Rule of Law, Governance Score (-2.5 to +2.5)**

Country	1996	1998	2000	2002	2003	2004	2005	2006	2007	2008
Honduras	-0.71	-0.84	-0.91	-0.83	-0.82	-0.73	-0.73	-0.90	-0.83	-0.89
Mexico	-0.47	-0.51	-0.36	-0.33	-0.34	-0.37	-0.48	-0.51	-0.56	-0.64
Venezuela	-0.64	-0.71	-0.80	-1.12	-1.23	-1.21	-1.27	-1.38	-1.50	-1.59

Source: Kaufmann D., A.Kraay and M. Mastruzzi: *Governance Matter VIII Governance Indicators for 1996-2008*

**Control of Corruption Governance Score (-2.5 to +2.5)**

Country	1996	1998	2000	2002	2003	2004	2005	2006	2007	2008
Honduras	-1.01	-0.63	-0.72	-0.81	-0.72	-0.70	-0.69	-0.76	-0.68	-0.82
Mexico	-0.33	-0.51	-0.32	-0.23	-0.14	-0.33	-0.38	-0.32	-0.34	-0.26
Venezuela	-0.80	-0.87	-0.67	-1.11	-1.13	-1.02	-1.06	-1.01	-1.07	-1.13

Source: Kaufmann D., A.Kraay and M. Mastruzzi: *Governance Matter VIII Governance Indicators for 1996-2008*.

**Government Effectiveness Governance Score (-2.5 to + 2.5)**

Country	1996	1998	2000	2002	2003	2004	2005	2006	2007	2008
Honduras	-0.72	-0.65	-0.48	-0.58	-0.48	-0.54	-0.59	-0.55	-0.52	-0.57
Mexico	-0.03	+0.34	+0.29	+0.26	+0.14	+0.10	-0.01	+0.10	+0.12	+0.18
Venezuela	-0.76	-0.46	-0.67	-0.93	-0.86	-0.90	-0.82	-0.79	-0.87	-0.85

Source: Kaufmann D., A.Kraay and M. Mastruzzi: *Governance Matter VIII Governance Indicators for 1996-2008*.

**Political Rights 2002-2009**

Country	2002	2003	2004	2005	2006	2007	2008	2009
Honduras	3	3	3	3	3	3	3	3
Mexico	2	2	2	2	2	2	2	2
Venezuela	3	3	3	3	4	4	4	4

Source: Freedom House

Each rating of 1 through 7, with 1 representing the highest and 7 the lowest level of freedom, corresponds to a range of total scores.

**Civil Liberties 2002-2009**

Country	2002	2003	2004	2005	2006	2007	2008	2009
Honduras	3	3	3	3	3	3	3	3
Mexico	3	2	2	2	2	3	3	3
Venezuela	5	4	4	4	4	4	4	4

Source: Freedom House

Each rating of 1 through 7, with 1 representing the highest and 7 the lowest level of freedom, corresponds to a range of total scores.

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