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Re-engaging Latin America's Left?

US relations with Bolivia and Ecuador
from Bush to Obama

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Summary

When US President Obama took office in January 2009, US relations with Bolivia had reached a historic low. In 2008, Bolivia's President Evo Morales expelled the US Ambassador, accusing him of meddling in internal affairs. The US government responded by expelling Bolivia's Ambassador to Washington. In the same year, President George W. Bush "decertified" Bolivia for not cooperating with the US in its counternarcotics efforts, which led to the suspension of US trade preferences for Bolivia. The Bolivian government, for its part, expelled the US Drug Enforcement Administration (DEA). US-Ecuadorian relations, by comparison, may have seemed smooth to the incoming Obama administration. Yet, again in 2008, the Ecuadorian government had broken off diplomatic relations with Colombia, the United States's most important ally in South America. The US military base in Ecuador was about to be closed in 2009 because Ecuador's President Rafael Correa had refused to extend a bilateral agreement with the US. In early 2009, Correa expelled two US Embassy officials, accusing them of interfering in internal security affairs. Since their initial election in 2005 and 2006, Morales and Correa have developed friendly relations with Venezuela and Cuba, and increased bilateral cooperation with countries like China, Russia and Iran.

Upon assuming office, Obama promised to launch "a new chapter of engagement" with Latin America. This agenda included repairing relations with Bolivia and Ecuador, even if the two countries are relatively minor players in the region. The present report looks at the recent evolution in US relations with Bolivia and Ecuador with a view to both the Bush legacy and the first years of the Obama Administration. Given the broadly perceived failure of Bush's Freedom Agenda and Obama's declared goal of shifting from this confrontational approach to a strategy of global re-engagement, one should expect significant change in US policies toward these two countries too. Yet, as this PRIF report argues, the picture is remarkably different:

On the one hand, the most important change in US policies toward Latin America had already occurred during the Bush Administration, more precisely in the first year of Bush's second term (2005). For Bolivia and Ecuador this meant that the US reacted far less confrontationally to the election of Morales (December 2005) and Correa (November 2006) than most observers would have anticipated. US relations with Ecuador have been surprisingly smooth in spite of a series of political changes promoted by Correa that in earlier times very probably would have provoked serious US countermeasures. Even in the Bolivian case where bilateral relations have clearly suffered since the election of Morales, the US refrained from taking an openly confrontational stance, continued cooperation with Bolivia including with the central government, and, in the area of development aid and democracy assistance, showed remarkable flexibility in adapting to the Bolivian government's demands.

On the other hand, there is much more continuity than change in Obama's policies toward the two countries. So far, the Obama Administration has largely continued the rather pragmatic policies of the later Bush years. In line with Obama's general change in rhetoric there were some signals of openness for dialogue, especially in regard to Bolivia. But in areas of crucial concern for the Bolivian government, Obama has followed in Bush's footsteps: He annually "decertified" Bolivia as failing in its counternarcotics policies, which meant Bolivia's continu-

ing suspension from trade preferences. The ongoing bilateral dialogues with both countries have yet to produce results that would mark a real difference from the Bush era.

The present report proceeds as follows: Following overviews of political changes in Bolivia and Ecuador and of recent trends in US policy toward Latin America in general, it analyzes, first, how the US administration led by then President George W. Bush reacted to the election of Morales and Correa, who both openly challenged US interests in the two countries. Second, it looks at the Obama Administration in order to identify changes and continuities in US policy, as well as the implications these had for bilateral relations with the two countries.

The report is mainly about empirically analyzing the evolution of US policies toward Bolivia and Ecuador. Yet, the comparative section will also present some tentative explanations that point to two types of limits that characterize contemporary US policies toward Latin America. First, democratically elected governments which are based on broad popular support make it hard for any US government to justify openly confrontational policies – in particular, given a contemporary regional context characterized by strong Latin American support for elected governments. As long as there is general US interest in remaining engaged in a certain country, these circumstances then require the US to be much more flexible and tolerant than US governments in the region have been accustomed to historically. Second, some crucial and almost non-negotiable demands on the part of the US seriously limit this flexibility. In the cases at hand, this holds especially for counternarcotics. It is difficult to say whether Obama would be willing to acknowledge the failure of the “War on Drugs.” Yet, very clearly, he is very much dependent on not provoking resistance in the US Congress by touching on too many contentious issues at the same time. In a more general sense, important voices on Capitol Hill demonstrate that to be “too soft” on Morales would create domestic problems for the administration.

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1. Introduction*

When US President Obama took office in January 2009, US relations with Bolivia had reached a historic low. In September 2008, Bolivia's President Evo Morales declared the US Ambassador to La Paz "persona non grata," accusing him of meddling in internal affairs. The US government, in direct retaliation, expelled Bolivia's Ambassador to Washington and, a few days later, President George W. Bush "decertified" Bolivia for not cooperating with the US in its counternarcotics efforts.¹ Consequently, US trade preferences for Bolivia were suspended. The Bolivian government, for its part, responded by expelling the US Drug Enforcement Administration (DEA). US-Ecuadorian relations, by comparison, may perhaps have seemed smooth to the incoming Obama Administration. Yet, also in 2008, the Ecuadorian government had broken off diplomatic relations with Colombia, the United States's most important ally in South America, after the Colombian military had entered Ecuadorian territory in an operation against members of Revolutionary Armed Forces of Colombia (FARC) who were clandestinely encamped on the Ecuadorian side of the border. In addition, the only US military base in South America, the Forward Operating Location (FOL) in Manta on the Ecuadorian coast, was about to be closed in 2009: Ecuador's President Rafael Correa had refused to extend a bilateral agreement concluded in 1998. To make matters worse, in February 2009 Correa expelled two US Embassy officials who had administered US assistance to specialized police units, accusing the officials of interfering in internal security affairs. At the same time, both Morales and Correa developed friendly relations with Venezuela's Hugo Chávez and Fidel Castro in Cuba, and increased bilateral cooperation with countries such as China, Russia and Iran.

Given the ongoing wars in Afghanistan and Iraq, as well as the world economic crisis, US relations with Latin America were certainly not among the most pressing issues incoming President Obama was concerned with. And within Latin America, it is mainly Mexico and Colombia, Brazil, Venezuela and Cuba that receive attention from Washington, not Bolivia or Ecuador. Yet, in the framework of Obama's promise "to launch a new chapter of engagement" with Latin America (Obama 2009), US relations with Bolivia and Ecuador might, in fact, be more important than the relative size and importance of the two countries suggest. On the one hand, the Bush Administration's relations with a whole series of countries in the region were actually rather good. This includes not only those continuously governed by conservative pres-

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1 Since 1986, the US President has been obliged by law to "certify" annually that major drug transit or major drug producing countries have complied with a range of counternarcotics obligations. If a country is "decertified" US foreign assistance is cut off (unless the President declares US aid to be of vital national interest) and, in the case of the Andean countries, trade preferences are suspended (cf. Gamarra 1999: 188; Ledebur/Walsh 2008).

idents (Colombia, Mexico, Peru), but also Chile and, most important, Brazil. As regards Cuba and Venezuela, on the other hand, the prospects of significant improvements in bilateral relations were remote (cf. Erikson 2010; Lowenthal et al. 2009; US Congress 2009c).

From the US perspective, Bolivia is considered one of the “most challenging cases for strengthening democracy and the rule of law in the Western Hemisphere today” (Lowenthal et al. 2009: xiii). In general, the Obama Administration identified “the diverse and troubled nations of the Andean ridge” as one of “four priority regions” (Lowenthal 2010: 114). The dramatic political change in Bolivia since Morales’s first election in 2005 poses a particular challenge to the US: Here we have a government that is openly critical of the US and promotes policies in a range of areas (economy, counternarcotics, international relations) that clearly differ from US preferences, but that represents undeniable progress in terms of the democratic inclusion of the country’s (indigenous) majority; at the same time, the ongoing transformation of democracy in Bolivia consists in a partial departure from the liberal-democratic model as propagated by the US, and involves serious risks for democracy and intra-state peace as such. Ecuador, since the first election of Rafael Correa in November 2006, generally shares these contradictory features. Accordingly, Bolivia and Ecuador are seen as “politically sensitive countries” (Zovatto 2009: 34-9). Bolivia, in particular, “could be a test case for a new style of U.S. engagement with the region” – a crucial case to assess the potential for a shift in course “from confrontation to a restoration of partnership” (Gray 2009: 180, 168). The inauguration of the Obama Administration was seen as providing “an opportunity for the U.S. to re-examine relations with Bolivia and perhaps put them on a more positive track” (DeShazo 2009: 10). And Eliot Engel, the Chairman of the House Subcommittee on the Western Hemisphere, urged Obama to focus, *inter alia*, on Ecuador (in: US Congress 2009c: 3).

Against this backdrop, the present report looks at recent developments in US policies toward Bolivia and Ecuador. Following brief overviews of political changes in Bolivia and Ecuador (Chapter 2) and of recent trends in US Latin American policy (Chapter 3), it analyzes how the US administration led by then-President George W. Bush reacted to the election of new presidents in Bolivia (Morales) and Ecuador (Correa) who openly challenged US interests in the two countries (Chapter 4). Finally, I will look at the incoming Obama Administration to identify the changes and continuities in US policy toward the two countries (Chapter 5).

Given the broadly perceived failure of Bush’s Freedom Agenda and Obama’s declared goal of shifting from this confrontational approach to a strategy of global re-engagement (cf. Carnegie Europe 2009; Poppe 2010), one would expect significant change in US policies toward two countries which openly resisted Bush’s “either you are with us, or you are with the enemy.” Yet, as this PRIF report will argue, the picture is remarkably different: On the one hand, the most important change in US policies toward Latin America had already occurred during the Bush Administration, more precisely in the first year of Bush’s second term (2005). For Bolivia and Ecuador, this meant that the US reacted far less confrontationally to the election of Morales (December 2005) and Correa (November 2006) than most observers would have anticipated. Some minor diplomatic disputes notwithstanding, US relations with Ecuador have been surprisingly smooth in spite of a series of political changes promoted by President Correa that very likely would have provoked serious US countermeasures in earlier times. Even in the Bolivian case, where bilateral relations have clearly suffered since the first election of Morales, the US gov-

ernment refrained from taking an openly confrontational stance, continued cooperation with Bolivia and its central government, and, in the area of development aid and democracy assistance, even showed remarkable flexibility in adapting to the Bolivian government's demands.

On the other hand, a preliminary look at US policies toward the two countries since Obama's election reveals much more continuity than change. So far, the Obama Administration has largely continued the rather pragmatic policies of the later Bush years. In line with Obama's general change in rhetoric, there were some important signals that showed made suggesting openness for dialogue, especially toward Bolivia. But in areas of crucial concern for the Bolivian government Obama has followed in Bush's footsteps: He annually "decertified" Bolivia as failing in its counternarcotics policies, which meant Bolivia was continuously denied trade preferences. With a view to both Bolivia and Ecuador, the ongoing bilateral dialogues have yet to produce results that would mark a real difference from the Bush era.

How can one explain these patterns of US policy? Without offering a full-blown explanation, the comparative section (6) highlights two types of limits that characterize contemporary US Latin American policy. First, democratically elected governments which are based on broad popular support make it hard for any US government to justify openly confrontational policies – in particular, given a contemporary regional context characterized by strong Latin American support for elected governments. As long as there is general US interest in remaining engaged in a certain country, these circumstances require the US to be much more flexible and tolerant than US governments in the region have historically been accustomed to. Second, some crucial and almost non-negotiable US demands seriously limit this flexibility. In the cases at hand, this holds especially for counternarcotics. Whether Obama would acknowledge the failure of the "War on Drugs" or not, he is very clearly dependent on not provoking resistance in the US Congress by touching on too many contentious issues at the same time. In a more general sense, Republican voices in US Congress demonstrate that to be "too soft" on Morales and Correa would create domestic problems for the administration. The result is that the Bush Administration – with all its aggressive rhetoric – saw itself *externally* forced to behave rather pragmatically, while the Obama Administration – its rhetorical paradigm shift notwithstanding – sees itself as *internally* inhibited from changing much in its actual policies.

How the US deals with the transformation of democracy in Bolivia and Ecuador is also important for the general endeavor to promote democracy around the world. In their foreign and development policies, North-Western governments have increasingly subscribed to this aim. As the political change initiated by the governments of Morales and Correa challenges both US interests in the two countries and US conceptions of liberal (market) democracy, the analysis of US reactions to Morales and Correa promises interesting insights into the complex role that the aim of promoting democracy plays in US policies.²

2 A similar study has been conducted on German policies towards Bolivia and Ecuador (Wolff 2010). For a comparison of US and German policies towards Bolivia, see Wolff (2011).

2. Political change in Bolivia and Ecuador: A short overview

In both Bolivia and Ecuador, a period of political turbulences preceded the election of new presidents in 2005 and 2006, respectively. Following a turbulent transition to democracy, after 1985 Bolivia became a much-lauded development model that successfully followed a path of democratization, stabilization and (neo-)liberal economic reform. Between 2000 and 2005, however, a series of political crises erupted, characterized by massive social protests that forced the resignation of both elected President Sánchez de Lozada (in 2003) and his successor Carlos Mesa (in 2005). In the course of this period of recurring crises, Evo Morales – a union leader, coca grower and head of the political Movement toward Socialism (*Movimiento al Socialismo–MAS*) – established himself as the leading representative of the diverse protest movements. In December 2005, Morales was elected President of Bolivia by an absolute majority of the vote, becoming the country’s first head of state of indigenous origin.

In Ecuador, between 1996 and 2005 no elected president was able to complete his mandate: In 1997, Abdalá Bucaram was deposed by Congress in the midst of massive social protests; in 2000, an alliance between the country’s indigenous movement and rebellious sectors of the armed forces toppled Jamil Mahuad in a rebellion-turned-coup; and in 2005, Lucio Gutiérrez was deprived of the presidency – again by Congress and in the context of massive social protests. In all cases, the former vice presidents succeeded the deposed heads of state, thereby securing a basic continuity in the constitutional order. Rafael Correa, an economist and political outsider, had participated in the urban protests against Gutiérrez and, for a short term in 2005, served as Minister for Economy and Finance under Interim President Alfredo Palacio. In the 2006 elections, Correa managed to present himself as the credible challenger to the entrenched political elites and, in a runoff ballot, defeated businessman Álvaro Noboa.

Since their first election, Morales and Correa have initiated periods of profound political change that, *inter alia*, included the convocation of Constituent Assemblies (*Asambleas Constituyentes*). In September 2008 (Ecuador) and January 2009 (Bolivia) new constitutions were adopted in popular referendums by more than 60% of the vote. In the course of 2009, Morales and Correa were re-elected. In terms of economic and social policies, both presidents had promised an end to “neo-liberalism.” In fact, they significantly increased the role of the state in the economy, in particular with a view to the countries’ hydrocarbon resources. In Bolivia, Morales declared the “nationalization of gas” which was followed by a series of further nationalizations. In Ecuador, Correa intensified policies initiated by his predecessor Palacio, further increasing the state’s share of and role in the oil sector. Both governments, at the same time, increased social spending and public investment.

In the present report, it is not possible to go into the details of – and differences between – these complex processes of change (cf. Crabtree/Whitehead 2008; Kohl/Bresnahan 2010; La Tendencia 2009). Instead, I can only outline six general characteristics of both experiences that challenged US preferences in and US policies toward the two countries.

(1) Both governments and their respective political “projects” are based on clear-cut and repeated democratic legitimation; the processes of political change, however, were characterized by a whole series of procedural irregularities and outright breaches of constitutional and

administrative law. On the one hand, repeated impressive electoral victories have demonstrated that Morales and Correa can rely on solid and clearly majoritarian support among the populace.³ On the other hand, both processes of constitutional reform have been accompanied by controversial and, in part, openly irregular procedures. In Bolivia, the draft constitution was adopted by the Constituent Assembly in a highly disputed procedure: A two-thirds majority of the members of the Assembly *present* was possible only due to the absence of the most important opposition groups. Following some nine months of political struggle, a two-thirds majority in Congress agreed on a detailed revision of the constitutional draft; this procedure was crucial for enabling the constitutional reform to be accepted even by important parts of the opposition and, thus, preventing a further escalation of the political conflict – yet Congress lacked any legal authority to revise the draft constitution (cf. Romero et al. 2009). The regional autonomy movements, based in the eastern lowland departments (the so-called *media luna*), for their part promoted autonomy statutes that received significant popular support in the respective *departamentos*, but clearly violated the constitution.

In Ecuador, initiating constitutional reform was possible only after the Supreme Electoral Court had dismissed the opposition majority in Congress in a controversial decision. It was only in the election to the Constituent Assembly that Correa's political movement PAIS received the necessary majority to push the project of change. In the "old" Congress, PAIS – which had not participated in the 2006 parliamentary elections, was not represented. Endowed with "full powers" (*plenos poderes*), the *Asamblea Constituyente*, once convened, suspended Congress and – between the adoption of the constitutional draft and new elections – established a transitional parliament that simply replaced Congress.

(2) In Bolivia and Ecuador, the new governments brought important improvements in the quality of democracy as measured in terms of representation and participation (inclusion and vertical accountability), but at least temporary deteriorations in terms of institutional controls (horizontal accountability) and transparent, effective, efficient and rule-bound ("good") governance. Opinion polls and elections demonstrate that the governments of Morales and Correa are considerably more representative today than any of their predecessors. Political participation – measurable in, but not limited to electoral events – has clearly grown. This particularly applies to Bolivia, as the first government led by an indigenous president is a sharp change in terms of representation and participation for the indigenous majority of the population. At the same time, the restructuring of political institutions has meant that respect for the established institutional order was limited in both cases. During the processes of constitutional reform, the old institutional controls and procedural rules were gradually dismantled while new ones had

3 In Bolivia, Morales was elected in 2005 (52%), confirmed in a recall referendum (67%) and re-elected in December 2009 (63%); the MAS won national elections in 2005 (only narrowly missing an absolute majority in parliament), in 2006 (absolute majority in the Constituent Assembly) and 2009 (two-thirds majority in the new parliament); in January 2009, the new constitution was adopted in a referendum (61%). In Ecuador, Correa won the runoff election in November 2006 (57%) and was re-elected in April 2009 (52% on the first ballot); Correa's PAIS received a majority in the Constituent Assembly in 2007 (61%) and in 2009 only narrowly missed an absolute majority in parliament; in September 2008, the new constitution was adopted (64%).

yet to be established. In Bolivia, disputes between the government and the highest branches of the judiciary abounded, with the latter gradually losing their capacity to act and decide in a series of resignations that were not followed by new appointments (cf. BTI 2009a). Regarding Ecuador, the suspension of, first, the opposition majority in Parliament and then of the entire Congress has already been mentioned; during the transition to a new constitutional order the judiciary was also affected by controversial changes (cf. BTI 2009b).

(3) The profound restructuring of the political system generally corresponded in both countries with established standards of representative democracy and human rights, but included important deviations from specific liberal-democratic conceptions as they prevail, e.g., in the US. On the one hand, the new constitutions include the “classical” series of political and civil rights, and the new political system is dominated by “traditional” mechanisms and institutions of representative democracy. Yet, this basically liberal-democratic order is amended and modified to an important extent: Indigenous (customary) law and indigenous collective rights – that (especially in Bolivia) enable autonomous indigenous self-government – are strengthened; mechanisms of direct democracy and social control are established that include recall and other referendums, popular legislative initiatives and new forms of direct participation of individual citizens or organized civil society; in Bolivia, not only parliament and president, but also the highest branches of the judiciary are elected by popular vote; social and economic rights are strengthened beyond anything usual in North-Western liberal democracies, while possibilities for privatization (e.g., of public social services and strategic economic sectors) are constrained and property rights (e.g. in land) are delimited (cf. Wolff 2009).

(4) The changes in economic and social policies promoted by the new governments are clearly in line with broad majorities of the respective populations. Yet, they differ significantly both from US conceptions of “sound” development policies *and* from US economic interests. The most important example here is the Bolivian policy of “nationalization,” particularly, but not only in the hydrocarbon sector: In general, international companies were forced into new contractual relationships, the control of the state (and state-run companies) in the respective sector was strengthened and fiscal participation increased. Related processes involve Ecuador’s oil sector. The interim government of Alfredo Palacio had already cancelled a contract with the US oil company Occidental (Oxy) and handed the oil field to Ecuador’s state company PetroEcuador (cf. Lettieri 2006). Yet, Correa, once in office, explicitly endorsed the Oxy decision and further increased the state’s share in petroleum revenues. In Bolivia, it was mainly Brazilian Petrobras and Spanish Repsol-YPF, not US companies that were affected by the “nationalization” policy. Here, it was more the change in drug/coca policies that directly interfered with US interests: The Morales government shifted away from the US-style “War on Drugs” that included the coerced eradication of coca plants to turn toward a combination of cooperative forms of coca eradication – based on social control at the community level – and continuing counternarcotics efforts to cut down drug trafficking (cf. Farthing/Kohl 2010; Ledebur/Youngers 2008).

(5) By responding to central demands that in previous years had been voiced during social protests and political crises, the new governments contributed to political stabilization and democratic conflict de-escalation. This process of (partial) inclusion of formerly marginalized voices was accompanied by political alienation of former political and economic elites. Morales

and Correa brought an end to the series of interrupted presidencies: Both were able to remain in office and were even re-elected in 2009. Yet, this did not imply general stabilization. Serious political disputes and frequent social conflicts escalated time and again. In Bolivia, the opposition now came from regional autonomy movements in the *media luna* region, led by elected governors (*prefectos*) and “civic committees.” In September 2008, protests in the opposition-dominated lowland departments peaked with cities, streets and gas pipelines blocked, central-state institutions occupied and violence escalating between oppositional and pro-government groups (cf. Peñaranda 2009: 152-165). By contrast, the fragmented center-right opposition in Ecuador was not able to pose any serious challenge to the Correa government during his first term in office. However, since 2008, conflicts between the Correa government and its original allies among the social movements, trade unions and center-left parties have increased. In early 2009, for example, the country’s indigenous movements led nationwide protests against a new mining law that was perceived as ignoring the rights of rural (indigenous) communities and environmental concerns (cf. Becker 2010: 12). In September 2010, police protests against a government austerity program escalated into an attack on President Correa who was forcibly detained in a police hospital for some hours, but was subsequently rescued by Ecuadorian military and elite police forces; at least the government saw this event as an attempted coup with the involvement of the country’s main opposition party *Sociedad Patriótica* (cf. De la Torre 2010).

(6) A final feature, particularly important from the US perspective, concerns changes in foreign policy. Here, Morales and Correa heavily emphasized their countries’ sovereignty, in particular vis-à-vis the US and international financial institutions like the International Monetary Fund (IMF) and the World Bank. On the one hand, this included open criticism of external actors like the US that are perceived as meddling in the countries’ internal affairs, to the point of expelling US officials and institutions (see 4.1 and 5.1, respectively). On the other hand, both governments have diversified their countries’ international relations, intensifying cooperation within Latin America, but also with emerging Asian countries such as China or India. Bolivia (in 2006) and Ecuador (in 2009) joined the *Alternativa Bolivariana para los Pueblos de Nuestra América* (ALBA), an explicitly anti-US alliance launched by Venezuela and Cuba, and supported new forms of regional cooperation in South and Latin America that deliberately exclude the US.⁴

3. US Latin American policy: From 9/11 to Obama

During the 2000 election campaign, then presidential candidate George W. Bush had promised to make Latin America “a foreign policy priority” (Crandall 2008: 22). Yet, with the terrorist attacks on September 11, 2001, and the subsequent “War on Terror,” the US government focused its attention on other parts of the world. To the extent that the Bush Administration

4 This refers especially to the Union of South American Nations UNASUR, but also the Bank of the South (*Banco del Sur*) and the Summit of Latin America and the Caribbean (CALC).

took an interest in the Western Hemisphere, it viewed “Latin America mainly through the prism of international terrorism” while, at the same time, continuing Clinton’s emphasis on a proposed Free Trade Area of the Americas (FTAA) (Lowenthal 2009: 5). Observers, on the one hand, have criticized Bush for neglecting Latin America (cf. Castañeda 2003; Falcoff 2003; Hakim 2006). On the other, experts have emphasized that US Latin American policy during the first Bush Administration had been counterproductive both in terms of personnel and of substance. Under President Bush and Secretary of State Colin Powell it was mainly a group of anti-Cuban “Cold Warriors” that was responsible for conducting US relations with Latin America.⁵ As regards substance, the “narrow focus on trade and terrorism” (Birns/Leight 2005: 41) proved a recipe for failure. The old “War on Drugs” and the new “War on Terror” were increasingly merged into a fight against “narco-terrorism,” further increasing the securitization and militarization of US counternarcotics policy (cf. Fuentes 2004). In line with Bush’s “either you are with us, or you are with the enemy”, US ambassadors in a series of Latin American countries explicitly spoke out against candidates deemed unfriendly to the US.⁶ Most notably, the US government was associated with the short-lived coup against Hugo Chávez in 2002 and the ouster of Haitian President Jean-Bertrand Aristide in 2004 (cf. Birns/Leight 2005: 42, 44; Crandall 2008: 124-128, 204-209).⁷ In the meantime, newly elected center-left governments in a series of South American countries increasingly questioned the US-driven free trade agenda. After the 2005 Summit of the Americas in Mar del Plata had culminated in open disagreement, the FTAA initiative was “effectively dead” (Crandall 2008: 153).

However, it would be far too easy to regard US Latin American policy during the Bush Administration as a total failure. Not only did the US government succeed in agreeing on and implementing policies in different areas with a series of countries – policies that the administration deemed important, e.g., the Dominican Republic-Central American Free Trade Agreement or the expansion of counternarcotics and counter-insurgency activities in Colombia. But also with a view to the new left and center-left governments that, during the 2000s, came to govern large parts of Latin America, US policies were not only confrontational. The most important example concerns US relations with Brazil. Ideological differences between Bush and Brazil’s President Lula da Silva notwithstanding, following Lula’s first election in 2002, the two

5 Between 2001 and 2004, Otto Reich – a Cuban-American “with unimpeachable anti-Castro credentials” (Crandall 2008: 24) and well-known for his involvement in the 1980s Iran-Contra affair – served, first, as Assistant Secretary of State for Western Hemisphere Affairs and, then as Special Envoy for Western Hemisphere Initiatives at the White House. Reich’s successor as Assistant Secretary (2003-2005) was Roger Noriega, another anti-Cuban hardliner with experience in US Central America policy who, between 2001 and 2003, had served as Bush’s Ambassador to the OAS (cf. Birns/Leight 2005: 41-42; Crandall 2008: 24-25; Sanchez 2005).

6 The series included public statements against Daniel Ortega in Nicaragua in 2001, against Morales in Bolivia in 2002, and against Shafik Handal in El Salvador, with a view to the 2004 elections (Birns/Leight 2005: 42)

7 Reacting to the coup in Venezuela, the Bush Administration directly responded by blaming the crisis on Chávez, signaled support for the disruption of democratic rule, and was prepared to welcome the post-coup government. In addition, the US had cooperated with and supported organizations and individuals that later participated in the events and, in meetings with the future coup plotters, at least, did not successfully dissuade them from staging the coup (cf. Barry 2007; Birns/Leight 2005: 42; Crandall 2008: 119-120, 124-128).

managed to establish “a robust agenda of U.S.-Brazilian cooperation on a variety of fronts, including energy security” (Crandall 2008: 24). In addition, an important change in US policy toward the region is frequently missed. This change coincided with the transition from the first to the second Bush Administration in 2004/2005 and is associated mostly with the appointment of Thomas Shannon as Assistant Secretary of State for Western Hemisphere Affairs in November 2005:

“In contrast to his predecessors, political appointees who had pursued Cuba-centric policies redolent of the Cold War, [US career diplomat, JW] Shannon fashioned a carefully nuanced, case-by-case approach to the various populist and potentially populist regimes of Bolivia, Ecuador, El Salvador, Honduras, Nicaragua, Paraguay, and Venezuela. Shannon emphasized that social and economic inequalities were the root cause of many of the problems in Latin America and the Caribbean.” (Lowenthal 2010: 113-114; cf. Lowenthal 2009: 16; Sanchez 2005)

Given the general loss of credibility and, in fact, antipathy, the Bush Administration was confronted with throughout the region, this shift in personnel and style was not enough to significantly improve either the image of the US government or US-Latin American relations. Yet, Shannon and his team, in the end, largely anticipated what would later become the “new” US approach toward Latin America under President Obama and Assistant Secretary of State Arturo Valenzuela (cf. Lowenthal 2010: 113-114). In fact, Shannon continued in office during most of the Obama Administration’s first year. And when Obama managed to get the US Senate to confirm Valenzuela as Assistant Secretary, Shannon was appointed US Ambassador to Brazil. Incoming President Obama, nevertheless, made the rather tacit adjustment at the diplomatic level part of an explicit political agenda “to launch a new chapter of engagement” with Latin America (Obama 2009).

Obama’s promise to Latin America is, indeed, far-reaching. At the Summit of the Americas in April 2009, where he proposed “to launch a new chapter of engagement” characterized by “equal partnership,” President Obama declared:

“There is no senior partner and junior partner in our relations; there is simply engagement based on mutual respect and common interests and shared values.” (Obama 2009)

Such an attitude would include not “to dictate our terms” and to refrain from “interference in other countries” (Obama 2009). Initially, “enthusiasm for a new openness from the United States” on the part of Latin American governments translated into a “newfound togetherness,” as the New York Times reported from Obama’s first Summit of the Americas (NYTimes.com, April 20, 2010; cf. Erikson 2010: 21-25; Lowenthal 2010: 115). Obama’s new “policy of engagement” with Latin America (Valenzuela 2009) was to be characterized by three priorities: “opportunity” (i.e., supporting economic prosperity and social inclusion); “citizen safety” (i.e., fighting transnational crime and public insecurity); and “effective democratic governance” (i.e., democracy promotion, especially focused on democratic institutions and increasingly by multilateral means) (Valenzuela 2010a). In terms of foreign policy, the new administration’s approach to Latin America would proceed “in line with its broader resetting of U.S. foreign policy: it would be more open to engagement, even with adversaries; more disposed to multilateral

cooperation; and more respectful of international law and international opinion” (Lowenthal 2010: 113).⁸

Here is not the place to summarize and evaluate the implementation of this new approach during the first two years of the Obama Administration.⁹ Instead, the next two chapters will focus on two particular countries where both the need and the hope for re-engagement were high, and the stakes and risks relatively low – namely Bolivia and Ecuador.

4. US policy toward Bolivia

In Washington, there was no doubt that the political rise of Evo Morales threatened US interests in Bolivia. “People talk about him as if he were the Osama bin Laden of Latin America,” said Inter-American Dialogue expert Michael Shifter to the *New York Times* just before Morales’s election (Rieff 2005: 72). In fact, during his campaign Morales promised to become a “nightmare” to the US – an assessment explicitly shared in Washington (Brinkley 2005). Consequently, before the 2002 presidential elections, then US Ambassador Manuel Rocha had openly threatened a possible withdrawal of US assistance if the Bolivian people dared to elect Evo Morales (Gratius/Legler 2009: 206). The main US concern was not so much anti-US rhetoric and Morales’s criticism of “neo-liberalism” and free trade, but rather his conceptualization of the coca/drug issue.¹⁰ As the leader of Cochabamba’s coca growers, his personal history had been shaped by resistance to the US-driven policy of coerced coca eradication. In his campaign, Morales had promised to legalize the cultivation and trade of the coca leaf. This directly threatened what had been, since the late 1980s, “Washington’s overriding policy focus” (Crandall 2008: 102): Bolivian cooperation in the US-driven “War on Drugs” that was based, to an important extent, on the criminalization of the coca leaf (as the prime source for cocaine) and the coerced eradication of coca plants. Both with a view to counternarcotics and to Bolivian politics in general, the US was used to enjoying direct access to and influence on the Bolivian government (cf. Gamarra 1999; Lehman 1999).

4.1 The Bush Administration

Directly following the election of Evo Morales, the US took a wait-and-see approach (Gamarra 2007: 31). The official formula was to “congratulate the people of Bolivia on a successful elec-

8 Valenzuela promised “a whole new tone”: “We want to reengage with the hemisphere on the basis of mutual respect, of working together to solve common problems, where the United States is being a partner. We want to be able to listen.” (Valenzuela 2009)

9 Cf. Erikson (2010); Hakim (2010); Lowenthal (2010); Reich (2010); Roett (2010).

10 In fact, Ambassador Rocha had literally said that US aid to Bolivia could be threatened if the country elected “those who want Bolivia to once again become a major cocaine exporter” (*Miami Herald*, July 10, 2002: A-3).

tion and their commitment to democratic and constitutional processes,” express the will “to continue to work constructively with the new government,” but emphasize that “the behavior of the new government” would determine the course of the bilateral relationship: “It’s important that the new government govern in a democratic way and we’ll look to them to see what kind of cooperation they want to do on economic issues, as well.” (White House 2005) Already prior to the elections, the US government had taken a “low-key approach” (Rieff 2005: 72). And after the polls there were no negative reactions even when newly elected Morales called Bush a terrorist, visited Fidel Castro and Hugo Chávez, and appointed a cabinet that was widely perceived as close to the indigenous and social movements and critical of neo-liberal economics and the US War on Drugs; the US Embassy in La Paz even signaled its willingness to shift coca eradication policies toward a fight against cocaine and “surplus” coca only (cf. *Latinnews Dails*, February 2, 2006; *MiamiHerald.com*, February 17, 2006).

Compared to the expectations and given the history of hostile relations between the US Government and Evo Morales before his election, US-Bolivian relations during the first two years of the new government remained remarkably calm. To be sure, there were critical statements from both sides, increasingly so in 2007 (Gratius/Legler 2009: 207). Yet, their impact on US policies and bilateral relations was fairly limited.¹¹ In June 2006, USAID Assistant Administrator Adolfo Franco (2006: 19) stated that the Bolivian government had, “on several occasions, demonstrated inclinations to consolidate executive power and promote potentially anti-democratic reforms through the Constituent Assembly and other means.” In early 2006, then Director of National Intelligence John Negroponte reported that Evo Morales, since his election, “appears to have moderated his earlier promises to nationalize the hydrocarbons industry and cease coca eradication,” although “his administration continues to send mixed signals regarding its intentions” (Negroponte 2006: 17); one year later he saw democracy “most at risk in Venezuela and Bolivia”: “In both countries, the elected presidents, Chavez and Morales, are taking advantage of their popularity to undercut the opposition and eliminate checks on their authority.” (Negroponte 2007: 9; cf. McConnell 2008: 33).

With regard to the drug issue, President Bush in September 2006 expressed concern “with the decline in Bolivian counternarcotics cooperation since October 2005” (White House 2006). A year later, Bush drew an “uneven” balance, acknowledging Bolivian interdiction and certain eradication efforts, but urging the Bolivian government to resume comprehensive coca crop eradication (White House 2007). In return, the Bolivian government periodically rejected US “impositions” and accused the Bush Administration of using US assistance to support and destabilize Bolivia (cf. *La-Razon.com*, September 13, 2006, August 31, 2007; *Presidencia de Bolivia* 2007).

11 However, below official rhetoric and general bilateral relations, the US did not react solely in cooperative ways: “After Evo Morales took office in early 2006, U.S. alternative development efforts in conjunction with Chapare municipal governments were put on hold for most of 2006 and the first half of 2007. Subsequently, USAID has returned to its policy of conditioning its assistance on prior coca crop reductions.” (Ledebur/Youngers 2008: 5)

In 2008, the situation changed dramatically, going from rhetorical tensions to “diplomatic breakdown” (Gray 2009: 171-176). According to US government accounts, in the course of 2008, “Bolivian government hostility and provocations” reached the point where the US saw itself forced to react (US Department of State 2008a; cf. DeShazo 2009: 9). In June 2008, the *cocalero* movement and local mayors from Bolivia’s largest coca growing region (Chapare) declared that they would not sign any further agreements with USAID and *de facto* expelled USAID from the region; the Bolivian government endorsed the decision (cf. Ledebur/Walsh 2008: 5; US Department of State 2008a). In September, in the midst of a severe domestic political crisis provoked by the autonomy movements’ protests in the eastern lowlands, Morales declared US Ambassador Philip Goldberg “*persona non grata*,” accusing him of supporting opposition forces; the US government, in direct retaliation, expelled Bolivia’s Ambassador to Washington (Ribando 2008a: 15). A few days later, the US President declared that Bolivia had “failed demonstrably” to adhere to her “obligations under international counternarcotics agreements.” This “decertification” did not result in the automatic withdrawal of US aid, because Bush declared continued foreign assistance to Bolivia to be “vital to the national interests of the United States” (White House 2008). It meant, however, that Bolivia lost access to US trade preferences. Bolivia’s suspension from the Andean Trade Promotion and Drug Eradication Act (ATPDEA) became effective in December 2008 – shortly after the Bolivian government expelled the DEA (Ribando 2008a: 1, 15).

As a further sanction, Bolivia lost access to funding from the Millennium Challenge Account (MCA). In 2004, Bolivia had been selected as eligible for the MCA, i.e. as meeting conditions concerning “governing justly,” “investing in people” and “promoting economic freedom” (MCC 2004). In September 2007, the Morales government submitted a new proposal to the Millennium Challenge Corporation (MCC), superseding a first proposal from December 2005. Yet, an “MCC assessment scheduled for December 2007 was postponed due to unrest surrounding the Constitutional Assembly Process” and, in December 2008, “the MCC Board of Directors decided to not reselect Bolivia as eligible for compact assistance” (US Department of State 2008a). Although Bolivia’s scores on some of the indicators that MCC uses did decline,¹² a comparison with other MCC beneficiaries and interviews with relevant US officials point to the conclusion that the gradual decline in Bolivia’s governance performance would not alone have triggered this suspension. The main reason was the general crisis in the US-Bolivian relationship and, in particular, the 2008 series of expulsions. In general it seems rather clear that neither the “democratic revolution” as such (and the harm it might have caused to Bolivian democracy) nor the change in economic policies (e.g., the policies of “nationalization”) had a direct impact on US-Bolivian relations nor did they prompt US reactions, but instead bilateral clashes over drug policy and Bolivian accusations of US meddling in Bolivia’s internal affairs.

In general terms, declining US foreign aid mirrors this deterioration in bilateral relations (see Tables 1-2). However, the reduction well precedes the series of expulsions in 2008, already start-

12 Namely, the World Bank governance indicators for government effectiveness, rule of law and regulatory quality (cf. MCC 2009).

ing during the interim government of Carlos Mesa (2004-2005) and continuing throughout Morales's first presidency (2006-2009): Total US foreign assistance per year declined continuously from more than USD 150 million per year in 2002-2004 to less than USD 100 million since 2008. At the same time, US assistance remained significant. The Bush Administration's last request (for fiscal year 2009) aimed at maintaining the 2008 level of foreign assistance – signaling an interest in remaining engaged, if at a lower level than in the early 2000s. The funds requested for democracy assistance would even have doubled US activity in this area (with a focus on good governance, see Table 1).

A closer look at the Congressional Budget Justifications (CBJs) demonstrates that US foreign assistance to Bolivia during the Bush Administration had two faces. On the one hand, continued assistance was justified as a response to ongoing Bolivian needs, especially regarding narcotics control, poverty reduction and democracy promotion (cf. CBJ 2009: 659, 2008: 603, 2007: 538). On the other, assistance was not only intended to help Bolivia, but also to serve US political interests. Directly following the election “of a government that campaigned on promises that included decriminalizing coca and nationalizing private property,” the US expressed the necessity of demonstrating “flexibility to protect our core interests.” Flexibility here meant to try “to engage with the new government (as circumstances allow)”, but also with “the military and, particularly, the regional governments” (CBJ 2007: 538).¹³

Indeed, a new USAID program Strengthening of Democratic Institutions (*Fortalecimiento de Instituciones Democráticas* – FIDEM) prioritized the *prefecturas*, i.e. the regional governments (USAID 2009a, 2007d). This programmatic change directly reacted to the first-time election of regional governors (*prefectos*) in December 2005. Yet, while Morales and his MAS party obtained majorities at the national level in these elections, opposition candidates won most (six out of nine) *prefecturas*. The result was that, when FIDEM was initiated in October 2006, USAID directly supported Evo Morales's most important opponents (even if it also assisted departmental prefects from the MAS).

An additional instrument in the US response to changing political conditions was aid coming from the USAID Office of Transition Initiative (OTI). OTI's official mission is to seize “critical windows of opportunities” by providing “fast, flexible, short-term assistance targeted at key political transition and stabilization needs” (USAID 2009b). In Bolivia, OTI responded to the political crisis surrounding the resignation of President Sánchez de Lozada by launching, in March 2004, a program “to help reduce tensions in areas prone to social conflict and to assist the country in preparing for key electoral events” (USAID 2007b). Given the importance of social protest in the city of El Alto during the so-called *guerra del gas* that ended Sánchez de

13 As regards support for the Bolivian armed forces via International Military Education and Training (IMET) and Foreign Military Financing (FMF), the reduction in funding (see Table 2) partially reflects automatic sanctions envisaged by the American Service-Members Protection Act (ASPA) because Bolivia ratified the Rome Statute of the International Criminal Court (ICC), but the Bolivian Congress did not ratify a bilateral (Article 98) agreement with the US that would exempt US citizens from prosecution in the ICC. In 2007, however, the US administration could resume IMET funding by “de-linking” it from ASPA sanctions, but abstained from reviving FMF because of “competing priorities worldwide” (CBJ 2008: 606).

Lozada's presidency, OTI initially focused on "community based activities aimed at reducing conflict in El Alto and the *altiplano*" (USAID 2004). Yet, after the December 2005 elections, "OTI retargeted its program" toward "building the capacity of prefect-led departmental governments": Between March 2006 and June 2007, OTI approved "116 grants for \$4,451,249" that included "technical support and training for prefecture staff," *inter alia*, "to help departmental governments operate more strategically" (USAID 2007b).

Reflecting this changed focus in US assistance, the outline of US aid for fiscal year 2008 did not even mention the Bolivian government as a partner: Continuing US cooperation with the national government notwithstanding,¹⁴ the stated goal of assistance was now "closer ties between the United States, the Bolivian people, and the international community." It was specified that "partnerships will be developed with regional and local governments and non-governmental organizations (NGO), the private sector, and other non-executive branch entities to prevent further erosion of democracy, combat cocaine production and trafficking, improve healthcare, and increase educational opportunities" (CBJ 2008: 603).¹⁵ As regards democracy and governance assistance, funding, on the one hand, was to "be used to strengthen the Congress as well as state and local governments, encourage moderate national leaders, support legislation that complies with international standards to combat corruption and money laundering, and expand public diplomacy to emphasize the positive correlation between democracy and development." On the other, US assistance was also provided "to support an active, credible civil society [...] and to strengthen political parties" (CBJ 2008: 604). In addition, the National Endowment for Democracy (NED) massively increased its activities in Bolivia, reinforcing the shift toward, among other things, civil society support (see below and Table 3).

The emphasis on regional governments – the bastion of the opposition – and "civil society" aligned perfectly with a strategy outlined by USAID: to focus assistance on "the support of counterweights to one-party control such as judicial and media independence, a strong civil society, and educated local and state level leaders" (Franco 2006: 19). Yet, given a highly sensitive Bolivian government – that, on several occasions, denounced US support for the opposition – this decidedly political mission had to be framed and implemented "in an apolitical, balanced manner" (US Department of State 2007a: 13): Hence, support for regional and local authorities included assistance for governments led by representatives from both the opposi-

14 Indeed, such cooperation went beyond assistance in counternarcotics and socioeconomic issues and included democracy assistance. Rhetoric, here, was obviously stronger than the political practice on the ground. For instance, the Administration of Justice Programs that included support for Integrated Justice Centers (IJC) – which provide justice services to citizens in marginalized, "peri-urban" areas (CBJ 2010: 575) – were implemented in close cooperation with the Bolivian government (cf. USAID 2005: 47). The US was apparently disposed to continue this program (cf. USAID 2008a), but the Bolivian government gradually took over the IJCs, and in 2009 decided to demand the closure of USAID cooperation in this area and signed an agreement with Denmark that provides for Danish support for IJCs (LaPrensa.com.bo, 29.9.2009). US assistance to the national parliament (in the framework of FIDEM) was closed on demand from the Bolivian government.

15 The evaluation of the new coca eradication strategy adopted by the Morales government is now unambiguous: "[T]he Government of Bolivia's (GOB) coca cultivation policy of relying on voluntary eradication compliance undercuts eradication efforts." (CBJ 2008: 604)

tion and the ruling party (US Department of State 2007a: 11; USAID 2007a);¹⁶ and US-funded programs that supported political parties, have been limited since late fiscal year 2007 to “multi-party training events so as to ensure a clear public perception of apolitical ‘balance,’” putting on hold “[o]ne-on-one political party trainings and consultations, which were a key part of a political party strengthening program” (US Department of State 2007a: 13).

This move especially concerned the local offices of the International Republican Institute (IRI) and the National Democratic Institute (NDI): Until September 2007, IRI trained candidates for the Constituent Assembly and NDI organized debates between candidates across the political spectrum. From October 2007 to July 2008, the US party institutes supported political parties (including the governing MAS party), citizen groups and indigenous peoples “via multi-party activities” such as events and workshops (USAID 2009a). Already before USAID decided to limit party support to multiparty activities, the US party institutes had included MAS in their work. In fact, people from MAS have reportedly participated in NDI’s single- and multiparty activities since 2004. Yet, at the beginning of these USAID-funded activities, at least the purpose of the US government was far from apolitical. For instance, in 2002, a “planned USAID Political Party Reform Project” was explicitly intended to “dovetail” with the (then-governing party) MNR and to “help build moderate, pro-democracy political parties that can serve as a counter-weight to the radical MAS” (US Embassy La Paz 2002).

The Congressional Budget Justification for fiscal year 2009 declared Bolivia a “priority Freedom Agenda country” in the region (CBJ 2009: 659),¹⁷ and requested “a substantial increase in rule of law, good governance, electoral processes and consensus-building, civil society and education,” while reducing US commitment “in health and economic growth programs” (CBJ 2009: 661). In the end, US activities in the area of “Governing Justly and Democratically” not only continued throughout the Bush Administration – but, at least in relative terms, actually increased markedly (see Table 1): Requests for 2008 and 2009 aimed at investing between 20 and 30 percent of US assistance in this sector, and the share of actual flows increased

16 Consequently, an official US document on the one hand confirms that “USAID was the first donor to support the democratically elected departmental governments”, but, on the other, emphasizes that “[d]ecentralization programs make every effort to include MAS and will continue to reach out to local MAS officials in various departments” (USAID 2008b: 1). At the same time, at least one activity (during 2007) of USAID’s support for departmental governments focused on (oppositional) Santa Cruz, as “the department most advanced in its decentralization” (USAID 2007d). The only activity explicitly intended to “counter” the Bolivian government is the “public diplomacy program” which is “critical to counter attacks on the USG (including USAID) from senior levels of the GOB” and which, in 2007, included “more than 100 public events with media [...], double from 2006” (USAID 2008b: 2).

17 In the framework of Secretary Rice’s Transformational Diplomacy Initiative, Bolivia consequently “benefited” from the global repositioning of foreign service personnel: In 2006 and 2007, Bolivia “gained” four slots for diplomats – along with Venezuela (6), Haiti (4), Nicaragua (4) and Ecuador (3) (Nakamura/Epstein 2007: 27-8). In general, Bolivia – together with Colombia, Ecuador, Peru and Haiti – was mentioned among the countries in the region that “remain the focus of transformational diplomacy efforts” (CBJ 2008: 9). A year later, Bolivia was dubbed one of “the U.S.’s highest priority countries” in Latin America (CBJ 2009: 648).

from around 10% (2006-2007) to 13.2% (2008) and 17.5% (2009).¹⁸ In addition, as noted above, the number and total amount of NED grants to Bolivia increased, reinforcing the rising weight – and increasing civil-society orientation – of democracy assistance in US aid overall (Table 3). The largest NED programs in Bolivia were carried out by NDI, IRI and the Center for International Private Enterprise (CIPE): NDI, in 2003 and 2007, implemented political leadership programs; IRI promoted good governance and citizen participation at the local level between 2007 and 2009; and, in 2006, NDI and CIPE supported inputs from civil society to the Constituent Assembly (cf. NED 2003-2009).

4.2 The Obama Administration

Upon assuming the presidency, Barack Obama aimed at increasing US diplomatic engagement with Latin America (and, in fact, with the “international community” as a whole, see Carnegie Europe 2009; Poppe 2010). As part of this general intention, the incoming Obama Administration was initially inclined to try to rebuild overall bilateral relations with Bolivia. To this end, it started a bilateral dialogue with the Bolivian government. The first meetings were held in May and October 2009. In addition, Secretary of State Hillary Clinton met twice with her Bolivian counterpart David Choquehuanca (US Department of State 2009a, 2009b). Yet, early signals from incoming US officials to the Bolivian government have been “mixed” (Ledebur/Walsh 2009a: 2; Ledebur 2009: 19). President Obama refrained from reinstating Bolivia’s trade preferences and, in September 2009, again “decertified” Bolivia (cf. Ledebur/Walsh 2009b).¹⁹ Bolivian authorities responded by continuing to accuse the US of supporting opposition groups.²⁰ The negotiations about a new framework for bilateral cooperation thus made little progress in 2009.

In terms of foreign assistance, the first request of the Obama Administration (for fiscal year 2010) aimed at increasing US aid to Bolivia across the board (see Table 1). Yet, given the stagnating bilateral dialogue, US aid flows to Bolivia, in the end, further decreased in 2010, and the request for fiscal year 2011 projected continuing this trend: from USD 72.5 to 66.8 million. This decline during Obama’s first years was mainly due to the phase-out of USAID’s democra-

18 Regarding counternarcotics assistance, the situation again is ambivalent. On the one hand, US funding in the “Counter-Narcotics” program area since 2006 has declined significantly in absolute terms as well as in relative importance; on the other, counternarcotics cooperation remains operative, and funding levels still exceed all other programs by far (Table 1). In May 2008, a study concluded that “U.S.-Bolivian counterdrug collaboration remains strong” (Ledebur/Youngers 2008: 1), and even after “the tensions following the U.S. ambassador’s expulsion, the Bolivian government and the U.S. embassy’s Narcotics Affairs Section (NAS) have continued to coordinate closely on coca reduction and interdiction efforts” (Ledebur/Walsh 2009b: 2). In April 2009, both governments even “signed a new bilateral drug control agreement, entailing \$26 million in U.S. funding to support coca reduction” (Ledebur/Walsh 2009b: 2). Yet, what remains suspended is Bolivian cooperation with the DEA, and USAID’s Integrated Development Program now focuses on the Yungas, the second coca growing area besides the Chapare (cf. LaPrensa.com.bo, 28.6.2009; Ledebur 2009: 24).

19 Obama has made the restoration of trade benefits to Bolivia explicitly conditional on an improvement in cooperation between the US administration and the Bolivian government (White House 2009).

20 Cf. LaPrensa.com.bo (September 7, 2009, September 25, 2009, July 8, 2009).

cy assistance activities in 2009. Yet, as will be seen below, the closure of the USAID democracy program in Bolivia did not reflect a deliberate US decision, but rather the Obama Administration acceding to the corresponding demand of the Bolivian government.

Regarding democracy assistance, the Congressional Budget Justification for fiscal year 2010 not only planned to increase US democracy and governance programs in absolute and relative terms (Table 1). In addition, the document signaled important adaptations to official Bolivian preferences. “Bolivian government counterparts” were reintroduced rhetorically (CBJ 2010: 573). USAID requested a significant increase in funding to support Integrated Justice Centers (CBJ 2010: 575), a program implemented in direct cooperation with the Ministry of Justice. Most notably, a “new municipal strengthening activity” was announced: This “priority program” would “expand efforts to improve municipal performance” and support “approximately 100 out of the 327 municipalities” in Bolivia (CBJ 2010: 576). This announcement reflected a crucial adjustment in the US democracy assistance portfolio. Since 1996, USAID had supported local governments in Bolivia (US GAO 2003: 90), and the Country Strategic Plan 2005-2009 originally planned to continue focusing on municipal governments (USAID 2005). From 2006 onward, however, the new program FIDEM had prioritized the departmental level (see above). US support for the departments met with fierce criticism from the Bolivian government – culminating in the above-mentioned expulsion of the US Ambassador. With the phase-out of FIDEM in 2009, the US decided to end support for departmental governments and focus again on the municipal level – in line with the demands of the Bolivian government.

This disposition to adjust US democracy promotion activities to official Bolivian preferences indicates a decision to adapt to a government that was probably there to stay for quite a while, signaling at least an interest in staying engaged. Yet, the decision to change USAID’s focus predated the election of Barack Obama and can thus not be regarded as the result of a policy change after the exit of the Bush Administration.²¹ Interviews conducted by the author in April and May 2009 suggest that the US was even willing to accept that people close to the Morales government would implement the new Local Government Program. Additional USAID/Bolivia proposals for new projects clearly signal a far-reaching willingness to adjust to demands by the Bolivian government.²² In line with the analysis of Gratius and Legler (2009: 206), this rather pragmatic US behavior can probably be attributed to a “desire to continue to engage Bolivia on the drug front as well as to minimize Chávez’s regional influence.” That con-

21 In December 2007 and February 2008 USAID/Bolivia documents mention plans for “a major new program helping municipal governments” (USAID 2007c; cf. USAID 2008a).

22 In the area of democracy promotion, such proposals included: to launch “a much-needed management training program for GOB [Government of Bolivia] officials,” because “[t]his effort could enjoy strong GOB support and would greatly facilitate bilateral coordination and implementation of our program”; to provide “additional funds for the justice program [the Integrated Justice Centers – IJCs]” that is conducted in close collaboration with the Bolivian Ministry of Justice; and – in the event of heavily increased funding – to increase “civil society activities related to harmonization of community justice systems with the formal justice system [...], which is a high priority for our GOB counterparts” (USAID 2008a).

tinuing engagement required an adaptation to the demands of the Bolivian government was a lesson that was learned well before Obama took office as president.

As mentioned, bilateral negotiations between the Obama Administration and the Bolivian government have so far not succeeded in establishing a new framework for US assistance to Bolivia. Yet, USAID democracy programs were all scheduled to end in 2008 and 2009, and the initiation of a new program depended on a new bilateral agreement. In August 2009, the Bolivian government instructed USAID to close and reorient its democracy promotion activities, but signaled its willingness to accept the projected expansion of US support for municipal governments.²³ Accordingly, in 2009, USAID closed its democracy and governance programs, “with the exception of some municipal strengthening activities” (CBJ 2011: 658; cf. *LaPrensa.com* November 23, 2009, November 22, 2009). For the time being, US foreign assistance in Bolivia is limited to “programs that aim to reduce poverty and food insecurity, improve health services and education, protect the environment, and combat narcotics trafficking” (CBJ 2011: 658). NDI too closed its program in Bolivia in 2009 – after the Bolivian authorities had finally rejected NDI’s application for registration. IRI lost USAID democracy aid, but continues to support good governance in four municipalities through an NED grant. In fact, NED funding is the only type of official US democracy assistance that (up to now) remains unaffected by the continuing crisis in bilateral relations.

Negotiations between the US and Bolivia continued throughout 2010, without decisive results. Shifting signals make it difficult to forecast the future course of the dialogue.²⁴ It seems that both governments want to avoid an open rupture of bilateral relations, but neither of the two is willing to make significant concessions first. Assistant Secretary Valenzuela emphasized that the US continued to try to work with the Bolivian government on the bilateral framework agreement, but that it “is slow in coming;” a particular US concern was, again, what was viewed as a “lack of cooperation, for example, on such important issues as counternarcotics cooperation” (quoted in: US Congress 2010b: 44). The Bolivian government, for its part, “perceives that its initiative to improve its relationship with the U.S. has been unaddressed” by the United States (Ledebur 2009: 18). As Kathryn Ledebur (2009: 18) has argued, such “conflicting perceptions highlight the persisting and deepening mutual lack of understanding that must be recognized and addressed in order to overcome the diplomatic crisis”.²⁵

23 Cf. *LaPrensa.com* (19.9.2009); *LaRazon.com* (19.9.2009).

24 Cf. *ElDeber.com.bo* (30.6.2010); *IPSNoticias.net* (June 15, 2010); *LaRazon.com* (June 2, 2010, June 25, 2010).

25 An example of such conflicting perceptions is the appointment of Mark Feierstein as head of USAID’s programs in Latin America. As Feierstein, in his former job as consultant and pollster, did advisory work for Sánchez de Lozada during his 2002 Presidential campaign (i.e., against then candidate Morales), this decision was heavily criticized by the Bolivian government and confirmed the perception that USAID was in fact a partisan organization associated with the Bolivian opposition to Morales (cf. *LaRazon.com*, June 6, 2010).

4.3 Results

Initial US reactions to Morales's election were fairly moderate and pragmatic. Serious worries about Morales notwithstanding, the Bush Administration did not take an explicitly confrontational stance and did not openly try to undermine the new government. Reflecting the diplomatic stance associated with Assistant Secretary Shannon, the US government was clearly interested in remaining engaged in the country. The shape and evolution of US foreign assistance – and democracy aid, in particular – was, however, ambivalent. On the one hand, cooperation with the central government continued, and reductions in aid do not seem to express a strategic decision by either the Bush or the Obama Administrations to “punish” Bolivia. On the other hand, the US shifted parts of its aid to support counterweights to Morales – a strategy that almost inevitably made the US government part and party to Bolivia's internal conflicts. Already since late 2007, USAID had been willing to adjust its democracy programs to better fit the demands of the Bolivian government. This signaled an important policy change during the Bush Administration, even if it was not enough to prevent the closure of USAID's democracy programs in Bolivia that resulted from the diplomatic breakdown in 2008. The bilateral dialogue between the two governments represents the main new element in US-Bolivian relations that was introduced by the incoming Obama Administration. At the same, Obama has continued to “decertify” Bolivia and refrained from re-establishing trade preference.

5. US policy toward Ecuador

Before the election of Rafael Correa, Washington considered Ecuador “a staunch U.S. ally against narco-trafficking and terrorist violence” (CBJ 2007: 551). In contrast to Bolivia, there is neither significant coca plantation nor drug production in Ecuador. Yet, “Ecuador's location on the Pacific Coast between two major drug-producing countries (Colombia and Peru) increases its strategic importance to the United States” (Ribando 2008b: 5). Since its opening in 1999, the US Forward Operating Location (FOL) in the Ecuadorian port of Manta had been regarded by the US as a vital piece in its regional counternarcotics efforts in the framework of Plan Colombia (cf. Edwards 2002; Kaufman 2009).²⁶ The bilateral treaty that allowed the US to use the air force base was to expire in 2009 and, during his presidential campaign Correa had announced that he would not renew it. Even if the US-trained economist Correa did not raise the same level of fear in Washington as the indigenous coca grower Morales, he was clearly perceived as adding to the series of US-critical and leftist governments in the region (cf. New York Times, November 28, 2006: A-3; Washington Post, November 28, 2006: A-14). In early

26 In 1999, Manta “was to replace U.S. bases in Panama [...] that were central to ongoing U.S. efforts to interdict illegal drug shipments” (Pineo 2007: 210; cf. *The Economist*, 23.12.2006: 86). With increased US counternarcotics activities in the framework of Plan Colombia since 2000, the FOL in Manta became even more important strategically (cf. *ElComercio.com.ec*, 28.11.2006).

2006, the State Department had promised that US foreign assistance to Ecuador would devote itself “to keeping the country on track in the face of regional and internal trends towards populist ideology and anti-Americanism” (CBJ 2007: 551). As a partially released cable from the US Embassy in Quito shows, Correa was precisely identified with this trend – a “[d]ark horse populist, anti-American candidate” (US Embassy Quito 2006).

5.1 The Bush Administration

Immediate reactions to the election of Rafael Correa in late 2006 repeated the language used after Morales’s victory a year before: The State Department emphasized that, no matter who the winner was, the course of US-Ecuadorian relations depended only on the policies that the new government would pursue and “whether or not those policies are consonant with our goals” (US Department of State 2006a). Directly following the election, the US Ambassador to Quito and President Bush from Washington called Correa to congratulate him, and the Embassy released a note emphasizing US willingness to continue the “successful cooperation with Ecuador” (ElComercio.com, November 28, 2006).²⁷ Regarding Manta, the US government highlighted the importance of this military base for both countries, but stated clearly that it would “respect whatever the decision the Government of Ecuador makes” (US Department of State 2007b).

In comparison to the Bolivian case, bilateral relations between the US and Ecuador have remained surprisingly friendly. In terms of general cooperation as well as US foreign assistance, there was more continuity than change, although the domestic political change in Ecuador brought about by the government of Correa had serious implications for US-Ecuadorian relations. Since his election, “U.S. officials have expressed concerns about Correa’s populist tendencies, his ties with Hugo Chávez of Venezuela, and his state-centered economic policies” (Ribando 2008b: 4). Yet, even if “recent events have strained bilateral relations” (ibid.: 4), the general impact on US-Ecuadorian relations has, so far, been rather limited. Correa’s announcement not to renew the Manta air force base was surely not welcomed by the US Government and has certainly increased skepticism vis-à-vis the Ecuadorian government, especially in the US Congress (cf. Ribando 2008b: 2). However, the US, in the end, basically accepted it as a sovereign decision (Kaufman 2009). In 2009, the military base was closed without causing any notable irritation in bilateral relations. Ecuador’s controversial decision to cancel a contract with US-based Occidental Petroleum (Oxy) because of contract violations led the US government to suspend “indefinitely” negotiations for a bilateral free trade agreement with Ecuador (Ribando 2008b: 4; cf. Lettieri 2006). Yet, this occurred in 2006, i.e. already before Correa’s election.²⁸ Correa, once in office, explicitly endorsed the Oxy decision, further in-

27 Cf. ElComercio.com.ec (December 1, 2006, December 13, 2006); Shannon (2006); US Department of State (2006b, 2007b).

28 Regarding Ecuadorian decisions taken in 2006 (i.e., under the interim presidency of Alfredo Palacio) that were viewed critically by the US, Assistant USAID Administrator Adolfo Franco (2006: 20) mentions “both the intro-

creased the state's share of petroleum revenues and signaled no interest in resuming trade talks with the US (cf. US Department of State 2008b, 2009e).²⁹ Accordingly, there was some "questioning why the United States should extend trade benefits for a country that has taken hostile actions against U.S. companies and refused to negotiate an FTA [Free Trade Agreement]" (Ribando 2008b: 4; cf. *ElNuevoHerald.com*, February 15, 2008) but, in the end, the US Congress continuously extended Ecuador's trade preferences under the ATPDEA – currently, until February 2011.³⁰ According to Michael Shifter, the US Ambassador to Quito "has had a lot of contact, communication, good relations with Correa" (quoted in: US Congress 2009a: 49).

In terms of the US "wars" on drugs and terror, the closure of the military base notwithstanding, Ecuador under Correa was still regarded as "a cooperative partner in the fight against narco-trafficking, regional terrorism and trafficking in persons" (CBJ 2008: 625; cf. US Department of State 2008b). Yet, calling Ecuador "a cooperative partner" represents a significant shift in language when compared with the previous Congressional Budget Justification, where Ecuador featured as "a staunch U.S. ally against narco-trafficking and terrorist violence" (CBJ 2007: 551). This downgrade in language, however, had no significant effect on the level of US foreign assistance. In fact, US aid has largely been unaffected by domestic political change in Ecuador since 2007 (see Tables 4-5). Directly following the election of Rafael Correa, the budget (and particularly the request) for fiscal year 2008 shows a reduction in funding for Ecuador, but in fiscal year 2009 US foreign assistance increased again. In general, the level of US foreign assistance under Correa is higher than directly before his election, even if significantly lower than between 2002 and 2004. In line with US foreign policy priorities USAID activities in Ecuador are focused on the region along the country's northern border with Colombia. In general, US foreign assistance in the area "Peace & Security" continues on a steady level, with a clear-cut emphasis on counternarcotics (see Table 4).³¹ In contrast to the Bolivian experience, the US repeatedly acknowledged Ecuador's successful counternarcotics policies (cf. *EcuadorInmediato.com*, February 15, 2010, July 3, 2010).

duction of a new hydrocarbon law featuring high taxation rates and the expropriation of assets of the U.S. oil firm Occidental Petroleum".

- 29 In fact, "[i]n December 2006, April 2008, and June 2008, three U.S. companies initiated international arbitration proceedings based on the changes [in tax law] (while continuing to pursue negotiated solutions) [...]. One of the U.S. companies reached agreement with the GOE [Government of Ecuador] to buy out its contract in August 2008 and has since left the country" (US Department of State 2009e). In January 2009, the US Ambassador to Quito, Heather Hodges, emphasized that the legal disputes between Ecuador and US oil companies have not strained bilateral relations (*EcuadorInmediato.com*, January 22, 2009).
- 30 When the present report went to press (March 2011), ATPDEA was in fact (temporarily) suspended as a stalemate between Republicans and Democrats in Congress preventing its extension. This suspension, however, also hurt Colombia and can, therefore, not be read as a sanction against Ecuador.
- 31 In addition, support for Ecuador's armed forces via IMET and FMF funding continued (see Table 5). As in the Bolivian case (see above, note 13) IMET funding was temporarily suspended due to Ecuador's ratification of the ICC Rome Statute, but could be resumed through "the de-linking of IMET from ASPA [...] sanctions" (CBJ 2008: 627). In late 2008, even FMF was restored "to enhance Ecuador's military professionalism and to expand military cooperation" (CBJ 2009: 682).

Regarding democracy assistance, there was a cut in US aid in fiscal year 2008. This reduction was indeed significant (a reduction by half), yet it was only temporary, and thus cannot be read as a political reaction to the Correa government.³² However, it resulted in a narrowing down of the democracy portfolio: Since 2008, USAID work has focused on civil society and electoral processes. More precisely, it supported a local NGO (*Participación Ciudadana*) engaged in political advocacy and monitoring, and delivered technical assistance to Ecuador's electoral authorities through a regional human rights institute (IIDH-CAPEL) (cf. USAID 2008c, 2009c; US Department of State 2009c).³³ That being said, it was especially the support for local governments and the justice system that was dropped.³⁴ Yet, the declared US priorities remained basically the same:

“USAID will promote more effective local governance, increase citizen oversight, assist key democratic institutions including the new Congress, and improve access to justice for vulnerable populations.” (CBJ 2009; cf. CBJ 2010: 596)

In the end, however, US democracy assistance in Ecuador under Correa largely focused on political civil society aid, in particular on support for *Participación Ciudadana* – a respected and non-partisan, but somewhat opposition-leaning organization. In addition, civil society support through NED grants increased markedly (see Table 3). With NED support, NDI opened a local office in Quito in 2006 and started work in the area of political party strengthening. In 2008, NDI initiated a program that supports political and civil society organization at the local level (in three regions) with a view to supporting their participation in the ongoing reform processes (NDI 2009). In general, NDI has both multi-party initiatives (like workshops) and direct cooperation with a series of individual parties (across the political spectrum including Correa's PAIS). IRI only recently established a project in Ecuador, with an NED grant in 2009. IRI works in four cities encouraging a debate between groups from civil society, political parties, the media and private enterprise on the implementation of Ecuador's new constitution (cf. NED 2009).

32 The increase in US assistance in the area “Governing Justly and Democratically” in fiscal year 2009 – rising well above the level in fiscal year 2006 and 2007 (see Table 4) – supports the claim made by local USAID staff that the budget cut in fiscal year 2008 was not related to domestic political changes in Ecuador. In fact, even in fiscal year 2008, democracy assistance was said to remain “the U.S. Government's top priority” (CBJ 2008: 626). In general, Colombia, Bolivia, Peru, Haiti and Ecuador were regarded as “priorities for the Administration's transformational diplomacy efforts (CBJ 2008: 594). Accordingly, Ecuador – like Bolivia – “benefited” from the global repositioning of foreign service personnel in 2006 and 2007 (see above, note 17).

33 Between 2007 and 2009, USAID's “Strengthening Democracy” Program worked mainly through *Participación Ciudadana*; the support for this local NGO – which was established in 2002 with support from NDI and has received US assistance (mainly from USAID) ever since – focused on electoral observation, but also included training in leadership skills, democratic values and judicial oversight capacities (USAID 2008c).

34 Since fiscal year 2007, US aid has been focused on supporting democracy “by strengthening the justice system, building democratic local governance, fighting corruption, and supporting free and fair elections” (CBJ 2005: 484, 2006: 515, 2007: 552). According to interviews in La Paz in 2009, this work (which included 50 municipal governments) had to be stopped at the end of 2007 due to budget restrictions. USAID support for both local governments and the justice system was resumed later (cf. CBJ 2010: 586-597, 2011: 688-689).

In contrast to announcements before Correa's election (see above), public remarks by the US government maintained a rather neutral, observing attitude. Following the election, Assistant Secretary Thomas Shannon spoke of "a moment in which showing solidarity to Ecuador [...] is going to be very, very important" and mentioned "President Bush's call to congratulating him [Correa]" and the decision to extend trade preferences (Shannon 2006). In early 2007, Shannon emphasized that "it is the peoples themselves who decide their way of organizing politically and economically" – adding that the US had "an idea how to do that based on our experience and on what we have learned around the world" which "we are willing to share" (MiamiHerald.com, January 23, 2007). In May 2007, Deputy Secretary of State John Negroponte visited Correa and signaled interest in "deepening our bilateral relationship in all aspects" (ElNuevoHerald.com, May 10, 2007) – when nominated for the post in January 2007, Negroponte had mentioned as one priority, countering "radical populism" in Latin America (The Washington Times, January 31, 2007: A-13).

When in the course of 2007 the opposition majority in Congress was dismissed in a highly controversial procedure and, subsequently, the parliament effectively replaced by the Constituent Assembly, there was no critical statement made by the US Government (cf. US Department of State 2008b, 2008c, 2009c). In terms of actual policies, the US had to stop the assistance to Ecuador's old Congress (CBJ 2008: 626), but immediately resumed technical assistance to legislators with a view to the new parliament elected in 2009 (CBJ 2009, 2010: 596). Regarding freedom of speech and press, the State Department's 2008 Human Rights Report mentioned a series of conflicts between Correa and the private media, but concluded that "the government, while critical of the media, generally respected these rights in practice" (US Department of State 2009c). In general, it was concerns regarding freedom of the press in Ecuador in particular that were frequently touched upon by US officials, including Assistant Secretary Valenzuela and Secretary of State Clinton in 2010 (cf. Valenzuela 2010b; New York Times, June 8, 2010). But this observation already concerns the Obama Administration.

5.2 The Obama Administration

In the Bolivian case, some remarkable policy changes had already occurred during the Presidency of George W. Bush (e.g., adjustments in US democracy assistance), while others were implemented by the incoming Obama Administration (e.g., bilateral dialogue). In Ecuador, it is in fact difficult to identify any significant variation that is associated with the change in US government. Development cooperation and democracy assistance, in particular, largely followed the ups and downs in funding – which are hard to trace back to domestic political changes in Ecuador. In terms of diplomatic relations, a bilateral dialogue between the two governments had already been initiated before Obama took office, with a first meeting in November 2008 (cf. US Embassy Quito 2008).

Remarkably, not even the expulsion of two US Embassy officials in February 2009 provoked any direct measures of retaliation. A State Department spokesperson merely rejected any suggestion of wrongdoing by the two persons who had administered US assistance to specialized police units (cf. EcuadorInmediato.com, February 12, 2009, February 20, 2009, May 7, 2009).³⁵ As a direct response, US Assistant Secretary of State Thomas Shannon announced that the US was “evaluating our relation with Ecuador and our cooperation” (EcuadorInmediato.com, February 18, 2009), but, in the end, nothing happened. It can only be speculated that this was due to the ongoing change in US government. Interviews with US officials in Quito and Washington indicate that there were demands from within the US administration to expel some people from the Ecuadorian Embassy in the US as well and that the decision to refrain from doing so was probably related to the new administration’s desire to avoid thwarting its new attempts at re-engaging Latin America right from the start (cf. ElNuevoHerald.com, February 12, 2009; ElComercio.com, February 20, 2009).

After a meeting with Correa in June 2010, US Secretary of State Hillary Clinton spoke about the two countries “forging a new set of relationships” (New York Times, June 8, 2010; IPSNoticias.net, June 8, 2010).³⁶ Two months before, Clinton and her Assistant Secretary for Western Hemisphere Affairs, Arturo Valenzuela, had visited Correa in what was perceived as a general US effort to re-engage with Ecuador (IPSNoticias.net, June 8, 2010). During the short-term political crisis in Ecuador in September 2010, when police protests escalated into a kind of coup attempt, the US Ambassador to Quito signaled explicit support not only for Ecuador’s democratic institutions, but for President Correa personally (EcuadorInmediato.com, September 30, 2010, October 1, 2010). A comparison of the most recent official US congratulations on the respective independence or national days clearly demonstrates the difference between the state of US-Ecuadorian and US-Bolivian relations from the US perspective. In the case of Ecuador, Secretary Clinton emphasized that bilateral cooperation on “issues of mutual concern – from combating narco-trafficking to reducing poverty – has strengthened our partnership and reaffirmed the underlying values that unite the two countries” and added that the US “stands ready to build on this relationship and seize the opportunity to consolidate our democratic values, cooperate to address regional and global challenges, and use our interdependence to enhance prosperity and expand opportunity throughout the hemisphere” (Clinton 2010a). In Clinton’s note on Bolivia’s National Day, there is no reference to bilateral cooperation but only the general hope of “finding more opportunities to work together toward a brighter future for both our countries” (Clinton 2010b).

35 The Ecuadorian government claimed that US officials had interfered directly in the internal affairs of Ecuador’s National Police and stopped any direct cooperation between the US Embassy and special police units (cf. ElComercio.com, February 18, 2009).

36 On this occasion, Ecuadorian concerns regarding US policies focused on the new treaty between the US and Colombia that allows for a series of US military bases in that country. As regards US concerns vis-à-vis Ecuador, Clinton “pushed Mr. Correa to improve his record on press freedom” (New York Times, June 8, 2010). Yet, her main (if implicit) goal was reported to have been “to pull Mr. Correa away from his leftist colleagues” (i.e., Morales in Bolivia and Chávez in Venezuela), especially with regard to ties with the Iranian government (ibid.).

US foreign assistance to Ecuador is, correspondingly, cooperative in terms of both rhetoric and substance. The US aims at “simultaneously working with the government” and “broader society” (CBJ 2011: 686). The request for fiscal year 2011 implied a general increase in foreign assistance (see Table 4). While the areas of both foreign assistance and democracy aid remain largely unchanged (cf. CBJ 2011: 686-690), it is interesting to note that the increase in funding requests benefits the two sectors “Peace & Security” (counternarcotics in particular) and “Economic Growth,” not democracy assistance. The prioritization of these two sectors is obviously in line with the main interests of both the US (counternarcotics) and the Ecuadorian (economic growth) governments. While foreign assistance in the “Governing Justly and Democratically” area had increased significantly in fiscal year 2009 (as already requested by the Bush Administration), both estimates for 2010 and the request for 2011 point to a considerable cutback (see Table 4). This can be interpreted either as a certain adaptation to official Ecuadorian demands or as a strategy of the two governments to avoid areas of potential conflict. The same holds true for the reduction in civil-society support within the democracy aid portfolio.

5.3 Results

In the case of Ecuador, it is remarkable how little US-Ecuadorian relations in general and US foreign assistance in particular have been affected by the election and government of Correa. There were of course quite a few US concerns about the political changes initiated by Correa, but these had virtually no discernible impact on US policies. Basic continuity in bilateral relations characterizes both the change in Ecuador from previous governments to Correa, and the change in the US from Bush to Obama. This was possible because the two main issues behind the diplomatic breakdown in US-Bolivian relations were simply not present in the Ecuadorian case. First, coca/drug policies were – and are – not a great source of conflict in US-Ecuadorian relations because Ecuador is affected by drug trafficking only, Correa and his political movement have no relations to the coca/drug economy, and Correa’s counternarcotics policy has been regarded in Washington as relatively good. Second, activities in the area of democracy promotion were not particularly contentious either. Some sporadic criticisms of US meddling in internal affairs notwithstanding, the Correa government did not perceive the US as seriously working to support the opposition.³⁷ Under these circumstances, an open crisis in bilateral relations could be prevented. When Obama came to office, there was, therefore, obviously much less need for re-engagement – and a bilateral dialogue had already been launched. In the end, the most important decision taken by the incoming Obama Administration vis-à-vis Ecuador was probably to *not* react to the expulsion of US Embassy officials. This restraint was crucial for making continuity – and a continuing bilateral dialogue – possible.

37 In addition, when Correa was elected in late 2006, the new, more pragmatic and much less confrontational US attitude towards Latin America’s leftist governments associated with Assistant Secretary Shannon was already firmly in place.

6. The difficulties of re-engagement: US policies in comparative perspective

That Obama's agenda of global re-engagement has generally proven difficult to implement is not very surprising (cf. Carnegie Europe 2009). Yet, the main reason why the exit of the Bush Administration had only limited effects on US policies toward the governments of Morales and Correa is quite different from the commonalities and differences between Bush and Obama that are usually highlighted: Both in terms of overall relations with Latin America (Chapter 3) and as is evident in the specific relations with Bolivia (Chapter 4) and Ecuador (Chapter 5, crucial policy changes already occurred during the Bush Administration.

In general terms, these changes were associated with the appointment of Thomas Shannon as Assistant Secretary of State for Western Hemisphere Affairs in November 2005 – which signaled the turning away from a US Latin American policy dominated by Cuba-centric “Cold Warriors.” For Bolivia and Ecuador, the important consequence was that when Morales and Correa were elected in December 2005 and November 2006, respectively, official US reactions were much more moderate than was to be expected given previous pronouncements and experiences. The US government certainly did not evaluate the outcomes of these elections as something positive for either the country in question or US bilateral relations. Yet, the Bush Administration refrained from openly confronting the incoming governments and tried to remain engaged across a spectrum of issues. Obviously, US policies toward Bolivia were decidedly ambivalent. There is, however, no strong evidence that the US worked strategically to undermine the Morales government. In fact, following a first phase of some *de facto* support for oppositional forces, USAID has proven remarkably flexible in terms of adjusting to the demands of the Bolivian government. In line with Obama's general change in rhetoric, there has been some important signaling of openness for dialogue, especially with regard to Bolivia. But the ongoing bilateral dialogues with both Bolivia and Ecuador have yet to produce results that would mark a real difference from the Bush era.

As regards democracy promotion, the US never questioned the general legitimacy of Morales and Correa, their governments or the new constitutions. In fact, Assistant Secretary Valenzuela explicitly welcomed the “very, very important” phenomenon that in Bolivia, for the first time, the indigenous populations are “able to assert themselves politically, through a democratic political process” (Valenzuela 2009).³⁸ In 2010, a representative of the State Department's Bureau of Western Hemisphere Affairs highlighted the recognition of indigenous rights in the new constitutions in the Andean region including the right “to maintain separate legal systems, and to assigned seats in the legislative assembly,” explicitly mentioning the concept of “plurinationality” in the Bolivian and Ecuadorian constitution and concluded that “[t]hese

38 Valenzuela (2009) added: “So this business of democracy finally allowing for the empowerment of excluded sectors is very important, but minorities also should not be neglected. There's a real danger that majorities will, at the same time, neglect minorities and that's something that we need to very much work on.”

nations deserve credit for incorporating these concepts into their constitutions and laws” (Whitaker 2010: 15). Such explicit praise would have been rather unlikely during the Bush years. In general, however, there is no difference between the two administrations when comparing, for instance, official reactions to the constitutional referendums.³⁹ And it was already during the Bush Administration that USAID, for example, signaled its willingness to support the harmonization of the indigenous community justice system with the formal justice system (cf. USAID 2008a).

As concerns democracy assistance and general development cooperation, the US continued to support both countries. As seen, there was also direct cooperation with the central government, even in Bolivia, and in the area of democracy and governance. In both cases, US democracy programs were increased in the first phase of the new governments but then cut back (Ecuador) or discontinued entirely (Bolivia). Yet, these reductions cannot be read as negative reactions but more as responses to the demands of the respective governments. As far as there have been explicitly negative decisions taken by the US – such as Bolivia’s suspension from the Millennium Challenge Account – these were largely reactions to the crisis in bilateral relations, not sanctions because of perceived deterioration in democracy and governance standards.

The US was – and is – certainly concerned about the shape of democracy as it has been evolving during the presidencies of Morales and Correa. Such concerns focused on perceived losses in institutional checks and balances, the rule of law, private property rights, and freedom of the press. Yet, there is no evidence that such concerns led to much more than a few diplomatic utterances. The same holds true with regard to US economic interests. Neither Morales’ policies of “nationalization” nor the tough treatment of foreign oil companies in Ecuador provoked serious countermeasures by the US. In the case of Bolivia, this is clearly related to the minor presence of US companies in the sectors affected.⁴⁰ In Ecuador, where US oil companies saw their interests harmed, the US – already before Correa’s election – had suspended trade negotiations, but, in contrast to Bolivia, continued to extend trade preferences.⁴¹

The only issue where the US government proved as intolerant to undesired policy changes as US critics would have expected concerns drug policy. Even here, the Bush Administration initially took a wait-and-see-approach toward Morales’ “coca yes, cocaine no” policy and “de-certified” Bolivia only after the series of expulsions in 2008. Yet, it is fairly clear that the US government is not willing to rethink its conception of the “War on Drugs.” Unfortunately, this seems to hold for the Obama Administration as well. Regarding drug/coca policies, Obama has

39 The Ecuadorian referendum took place in 2008, i.e. during the last year of the Bush Administration, the Bolivian referendum in the first month of the Obama Administration. In both cases, the Department of State reacted rather positively to the referendums, congratulated the respective people for the referendum/for their new constitution and reaffirmed US commitment to working with the respective government (Wood 2008, 2009).

40 The most important process of “nationalization” concerned the gas sector and primarily affected companies from Spain (Repsol-YPF) and Brazil (Petrobras).

41 As mentioned above (note 30), in February 2011 a stalemate in the US Congress led to a (temporary) suspension of ATPDEA which, however, affected not only Ecuador but also the staunch US ally Colombia.

proved just as inflexible as his predecessor: He annually “decertified” Bolivia as failing in its counternarcotics policies which meant Bolivia’s continuous suspension from trade preferences.

Since the second term of the Bush Administration, US governments have thus pursued a policy that combines a focus on certain non-negotiable core interests (e.g., the drug issue or the free trade agenda) with a rather pragmatic and relatively cooperative attitude that downgraded Bush’s aggressive freedom rhetoric and the Manichean distinctions between friends and enemies or reliable democrats and radical populists. Which factors account for these basic patterns of US policy? The case studies on Bolivia and Ecuador suggest a tentative explanation that points to two types of limits that characterize contemporary US policies toward Latin America: one external, the other internal to the United States.

Externally, democratically elected governments which are based on broad popular support make it hard for any US government to justify openly confrontational policies – in particular, given the contemporary regional context which is characterized by strong support within Latin America for elected governments. As long as there is general US interest in remaining engaged in a certain country, these circumstances then require the US to be much more flexible and tolerant than US governments in the region have historically been accustomed to. In this sense, democracy in Latin America has created “new limits on Washington’s ability to intervene in these countries to pursue its own interests” (Erikson 2010: 16). As Russell Crandall (2008: 115) has reported, “U.S. officials privately acknowledged that U.S. leverage in Bolivia was far weaker than in previous years”; “unlike years past when the threat of cuts in development assistance resulted in Bolivia’s total compliance with Washington’s wishes, now Morales had far more options.” In terms of development cooperation, this is particularly due to the availability of alternative sources both within Latin America (Venezuela, Brazil) and from Europe and Asia (China). In terms of political support, the contemporary regional context is clearly important: When domestic political crises threatened Morales (in October 2008) and Correa (in September 2010), both elected presidents received unequivocal support within Latin America and, in particular, from the series of left and center-left governments in the region.

As early as 2002, the Bush Administration learned its lesson about this changed context. When protests against Venezuelan president Hugo Chávez led to a coup, the White House immediately signaled its willingness to accept the new *de facto* government. Latin American governments, however, unambiguously condemned the coup, and domestic support for Chávez led to the return of the elected president. In the end, the US government saw its democratic credentials severely questioned across the region, while President Chávez’s position was strengthened both in Venezuela and the Western Hemisphere.

The change in the US approach toward Latin America associated with Shannon suggests that the Bush Administration acknowledged these limits to US influence – even if tacitly. Obama’s proposal “to launch a new chapter of engagement” based on “equal partnership” (Obama 2009) officially recognizes that the “era of U.S. hegemony in Latin America [...] is over” (O’Neil et al. 2008: 5). Still, the Obama Administration finds it difficult to translate this general acknowledgment into policies that work. As the case studies on Bolivia and Ecuador show, there are some crucial and almost non-negotiable demands on the part of the US which seriously limit the flexibility mentioned above. That even the Obama Administration has found it hard to react pragmatically to policy failures and blockades in bilateral relationships is due in

particular to the strong veto powers of the US Congress. In the cases at hand, this holds especially for counternarcotics. It is difficult to say whether Obama would be willing to acknowledge the failure of the "War on Drugs." Yet, very clearly, he is very much dependent on not provoking resistance in the US Congress by touching on too many contentious issues at the same time. In a more general sense, important voices in the US Congress demonstrate that to be "too soft" on Morales and Correa would create domestic problems for the administration.

In the US Congress, Obama's new engagement rhetoric and the decidedly non-ideological stance have already met with fierce criticism (cf. US Congress 2009b, c, 2010b). From the perspective of Republican Member of Congress, Connie Mack, in Bolivia and Ecuador – as in Venezuela, Nicaragua and Cuba – "the struggle for freedom and democracy continues" (quoted in: US Congress 2010b: 8). Mack's colleague Dan Burton added that he would do everything "to help the people of Bolivia where we can, but to oppose the governmental policies of Morales" (quoted in: US Congress 2009b: 55). Republican Ranking Member of the House Committee on Foreign Affairs, Ileana Ros-Lehtinen, qualified Morales, Correa, Venezuela's Hugo Chávez and Nicaragua's Daniel Ortega as "rogue rulers," arguing that "the decline of democratic freedoms and human rights" in these countries directly resulted in "the rise of tangible security risks to our region" (Ros-Lehtinen 2010).⁴² Former members of the Bush Administration added to this.⁴³ One can easily imagine the kind of reaction from within US Congress Obama would have incited in the case of real concessions to Correa or even Morales.

In a general sense, the contemporary problems in US relations with Bolivia and Ecuador – and, in fact, the US-Latin America relationship in general – "are less a result of alleged U.S. policy failings than a product of deeper changes: while the basic tenets of U.S. policy have not changed, Latin America has" (O'Neil et al. 2008: 10). To be sure, the governments in Bolivia and Ecuador have also contributed to the stalemate in bilateral relations. Yet, as long as the US, for example, rejects Bolivia's right to determine its own counternarcotics strategy, US policies will be regarded by many Bolivians as fundamentally undemocratic, and will provoke resistance by any government that responds to the majority will of the Bolivian people.

42 With regard to democracy assistance, Freedom House has strongly criticized "the Administration's decision to accede to the demands of the Bolivian government to cut off all U.S. support for democracy and human rights in Bolivia in exchange for allowing other development programs to continue"; if necessary, US democracy assistance should be "administered outside the bilateral aid framework" (Freedom House 2010: 5). The same seems to apply to decreasing US civil-society support in Ecuador (Freedom House 2010: 3). See the remarks by Freedom House Executive Director Jennifer Windsor documented in US Congress (2010a: 42).

43 Roger Noriega, Assistant Secretary of State under Bush (2003-2005), reminded the US government that "no rapprochement is worth asking Secretary Clinton to turn a blind eye to Correa's authoritarian style, his abuse of the courts to attack opponents and the media and his tolerance of drug trafficking and other corruption" (Noriega 2010). Otto Reich, another Assistant Secretary of State during the first Bush Administration, openly rejected a US policy of re-engagement with those governments he sees as despotic, autocratic and, ultimately, totalitarian (Reich 2010).

7. Concluding remarks

President Obama's promise to open a new chapter in US-Latin American relations has aroused high expectations – expectations reinforced by his personal appeal and the contrast to his predecessor. Yet, so far, the US government has not been able to deliver. Regarding diplomatic attitudes and specific policies on the ground, the US government had already shifted toward a much more pragmatic course well before Obama took office. And beyond changes in attitude and pragmatic adjustments to the “new” political landscape in Latin America, Obama had almost nothing to offer. The general result has been summarized by Peter Hakim and also holds for Bolivia and Ecuador:

“Arguably, no event since John F. Kennedy's election in 1960 was more welcomed in Latin America or held out greater expectations for improving the region's ties with the U.S. than Barack Obama's electoral victory in November 2008. Yet one year after taking office, U.S. policy remains largely unchanged and it is hard to identify a single Latin American country that has a better relation with Washington today than it did during President Bush's tenure.” (Hakim 2010: 51; cf. Lowenthal 2010: 115)

To be sure, President Obama is still in the midst of his first term in office so such an assessment can be preliminary at most. After the Congressional midterm elections in November 2010 brought a Republican majority to the House of Representatives, however, the prospects for real policy changes are not very good.

If the US government is to make real the promise of an “equal partnership,” it has to accept what President Obama (2009) stated at the 2009 Summit of the Americas: that every country in the Western Hemisphere “has a right to follow its own path.” To the extent that there is a shared responsibility to see that all the peoples of the Americas “have the ability to pursue their own dreams in democratic societies” (Obama 2009), this *shared responsibility* can only be exercised through cooperative and multilateral efforts at jointly promoting and protecting democracy (cf. Piccone 2009). The same holds true for counternarcotics policies. As George Gray (2009: 181) has argued with regard to Bolivia, much of the challenge lies “in moving toward a multilateral counter-narcotics policy” (Gray 2009: 181). In general, multilateralization represents probably the best way to avoid at least some of the complex problems that confront the contemporary policies of both international democracy promotion and counternarcotics. If these policies are multilaterally designed, implemented and controlled, the risk that they will turn into quasi-imperialist endeavors is much lower – as is the danger that they will become driving factors in diplomatic crises.

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List of abbreviations

ASPA	American Service-Members Protection Act, US
ATPDEA	Andean Trade Promotion and Drug Eradication Act, US
CBJ	Congressional Budget Justification, US
CIPE	Center for International Private Enterprise, US
DEA	Drug Enforcement Administration, US
FIDEM	<i>Fortalecimiento de Instituciones Democráticas</i> (Strengthening of Democratic Institutions), USAID
FMF	Foreign Military Financing, US
FOL	Forward Operating Location, US
IJCs	Integrated Justice Centers, Bolivia
IMET	International Military Education and Training, US
ICC	International Criminal Court
IRI	International Republican Institute, US
MAS	<i>Movimiento al Socialismo</i> (Movement Towards Socialism), Bolivia
MCA	Millennium Challenge Account, US
MCC	Millennium Challenge Corporation, US
NDI	National Democratic Institute, US
NED	National Endowment for Democracy, US
OTI	Office of Transition Initiative, USAID
USAID	US Agency for International Development

Tables

Table 1: US Foreign Assistance to Bolivia, By Program Area

	2006	2007	2008R	2008	2009R	2009	2010R	2010E	2011R
Peace & Security	76230	63057	48213	48895	46456	41225	44850	39328	36040
<i>of which</i>									
<i>Counter-Terrorism & Transnational Crime</i>	0	310	1025	931	0	0	0	0	0
<i>Stabilization Operations & Security Sector Reform</i>	1364	1057	188	179	200	225	400	380	390
<i>Counter-Narcotics</i>	74836	61690	47000	47785	46256	41000	44450	38948	35650
Governing Justly & Democratically (in % of total US Foreign Assistance)	15759 (11.8%)	11255 (9.2%)	24300 (21.8%)	13119 (13.2%)	28492 (28.4%)	15050 (17.5%)	20100 (20.0%)	0 (0.0%)	0 (0.0%)
<i>of which</i>									
<i>Rule of Law & Human Rights</i>	3658	4650	9156	3676	6450	2853	4027	0	0
<i>Good Governance</i>	9195	2598	7953	6398	13767	7348	10294	0	0
<i>Competition & Consensus-Building</i>	99	279	763	1160	2070	1668	2301	0	0
<i>Civil Society</i>	2807	3728	6428	1885	6205	3181	3478	0	0
Investing in People	26226	27810	21500	21733	14251	16836	19903	16910	16410
Economic Growth	15575	20069	15700	15987	11200	12830	15895	16300	14350
Humanitarian Assistance	0	0	2000	0	0	0	0	0	0
Total	133790	122191	111713	99734	100399	85941	100748	72538	66800

Note: Data (\$ in thousands, R=Request, E=Estimate) taken from U.S. Department of State's Congressional Budget Justifications (CBJ 2008: 605-6, 2009: 659-60, 2010: 573-4, 2011: 659).

Table 2: US Foreign Assistance to Bolivia, By Account

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010R	2010E	2011R
Andean Counterdrug Initiative/Program	0	0	0	90727	91000	90272	79200	66000	0	0	0	0	0
International Narcotics Control & Law Enforcement	158000	52000	87600	0	0	0	0	0	30154	26000	26000	20000	20000
Development Assistance	25388	25098	12853	12082	12032	8186	10091	14700	26618	42880	55348	35248	30000
Economic Support Fund	0	1995	10000	12000	8000	7936	5940	4500	16862	0	0	0	0
<i>Subtotal</i>	<i>183388</i>	<i>79093</i>	<i>110453</i>	<i>114809</i>	<i>111032</i>	<i>106394</i>	<i>95231</i>	<i>85200</i>	<i>73634</i>	<i>68880</i>	<i>81348</i>	<i>55248</i>	<i>50000</i>
Child Survival and Health	7583	6598	19690	18594	14602	16495	17233	16885	16936	16836	19000	16910	16410
Foreign Military Financing	0	0	500	1990	3976	0	990	0	0	0	0	0	0
International Military Education & Training	548	665	712	800	589	0	0	57	179	225	400	380	390
Public Law 480 (Food Aid)	0	15918	19566	31547	22276	12607	15953	20049	8985	0	0	0	0
Transition Initiatives	0	0	0	0	0	0	5373	0	0	0	0	0	0
Total	191519	102274	150921	167740	152475	135496	133790	122191	99734	85941	100748	72538	66800
Peace Corps	2865	2925	2922	2947	2870	2955	2888	3080					

Note: Data (\$ in thousands, R=Request, E=Estimate) taken from U.S. Department of State's Congressional Budget Justifications (CBJ 2002: 408, 2003: 398, 2004: 450, 2005: 470, 2006: 502, 2007: 538, CBJ 2008: 603, 2009: 659-60, 2010: 573-4, 2011: 658).

Table 3: National Endowment for Democracy (NED) Grants to Bolivia and Ecuador

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*
NED Grants to Bolivia	0	0	0	72,245	128,825	270,307	672,601	564,284	834,892	1,363,824	1,405,408
<i>thereof:</i>											
IRI				0	0	0	0	200,000	300,000	650,000	650,000
NDI				72,245	0	197,445	200,000	50,000	0	0	0
CIPE				0	128,825	0	265,870	0	0	169,920	169,920
NED Grants to Ecuador	106,000	124,996	122,000	205,737	51,179	301,427	1,047,957	333,047	1,372,691	1,064,210	1,344,755
<i>thereof:</i>											
IRI	0	124,996	0	0	0	0	0	0	0	461,000	461,000
NDI	0	0	0	0	0	0	350,000	0	350,000	350,000	350,000
CIPE	56,000	0	0	205,737	0	125,806	259,203	0	318,754	0	0

Note: Data (\$) taken from NED Annual Reports 2000-2009 (NED various); *preliminary data for 2010 taken from an unpublished overview (NED 2010: List of Bolivia Active Grants [May 2010]; and NED 2010: List of Ecuador Active Grants [May 2010]).

Table 4: US Foreign Assistance to Ecuador, By Program Area

	2006	2007	2008R	2008	2009R	2009	2010R	2010E	2011R
Peace & Security	19800	16837	13562	9906	14400	16604	18651	15751	19041
<i>of which</i>									
Counter-Terrorism & Transnational Crime	200	510	375	273	300	480	400	350	400
Stabilization Operations & Security Sector Reform	0	43	187	178	750	604	1150	680	1150
Counter-Narcotics	19600	16284	13000	9455	13350	15520	17101	14721	17491
Governing Justly & Democratically (in % of total US Foreign Assistance)	2770 (9.3%)	4521 (14.1%)	3072 (14.9%)	2288 (8.8%)	8145 (25.0%)	8295 (23.9%)	9682 (25.8%)	5342 (16.5%)	5412 (14.9%)
<i>of which</i>									
Rule of Law & Human Rights	551	1200	0	322	2000	2050	2782	1069	1413
Good Governance	697	1606	2202	1254	3500	3750	3900	1974	2106
Competition & Consensus-Building	250	450	0	101	1000	200	1000	500	500
Civil Society	1272	1265	870	611	1645	2295	2000	1799	1393
Investing in People	295	2000	0	5794	2201	200	200	200	200
Economic Growth	6778	8679	3938	7212	7540	11170	8970	11170	11600
Humanitarian Assistance				893					
Program Support					250				
Total	29643	32037	20572	26093	32536	34689	37503	32463	36253

Note: Data (\$ in thousands, R=Request, E=Estimate) taken from U.S. Department of State's Congressional Budget Justifications (CBJ 2008: 626-7, 2009: 680-1, 2010: 595-6, 2011: 687).

Table 5: US Foreign Assistance to Ecuador, By Account

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010R	2010E	2011R
Andean Counterdrug Initiative/ Program	0	0	0	30896	35000	25792	19800	17300	-	-	-	-	-
International Narcotics Control & Law Enforcement	21200	2200	25000	0	0	0	0	0	7042	7500	7638	4500	7638
Development Assistance	11720	8184	6840	7127	7068	6609	6578	8144	9855	26585	28715	27283	27465
Economic Support Fund	1500	5491	15000	14500	10473	11901	3265	4500	5951	-	-	-	-
<i>Subtotal</i>	<i>34420</i>	<i>15875</i>	<i>46840</i>	<i>52523</i>	<i>52541</i>	<i>44302</i>	<i>29643</i>	<i>29944</i>	<i>22848</i>	<i>34085</i>	<i>36353</i>	<i>31783</i>	<i>35103</i>
Child Survival and Health	550	0	0	0	0	0	0	2000	2000	0	0	0	0
Foreign Military Financing	0	0	3000	990	0	0	0	0	0	300	750	300	750
International Military Education & Training	518	550	625	645	0	0	0	43	178	304	400	380	400
Nonproliferation, Antiterrorism & Demining	1000	963	370	0	0	0	0	50	174	-	-	-	-
Public Law 480 (Food Aid)	0	0	1530	0	0	0	0	0	893	-	-	-	-
Transition Initiatives													
Total	36488	17388	52365	54158	52541	44302	29643	32037	26093	34689	37503	32463	36253
Peace Corps	2358	2639	2813	2993	2995	3051	3069	3080	-	-	-	-	-

Note: Data (\$ in thousands, R=Request, E=Estimate) taken from U.S. Department of State's Congressional Budget Justifications (CBJ 2002: 422, 2003: 410, 2004: 464, 2005: 484, 2006: 515, 2007: 551, CBJ 2008: 625, 2009: 680-1, 2010: 595-6, 2011: 686).