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Publisher: Routledge  
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## Democratization

Publication details, including instructions for authors and subscription information:  
<http://www.informaworld.com/smpp/title~content=t713634863>

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Online Publication Date: 22 January 2002

To cite this Article: Yilmaz, H. (2002) 'External-Internal Linkages in Democratization: Developing an Open Model of Democratic Change', *Democratization*, 9:2, 67 — 84

To link to this article: DOI: 10.1080/714000257  
URL: <http://dx.doi.org/10.1080/714000257>

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# External-Internal Linkages in Democratization: Developing an Open Model of Democratic Change

HAKAN YILMAZ

This article presents an open model of democratization in the context of discussing some well-known approaches to the role of international factors in democratic transitions. The open model is applied to semi-peripheral states of the international system, more specifically the cases of political change in Spain, Portugal and Turkey in the aftermath of the Second World War. Starting from Dahl's conditions for democratic change, it is argued that the impact of external factors on democratization should be examined closely where the regime expects the internal costs of suppression to be lower than the *internal* costs of toleration, in other words where the internal balance of forces is unlikely to impel a willingness to democratize. Two new external variables are introduced to open Dahl's closed model: the expected external costs of suppression and toleration. It is shown that, in a democracy-promoting international environment, the leaders of an authoritarian state would base their decisions about whether to democratize on their expectations of both the internal costs of toleration and the external costs of suppression.

The article consists of three sections. The first offers a brief review of the state of the literature on the role of international factors in democratic transitions. This is followed by an examination of the principal dimensions of the international context of democratization, namely, the variations from one time period to another (distinguishing between the period between the end of the Second World War and the beginning of the Cold War, the Cold War proper, the period of détente within the Cold War, and the post-Cold War epoch), the standing of a state in the international political system and global economy (for instance peripheral or semi-peripheral), and the differences between the democracy promotion strategies of the regional democratic powers (most notably the United States and European Union). Thirdly, it constructs an open model of democratic change, which accounts for the roles played by international factors in shaping the strategic calculations and policy preferences of the government and opposition actors in their struggles to prevent or promote democratic reforms. Finally, the

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Democratization, Vol.9, No.2, Summer 2002, pp.67-84  
PUBLISHED BY FRANK CASS, LONDON

open model is applied to the southern European countries of Spain, Portugal and Turkey in the 1940s, to illuminate why in Turkey the authoritarian regime was replaced by a democratic one, whereas in Spain and Portugal the dictatorships remained intact.

### **Approaches to the International Factor in Major Theories of Democratization**

Robert D. Putnam, in a pivotal essay on the interaction of domestic and international politics, wrote, 'Domestic politics and international relations are often somewhat entangled, but our theories have not yet sorted out the puzzling tangle'.<sup>1</sup> Putnam's critique targeted the classical theories of international relations, but some scholars of comparative politics have expressed similar ideas concerning their own discipline. Comparative political analysts, says Douglas A. Chalmers, particularly in analysing larger countries, 'often ignore international factors, or consider them as part of the context only. When attention is given it is under such rubrics as intervention, dependency, subversion and foreign aid'.<sup>2</sup> For various intellectual, institutional, methodological, and historical reasons, examined in some detail by Andrew Moravcsik<sup>3</sup> and Tony Smith,<sup>4</sup> theories of international relations and comparative politics have constructed two separate, independent and self-contained political universes, domestic and international, with distinct actors and specific rules of the game. It was a rare exception for an analyst to refer to the developments in one of the political universes with the purpose of explaining an event that was taking place in the other universe.

Democratic transition has been one particular field of study in comparative politics where the dismissal of international factors has been more pronounced than in the other fields. Geoffrey Pridham, writing on the southern European democratizations of the 1970s, has argued that 'the international context is the forgotten dimension in the study of democratic transition. Growing work on this problem, both theoretical and empirical, has continued largely to ignore international influences and effects on the causes, processes and outcomes of transition'.<sup>5</sup> On the other hand, a critical dimension of the international context affecting democratic developments in smaller countries, namely the efforts of the United States (US), European Union (EU) and other democratic powers to promote democracy worldwide, has also remained remarkably under-researched.<sup>6</sup>

By the early 1990s, influenced by the obvious role played by the international context in the eastern European transitions towards democracy, theorists in the fields of international relations and comparative politics have made serious attempts to build approaches that would bridge

the gap between the two political universes. In this connection, a number of interdisciplinary approaches have emerged, with the purpose of confronting the problem of external-internal linkages in the processes of democratic regime change. Three important examples of the new approaches to the issue of external-internal linkages in democratization have been Laurence Whitehead's concept of 'democratization through convergence',<sup>7</sup> Geoffrey Pridham's idea of 'democratization through system penetration'<sup>8</sup> and Douglas Chalmers' notion of 'internationalized domestic politics'.<sup>9</sup> Whitehead and Pridham developed their approaches from analysing southern European democratizations, while Chalmers based his theory on Latin American cases. For now, it should be noted that such attempts have not yet produced widely accepted models of explanation. All such works are still at the level of initial reflections and explorations to be developed by further theoretical refinements and case studies. In fact, Putnam himself has likened his two-level game approach to a 'metaphor', that could at best serve as the starting point for building an 'algebra'.<sup>10</sup>

Whitehead's 'democratization through convergence' occurs in a process in which a non-democratic country joins a pre-existing democratic community of states without losing its sovereignty (for example democratization in Spain, Portugal and Greece while they were being integrated with the European Community).<sup>11</sup> He said the greatest puzzles in measuring the effects of international factors arose in the intermediate cases of democratization through convergence, where 'the key actors involved in regime change and democratization may have been overwhelmingly internal, [but] their strategies and calculations have often been strongly shaped by the pressure of externally designed rules and structures'.<sup>12</sup>

Pridham's concept of 'system penetration' is similar to Whitehead's notion of 'regime convergence'. According to Pridham, long-term external factors that 'penetrate' a given domestic system affect the background conditions of and prepare the way for regime transition. Hence, even if there is no immediate external factor at the time of democratic transition itself, the impact of the long-term external factors and the degree of 'system penetratedness' must be accounted for in the explanation of regime change.<sup>13</sup> The convergence approach of Whitehead and the penetration approach of Pridham are useful for understanding the impact of the international factors on the political regimes of countries that were not politically or economically dominated by a foreign power. The pitfall of both approaches is that they are not themselves theories. Instead they are conceptual frameworks within which we can develop a model of explanation for the particular cases at hand.

A third unconventional approach to the role of the international factors in domestic politics has been developed by Douglas Chalmers, which he has

called 'internationalized domestic politics'. Chalmers formulated the concept of 'internationalized domestic politics' to account for the impact of the international factors on the cases of authoritarian breakdown and democratic transition in Latin America in the 1970s and 1980s. The author defined an 'internationally based actor' as any actor who stays involved in a country's domestic politics over a period of time, becomes built into the political institutions of the country, and is identified with international sources of power.<sup>14</sup> When internationally based actors are a significant presence, the resulting political system can be called 'internationalized domestic politics': "internationalized" because of the presence of these actors, and "domestic" because this is not a question of foreign policy or interstate relations, but of making decisions about local issues'.<sup>15</sup> In contrast to more conventional approaches that limit the international factors to the ones that arise solely from state-to-state relations and consider them as being external to a country's political system, Chalmers redefines political systems 'to include internationally based actors as normal parts of the system, not actors external to it'.<sup>16</sup> Although Chalmers underlines the fact that internationalized domestic actors are not a novelty, he also says that internationalized domestic politics is a recent phenomenon. He attributes that phenomenon, on one hand, to the tremendous increase in the numbers, types, scope and resources of internationally based actors, and on the other hand to the post-Cold War trend of globalization. Globalization is progressing through developments in communications, sales of national assets to foreigners by privatizations, liberalization of world trade, and a general decrease of nation-states' control over social organization and production within their borders.<sup>17</sup>

### **The International Context of Democratization: Time, Position of the States in the World System and External Democracy Promotion Strategies**

Democracy has gained an unprecedented international prestige in the half century following the Second World War. The impact of the international environment on democratization, observed Pridham, varied with different time contexts, especially including the Cold War, the *détente* and the post-Cold War periods.<sup>18</sup> Thus, the value of democracy was highest in the short period between the end of the Second World War and the beginning of the Cold War, as well as in the post-cold war era following the demise of Soviet power. During the Cold War, on the other hand, many peripheral and semi-peripheral states, as well as their patrons in the advanced capitalist world, preferred authoritarian regimes over democratic ones for reasons such as thwarting revolutionary movements or speeding up economic development.

Samuel P. Huntington's well-known work, *Political Order in Changing Societies*, epitomized and theorised the Cold War phenomenon of authoritarian regimes in the Third World for the sake of preserving anti-communist political regimes.<sup>19</sup> Just as the value of democracy changed over time, it also varied with the position of a given state in the world capitalist system. According to Nicos Poulantzas, 'the difference between the exceptional form of the bourgeois state and its other forms ... must ... be seen in relation to the position that the countries involved occupy in the imperialist chain; it is this place ["the zone of dependence"] that determines certain particular features of the class struggle in the different countries involved'. The zone of dependence in which a state was located determined its type, namely dominant or dependent. Poulantzas notes that dependency did not necessarily entail authoritarianism and that some dependent states, such as Greece, Portugal and Spain in the 1970s, could make a successful transition to democratic forms of government.<sup>20</sup>

Two important dimensions of the position of a state in the world capitalist system are as follows. First, whether the state had a peripheral or semi-peripheral status and second, which regional power (Japan, Western Europe or the United States) the state was primarily linked to in terms of the interchanges of human beings, commodities, capital, information, ideologies, political institutions and legal systems. For a large number of peripheral states that became independent after the Second World War, the most pressing problems usually involved not founding a democratic regime but building a functioning state, a unified nation and a viable economy. What the capitalist centres expected from a peripheral state were in most cases limited to developing an administrative capacity for preventing political turmoil, feeding its population and keeping a pro-western foreign policy stance. If a peripheral state, like Costa Rica for example, also adopted a democratic regime while meeting the above-mentioned expectations of the capitalist centres, then the central powers would be welcoming. If, however, the regime requirements were met by a dictatorship, such as Nicaragua under the rule of the Somozas, then the central states tolerated that too.

Though democracy has not been on the immediate agenda of the peripheral states, it has been an issue for the so-called semi-peripheral states of the capitalist system. Though it is hard to define 'semi-periphery' in precise terms, a rough description can be derived from Nicos P. Mouzelis's account.<sup>21</sup> Thus, economically, the semi-periphery can be characterized as being composed of the late-late industrializing countries that had adopted import-substituting industrialization models in the early stages of economic development (1930s–1960s), and then switched to export-promotion strategies by the 1970s. The World Bank classification of 'upper middle-

income countries' or the more recent International Monetary Fund categorization of 'emerging markets' also cover more or less the same group of countries. Politically, these states were relatively old, some of them were never colonized and most of them were freed from colonization or foreign domination before the Second World War. Some of these states (particularly the ones in Latin America and the Balkans), in addition to having a relatively long history of state-building and national integration, had also accumulated a considerable experience of constitutional and representative government, parliamentarism, political contestation and electoral competition. The most typical semi-peripheral states were South Korea, Malaysia and Thailand in Asia; the Shah's Iran and Turkey in the Middle East; Greece, Spain and Portugal in southern Europe; the post-communist states of Central and East Europe; and Mexico, Argentina, Brazil and Chile in Latin America.

The ways in which these semi-peripheral states were linked to the capitalist centres required a more thorough harmonization of their political, ideological and economic structures with the ones prevailing in the centre. According to Immanuel Wallerstein, though it was true that economic interests were the driving force behind any hegemonic enterprise, the day-to-day functioning and the long-term maintenance of every hegemonic structure required a high degree of harmonization of the political and legal institutions, modes of production, patterns of consumption, as well as of the culture and ideology. This harmonization has often taken the form of the export of the ways of the centre to the semi-peripheral countries, sometimes by force and sometimes by the voluntary adoption by the dependent states.<sup>22</sup> This requirement was particularly pressing for the more advanced semi-peripheral states (such as South Korea and Spain) that aspired to achieve core status. It was these states for which democratization, as a prerequisite for further integration to the capitalist core, constituted a permanent problem after 1945, and particularly in the heydays of democracy before and after the Cold War. It was also in these states that America and Europe periodically engaged in acts of democracy promotion and protection. And it is the semi-peripheral states that this article focuses on.

The type of the regional capitalist centre, whether it was Japan, Western Europe or the United States, which a semi-peripheral state was primarily linked to more or less determined how much pressure it would be subjected to by the regional centre in the direction of political reform. Thus, among the regional centres it was Western Europe that placed a high premium on democratization in its own semi-periphery. The democracy promotion records of the United States in Latin America and of Japan in East Asia were not as strong, at least until the end of the Cold War. Philippe C. Schmitter and Imco Brouwer, in their recent work on democracy promotion

and protection, offered the term 'political conditionality' to describe particularly the European Union's impact on democratization in the European semi-periphery (southern Europe in the 1970s, East and Central Europe in the 1990s):

the explicit attachment of rewards, sanctions, memberships and exclusions to a wide range of regional and global intergovernmental organizations ... has become a fairly standard component in today's international environment. Needless to say, the existence and efficacy of multilateral political conditionality varies a great deal from place to place. Nowhere is it stronger, however, than in the network of obligations and opportunities surrounding the European Union. ... Conditionality ... in the form of imposing or threatening to impose sanctions or providing or promising to provide rewards in order to promote or protect democracy, has quantitatively and qualitatively changed since the 1970s. First, a shift took place from bi-lateral to multi-lateral sources of sanctions. Second, there was a change from imposing sanctions to providing rewards. The latter generally takes the form of (increased) development aid or accession to a prestigious club of international actors – Central and Eastern European states' accession to the European Union is the most powerful example of this instance.<sup>23</sup>

In a similar vein, Ziya Önis, writing about EU policies towards the integration of the Central and East European countries and Turkey, argued that in order to be effective political conditionality must involve 'a rightly balanced mix of conditions and incentives'. The adoption of the political conditions by the receiving countries has created serious adjustment costs, which could only be outweighed by substantial incentives. Thus, in the case of the eastern European transitions of the 1990s, the principal incentives involved a clear timetable for quick accession to the EU coupled with generous aid, credit and direct investment flows from the member to the candidate countries. Those incentives helped the candidate countries face the costs of political and economic transition, which was undertaken in line with the EU requirements. On the other hand, if there were only conditions with no accompanying incentives, then the chances were that the elites and public of the target country would perceive those demands as being yet another instance of unacceptable foreign involvement in their domestic affairs. Therefore, a situation of conditions with no incentives, instead of contributing to the promotion of democracy, might produce just the opposite effect and play into the hands of the opponents of liberalization and democratization. Indeed, the defenders of authoritarianism could taint the democratization demands of the foreign countries as being nothing more than a disguise covering imperialist designs, and they would call for a

nationalist mobilization against foreign intrusions. This is in fact what has happened in Turkey from the late 1990s.<sup>24</sup>

On the issue of the US promotion of democracy, two conflicting views are the liberal-idealist approach of Tony Smith<sup>25</sup> and the imperialism perspective of James Petras and Morris Morley.<sup>26</sup> In Smith's words, liberal democratic internationalism is 'the American idea of a world order opposed to imperialism and composed of independent, self-determining, preferably democratic states bound together through international organizations dedicated to the peaceful handling of conflicts, free trade and mutual defense'.<sup>27</sup> According to Smith, US support for the right-wing dictatorships in various parts of the world in the post-war era was an exception rather than the rule, and it was caused by the need to prevent the more ominous prospect of letting these states turn into Soviet satellites.<sup>28</sup> What Smith understands as an exception in American foreign policy, Petras and Morley see as the rule. In their Marxist interpretation of US hegemony in Latin America, Petras and Morley make a distinction between the regime and the state. The state 'represents the permanent interests of class power and international alignments' while the regime 'represents the day-to-day policy decisions at the executive ... level that can modify or negotiate the operations of the permanent interests but never challenge them without evoking a crisis'.<sup>29</sup> If an authoritarian regime proves unable to contain a social movement against the state, then the US can 'sacrifice the dictators to save the state'.<sup>30</sup> In order to prevent the anti-state movement of the masses, the US can replace the former dictatorship by a more inclusive regime under the leadership of the moderate factions of the opposition. The motor force behind the US actions is not any idealism to promote democracy but the determination to protect the integrity of a client state. Thus, in direct contrast to Smith, Petras and Morley argue that

interpretations of US policy shifts from support for dictatorships to support for democratic regimes in terms of a White House commitment to promoting, or imposing, democratic values cannot be sustained ... US policymakers interpret a change from dictatorship to democratic regime ... as a mechanism for preserving the state, not as a mode of promoting democratization and the values that accompany it.<sup>31</sup>

### **External-Internal Linkages: An Open Model of Democratic Change**

A fully or partly authoritarian government that engaged in democratic reform simply to enhance its standing or for the more ambitious goal of gaining admission to a prestigious international organization would face a

dilemma, which can be called the dilemma of democratization. Democratization might increase state power in the international arena relative to the other states but it could also decrease the power of the authoritarian ruling bloc in the domestic arena relative to the society. The first part of the statement, namely that democratization might increase state power in the international arena relative to the other states, needs certain qualifications. Here we are assuming that the state in question is a mid-size semi-peripheral state, which has a fully or partly authoritarian regime. This state competes with other states in the international arena. The leaders of the state calculate that the benefits they could receive from some democratic powers (such as political support in the international organizations, increased trade quotas, technology transfers, arms sales, low-interest credits and so on) would help bolster their position *vis-à-vis* their competitors. The democratic powers, on their part, condition their support on the state's taking certain visible and credible steps in the direction of democratizing and liberalizing its domestic political regime. The short episode between the end of the Second World War and the beginning of the Cold War and the period following the end of the Cold War have been the most likely times for just such a scenario, although during the Cold War itself there were instances when similar situations occurred. The best-known Cold War examples of this type of externally-induced democratization were the southern European democratizations of the 1970s under the auspices of the European Economic Community and the Latin American democratizations of the 1980s with the encouragement of the United States.

The second part of the statement, that democratization would decrease the power of the authoritarian ruling bloc in the domestic arena relative to the society, can be better explained with reference to Adam Przeworski's model of democratic transitions. Przeworski claims that in an authoritarian regime, the ruling bloc will typically consist of two or more factions, one of them being dominant over the others. Intra-bloc conflicts are resolved in such a way as to preserve the cohesion of the bloc itself and to maintain its dominance over the society. When, however, external incentives induce the ruling bloc to engage in democratic and liberal reforms, minor factions within the ruling bloc use this new circumstance as the right moment to take action in order to advance their prerogatives to the disadvantage of the dominant faction. The occurrence of factional infighting within the ruling bloc, which cannot be resolved in the usual ways, is described by Przeworski as constituting the 'critical threshold in the transition to democracy'. At this critical threshold, the minor factions begin to look for potential allies outside the ruling bloc and appeal for support to forces until that moment excluded from politics by the authoritarian regime. As a result, the ruling bloc disintegrates *qua* bloc. When the breakdown of the ruling

bloc sets in, there emerge the hard-liners and the soft-liners within the ruling bloc, and the moderates and the maximalists among the opposition. With the disintegration of the ruling bloc, political competition, though still rudimentary, begins.<sup>32</sup>

In a closed model of political change, which does not take into account the effects of the international context on domestic politics, a government's strategy of democratization would be determined by Robert Dahl's<sup>33</sup> well-known model of democratic transition. That takes as its starting point the relationship between the expected internal costs of suppression and toleration. According to Dahl's theory, internal factors would bring about democratic change if the internal costs of suppression exceeded the internal costs of toleration. The starting point of an open model of democratic change would therefore be a situation in which Dahl's condition of democratic change did not hold. In other words, the specific impact of the external factors on domestic politics would be best understood in cases where the internal costs of suppression were lower than the internal costs of toleration. Put differently, the internal relations of force could not by themselves produce pro-democratic change. Hence, in an open model of political change, a government would face two new constraints on its actions, namely, the expected external costs of suppression and the expected external costs of toleration. If the external powers are in favour of democratic reforms, then the expected external costs of toleration can be set to be equal to zero. Under these circumstances, an authoritarian government would base its decision of democratic reform on an assessment of two costs only: the external costs of suppression and the internal costs of toleration. Thus, the government would choose to indulge in democratic reform if it estimates that the external costs of suppression are higher than the internal costs of toleration. On the other hand, if the government assesses the internal costs of toleration to be greater than the external costs of suppression, then it is unlikely to start political opening.

It has been said in the above paragraph that the expected external costs of toleration could be taken as zero, if the outside powers are in favour of democratization. One should remember that this was not always the case. As has been noted in the above paragraphs, the US and other democratic powers, particularly during the Cold War, did not hesitate to support dictatorial regimes when they deemed that those dictatorial regimes would be more useful for protecting their vital economic and strategic interests. Hence, rather than pushing the dictatorial regimes in the direction of democratization, the democratic powers encouraged them to repress the opposition movements and to continue to rule in an authoritarian manner. But after the end of the Cold War, the democratic powers became in general more supportive for democratic openings in the semi-peripheral countries.

However, even then the toleration of certain types of political movements, such as racist, fascist, anti-Semitic, religious fundamentalist and terrorist parties, has not been regarded by some democratic powers as acceptable. An example of this was the negative reaction of the European Union member states to the elevation of the extreme right-wing People's Party to the governing coalition in Austria.

If the international environment in which the authoritarian state operates was generally supportive of democracy, the expected external costs of suppression would be incurred when the democratic powers choose to reprimand the authoritarian state for not allowing the free operation of opposition parties or for halting a process of democratization. The instruments of punishment could be many. They have included denying aid, credit and technology transfers; imposing trade restrictions or embargoes; limiting or altogether stopping the sales of arms and other military equipment; opposing a government's position and arguments in international conflicts; not giving support to a state's aspirations of membership in such prestigious international organizations as the North Atlantic Treaty Organization (NATO), the EU and the World Trade Organization; and encouraging international media and human rights organizations to more closely monitor human rights violations and to bring their finding to the attention of world public opinion. The impact of these and similar punishments on the international standing of an authoritarian state would be all the more enhanced if competing states democratized their regimes in line with the demands of the democratic world, improved their international status, and thus left the state which had insisted on remaining authoritarian behind. A short terminological reminder is in order. The term 'expected external costs of suppression' could be replaced by the equivalent term 'expected external benefits of toleration (or democratization)'. This is because, in most cases, the external costs of suppression would mean nothing more than the withdrawal, by the democratic powers, of the external rewards that would have followed if the requisite democratic reforms had been undertaken.

If the external costs of suppression comprise one factor that an authoritarian regime takes into account when deciding whether to embark on democratic reforms, a second factor is the regime's assessment of the political costs of tolerating the free operation of the domestic opposition. This internal threat evaluation requires information regarding the monetary, military and ideological resources available to the opposition, the militancy of its cadres, the size of its lay followers, and its basic intentions and political projects. There are no objective criteria to define precisely types of internal threat and measure levels of internal threat that would be valid for every state. Instead, the analysis has to rely on a government's subjective

evaluations of its opponents' intentions and capabilities. Frequently, an opposition movement that is not perceived to be a serious threat by an outside observer may be seen as a substantial problem to reckon with by the government. Or else, government leaders may not pay much attention to a political movement that outside observers reckon is a major source of threat. These differences between internal threat evaluations may come from inconsistencies of information, but they may also be due to the variances in ideologies, value judgements, degrees of risk-aversion and risk-insensitivity, historical memories, and other culture-specific characteristics that condition the decision-making process of political leaders. Despite the inevitably relativistic considerations that enter into the definition and assessment of internal threat, a rough distinction between low-level and high-level threat evaluations is plausible. A low-level threat assessment can be characterized as a situation in which the dictators would have a reasonable belief that, though they would lose their monopoly of power in a democratic environment, they would not be expelled from the political scene. They would preserve a substantial retaliatory force to counter the attacks of their opponents in the post-transition regime. In a situation of high-level threat perception, however, the dictators would have no hope that politically they would survive democratization.

#### **Applying the Open Model of Democratic Change to Spain, Portugal and Turkey after 1945<sup>34</sup>**

This section illustrates the argument so far by briefly comparing the Spanish, Portuguese and Turkish cases of regime change or regime maintenance in the late 1940s. Italy and Greece are not included because in both countries the external factor took the form of foreign invasion and occupation, which does not feature in the open model of foreign influences proposed here. Spain, Portugal and Turkey did not experience Axis invasion or an Allied occupation. All three authoritarian regimes faced more or less similar external costs of suppression (external benefits of toleration). Hence the argument here is that it was differences in their internal threat evaluations that accounted for the variations among their reform processes.

During the Second World War, all three countries remained neutral. Spain was ruled by the dictatorship of Franco, which was nominally neutral but a *de facto* supporter of the Axis. Franco's Axis connection pre-dated the war, and helped him to victory in the Spanish Civil War (1936–39). Spain also participated in the Anti-Comintern Pact together with Nazi Germany, Fascist Italy and Japan. Salazar's Portugal was neutral too, but unlike Spain, its neutrality was tilted towards the Allies. Portugal offered air and naval bases in the Azores for the Allied operations. One reason for Portugal's

consistently pro-Allied stance was no doubt its historic alliance with Britain dating back to the Middle Ages. The nature of Turkey's neutrality was somewhere between Spain's and Portugal's. Turkey entered into a joint defensive pact with Britain and France shortly before the onset of the war, but it also signed a non-aggression agreement with Nazi Germany a few days before the Nazi invasion of the Soviet Union. Turkey constantly refused active co-operation with the Allied war effort and retained diplomatic and commercial relations with Germany until very late in the war.

When the war ended and fascism defeated it was imperative for all three states to improve relations with the US. This would avoid any threat of punishment, pre-empt possible exclusion from the newly emerging institutions of the US-led western state system, and qualify them for a share of planned US aid to Europe. Hence, they all stood to gain much from democratic alterations in their political regimes. However, of the three states only Turkey actively dissolved authoritarianism and inaugurated a democratic regime by the end of the decade. So, why was Turkey exceptional? The open model of democratic change outlined above advises us that the decision of the authoritarian rulers to launch democratic reforms would be determined by a comparison of their evaluations of the external costs of suppression and the internal costs of toleration.

All three states needed to restore their image in the eyes of the US. Spain's position was unquestionably the most unfavourable, Turkey's was slightly better and Portugal's the most favourable owing to its British connection and cleaner war record. Thus, judged from this perspective only, all three states stood to gain similar external benefits from domestic democratic reforms. Spain appeared to have the strongest incentive to improve its prestige, through carrying out democratization. Turkey's motive for democratic reform was the second strongest, and Portugal's the third. Yet, it was the Turkish regime that embarked on reform. One possible explanation of Turkey's exceptionalism is that Turkey unlike the other two states faced a low-level Soviet threat, which increased the external benefits of democratization. Indeed, democratization might not only help restore Turkey's relations with the US but facilitate US support against the Soviet Union. However, this still does not explain why *only* Turkey moved ahead with democratization. After all, Spain was not even admitted to the United Nations and the international legitimacy of the Spanish state was being seriously questioned by the Western as well as Eastern blocs. Portugal witnessed a transformation of the pre-war international environment as the United States replaced Great Britain as the strongest sea power of the Atlantic and the Mediterranean. Moreover, contrary to the expectations of

the Portuguese dictator, Great Britain had not emerged from the war as the hegemonic power of Europe. A *rapprochement* with the US seemed imperative for Portugal. So, it is reasonable to maintain that all three states faced high degrees of external motivation to choose the path of democratic reform, which means that differences in internal threat evaluations are an essential part of the explanation of the different attitudes taken by the three regimes to democratic political reform.

Turkey's leaders initiated political reform because in their estimation the internal costs of tolerating the opposition were less than the external costs of suppression. The Spanish and Portuguese regimes, on the other hand, chose to forego the expected external benefits of democratization because they believed the domestic opposition to the regime posed a level of threat that was so high as to offset any external benefits of democratic reform. What were the basic features of the internal threats? The greatest internal threat of all challenged the Franco dictatorship. At the end of the Second World War, in 1945, only six years had elapsed since Franco had emerged victorious from the Spanish Civil War. Franco knew that what brought victory was not so much his own powers but the military aid provided by Hitler and various ideological and regional divisions on the Republican side. Moreover, even though the Republican forces had been crushed and most of their leaders and militants had been either killed or sent into exile, there still existed a large segment of the Spanish society with strong Republican sympathies. To make matter worse, various regional nationalist movements were still alive, despite attempts to suppress them. It was this alarming situation that forced Franco to stay away from democratic experiments. For the Portuguese dictatorship, which was less brutal than its Spanish counterpart, the highest internal cost of democratization would have been the weakening and the eventual breakdown of its control over the African colonies, in the post-war retreat from empire by both Britain and France. The high value attached to its African colonies by the Portuguese dictatorship was evident in the fact that Portugal maintained an anachronistic colonial empire until as late as 1974, despite the fact that the cost of containing anticolonial movements drained financial and human resources, weakened the state and eventually provoked a revolution by the military, in 1974. A second source of internal threat for Salazar's regime was no doubt the powerful Portuguese Communist Party, which had been declared illegal in 1926 but carried on an underground campaign.

By comparison Turkey's one-party state was challenged by the least significant internal threat. This was because the Turkish regime was the oldest (founded in 1920) and the most established among the three, and it had already suppressed and largely eradicated all the major sources of threat long before the onset of the Second World War. The Kemalist regime of

Turkey had confronted and successfully put down three basic challenges. These stemmed from the followers of the Ottoman Young Turk party (the Committee of Union and Progress) who were challenging the leadership of Atatürk, from the generals of the War of Independence who were opposed to the personalistic leadership style of Atatürk, and from the Kurdish separatist movements in south-eastern Anatolia. In addition to its being older and more secure, the Kemalist regime also enjoyed more legitimacy than the regimes of Franco and Salazar, on account of its being built by the leaders of a nationalist war of liberation against foreign invaders. Making the internal situation even more comfortable for the Turkish leaders were two additional characteristics of Turkish society in the 1940s. The first one was that Turkey had lost most of its urban bourgeoisie, because of the mass deportations, territorial losses and population exchanges of the 1910s and 1920s. As a result, there did not exist a large enough social base that could possibly sustain an influential bourgeois-liberal opposition against the regime. Secondly, Turkey did not have a significant working class to support a vigorous communist movement: Although communism did have a significant number of followers among the Turkish educated classes, it could never turn itself into a popular force. Starting from this internal threat evaluation, the Turkish regime decided that the risk of democratization was worth taking in view of the many benefits democratization was expected to bring into the field of foreign relations.

### Conclusion

This article has argued that the specific impact of the international factors on democratization could be best understood in cases where the internal relations of force do not by themselves bring about change in a democratic direction. Where an authoritarian state inhabits a democracy-promoting international environment, the leadership could and probably would inaugurate democratic reforms if it judged the internal costs of toleration to be lower than the external costs of suppression. From the state's perspective, the external costs of suppression could present themselves in two forms, either in the form of the imposition of external sanctions (for example, a trade embargo) or in the form of the suspension of external rewards (for example, membership in a prestigious international organization). Note that the chief function of the external costs of suppression is to protect the domestic opposition from the suppressive acts of the government, until such time as it expands its domestic support base, increases its financial and organizational resources and so develops deterrent powers of its own. By so doing, the external costs of suppression help transform the internal relations of force in such a way as to raise the internal costs of suppression above the

level of the internal costs of toleration. The principal role the external factors play in a democratic transition is to bring about that inversion in the initial internal relations of force.

As the brief examination of the Spanish, Portuguese and Turkish cases illustrate, no set of external incentives would convince an authoritarian government to undertake democratic reforms if it estimated that democratization would unleash an insurmountable potential danger to the basic institutions and values of the state. We can argue that governments are biased to place a value on internal threats that is higher than normal and a value on external sanctions or rewards that is lower than one would normally expect. This is because internal threats are much better known by the governments, they occupy a more profound place in the historical memory of the states, they present themselves here and now, and their effects are immediately felt. External benefits or sanctions, on the other hand, are much less certain and they belong to an unknown future. Given these biases of perception concerning the comparative values of internal and external costs, one critical contribution that external democratic powers could make becomes obvious. They could initiate measures that would perform two parallel and complementary functions: first, to help reduce the level of internal threat facing a government, and secondly to make external sanctions and rewards more certain, visible and immediate.

As part of their contribution to internal threat reduction, democratic powers can establish contacts with the opposition forces, with the purpose of encouraging the moderate groups among them, moderating extremist factions, and disarming any armed bands. That this is a very demanding task is demonstrated by the setbacks in the recent US and other western efforts in Northern Ireland and Palestine, which were aimed at moderating the extremist opposition forces and bringing them to the negotiation table. External rewards and sanctions, on the other hand, have become more visible and their effects have been more immediately felt, as the linkages between the states, civil societies, economies and cultures have proliferated and intensified in the process of globalization. For our purposes, globalization has produced two important effects. One has been that state-to-state relations, which provided the principal mode of international relations in the modern age, have come to be replaced by society-to-society relations. These take place among individuals, firms, new social movements, ethnic and religious groups, non-governmental organizations, political parties and the like, often without the mediation of the states. A second and related outcome of globalization has been that the states, particularly the less powerful semi-peripheral states of the world system, have been rapidly losing their control over the movements of people, capital and information in and out of their boundaries. International organizations

(for example the United Nations and NATO), regional political and economic blocs (for example the European Union and North American Free Trade Agreement), transnational companies, and world-wide communication and entertainment networks have become more influential in controlling the flows of people, ideas and capital from one place to another. This has amplified, to an unprecedented degree, the effectiveness, visibility and immediacy of external punishments and rewards for the increasingly incapacitated individual states. Thus, using the terminology of Douglas A. Chalmers, we can observe that for the semi-peripheral states of the world system the net result of the process of globalization has been the internationalization of domestic politics.

Finally, we can observe that although the impact of external factors has vastly increased as a result of globalization, they have not always operated in the direction of democracy-promotion. Thus, while a regional bloc such as the EU has generally been more supportive of democratization, transnational financial corporations could give their backing to authoritarian solutions whenever they have thought that such solutions would be more likely to ensure a politically more secure environment for the free movement of capital.

## NOTES

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