

CONFLICT RISK ASSESSMENT REPORT:

BULGARIA, ROMANIA, SLOVAKIA AND UKRAINE

John J. Gazo, Sonja Varga and Zeynep Ersahin

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Principal Investigator: David Carment

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Feedback is welcomed, and may be sent to <cifp@carleton.ca>
<http://www.carleton.ca/cifp/>

Division of Responsibilities

John J. Gazo researched and drafted the sections on:

- Militarisation
- Economic Performance
- International Linkages

He was also responsible for compiling and editing the submissions of the other co-authors.

Sonja Varga researched and drafted the sections on:

- Demographic Stress
- Human Development
- Environmental Stress

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Zeynep Ersahin researched and drafted the sections on:

- History of Armed Conflict
- Governance and Political Instability
- Population Heterogeneity

Contact:cifp@carleton.ca

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Executive Summary

The last ten years have been a time of much change for the Central and Eastern European Countries (CEEC). The region as a whole has been struggling with the collapse of Socialism and the painful transition to democracy and capitalism. Periods of change and transition such as this often contribute to increased risk of conflict, and can lead to the outbreak of violence, as was unfortunately the case in the Balkans. In this report, the Country Indicators for Foreign Policy (CIFP) project examines four countries – Bulgaria, Romania, Slovakia, and Ukraine – with the goal of evaluating the potential risk of conflict developing.

Why Bulgaria, Romania, Slovakia and Ukraine?

Bulgaria, Romania, Slovakia and Ukraine were selected because the researchers, in consultation with the principal investigator, felt these countries offered a unique opportunity to compare and contrast across a range of characteristics. Geographically, the countries are part of the same region, and in terms of contemporary history, they are all experiencing the same transformation process that swept the region following the collapse of Socialism. Moreover, they also possessed challenges analogous with the region: minority populations; economic problems; and crumbling social structures. At the same time, Bulgaria, Romania, Slovakia and Ukraine countries were considered to occupy a unique place in the region. First, they did not directly experience the violent fighting that accompanied the break-up of the Former Yugoslavia during the 1990s, nor are they plagued with the same sort of instability and on-going conflicts as the countries of the Caucasus region. However, neither can they be said to have matched the relative success of their more western Central and Eastern European neighbours (i.e. Poland, Czech Republic, and Hungary). Finally, it was felt the other countries in the region could be best examined in a separate report. Work is currently underway to cover the balance of the region.

Key Findings and Implications for Policy

All four of the countries were found to possess highly heterogeneous populations. Minority relations must be made a prime concern. In particular, democratic institutions must be strengthened to provide an avenue for the peaceful expres-

sion and realisation of minority interests. Moreover, minority protection legislation must exist to further guarantee the provision of certain fundamental rights, even where the opportunities and freedom for democratic expression of minority interests are sufficiently provided for, in order to protect against a potential tyranny of the majority.

A further key finding is the harmful and cross-cutting impact of corruption in Bulgaria, Romania, Slovakia and Ukraine. In particular, corruption has been detrimental for advancing 'Governance and Political Stability' and for improving 'Economic Performance'. Political corruption undermines public faith in the legitimacy of the democratic process and can lead to public unrest and discontent – sometimes justifiably so. Economic corruption, meanwhile, impedes the development of properly functioning market economies, reduces or eliminates market efficiencies, limits growth and its potential benefits, and also fuels discontent and opposition with the process of transformation. Across both of these issue areas, all four countries exhibited elevated levels of risk - with corruption considered a major contributing factor. Added emphasis must be placed on combating and eliminating corruption. However, since getting corrupt officials to reform themselves is somewhat difficult, pressure and aid from external sources plays a particularly crucial role.

To continue on the role of external actors, the findings of the report tend to support the claim of liberal institutionalism which argues the prospect of membership in international organisations can influence countries to accept certain terms and conditions in order to join. A country may be required to demonstrate respect for international norms and rules, seek the peaceful resolution to disputes and/or implement unpalatable reforms. Bulgaria, Romania and Slovakia are each seeking membership in the European Union and NATO; both of which require applicants to fulfill strict membership criteria, such as being representative democracies, having fully functioning market economies, and reforming their security sectors. While still unconfirmed, the December meeting of European Union Heads of State and Government is expected to see Slovakia extended an invitation to join in 2004, with Bulgaria and Romania being invited to join in 2007. At

the upcoming NATO summit, it is anticipated Bulgaria, Romania and Slovakia will be offered membership in the alliance. Ukraine, on the other hand, has not applied to join either of these organisations and it is telling, of four coun-

tries, it has the highest overall risk rating. Ukraine's recent movement indicating desire to seek EU membership should be nurtured with an eye to the positive influence prospective membership can have on its risk rating.

Overview

This report provides an indicators-based assessment of conflict risk in four Central and Eastern European countries: Bulgaria, Romania, Slovakia and Ukraine. The analysis crosses nine interrelated issue areas identified as underlying potential for conflict development. These areas are: History of Armed Conflict; Governance and Political Instability; Militarisation; Population Heterogeneity; Demographic Stress; Economic Performance; Human Development; Environmental Stress; and International Linkages.

CIFP risk assessment reports are regional in focus, under the premise that “risk potential” is a relative term, and that a regional comparative focus allows not only the identification of areas of concern within target countries but provides a means of assigning relative priority to different areas of concern on a regional basis.

CIFP assesses country risk by means of an overall country “risk index.” The higher the risk index, the greater the assessed risk of conflict development, escalation, or continuation that a country faces. The risk index consists of the weighted average of nine composite indicators, corresponding to the nine issue areas outlined above, each of which consists of the average of its composite lead indicators. In all, 44 lead indicators are assessed as part of this index.

Risk indices are calculated on a scale of 0 to 12, where a score of 0 to 3 is considered low risk, 4 to 6 is considered medium risk, 7 to 9 is considered high risk, and 10-12 is considered very high risk. The assessment provided in this report has determined the following overall country risk indices for Bulgaria, Romania, Slovakia and Ukraine.

Bulgaria	4.00	Medium Risk
Romania	4.58	Medium Risk
Slovakia	4.18	Medium Risk
Ukraine	5.20	Medium Risk

The assessment identifies the following issue areas as being of particular concern for the respective countries.

Bulgaria		
• Militarisation	5.17	Medium Risk
• Poor Economic Performance	5.76	Medium Risk
Romania		
• Weak Governance and Political Instability	5.88	Medium Risk
• Heterogeneous Population with Prominent Cleavages	5.67	Medium Risk
• Poor Economic Performance	7.75	High Risk
Slovakia		
• Heterogeneous Population with Prominent Cleavages	6.00	Medium Risk
Ukraine		
• Weak Governance and Political Instability	6.22	High Risk
• Militarisation	6.52	High Risk
• Heterogeneous Population with Prominent Cleavages	6.33	High Risk
• Poor Economic Performance	5.99	Medium Risk

The results from the indicator-based analysis serve to focus analytical attention on high-risk issue areas, supporting more in-depth qualitative elaboration. In doing so, this report highlights a series of issues for attention within each of the high-risk issue areas, as indicated in the table on the following page.

Bulgaria
Militarisation
<ul style="list-style-type: none"> • Troop levels continue to be high with only incremental reductions.
Poor Economic Performance
<ul style="list-style-type: none"> • The Bulgarian economy is suffering from weak GDP growth and high rates of inflation and debt servicing.
Romania
Weak Governance and Political Instability
<ul style="list-style-type: none"> • There are several short-term risks to political stability. Corruption is widespread and represents a further challenge to improving governance.
Heterogeneous Population with Prominent Cleavages
<ul style="list-style-type: none"> • Romania has a very large Hungarian minority which it continues to struggle to accommodate. Efforts at improving relations with the country's large Roma population are much less advanced and face continued external criticism.
Poor Economic Performance
<ul style="list-style-type: none"> • Romania's economic performance is extremely poor. GDP growth is very low and the country is at risk from very high rates inflation and debt servicing.
Slovakia
Heterogeneous Population with Prominent Cleavages
<ul style="list-style-type: none"> • Slovakia, like Romania, has a large Hungarian and Roma minority. Conditions for both groups have improved; however, some Hungarians continue to want autonomy and treatment of the country's Roma population is still criticised.
Ukraine
Weak Governance and Political Instability
<ul style="list-style-type: none"> • There are severe restrictions on freedom of the press and extremely high levels of corruption. With the exception of Regime Durability, Ukraine scored the highest ratings on each of the indicators in this cluster.
Militarisation
<ul style="list-style-type: none"> • Troop levels and military expenditure remain unsustainably high.
Heterogeneous Population with Prominent Cleavages
<ul style="list-style-type: none"> • Relations with Ukraine's significant Russian minority remain tense. Ukraine's Crimea region is particularly problematic. There is a large Russian population with strong irredentist tendencies. However, the region is also experiencing the return of a large number of Tartars which upsets the previous demographic distribution.
Poor Economic Performance
<ul style="list-style-type: none"> • Ukraine's GDP growth is very poor and debt servicing is high. Inflation constitutes a very high risk for the country.

Introduction and Methodology

CIFP within the FEWER Network

The CIFP project was initiated by the Department of Foreign Affairs and International Trade (DFAIT) and the Norman Paterson School of International Affairs (NPSIA) in 1997. The project represents an on-going effort to identify and assemble statistical information conveying the key features of the political, economic, social and cultural environments of countries around the world.

The CIFP database currently includes statistical data, in the form of over one hundred performance indicators for 196 countries, spanning fifteen years (1985 to 2000) for most indicators. These indicators are drawn from a variety of open sources, including the World Bank, the United Nations Development Programme (UNDP), the United Nations High Commissioner for Refugees (UNHCR), the Stockholm International Peace Research Institute (SIPRI), and the Minorities at Risk and POLITY IV data sets from the University of Maryland.

Currently, with the generous support of the Canadian International Development Agency (CIDA), CIFP has begun work on a pilot project in partnership with the Forum on Early Warning and Early Response (FEWER). The pilot project is intended to establish a framework for communication, information gathering and sharing, and operational co-ordination between CIFP, the FEWER Secretariat, and FEWER network members in the field, and to work towards a "good practice" conflict early warning system involving the various members of the FEWER network.

As part of its contribution to these new networks, CIFP has produced conflict risk assessment reports for two target regions, Southeast Asia and West Africa. CIFP risk assessment reports are regional in focus, under the premise that "risk potential" is a relative term, and that a regional comparative focus allows not only the identification of areas of concern within target countries but provides a means of assigning relative priority to different areas of concern on a regional basis. These reports are intended to precede and serve as a ground for subsequent country-specific early-warning reports that will integrate various analytical methods and data sources

(local analysis, events data, structural data) available from within the FEWER network.

Within the framework employed by CIFP and FEWER, "risk assessment" and "early warning" are viewed as complementary but distinct modes of analysis that can be distinguished in several important respects. Risk assessments identify background and intervening conditions that establish the risk for potential crisis and conflict. In doing so, they precede and complement early warning efforts through focusing monitoring and analytical attention on high risk situations as they develop, and through providing a framework for interpreting the results of real-time monitoring of events.

While the primary goal of risk assessment is to diagnose a situation rather than devise solutions, early warning is a process designed to pinpoint appropriate, forward-looking, preventive strategies. Accordingly, FEWER defines early warning as the systematic collection and analysis of information for the purposes of anticipating the escalation of violent conflict, developing strategic responses to these crises, and presenting options to critical actors for the purposes of decision making and response.

Methodological Notes on Assessing Structural Indicators of Conflict Potential

In order to establish a framework for analysing the emergence of violent conflict, it is necessary to understand how crises typically develop and which possible avoidance efforts can be effective. In general terms, the factors that contribute to conflict escalation are categorised as "structural factors," "accelerators," and "triggers."

- "Structural factors" or "root causes" are those factors that form the pre-conditions of crisis situations, such as systematic political exclusion, shifts in demographic balance, entrenched economic inequities, economic decline and ecological deterioration;
- "Accelerators" or "precipitators" are factors that work upon root causes in order to increase their level of significance; and
- "Triggers" are sudden events that act as catalysts igniting a crisis or conflict, such as

the assassination of a leader, election fraud, or a political scandal.

Within FEWER, CIFP is positioned to provide data and analysis focusing on the “structural” level, in order to assess the degree of risk in given country-contexts, and to assess whether shifts in country performance indicators (such as ameliorating or worsening economic performance) are increasing or mitigating the severity of this risk. Local analysis and events-monitoring systems are best positioned to monitor and provide analysis on “triggers” or “catalysing events” that are likely to precipitate the onset of conflict in high-risk situations.

In order to assess the “structural factors” or “root causes” underlying conflict potential, it is necessary to identify a set of associated indicators. Often a crisis has no single cause and furthermore the different contributing causes vary in importance – variables may at times reinforce each other, while at other times they may neutralise one another. Thus, analysis of conflict potential requires an assessment of the relative importance of different indicators and their inter-relationships.

The selection of structural indicators for the CIFP risk assessment reports was informed by a number of factors. It is based largely on the results of FEWER’s collaborative work with local early warning analysts and their understanding of the type of information needed to effectively assess conflict potential. In addition, indicators have been included on the basis of evidence in the conflict analysis literature of their being strong crisis predictors.

The structural indicators included in the CIFP risk assessment reports cross nine interrelated issue areas identified as underlying potential for conflict development: History of Armed Conflict; Governance and Political Instability; Militarisation; Population Heterogeneity; Demographic Stress; Economic Performance; Human Development; Environmental Stress; and International Linkages.

CIFP rates a country’s degree of “risk” in terms of this set of structural indicators. “Risk” is considered high in cases where a country has an enduring history of armed conflict, is politically unstable or has unrepresentative or repressive political institutions, is heavily militarised, has a heterogeneous and divided population, suffers

from significant demographic and environmental stresses, has had poor economic performance and low levels of human development, and is engaged with the international community in ways that detract from, rather than contribute to, peaceful conflict management.

On the other hand, “risk” is considered low in countries that have a history of successfully managing conflict without resorting to violence, that have developed stable democratic political institutions, that respect fundamental human rights, that are less heavily militarised, that lack profound ethnic or religious cleavages or demographic stresses, that have achieved sustainable levels of economic development as well as healthy social and environment conditions, and that are free from serious external conflicts and threats.

Operationalisation of Indicators: CIFP Risk Index

CIFP assesses country risk by means of an overall country risk index. The higher the risk index, the greater the assessed risk of conflict that country faces. The risk index consists of the weighted average of nine composite indicators, corresponding to the nine issue areas outlined above, each of which consists of the average of its composite lead indicators.

“Risk potential” is a relative term that has meaning only with respect to a country’s performance and risk vis-à-vis other countries in the international system. Accordingly, each lead indicator is converted to a 9-point score on the basis of its performance relative to a global sample of countries. This global sample of countries is ranked from highest to lowest level of performance, divided into nine equal categories, then assigned score numbers ranging from 1 to 9 based on their rank position within the sample. This scoring procedure is intended to facilitate the identification of key areas of concern, and as a way of directing attention to potential problem areas.

In general, a higher score (in the 7 to 9 range) indicates that the country is performing poorly relative to other countries (i.e. high levels of armed conflict, autocratic governments, poor economic performance, low levels of human development) or that a country’s standing is a cause for concern (i.e. significant youth bulge, high levels of ethnic diversity). A lower score (in

the 1 to 3 range) indicates the country is performing well relative to other countries (i.e. no or little armed conflict, democratic governments, strong economic performance, high levels of human development) or that a country's standing is less of a cause for concern (i.e. no youth bulge, low levels of ethnic diversity). Values in the middle 4 to 6 range indicate moderate levels of performance approaching the global mean.

Since relative country performance can vary significantly from year to year (as in the case of economic shocks), averages are taken for global rank scores over a five-year time frame. The most recent five years contained in the CIFP data set are used for this index (generally 1996 to 2000).¹ The 1 to 9 Global Rank score forms the "base scale" upon which individual indicator risk scores are calculated. This score is then adjusted with a "trend and volatility modifier," which can raise or lower a global rank score on the basis of whether an indicator is assessed as improving (-1 to the global rank score), worsening (+1), or demonstrating a high degree of volatility that is deemed to have a particularly destabilising effect (+1 to +2, depending on the degree).²

The trend and volatility modifier allows the analyst a degree of freedom in qualitatively adjusting the global rank score to allow for observations of significant trends or destabilising changes. The direction of change, whether worsening or improving, indicates whether a country's performance for a given indicator is even more likely to contribute to conflict potential (i.e. increasing restrictions on civil and political rights, worsening economic conditions, increasing demographic or environmental stresses) or detract from it (i.e. greater respect for civil and political rights, improving economic conditions, decreasing demographic or environmental stresses). So too is the degree of volatility an important component of the risk assessment calculation, considering that instability across a given indicator (i.e. regime transitions, a massive influx of refugees, fluctuations in military expenditure or foreign direct investment) can

have a profoundly destabilising effect and sharply increase the potential for conflict.

Indicator risk scores on a 13-point scale (0 to 12) are derived for each leading indicator within each of the nine issue areas. In order to arrive at composite indicators for each of the nine issue areas, leading indicator risk scores within each area are averaged. These nine composite issue area scores are themselves averaged to determine a country's overall risk index. However, in order to further elaborate the relative impact of each of these issue areas upon the conflict development process within a country, composite indicators are assigned weights. CIFP has derived these weights deductively, based on inferences about the causal relationships between issue areas. The weight assigned to each composite indicator is based on the number of direct causal linkages it is postulated to have with the others, thereby reflecting the magnitude of each issue area's impact upon overall risk.³

The following table presents the scores for each of the individual lead indicators, the composite issue area ratings, and the overall risk indices for Bulgaria, Romania, Slovakia and Ukraine.

¹ Data dated 1999, or earlier, was the most recent available at the time of data collection (Spring 2002). The trend and volatility scores attempt to overcome the occasional lack of more current data and to reflect more recent changes.

² Indicators for which only a single year is available are measured only in terms of global rank, without trend and volatility modifiers.

³ For a detailed explanation of the weighting scheme, refer to the CIFP Risk Assessment Template, August 2000. <http://www.carleton.ca/cifp/docs/studra1101.pdf>

Risk Indices for Bulgaria, Romania, Slovakia and Ukraine

Issue Areas and Lead Indicators	Years of Measure	Bulgaria	Romania	Slovakia	Ukraine
History of Armed Conflict (weight = 8)					
Armed Conflicts	1995-1999	..	..	..	..
# of Refugees Produced	1995-1999	1.0	1.0	1.0	1.0
# of Refugees Hosted, IDPs, Others of Concern	1996-2000	3.0	3.0	4.4	8.4
Composite Issue Area Risk Rating	--	2.00	2.00	2.70	4.70
Governance and Political Instability (weight = 5)					
Level of Democracy	1995-1999	2.8	4.2	1.8	5.4
Regime Durability	1995-1999	6.2	8.8	8.2	5.8
Restrictions on Civil and Political Rights	1996-2000	4.8	3.6	4.8	5.0
Restrictions on Press Freedom	1996-2000	4.2	5.8	4.4	7.2
Level of Corruption	1997-1998	6.5	7.0	6.0	7.7
Composite Issue Area Risk Rating	--	4.90	5.88	5.04	6.22
Militarization (weight = 5)					
Military Expenditure (Constant 1998 US\$ millions)	1996-2000	5.0	4.0	3.0	8.0
Total Military Expenditure (% of GDP, Constant 1998 US\$)	1995-1999	5.0	2.6	4.0	4.6
Imports of Maj. Conv. Weapons	1996-2000	1.8	5.6	0.2	..
Exports of Maj. Conv. Weapons	1996-2000	5.2	3.8	4.0	5.0
Total Armed Forces	1998-2001	7.0	8.0	5.0	8.0
Total Armed Forces (per 1,000)	1998-2001	7.0	8.0	6.7	7.0
Composite Issue Area Risk Rating	--	5.17	5.33	3.82	6.52
Population Heterogeneity (weight = 4)					
Ethnic Diversity	1990s	4.0	4.0	4.0	5.0
Religious Diversity	1990s	4.0	6.0	8.0	6.0
Risk of Ethnic Rebellion (Single Measure)	1998	7.0	7.0	6.0	8.0
Composite Issue Area Risk Rating	--	5.00	5.67	6.00	6.33
Demographic Stress (weight = 5)					
Total Population	1995-2000	5.6	7.4	5.0	8.0
Population Growth Rate (Annual %)	1995-2000	1.0	2.0	5.0	2.0
Population Density (people per sq km)	1995-1999	5.6	6.0	6.0	6.0
Urban Population (% of Total)	1995-2000	7.0	5.0	5.8	7.0
Urban Population Growth Rate (Annual %)	1995-1999	0.0	1.4	1.4	1.0
Youth Bulge (Pop. Aged 0-14 as a % of Total)	1995-2000	0.0	0.8	5.0	0.8
Composite Issue Area Risk Rating	--	3.20	3.77	4.70	4.13
Economic Performance (weight = 8)					
GDP Growth Rate (Annual %)	1996-2000	6.4	10.8	6.2	7.4
GDP Per Capita (PPP, Current International \$)	1996-1999	6.5	6.0	3.0	6.0
Inflation [Consumer prices (annual %)]	1996-2000	8.8	10.0	7.0	10.6
Official exchange rate (LCU/US\$, period avg.)	1996-1999	3.8	11.0	6.0	4.0
FDI [Net inflows (% of GDP)]	1995-1999	4.8	5.4	5.2	5.4
Total Debt Service (% of GNP)	1996-1999	8.8	9.8	9.8	8.0
Trade Openness (Trade as a % of GDP)	1996-1999	5.0	7.0	0.8	4.5
Inequality Score (GINI Coefficient)	single measure	2.0	2.0	1.0	2.0
Composite Issue Area Risk Rating	--	5.76	7.75	4.88	5.99
Human Development (weight = 3)					
Access to Improved Water Source (% Tot. Pop.)	2000	1.0	8.0	1.0	2.0
Access to Sanitation (% Tot. Pop.)	2000	1.0	7.0	1.0	2.0
Life Expectancy (Years)	1997-2000	3.0	4.0	5.0	6.0
Infant Mortality Rate (per 1000 live births)	1997-1999	2.5	3.0	6.0	3.0
Maternal Mortality Rate (per 100,000 live births)	1995*	2.0	4.0	1.0	3.0
HIV/AIDS (% of Adult Population)	1997, 1999	0.0	2.0	2.0	9.5
Primary School Enroll (% Relevant Age Group)	1995-1998	4.7	3.0	..	..
Secondary School Enroll (% Relevant Age Group)	1995-1998	5.0	4.0	..	..
Child Labour (% Children aged 10-14)	1998-1999	0.0	0.0	2.0	2.0
Composite Issue Area Risk Rating	--	2.13	3.89	2.57	3.93

Environmental Stress (weight = 5)					
Rate of Deforestation (Percent)	2000	1.0	1.0	1.0	1.0
People per Sq. Km. of Arable Land	1995-1998	0.0	1.0	5.0	1.0
Freshwater Resources (cubic meters per capita)	1999	7.0	4.0	3.0	6.0
Composite Issue Area Risk Rating	--	2.67	2.00	3.00	2.67
International Linkages (weight = 5)					
Economic Organizations Index	2001	8.0	7.0	7.0	8.0
Military/Security Alliances Index	2001	9.0	9.0	9.0	9.0
UN Organizations Index	2001	4.0	3.0	3.0	5.0
Multipurpose and Miscellaneous Orgs. Index	2001	1.0	1.0	2.0	3.0
International Disputes (# of)	2001	1.8	2.7	4.5	4.5
Composite Issue Area Risk Rating	--	4.76	4.54	5.10	5.90
Unweighted Sum		35.59	40.83	37.80	46.39
Unweighted Average		3.95	4.54	4.20	5.15
Total Weighted Sum		191.97	219.93	200.60	249.82
Risk Index (Weighted Average)		4.00	4.58	4.18	5.20

Table Notes:

Risk scores are colour-coded according to a “stop light” scheme, where Green (0-3) indicates low risk, Yellow (4-6) indicates medium risk, and Red (7-12) indicates high risk. Risk scores for individual indicators are derived from a global rank score adjusted to reflect trends and volatility, as described in the previous section. Composite Issue Area Risk Ratings are an average of the indicator risk scores in each issue area. Details on each of the above issue areas and lead indicators, including data sources, global rank scores and trend and volatility modifiers, are available in the chapters that follow. The final country “Risk Index” is based on the weighted average of the nine of Composite Issue Areas Ratings. For a detailed explanation of the weighting scheme, refer to the CIFP Risk Assessment Template, August 2000.

Data dated 1999, or earlier, was the most recent available at the time of data collection (Spring 2002). The trend and volatility scores attempt to overcome the occasional lack of more current data and to reflect more recent changes.

* The indicator Maternal Mortality Rate (per 100,000 live births) is determined by averaging values from 1990 to 2000 and is referred to by the World Bank as a '1995 period average'.

I. History of Armed Conflict

LEAD INDICATORS	COUNTRY	GLOBAL PERFORMANCE RANK	TREND SCORE	VOLATILITY SCORE	RISK SCORE
Armed Conflicts		(Avg. 1995-1999)			
	Bulgaria	..	..	..	..
	Romania	..	..	..	..
	Slovakia	..	..	..	..
	Ukraine	..	..	..	..
Number of Refugees Produced		(Avg. 1995-1999)			
	Bulgaria	1.0	0.0	0.0	1.0
	Romania	1.0	0.0	0.0	1.0
	Slovakia	1.0	0.0	0.0	1.0
	Ukraine	1.0			1.0
Number of Refugees Hosted, IDPs & Others of Concern		(Avg. 1996-2000)			
	Bulgaria	3.0	0.0	0.0	3.0
	Romania	3.0	0.0	0.0	3.0
	Slovakia	2.4	1.0	1.0	4.4
	Ukraine	6.4	0.0	2.0	8.4
COMPOSITE HISTORY OF ARMED CONFLICT SCORE					
	Bulgaria				2.0
	Romania				2.0
	Slovakia				2.7
	Ukraine				4.7

“Violent conflict” is commonly considered to be the dependent variable in conflict analysis. However, a country’s history of armed conflict also operates as a causal factor underlying the potential for continued or future violence. An enduring history of violent conflict can itself serve as an incentive for parties to continue to resort to violence as a means of airing and attempting to resolve grievances. Such a history can also indicate a greater inclination for armed forces to use repressive means to address disputes or civil unrest, and an inability or unwillingness of the state to resolve disputes through institutional channels. Flows of refugees and internally displaced persons (IDPs) produced by past or ongoing violent conflict can also have destabilising effects within affected regions and countries, potentially spiraling into larger problems. Furthermore, the impact of conflict on material living standards, levels of human development, the environment and other issue areas, can create further incentives for violence.

Since the end of the cold War, there have been no deadly conflicts in any of these four Central and Eastern European Countries. Nonetheless, refugees continue to play a role, though different from previously. The countries now face the reality of becoming receivers rather producers of refugees. The accompanying need to develop

appropriate national mechanisms for the protection of refugees has been complicated by the fact that it has taken place against the backdrop of war in the former Yugoslavia. The war spurred a mass outflow from the region of around one million persons, or nearly 5 per cent of the population of the former Yugoslavia, seeking at least temporary protection in Central and Eastern Europe. The resulting picture is rather mixed. Bulgaria, Romania and Slovakia, the chief states in the new “buffer zone,” have acceded to the international refugee instruments. Moreover, together with the European Council on Refugees and Exiles (ECRE), UNHCR has been conducting refugee law training courses in these countries. Institution-building efforts to promote the development of local NGOs in the refugee and human rights field have progressed as well. The former Soviet Republic Ukraine, which continues to be used as a transit country by asylum seekers on their way to the Nordic countries and elsewhere in Western Europe, has not yet signed the Refugee Convention.

At the end of 2001, Bulgaria hosted about 4,508 refugees and asylum seekers in need of protection.⁴ During the year, owing to the increased

⁴ UN Refugee Agency. <http://www.unhcr.ch/cgi-bin/texis/vtx/home>.

influx of refugees, the State initiated an accelerated procedure for granting refugee status. However, according to UNHCR, the quality of the decisions and the application of widely recognised standards for evaluation of the refugee application were very low because the staff, as a rule, had not undergone the necessary training for granting refugee status. The government does not provide asylum seekers with legal aid, and sometimes fails to inform claimants of the legal counsel available from the Bulgarian Helsinki Committee (BHC), financed by UNHCR.

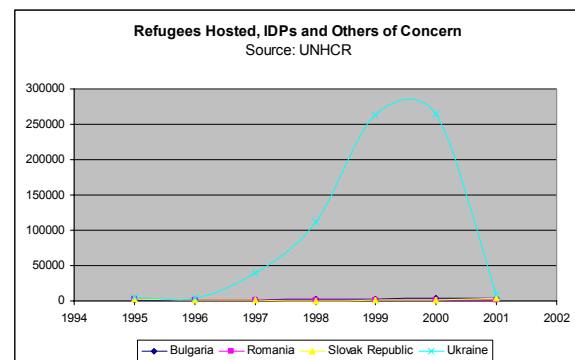
At the end of 2001, Romania hosted some 1,805 refugees and asylum seekers in need of protection. The largest number of asylum seekers came from Afghanistan, followed by Iraq, Somalia, India, and Iran.⁵ A new refugee law entered into force in November 2000 that brought Romanian asylum policies and institutions further in line with European Union (EU) standards. The 2000 law introduced accelerated border procedures for asylum seekers entering the country. However, the UN High Commissioner for Refugees (UNHCR) expressed concerns about aspects of the law and its implementation in 2001, observing that access to the asylum procedure at border crossings and in the accelerated procedure may not be guaranteed, particularly in the short time frames given for evaluation of claims in the accelerated procedure. According to UNHCR, the financial assistance allocated to asylum seekers is insufficient for the costs of food and other basic necessities.

At the end of 2001, the Slovak Republic hosted more than 3,623 refugees and asylum seekers in need of protection. These included 467 recognised refugees and 3,156 asylum applicants awaiting a decision as the Slovak Migration Office. The largest groups of asylum seekers during the year were from Afghanistan, Iraq, Bangladesh, Pakistan, Sierra Leone, and Somalia.⁶ Despite the significant increase in asylum applications in 2001, the Slovak Republic remains a transit country for asylum seekers traveling to Western Europe. This tendency is reinforced by the fact that although it is apparently relatively easy to stay in Slovakia illegally, and even to find a work there, there is a very real risk that growing numbers of migrants will aggravate xenophobic attitudes due to the rising labour market pressures.

⁵ Ibid.
⁶ Ibid.

The records of these three countries (Bulgaria, Romania, and Slovakia) regarding the minority rights and treatment of their Roma populations continue to be sticking point in their efforts to achieve membership in the EU. Discrimination and intolerance has led many Roma to seek asylum abroad.⁷

In the immediate aftermath of Ukraine's successful independence bid, 1991-1992, the country experienced a net inflow of approximately 37,000 individuals, according to Russia's State Committee for Statistics. Between 1993 and 1999, about 260,000 Crimean Tatars (exiled to Central Asia by Soviet dictator Joseph Stalin in the 1940s), along with smaller numbers of Bulgarians, Armenians, Greeks, and Germans, returned to the Crimea after facing persecution and conflict in the former Soviet Central Asian republics. At the end of 2001, Ukraine hosted about 6,000 refugees and asylum seekers in need of protection. These included about 3,000 recognised refugees, 183 asylum seekers with pending cases at year's end, and about 2,800 persons from Abkhazia, Georgia, to whom Ukraine granted special "war refugee" status. In addition, approximately 3,300 formerly deported persons were living in refugee-like conditions in the Republic of Crimea at year's end, still unable to complete naturalisation procedures. A total of 10,112 Ukrainians sought asylum in other industrialised countries during the year, up 39 per cent from 2000.⁸



⁷ Some 2,900 Bulgarians, most of who were believed to be members of the Roma minority, sought asylum in other European countries during 2001, up slightly from 2,690 in 2000. In 2001, some 5,900 Romanians sought asylum in other European countries. In April, after Belgium lifted its visa requirement for Slovak nationals, a new influx of Slovak Roma asylum seekers (2,777 Slovaks, the majority of whom were believed to be Roma) led Belgium to threaten to reinstate the visa regime.

⁸ *Country Report-Ukraine*. <http://www.refugees.org>.

II. Governance and Political Instability

LEAD INDICATORS	COUNTRY	GLOBAL PERFORMANCE RANK	TREND SCORE	VOLATILITY SCORE	RISK SCORE
Level of Democracy		(Avg. 1995-1999)			
	Bulgaria	2.8	-1.0	1.0	2.8
	Romania	3.2	0.0	1.0	4.2
	Slovakia	2.8	-1.0	0.0	1.8
	Ukraine	3.4	1.0	1.0	5.4
Regime Durability		(Avg. 1995-1999)			
	Bulgaria	5.2	0.0	1.0	6.2
	Romania	7.8	0.0	1.0	8.8
	Slovakia	7.2	0.0	1.0	8.2
	Ukraine	5.8	-1.0	1.0	5.8
Restrictions on Civil and Political Rights		(Avg. 1996-2000)			
	Bulgaria	3.8	0.0	1.0	4.8
	Romania	3.6	-1.0	1.0	3.6
	Slovakia	3.8	-1.0	2.0	4.8
	Ukraine	5.0	0.0	0.0	5.0
Restrictions of Press Freedom		(Avg. 1996-2000)			
	Bulgaria	4.2	-1.0	1.0	4.2
	Romania	4.8	0.0	1.0	5.8
	Slovakia	4.4	-1.0	1.0	4.4
	Ukraine	5.2	1.0	1.0	7.2
Level of Corruption		(Avg. 1997-1998)			
	Bulgaria	6.5	single measure		6.5
	Romania	7.0	single measure		7.0
	Slovakia	6.0	single measure		6.0
	Ukraine	7.7	single measure		7.7
COMPOSITE GOVERNANCE AND POLITICAL INSTABILITY SCORE					
	Bulgaria				4.9
	Romania				5.9
	Slovakia				5.0
	Ukraine				6.2

Regime characteristics are associated with conflict potential in myriad ways. Democratic institutions, for example, encourage a relationship between state and society that fosters pluralism, inclusion, and ultimately peaceful conflict resolution. Alternately, the lack of accountable and transparent institutions through which to channel grievances can aggravate the risk of outbursts of violent conflict. So too can the denial of civil and political liberties, such as the rights of expression, assembly and association, or the censorship of media, increase the likelihood dissenting views will be expressed through violence. Endemic corruption of political elites can also result in the loss of popular confidence in state institutions and undermine their legitimacy, providing incentives for expressing grievances through extra-institutional means.

More than ten years after the fall of the Berlin Wall, all four target countries in post-communist

Europe have democratically-elected governments. They find themselves in relatively strong positions to work toward peace, political stability and consolidation of their respective transitions to democracy.

Bulgaria has accomplished a great deal in creating a multiparty political system, democratic governing institutions, and civil society. Yet the country's democratic transition is frustrated by a disconnect between its government and citizens who are persuaded that corruption and constant political maneuvering prevent their elected representatives from addressing the economic and social issues most important to the general public. It was disgust at both of these defects that helped bring the Simeon II National Movement (SNM), the political formation of the former Bulgarian king, Mr. Simeon of Saxe-Coburg Gotha, to power. However, one opinion poll has suggested that public confidence and electoral sup-

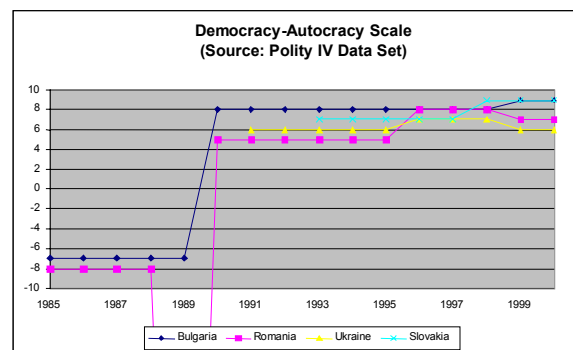
port of the SNM has fallen sharply since the election because of the inability to meet its pre-election promises for rapid growth of living standards.⁹ Until Bulgaria's citizens become engaged in the political process and can believe that government serves their interests, Bulgaria's political stability will not be fully secured, and its complete integration into Europe may be unnecessarily delayed.

No major changes have occurred in Bulgaria with regard to freedom of expression since 1990. The state-controlled Bulgarian National Radio (BNR) and Bulgarian National Television (BNT) became dependent on governing majority. There are several privately-owned print media; however, economic hardships have led to shrinkage of the independent press. Bulgarian journalists had more freedom to work independently, but many were still reluctant to pursue controversial stories due to concern about physical security and legal harassment. High rates of corruption, widespread organised crime, and continued government control impede the competition and equality of opportunity in the system. However, reports indicate that there is a decrease in public acceptance of corruption and civil society has been active in raising awareness and putting corruption on the political agenda.

The former communists, the Party of Social Democracy in Romania (PDSR), returned as the largest party in the new parliament following the November 2000 parliamentary election. The PSDR decided to form a minority government with the tacit parliamentary support of centrist parties, namely the Liberals and the Hungarian Democratic Union in Romania (HDUR), in order to nullify the parliamentary power of the ultra-nationalist Vadim Tudor and his party, the Greater Romania Party (GRP). Since that time, although the alliance with the Liberals has collapsed, the strong relationship with the Hungarians has kept the minority government stable. Multiparty talks have also begun on electoral reform that would seek to strengthen government accountability. However, there are several short-term risks to political stability, including a withdrawal of parliamentary support by the HDUR; the failure of the government to aggressively tackle the corruption and public-sector inefficiencies that put off foreign investors and

undermine efforts to fulfill the country's economic potential; and the government's inability to secure the country's membership in NATO on the November 2002 Prague Summit. A fractured political party landscape, steady popular support for the extremist Greater Romania Party, and a lack of a viable opposition demonstrate the fragility of this new, multiparty system. The long-term challenge to Romania's democratisation is to invigorate political parties and equip Romania's leadership with the skills needed to complete the country's transition and achieve European integration.

Media reforms initiated after Romania was invited to apply to join the European Union in November 1999 achieved only limited progress and the country's politicians spent much of the year debating laws that would limit, rather than promote, press freedom. Both public and private broadcasters are regulated by the National Audiovisual Council (NAC). The national broadcaster, Television Romania (TVR), remains the top most news provider and has the largest audience share in the country. However, the NAC is subject to political influence, with its top officials appointed by parliament. Journalists who were investigating corruption cases were the targets of violence. At present there is no secure legal structure to prevent corruption; this makes the country less attractive to potential foreign investors. Independent media continued to grow in an increasingly competitive market, with the largest reaching approximately 45 per cent of the rural and 85 per cent of the urban market.



Note: Where "10" indicates full Democracy and "-10" indicates full Autocracy.

On 30 October 1998 a new coalition government was sworn in, signaling a new era in Slovak politics after several years under the rule of Vladimir Meciar. Mikulas Dzurinda of the Slovak Democratic Coalition (SDK) became prime minister as

⁹ Bulgaria Annual Early Warning Report 2001. <http://www.undp.org/rbec>.

leader of the nine-member coalition Government of Christian Democrats, Liberals, and Social Democrats. His coalition government has initiated such reforms as the passage of legislation on minority languages and freedom of information, the ratification of a constitutional amendment facilitating political decentralisation, and progress in moving Slovakia toward integration with western institutions. International recognition, however, has not translated into a popular support at home. The implementation of economic reforms continues to drive up unemployment, while a series of corruption scandals tied to privatisation have added to the disenchantment of the electorate. Moreover, internal bickering and power struggles between the ruling coalition partners have slowed government decision-making and the pace of economic and social reform. As a result, many voters have lost interest in these parties and turned to new alternatives, or remain unconvinced that their vote will make a difference, as evidenced by the falling popularity of the governing coalition following the December 2001 regional elections. Since then the HSDS has once again become the most popular party, despite warnings from NATO that Meciar's return to power in September 2002 elections would create a significant obstacle to Slovakia's democratic development and its membership in the organisation. Most commentators believe it unlikely that HSDS will participate in the next government because it will be unable to find partners willing to enter into coalition with it. The ability of the political forces opposed to Meciar to regain a majority in the next elections is largely dependent on the extent to which they are able to assess voter interests, develop platforms in response to voter demands, inform the public of policy successes, and convince reform-minded citizens of the need to vote.

The constitution provides for freedom of speech and of the press, and the government generally respects this right in practice. Direct political

pressure on journalists has declined significantly since Meciar left office in late 1998, but the lack of a clear policy on media reform has limited the independence of journalists, particularly in the state-run media. There were complaints that the media failed to represent minorities. The mainstream Slovak media mostly focuses its coverage on negative portrayals of minorities and the detriment they bring the country.

Since it won independence over the nine years ago, Ukraine's transition to a democratic political system and market economy has been difficult and slower than that experienced by the above three Central and Eastern European countries. Rampant corruption, the influence of powerful economic interests on politics and communist domination of the parliament have significantly undermined both economic and political reform. The March 2002 parliamentary elections severely reduced the influence of the left in parliament and returned approximately equal numbers of reformist and oligarch-led deputies. Although since the election, the oligarch-led factions close to the president, Leonid Kuchma, have swelled their ranks by bringing in large numbers of independent deputies and have won parliamentary chairmanship, it is unlikely to form stable and durable pro-presidential majority. This will bring greater political uncertainty, particularly as Mr. Kuchma remains vulnerable to new allegations concerning the involvement in the murder of an oppositionist journalist, and will focus on making sure that he has a safe exit from the presidency by 2004, at the latest.

Ukraine's poverty and economic underdevelopment inhibit the development of an independent press, making individual journalists and media operations vulnerable to pressure from the government. In 2001, little progress was made in clarifying the circumstances around the apparent abduction and murder of the journalist, Georgiy Gongadze, who disappeared in 2000 when he was investigating high-level corruption.

III. Militarisation

LEAD INDICATORS	COUNTRY	GLOBAL PERFORMANCE RANK	TREND SCORE	VOLATILITY SCORE	RISK SCORE
Military Expenditure		(Avg. 1996-2000)			
(Constant 1998 US\$ millions)	Bulgaria	3.0	1.0	1.0	5.0
Source: SIPRI	Romania	3.0	-1.0	2.0	4.0
	Slovakia	3.0	-1.0	1.0	3.0
	Ukraine	7.0	-1.0	2.0	8.0
Military Expenditure as a % of GDP		(Avg. 1995-1999)			
(Constant 1998 US\$)	Bulgaria	3.0	1.0	1.0	5.0
Source: SIPRI	Romania	2.6	-1.0	1.0	2.6
	Slovakia	4.0	0.0	0.0	4.0
	Ukraine	2.6	1.0	1.0	4.6
Imports of Major Conventional Weapons		(Avg. 1996-2000)			
Source: SIPRI	Bulgaria	1.8	-1.0	1.0	1.8
	Romania	2.6	1.0	2.0	5.6
	Slovakia	1.2	-1.0	0.0	0.2
	Ukraine	..	..	..	..
Exports of Major Conventional Weapons		(Avg. 1996-2000)			
Source: SIPRI	Bulgaria	2.2	1.0	2.0	5.2
	Romania	1.8	0.0	2.0	3.8
	Slovakia	2.0	0.0	2.0	4.0
	Ukraine	4.0	-1.0	2.0	5.0
Total Armed Forces		(Avg. 1998-2001)			
Source: IISS Military Balance	Bulgaria	8.0	-1.0	0.0	7.0
	Romania	8.0	-1.0	1.0	8.0
	Slovakia	5.0	-1.0	1.0	5.0
	Ukraine	9.0	-1.0	0.0	8.0
Number of Armed Forces per 1,000		(Avg. 1998-2001)			
Source: IISS Military Balance	Bulgaria	8.0	-1.0	0.0	7.0
	Romania	8.0	-1.0	1.0	8.0
	Slovakia	5.7	-1.0	2.0	6.7
	Ukraine	8.0	-1.0	0.0	7.0
COMPOSITE MILITARIZATION SCORE					
	Bulgaria				5.2
	Romania				5.3
	Slovakia				3.8
	Ukraine				6.5

The size, quality and readiness of a country's military forces affect a country's ability, not only to defend it from external threats, but also to manage internal violent conflicts, and to prevent them through having a deterrence effect. A country's degree of militarisation can impact its capacity, but also potentially its inclination, to address and resolve potential conflicts through use of armed force. However, high levels of military expenditure can also indicate a privileging of the security forces in the domestic political arena, and indicate increased potential for military involvement in political affairs. Of course, considering limited spending capabilities, investments in the military can result in decreased investments in social capital and productive sectors. But so too can high levels of military spending relative to social spending, combined with high numbers of military personnel, indicate that

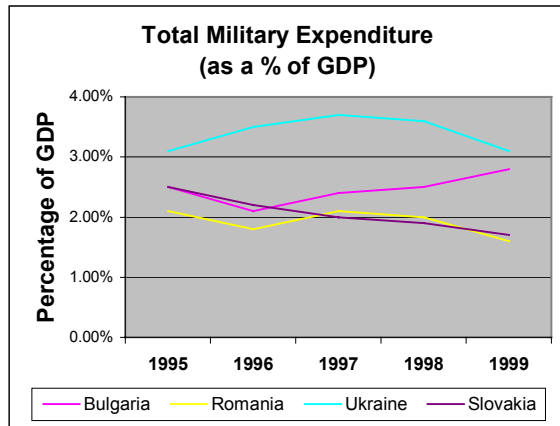
state priorities are focused upon military rather than developmental solutions to potential crises.

With the end of the Cold War and the collapse of the Soviet Union, one of the greatest challenges facing the countries of Central and Eastern Europe and the Newly Independent States is the transformation of their respective militaries. Of primary concern is reducing troop levels to sustainable levels and the transformation of military structures to reflect the changing nature of domestic security and defence priorities. No longer are these countries considered key components in one side of a bipolar stand-off. Whereas in the past, the region's strategic doctrine was dictated from Moscow, the countries must now craft their own approach to matters of defence and security, while at the same time ensuring the establishment of effective and efficient civilian democratic control.

Efforts at military reform have met with some success. Risk levels have reduced considerably in recent years. In particular, association with NATO has proven to be a strong positive influence on the direction and pace of military reform. However, many obstacles continue to face Bulgaria, Romania, Slovakia and Ukraine in their attempts to achieve a successful re-orientation in military structures, troop levels, and doctrine and the establishment of democratic, civilian control.

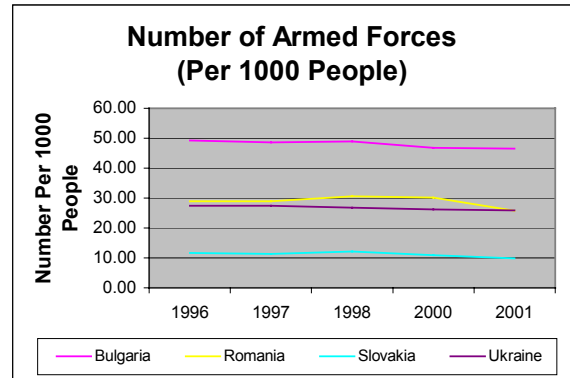
The Military Spending Dilemma

Of the countries considered here, only Ukraine scored a high risk rating (8.0) for Military Expenditure which is partially moderated by its medium risk rating (4.6) in Military Expenditure as a percentage of GDP. The remaining countries scored in the medium or low range for both indicators and the overall trend is a decline in military spending (with the exception of Bulgaria, whose Military Expenditure as a percentage of GDP has been increasing since 1996).

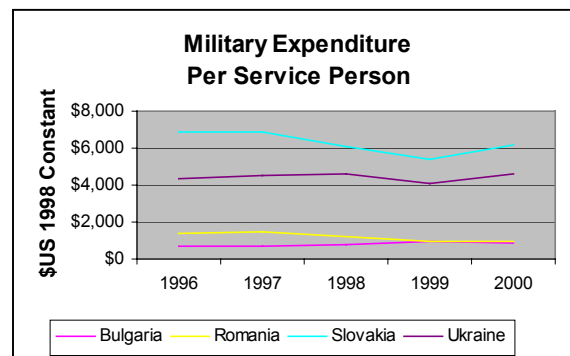


However, military spending represents a dilemma for these countries. While high levels of expenditure are an indication of potential risk, military reform is not an inexpensive exercise. In this sense, transforming their militaries entails economic costs that cannot be avoided. However, the economic transformation from planned to market economies begun at the start of the 1990s resulted in a contraction in the economies of the region and a decline in both GDP and GDP per capita. As a result, the governments have fewer financial resources at their disposal to fund the necessary transformation of their militaries. Moreover, creating new defence doc-

trines, a modern military and effective means of democratic control requires capital expenditures that are often difficult to justify in the face of decreasing government revenue, declining standards of living and rising social inequality. Nonetheless, military transformation is imperative; in particular the countries need to reduce their troop levels to sustainable levels.



With armed forces, simply releasing soldiers into the mainstream economy is insufficient and potentially dangerous. Without retraining, and given the current inability of these markets to absorb additional unskilled labour, decommission soldiers will simply add to the existing numbers of unemployed. This can lead to increasing frustration and impatience with the transformation process and the present state of affairs.



However, the amounts of money these governments are allocating to their militaries are often seen as barely sufficient for maintaining the current state of the military, let alone bring about transformation and modernisation. At the same time, spending on the military denies other sectors of much needed resources. Significantly, according to economic theory, military spending contributes much less to economic growth than spending in other sectors of the economy,

unless it is in the above areas like education and retraining.¹⁰

It is interesting to note that the country with the highest level of Military Expenditure as a percentage of GDP and the highest level of Expenditure per Service Person is also the country with the lowest level of Armed Forces per 1000 people: Slovakia. Since Slovakia also has the lowest risk rating in terms of Total Military Expenditure (3.0), the implication is country is actively attempting to transform and modernise its military.

The Knowledge Gap

A further obstacle pertains to the frequent lack of expertise, both civilian and military in the appropriate ways and means of transforming the military. While the lack of expertise is endemic in each of the countries, it has been a particularly critical issue for Ukraine. Prior to 1990, Ukraine did not have its own independent military and command structures. As part of the USSR, the Ukraine elements of the Soviet Army were subsumed and subordinate to centralised control from Moscow. This means Ukraine has had to construct a military and the accompanying support structures.

The creation of a 21st century military requires the acquisition of new and advanced military hardware. This requires hard currency, but also the added knowledge and expertise necessary to operate such hardware and to effectively function as part of an advanced military. Expertise can be acquired; however, it takes time, financial resources and the necessary political will to support such efforts and initiatives. Political will relates to a further risk factor, the highly varied and often ambiguous relationship between the political and military spheres.

The Civil-Military Challenge

While not a universal aspect of the region, the inter-penetration of the military and political elites is common. This has had the effect of hindering or abetting, though not always in a positive fashion, the transformation of the region's militaries. Military transformation can be rendered unpalatable to those wishing to maintain

the status quo. Should they possess it, a government might wish to retain its ability to use the military as a means of internal repression. Or, military officials may wish to maintain the privileges afforded to them due to their positions and close connections with those in political power. Alternately, as mentioned inter-penetration can aid in transforming the military, but in a sub-optimal fashion. Undue emphasis could be placed on the modernisation of the military without reducing troop levels or achieving military accountability. This was the case in Ukraine where scarce resources were devoted to support an inefficient military-industrial complex.¹¹ Ostensibly intended to bring about increased reform in Ukraine's defense industry, the money merely functioned as a subsidy thereby permitting the sector to continue functioning in an inefficient and uncompetitive manner.

On its own, civilian control of a military is insufficient. To affect a true transformation, the countries must achieve effective and efficient oversight of their militaries by democratically elected representative bodies or by bureaucrats who have achieved their positions based on the merits of their actions. The degree of civilian expertise necessary for ensuring the accountability of their militaries did not exist in Bulgaria, Romania, Slovakia and Ukraine in the years following the collapse of socialism. Moreover, civilian authorities need to possess a proper understanding and acceptance of role of a military: external defence. For example, the growing tradition of civilian/democratic control of the military in Romania was briefly cast into doubt in 1997-99 when the democratically elected government attempted to use the military as a means for dealing with internal dissent and protest.¹²

¹⁰ Todaro, Michael. *Economic Development*. 7th Ed. (Reading, Massachusetts: Addison, Wesley, Longman., 2001), P. pp. 682-87.

¹¹ Lombardi, Ben. 'Ukrainian Armed Forces: Defence Expenditure and Military Reform.' *The Journal of Slavic Military Studies*. Vol. 14, No. 3 (September 2001), p. 33.

¹² Watts, Larry L. 'Reform and Crisis in Romanian Civil-Military Relations, 1989-1999.' *Armed Forces & Society*. Vol. 27, No. 4 (Summer 2001), pp. 610-612.

IV. Population Heterogeneity

LEAD INDICATORS	COUNTRY	GLOBAL PERFORMANCE RANK	TREND SCORE	VOLATILITY SCORE	RISK SCORE
Ethnic Diversity					
	Bulgaria	4.0	single measure		4.0
	Romania	4.0	single measure		4.0
	Slovakia	4.0	single measure		4.0
	Ukraine	5.0	single measure		5.0
Religious Diversity					
	Bulgaria	4.0	single measure		4.0
	Romania	6.0	single measure		6.0
	Slovakia	8.0	single measure		8.0
	Ukraine	6.0	single measure		6.0
Rish of Ethnic Rebellion					
	Bulgaria	7.0	single measure		7.0
	Romania	7.0	single measure		7.0
	Slovakia	6.0	single measure		6.0
	Ukraine	8.0	single measure		8.0
COMPOSITE POPULATION HETEROGENEITY SCORE					
	Bulgaria				5.0
	Romania				5.7
	Slovakia				6.0
	Ukraine				6.3

The degree of ethnic and religious diversity in a country can significantly influence its potential for conflict. In some heterogeneous societies, the competing demands of different ethnic and religious groups result in failures to achieve political consensus, contributing to tensions and in some cases the outbreak of violent conflict. This is especially the case in situations where there are high incentives for group action, such as a historical loss of group autonomy, long-standing or widening political and economic disparities between communal groups, or restrictions on cultural practices. In addition, the capacity for collective action also depends in large part upon the strength of a group's identity, and its level of political mobilisation.

Ethnic and Religious Diversity

Minorities in Bulgaria constitute approximately 16 % of the population, which according to the 2001 census totaled 7,707,495.¹³ The largest ethnic minority category is the Turks, nearly all of whom are Sunni Muslims, numbering about 758,000 or 9.4 % of the population. They are remnants of the Rumelian Turks of the Ottoman Empire, which dominated the lower Balkans until the late 19th century. Culturally the Turkish

community is relatively self-contained and is concentrated in the regions of Haskovo, Kardzhali and the Rodope mountains in the south-east, and around Razgrad in the north-east. The second largest minority is the Roma, which represents one of the largest and most homogeneous Roma communities in the world. According to the data of the National Statistical Institute, the size of the Roma ethnic group stands at 366,000 people and has increased by 53,000 people (16.9 %) since the previous census in 1991.¹⁴ However, it is impossible to determine the exact percentage of the Roma populace due to: the unwillingness of some to disclose their ethnic origin; the negative demographic growth in Bulgaria; and the economic hardships Bulgarians continue to face. Unlike the Turkish minority, the Roma are dispersed throughout the country. The majority are Muslims, with a minority being Eastern Orthodox practitioners. They have preserved the Romani language and culture distinct from that of other Bulgarians. A final major group is the Slav Macedonians, who call themselves Pirin Macedonians after the southwestern region of Bulgaria where they live. Their population is approximately 200,000; their exact number is unknown, as official censuses systematically under-report them. There are

¹³ *The World Factbook 2001*. <http://www.cia.gov>.

¹⁴ *National Statistical Institute Bulgaria*. <http://www.nsi.bg>.

also Gagauz Turks, who live in Bulgaria and practice the Greek Orthodox religion, and Pomaks, Bulgarian Muslims who number about 260,000 and live mainly in the Rhodope Mountains of southern Bulgaria.¹⁵ Minorities that make up less than 0.1 % of the population, yet which reveal the diversity of Bulgaria's inhabitants, include Alevites, Armenians, Albanians, Circassians, Czechs, Germans, Greeks, Hungarians, Jews, Romanians, Russians, Serbs, Tatars, and Vlachs.¹⁶

In Romania, according to the 1992 census, which provides the most recent ethnicity data, ethnic Romanians make up 89.4 per cent of the country's population. Over 1.6 million people identified themselves as Hungarian (7.1% of the population); while the estimated data indicates that the number of people whose native-tongue is Hungarian exceeds 1.8 million. Ethnic Hungarians make up 20 percent of the population in the region known as Transylvania, which occupies the northwestern one-third of Romania.¹⁷ They constitute a closed compact bloc mainly in the Szekler Region. Hungarians also live in other areas of Romania, such as the capital (Bucharest) and in Moldavia. There are two Hungarian groups (Magyars and Szeklers) that maintain separate identities. The Magyars are mainly Protestant and the Szeklers Roman Catholic, which in addition to distinguishing them from each other, also sets them apart from Romanians, who are mostly Eastern Orthodox or Uniates. There are another 13 minorities, including Roma (no reliable estimates of their population but unofficially 1.8 per cent), Germans (0.5 per cent) and Jews (today numbering less than 40,000).

The minority communities in Slovakia can be divided into three main groups with respect to the size of their population.¹⁸ The first group comprises the two largest minority groups – a Hungarian minority and a Roma minority. About 600,000 ethnic Hungarians live in scattered set-

tlements along the border between Slovakia and Hungary. Romanies have been in the former Czechoslovakia for at least 600 years. It was only in the 1991 Statistical Census that the Roma could, for the first time since the Second World War, express their cultural affiliation on the principle of self-identification. Unofficial estimates claim that as many as 450,000 live in Slovakia but the official census shows only 75,802 who identified themselves as Roma. The second group is composed of numerous but relatively smaller minority communities – Czechs (combined with Moravians and Silesians, 1.1 per cent), Ruthenians and Ukrainians (0.6 per cent), Germans (0.1 per cent), Russians (0.05 per cent) and Poles (0.05 per cent). The third group covers small minority groups e.g. Croatians, Bulgarians, as well as small other immigrant communities living in Slovakia.

Ukraine's overall population, of just more than 50 million, is comprised of roughly 73 per cent ethnic Ukrainians and about 22 per cent ethnic Russians, while other nationalities, such as the 260,000 strong Crimean Tatar community, make up the remainder.¹⁹ The nation is also heterogeneous in religion, with the Ukrainian population split mainly between Ukrainian Orthodoxy and Uniate Catholicism; Russian Orthodoxy, Islam, Protestantism, and Judaism are also represented. While ethnic Russians dominate the industrialised eastern regions and Crimea, ethnic Ukrainians comprise a significant majority in the western areas of the country. They currently control the nation's political and educational institutions, and therefore have the upper hand in state-building activities. But ethnic Russians in eastern regions, especially in Dnipropetrovsk, have significant influence over the country's financial structure, and thus are a voice that cannot be ignored. The Russians and Ukrainians, as Eastern Slavic peoples, are closely related culturally and linguistically.

Minorities at Risk

The Minorities at Risk (MAR) Project at the University of Maryland has assembled a wide range of data on ethnic groups world-wide that have been subjected to various kinds of cultural, political, and/or economic discrimination. Minority Groups are identified by the MAR Project as be-

¹⁵ Levinson, D. *Ethnic Groups Worldwide: A Ready Reference Handbook*. (Westport, Connecticut: Oryx Press, 1998), p.17.

¹⁶ Troebst, S. "Ethnopolitics in Bulgaria: The Turkish, Macodonian, Pomak and Gypsy minorities", *Helsinki Monitor* 5(1), 1994, pp. 32-42.

¹⁷ Levinson, D. *Ethnic Groups Worldwide: A Ready Reference Handbook*. (Westport, Connecticut: Oryx Press, 1998), p.66.

¹⁸ Bucek, J. *Managing Multiethnic Communities- Country Report on Slovakia*. (Local Government Initiative, Open Society Institute Budapest, 1999).

¹⁹ Levinson, D. *Ethnic Groups Worldwide: A Ready Reference Handbook*. (Westport, Connecticut: Oryx Press, 1998), p. 90.

ing "at risk" if the country in which they reside has a population greater than 500,000, the group itself has a population larger than 100,000 (or 1 percent of the country population), and it meets at least one of four criteria. These four criteria are: that the group is subject to political, economic, or cultural discrimination; that the group is disadvantaged from the past political, economic, or cultural discrimination; that the group is politically, economically or culturally advantaged, and that advantage is being challenged; or that the group supports political organisations advocating greater group rights. On the basis of these criteria, the MAR project has identified as 'minorities at risk' the Turks and Roma in Bulgaria; the Hungarians and Roma in Romania and Slovakia; and the Russians of the Ukraine, Russians of the Crimea, and Crimean Tatars of the Ukraine.

The Roma in Bulgaria, Romania and Slovakia

Presently, there are between five and six million Roma living in East Central Europe, including Russia and Ukraine; another between two and three million lives elsewhere in Europe. The largest Roma populations in the region are in Romania (1.8-2.5 million), Bulgaria (700,000-800,000), and Slovakia (450,000-500,000). The integration and treatment of the Roma minority continue to be serious challenges in these three countries. The situation of the minority deteriorated sharply after 1989. In a climate of change which left other minorities hopeful about the future, Roma have faced discrimination, poverty and in some cases, death. While the communist system was far from perfect, it did at least improve the living standard of the Roma minority by including them in the country's socialised medical, educational, housing, and compulsory employment systems. Roma have been the most affected by the transition to a market economy because of the lack of a qualified labour force, which leads to high rate of unemployment within that population. Roma still have a higher illiteracy rate than the rest of the population and are under-represented in mid-level and higher education. Besides being less educated and less skilled, Roma suffered from the prejudices against them in the society. That Roma are active in the black market and prostitution and have a disproportionately high crime rate perpetuates this stereotype. The proliferation of Roma political parties and the lack of support at the polls for these parties by the Roma have left them with no representation in the national government. However, they now

have a government-sponsored autonomous assembly to represent them in Slovakia, and increasing pressure from the European Union and other multinational and nongovernmental organisations to address the problem. This factor suggests that while the problems facing the Roma in Slovakia may not be getting better, at the very least, they will not be getting any worse in the coming years. Although there were encouraging signs in April 1999 in Bulgaria when at a national roundtable the Roma community and the government signed an agreement known as *The Framework Program for Equal Integration of Roma into Bulgarian Society*,²⁰ almost no progress has been made to implement the short-term goals in the programme by end of 2001. Similarly, during 2001 the Romanian government took steps to address the marginalised status of the Roma minority, including the creation of a national strategy for improving conditions for Roma. But most such efforts have been ineffective due to high levels of societal discrimination and a lack of political will and resources. Divisions among the Roma themselves, along with their poverty and limited education, have constrained their ability to challenge effectively governmental and societal discrimination. Discrimination and intolerance led many Roma to seek asylum abroad.

Ethnic Turks in Bulgaria

The post-Communist Bulgarian Constitution (adopted on July 13, 1991) recognises no ethnic minorities but does recognise "citizens, for whom the Bulgarian language is not their mother-tongue".²¹ Ethnic relations are mostly harmonious and no significant outbreak of ethnic violence has occurred since 1989. However, in the early 1970s, Bulgarian Muslims, also known as "Pomaks", were obliged to change their names to traditional Bulgarian ones; if they refused, they were denied identity papers which were necessary to draw money, pensions, and

²⁰ Some of the measures foreseen in the programme were: creation of bodies to deal with minority problems in the central and local administrations; adoption of an anti-discriminatory act; ratification of Protocol 12 of the European Convention for Human Rights; and setting up a state agency for minorities. The government programme, however, failed to address some of the key issues in the Framework Programme, namely de-segregation of Roma schools, territorial regulation of Roma neighborhoods, and the study of the mother tongue.

²¹ Troebst, S. "Ethnopolitics in Bulgaria: The Turkish, Macedonian, Pomak and Gypsy minorities", *Helsinki Monitor* 5(1), 1994, p.33.

state salaries from bank accounts.²² Resistance and protest often resulted in violence and imprisonment.²³ A similar name-changing campaign was instituted against the Turkish ethnic community in the mid-1980s. The memories of the Ottoman rule, the growing size of the Turkish community in the late 1960s and 1970s, and yet their increasing coherence as an ethnic group led to much publicised campaign of forced “bulgarianisation”. At the time, the “Bulgarian authorities stated that the ethnic Turks were in fact descendants of Slav Bulgarians who had been forcibly converted to Islam under Ottoman rule (i.e. that they were Pomaks).²⁴ Until 1990, according to the Bulgarian state authorities there were no Turks in Bulgaria, there were only “Islamicised Bulgarians”. History books were rewritten to avoid the term “Turks”. Turkish people were systematically discriminated against, were relegated to the performance of the least-skilled jobs, and were effectively barred from political access. These initial expulsions quickly evolved into a mass exodus of the Turkish population. By August 1989, over 300,000 persons had emigrated from Bulgaria to Turkey.²⁵ Despite all the hardships ethnic Turks faced in Communist Bulgaria, they retained their separate identity as Turks; and after the collapse of Communism the liberalising trends have become instruments for the Turkish minority to activate their linguistic, ethnic, and religious support systems as a means to revive their identity quickly. They now have full political, cultural and religious rights and have considerable influence in Bulgaria’s government. However, insecurity and unease persist because there is considerable workplace discrimination against ethnic Turks.

The Turkish minority from Kardzhali area in a number of instances displayed different degrees of conflict behavior in 1998 and 1999. The major reason for this situation is the fact that the pressure of the economic crisis in this part of the country is stronger than the region of Razgrad because of the lower opportunities for employment in agriculture and industry.²⁶ However, the economic situation in Southern Bulgaria (in the regions of Kardzhali and Haskovo) in the 2000-

2001 improved substantially with the opening of dozens of small enterprises by Turkish and Greek investors.²⁷ In view of the existing situation it is expected that the major determining issues of the status of the Bulgarian Turks in the near future will depend on the economic situation in the mixed-population regions in Bulgaria and on the organisation of parties representing the interests of the ethnic Turks in Bulgaria.

The Hungarians in Romania and Slovakia

In Romania, Hungarians, who make up 7.1 % of the population, are officially the largest minority group. The Hungarians have a very strong sense of their identity. This is partly due to the proximity of Hungary itself and partly due to intellectual and cultural traditions dating back to 19th century. Inter-ethnic relations between the majority Romanians and minority Hungarians have deteriorated since the overthrow of Ceausescu. The majority of the Romanians still believe Hungary wants to regain control over Transylvania, the province invested with a mythical significance, which is considered as having made a crucial contribution to the autonomous survival of both nations.²⁸ Tensions have resurfaced over several issues: the rising expectations of ethnic Hungarians for regional and cultural autonomy; the HDUR’s demand for mother-tongue teaching; and parliament’s reluctance to allow for the creation of a German-Hungarian state university. The Romanian Government appears to be making an effort to afford rights to the Hungarian community in accordance with the European standards. However, these policies are seen by the ethnic Hungarians as “window dressing” to help Romania gain membership in the European Union and NATO.

In Slovakia, most of the grievances of Hungarians focus on cultural and political issues. Moreover, they are economically disadvantaged due to the past government practices. Though the leaders of Hungarian parties signed a statement in September of 1996 affirming their loyalty to Slovakia, they continue to aspire to autonomy within the Hungarian areas in southern Slovakia, especially with respect to language, education, and cultural issues. Since the 1998 elections, which simultaneously gave power to the Hungar-

²² *World Directory of Minorities: St. James International Reference*, Chicago: St. James Press, 1990, p.118.

²³ Poulton, H. *The Balkans: Minorities and States in Conflict*, London: Minority Rights Group, 1991, p. 111-15.

²⁴ *Ibid*; 130.

²⁵ *Ibid*; 157.

²⁶ *Bulgaria Annual Early Warning Report 2001*. <http://www.undp.org/rbec>.

²⁷ *Ibid*.

²⁸ Delerant, D. *Ceausescu and the Securitate: Coercion and Dissent in Romania 1965-1989*. (Armonk, NY : M. E. Sharpe), p. 107.

ian parties and removed the nationalist SNS (Slovak National Party) from the government, tensions seem to have declined considerably. The passage of the language law and the reinstatement of the various protections given to Hungarians and other minorities in education have eliminated some of the most pressing issues for the Hungarian community. In addition, the new government has shown a willingness to conform to the norms of the European Community in exchange for inclusion – a position fiercely resisted by the SNS. Despite these changes, however, the situation remains serious. While the current coalition government includes Hungarians, there are signs that anti-Hungarian sentiments remain entrenched in the civil service. The new language laws have not yet been fully tested; conflicts may arise during implementation or judicial interpretation. Furthermore, many Slovaks fear the magyarisation of southern region, and claim that they suffer discrimination at the hands of the Hungarians. These issues may linger for years, creating the potential for future conflicts.

The Russians and Tartars of the Ukraine

Prior to independence 1991, Russia governed Ukraine for almost three and a half centuries. During this period, Russian Tsars and Soviet General Secretaries acted to repress a separate Ukrainian cultural identity. The hostility generated by recent history continues to colour perceptions in Ukraine today. Perhaps the greatest worry among those in intellectual and government circles is that Ukrainian traditions remain endangered by Russian cultural hegemony. Consequently, Ukraine's constitution recognises the multiethnic character of the state, while establishing Ukrainian as the sole state language. Laws are also designed to promote greater use of Ukrainian in education and the mass media. However, the country's capacity to act independently of Moscow is limited, due in large part to Ukraine's economic dependency on Russia for nearly all of its natural gas and oil supplies. In addition, 38 per cent of Ukraine's foreign trade is with Russia, according to official Ukrainian statistics. In the Crimea, irredentism is fairly strong owing to the overwhelming majority of Russians there (ethnic Russians comprise 64 per cent of the population) and to the weak historical link between Crimea and Ukraine. Russians in Crimea have engaged in sustained protest during the 1990s, one of the leading indicators of future rebellion. Another problem, according to independent experts and Ukrainian

officials in Kiev, is the Russian's leadership's domination of the Crimea's mass media, which can facilitate the spread of inaccuracies. Until the Ukrainian leadership formulates some kind of national approach, inconsistencies and tensions will continue.

The population movements that emerged or re-emerged as a result of the dissolution of the Soviet Union in 1991 have taken place against a general background of deepening economic and socio-political crisis. The dilemma is well illustrated by the Crimean Tatars, a "deported people" forced en masse to relocate from Crimea to remote parts of Central Asia in 1944. During this brutal deportation, over 250,000 people were relocated. Between 1993 and 1999, massive influx of Crimean Tatars, along with smaller numbers of Bulgarians, Armenians, Greeks, and Germans, returned to the Crimea after facing persecution and conflict in the former Soviet Central Asian republics. Most of the formerly deported people remained stateless until Ukraine adopted legislation in 1998 to simplify the naturalisation process, removing a mandatory, five-year residence and a language-proficiency requirement. By the end of 2001, more than 230,000 formerly deported persons had acquired Ukrainian citizenship, and the statelessness problem for formerly deported peoples was well on its way to being resolved. However, the political implications associated with the movement are grave. The return of the Crimean Tatars, has weakened Russian demographic dominance and prompted worries about a large-scale restitution-compensation drive to recover property taken over by Russians after 1944. Fortunately, in the Crimea and throughout Ukraine, the conflicts among different ethnic groups and their political elite did not result in any violence or armed clashes. In the long run, the situation of the Crimean Tatars in Ukraine will depend to a large degree on the economic situation in the country so that economic funds can be freed up to better their living conditions without taking resources away from Russians and Ukrainians. However, the current economic prospects for the Ukraine are not particularly bright.

Assessing the Risk of Ethnic Rebellion

In his analysis of the characteristics of Minority groups at Risk as coded in the MAR data set,

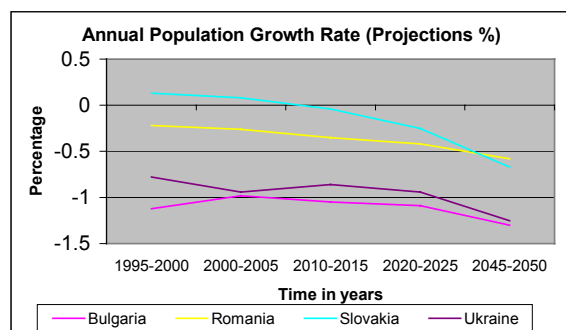
Ted Gurr identified six risk factors that according to tests correctly identified 88 % of existing ethnic rebellions.²⁹ These factors are: the persistence of protest in the recent past; government repression; territorial concentration; group organisation; regime instability; and transitional support from foreign states. Based on the data from 1998 for each of these key variables, and using logistic regression analysis, Gurr calculated scores for the risk of future rebellion for each minority at risk group. The range of estimated values is -7.03 to 3.42 (the highest observed value is 2.10) and the groups with values of -0.54 and higher are assumed to have significant risks of future rebellion. According to these criteria, only Hungarians in Romania (0.15), Crimean Tatars in Ukraine (1.98) and Crimean Russians in Ukraine (1.98) are above this threshold, i.e. high or very high risk of future ethnic rebellion.

²⁹ Gurr, T.R. *Peoples versus States: Minorities At Risk in the New Century*. (Washington, DC: United States Institute of Peace Press), 2000.

V. Demographic Stress

LEAD INDICATORS	COUNTRY	GLOBAL PERFORMANCE RANK	TREND SCORE	VOLATILITY SCORE	RISK SCORE
Total Population		(Avg. 1995-2000)			
	Bulgaria	5.6	exempt		5.6
	Romania	7.4	exempt		7.4
	Slovakia	5.0	exempt		5.0
	Ukraine	8.0	exempt		8.0
Population Growth Rate (Annual %)		(Avg. 1995-2000)			
	Bulgaria	1.0	0.0	0.0	1.0
	Romania	1.0	0.0	1.0	2.0
	Slovakia	2.0	1.0	2.0	5.0
	Ukraine	1.0	0.0	1.0	2.0
Population Density (people per km²)		(Avg. 1995-1999)			
	Bulgaria	5.6	exempt		5.6
	Romania	6.0	exempt		6.0
	Slovakia	6.0	exempt		6.0
	Ukraine	6.0	exempt		6.0
Urban Population (% of Total)		(Avg. 1995-2000)			
	Bulgaria	7.0	exempt		7.0
	Romania	5.0	exempt		5.0
	Slovakia	5.8	exempt		5.8
	Ukraine	7.0	exempt		7.0
Urban Population Growth Rate (Annual %)		(Avg. 1995-1999)			
	Bulgaria	1.0	-1.0	0.0	0.0
	Romania	1.4	0.0	0.0	1.4
	Slovakia	1.4	0.0	0.0	1.4
	Ukraine	1.0	-1.0	1.0	1.0
Youth Bulge (Pop. Aged 0-14 as a % of Total)		(Avg. 1995-2000)			
	Bulgaria	1.0	-1.0	0.0	0.0
	Romania	1.8	-1.0	0.0	0.8
	Slovakia	2.0	1.0	2.0	5.0
	Ukraine	1.8	-1.0	0.0	0.8
COMPOSITE DEMOGRAPHIC STRESS SCORE					
	Bulgaria				3.2
	Romania				3.8
	Slovakia				4.7
	Ukraine				4.1

The size, density, distribution and composition of a country's population can contribute greatly to the potential for violent conflict. Changes in these factors, such as rapid rates of growth and urbanisation, can also accelerate the conflict development process through heightening competition for access to physical and social resources, due to increasing scarcity, growing inequality, and environmental degradation.



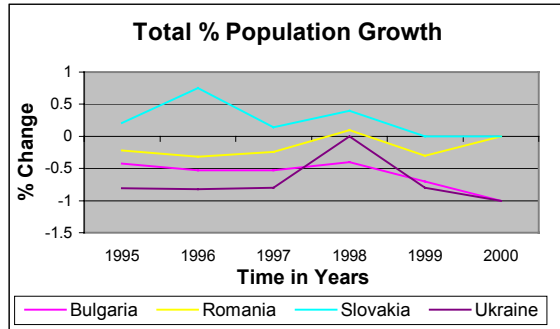
In the case of the countries examined, Slovakia is the only one to have witnessed positive, albeit declining, population growth over the last five years. While the current trend of negative population growth rates in these countries effectively mirrors population trends in other developed countries in the region, over time declining population growth rates in the region may prove detrimental to the economic development and growth.

The rate of population growth in the in many developed and transition countries have generally stagnated over the last decade. And, according to the UN Population Division, this trend in declining growth rates is likely to continue for the next few decades.³⁰

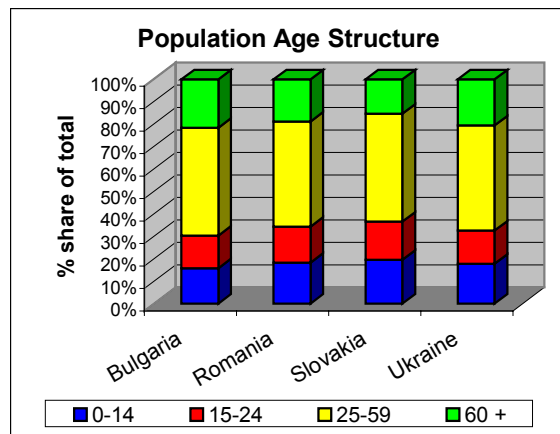
³⁰ UNPOP. *World Population Prospects: The 2000 Revision*. Available at: <http://www.un.org/esa/population/unpop.htm>

Population Age Structure

The age composition of a population is a powerful element in its tendencies to violence. Evidence suggests that the younger the population



and the higher the level of unemployment for example, the greater the potential for violence. Young, unemployed populations can also be politically volatile constituents, placing far less trust in political institutions and patterns of au-



thority.

Based on the current data the age structure seems to have stabilised in all of the countries examined here. All four countries have experienced negative or zero population growth rates since 1998, and have been far below the population replacement rates for over a decade. Negative population growth rates will however, have a significant effect on the demographic structure of these societies.

The current pattern of population growth is expected to increase the age dependency ratio within the next 10 years. Meaning: as these populations continue to age, and growth rates

remain far below replacement rates, a shift will occur in the dependency structure of these societies. Increasingly fewer young people will be available to enter the workforce, thereby enhancing the dependency burden of larger proportions of older people, onto an ever-smaller proportion of the working aged population.³¹ While the economic impacts of transition may have made negative population growth an asset over the last decade, the negative externalities of such demographic changes can however be problematic.

In transition economies, the social impacts of increasing age dependency ratios are likely to be further magnified by transition itself. The combination of an increasing age dependency ratio, economic contractions and subsequent declines in expenditures to health and other social spending will likely be an area concern in the long run.

Internal Migration and Urbanisation

Trends in internal migration continue to make population mobility a critical demographic issue for the stability of any country.

Rural to urban migration has largely leveled off over the last five years, with urban growth rates stabilising at less than 1%; and as is the case with Bulgaria and Ukraine, have remained negative since 1996. Declining urban growth rates are likely a symptom of economic transition and the myriad of externalities related to the shift to market economies. Some of these externalities include the contraction of these economies in the immediate wake of transition, rising unemployment and declines in overall population growth; all of which will have an impact on recent rates of urban population growth and patterns of internal migration.

³¹ 2000 Romania Development Report. P. 30.

VI. Economic Performance

LEAD INDICATORS	COUNTRY	GLOBAL PERFORMANCE RANK	TREND SCORE	VOLATILITY SCORE	RISK SCORE
GDP Growth Rate (Avg. 1996-2000)					
(Annual %)	Bulgaria	6.4	-1.0	1.0	6.4
Source: World Bank, World Development	Romania	7.8	1.0	2.0	10.8
Indicators	Slovakia	4.2	1.0	1.0	6.2
	Ukraine	7.4	-1.0	1.0	7.4
GDP Per Capita (Avg. 1996-2000)					
(PPP, Current International \$)	Bulgaria	4.5	1.0	1.0	6.5
Source: World Bank, World Development	Romania	4.0	1.0	1.0	6.0
Indicators	Slovakia	3.0	-1.0	1.0	3.0
	Ukraine	5.0	1.0	0.0	6.0
Inflation (Avg. 1996-2000)					
(Consumer prices (annual %))	Bulgaria	7.8	-1.0	2.0	8.8
Source: World Bank, World Development	Romania	9.0	0.0	1.0	10.0
Indicators	Slovakia	6.0	1.0	0.0	7.0
	Ukraine	8.6	1.0	1.0	10.6
Official exchange rate (Avg. 1996-1999)					
(LCU per US\$, period average)	Bulgaria	1.8	1.0	1.0	3.8
Source: World Bank, World Development	Romania	9.0	1.0	1.0	11.0
Indicators	Slovakia	5.0	1.0	0.0	6.0
	Ukraine	2.0	1.0	1.0	4.0
Foreign direct investment (Avg. 1995-1999)					
(Net inflows (% of GDP))	Bulgaria	3.8	-1.0	2.0	4.8
Source: World Bank, World Development	Romania	4.4	-1.0	2.0	5.4
Indicators	Slovakia	5.2	-1.0	1.0	5.2
	Ukraine	6.4	-1.0	0.0	5.4
Total Debt Service (Avg. 1996-1999)					
(% of GNP)	Bulgaria	8.8	-1.0	1.0	8.8
Source: World Bank, World Development	Romania	6.8	1.0	2.0	9.8
Indicators	Slovakia	7.8	1.0	1.0	9.8
	Ukraine	5.0	1.0	2.0	8.0
Trade Openness (Avg. 1995-1999)					
(Trade as a % of GDP)	Bulgaria	3.0	1.0	1.0	5.0
Source: World Bank, World Development	Romania	6.0	1.0	0.0	7.0
Indicators	Slovakia	1.8	-1.0	0.0	0.8
	Ukraine	3.5	-1.0	2.0	4.5
Inequality Score					
(GINI Coefficient)	Bulgaria	2.0	single measure		2.0
Source: World Income Inequality Database	Romania	2.0	single measure		2.0
	Slovakia	1.0	single measure		1.0
	Ukraine	2.0	single measure		2.0
COMPOSITE ECONOMIC PERFORMANCE SCORE					
	Bulgaria				5.8
	Romania				7.8
	Slovakia				4.9
	Ukraine				6.0

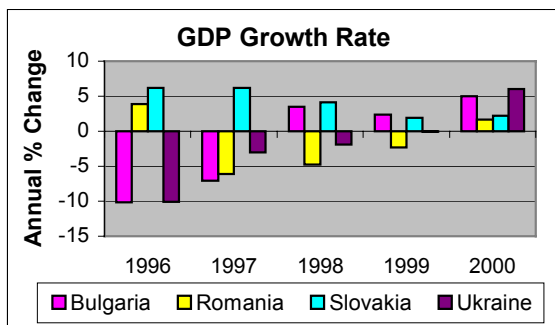
The linkages between economic performance and potential for violent conflict are strong. Low or declining incomes, high inflation, exchange rate fluctuation or collapse, and volatile levels of foreign investment significantly impact material living standards, and can create or aggravate

dissatisfaction with government performance, undermining government credibility. High levels of economic inequality contribute to social fragmentation, declining state legitimacy, and can create scapegoats of economically privileged minorities. Low involvement in international

trade is also associated with higher risk of state failure, given that the conditions that inhibit high levels of international trade and foreign investment (such as rampant corruption and poor infrastructure) also contribute to the risk of political crises.³²

Gross Domestic Product and Growth Rates

Gross domestic product (GDP), GDP growth rates and GDP per capita are common indicators used in measuring economic growth and development. The collapse of the socialist, command economy system brought about a sharp drop in GDP for the countries of Central and Eastern Europe. GDP Growth Rate is accorded a High Risk rating in Bulgaria, Romania, Slovakia, and Ukraine. Growth was particularly weak during the 1990s due to the reluctance of the countries to adopt and enforce the necessary, though often painful, reforms integral to transformation. This has changed in the last 4-6 years, largely as a result of the severe economic crisis experienced by Bulgaria and Romania in 1996 (due to the collapse of Bulgaria's exchange rate mechanism) and for the region as a whole in 1998 (due to the economic turmoil in Russia). As the graph shows, it is only in the last 2 years that the countries have again begun to experience consistent positive GDP growth.

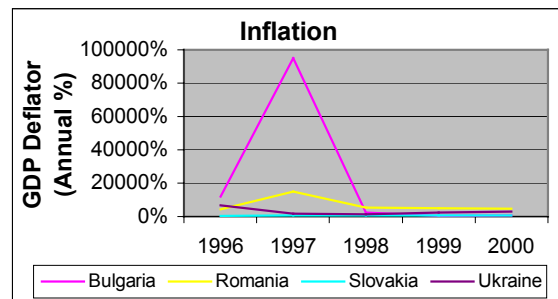


In general, many of the CEECs are only now beginning to approach pre-1990 levels of GDP and GDP growth. However, this does not necessarily indicate a return to a standard of living comparative to that during the Communist period. In the absence of heavy state intervention, the prices of consumables are approaching world prices, which in many cases are far above

those set by the socialist governments of CEECs. These price increases are synonymous with a further risk factor: inflation.

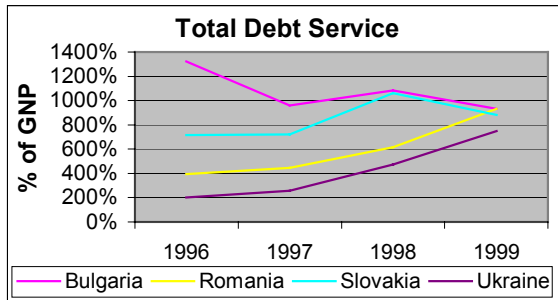
Macroeconomic Risk Factors

Inflation is accorded a high risk rating in Bulgaria (8.8) and Slovakia (7.0) and a very high risk rating in Romania (10.0) and Ukraine (10.6). Moreover, the rates of inflation are either consistent or increasing (with the exception of Bulgaria which is a result of the climb down from the post-1996 collapse of the currency controls) and there is also a great deal of volatility in inflation rates. Inflation is particularly problematic for countries attempting to affect an economic transformation. There are two ways a country can spur economic growth, through reliance on foreign capital (i.e. foreign aid or FDI) or through domestic savings. Inflation eats into domestic savings, reducing or eliminating this option for financing the transformation process, and makes attracting foreign resources even more important.

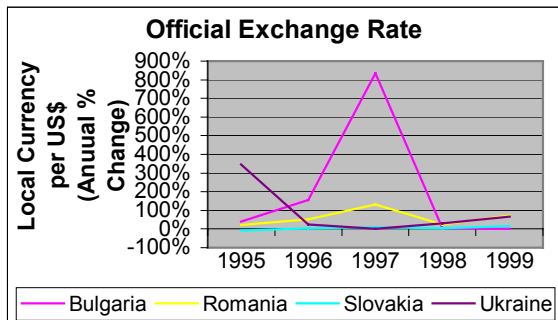


Each of the countries, scored high or very high (Romania) on Total Debt Servicing. Bulgaria's risk rating is 8.8, Romania's is 9.8, as is Slovakia's and Ukraine scored 8.0. Moreover, the countries are experiencing a positive growth in their level of Debt Servicing, with the exception of Bulgaria whose absolute level of Debt Servicing as a percentage of GDP nonetheless remains high.

³² See in particular the University of Maryland's "State Failure Project" <http://www.bsos.umd.edu/cidcm/stfail/>.



Exchange rates are not a high risk factor for these countries with the exception of Romania (11.0). However, even mild fluctuations in exchange rates can have important implications for other related indicators. For example, exchange rate volatility creates difficulties in predicting growth through trade and exports. It also causes the value of debts held in foreign currencies to fluctuate which renders it difficult for politicians to make realistic budgets and further complicates predictions.



Trade (Diversion / Creation)

Trade is an important aspect of the transition and development process. High levels of trade indicate openness to the global economy and progress towards the development of viable and sustainable market economies. It is integral to relations with the EU and plays a pivotal role in liberalising the economies of the CEECs.

The EU is the principle trading partner for each of the countries, with aggregate levels of trade consistently increasing since the beginning of the 1990s. Bulgaria, Romania, Slovakia and Ukraine depend heavily on access to the EU market. However for the EU, imports from and export to the four countries constitute only a tiny portion of its total trade. Moreover, with the exception of Slovakia, the countries currently experience yearly deficits in their balance of trade

with the EU. Attention should be given to substituting enforced dependence on the Soviet Union for a 'voluntary,' but no less potentially negative, dependence on trade with the European Union.

In addition to the aggregate levels of trade, the composition of imports and exports provides an indication on the progress of the CEECs development efforts and their success in achieving structural reform. An examination of the composition of the trade between the EU and Bulgaria, Romania, Slovakia and Ukraine shows a striking asymmetry. Exports from the four countries tend to consist largely of labour intensive goods or raw materials. For example, the principle exports from Bulgaria and Romania consist of primarily of labour and resource intensive goods whereas imports tend to consist of capital intensive goods. The heavy focus on labour intensive goods is primarily due to the relatively small percentage of goods and services that are cost and quality competitive. In addition, over the years, these countries' share of labour intensive exports to the EU have tended to increase, while exports of capital intensive goods remained relatively poor. In part this is indicative of a larger trend. In general, EU imports consist disproportionately of labour intensive goods; whereas the relationship is inverted in the case of capital intensive goods.

Consequently, the trade structures of these CEECs are very similar.³³ Their exports tend to consist of the same types of goods. Therefore, following the upcoming EU enlargement and, as a result of its 'discriminatory nature', the Union is likely to trade with those CEECs that are admitted at the expense of those that remain outside.³⁴ With the extension of the EU's internal market trade and investment barriers will be lowered between the current and new member states. This may result in a shift away from countries where barriers remain to a focus on doing business and investing in the economies of the new members; all in order to capitalize on reduced transaction costs (due to the free movement of goods, capital, services and labour). It is anticipated Slovakia will accede to

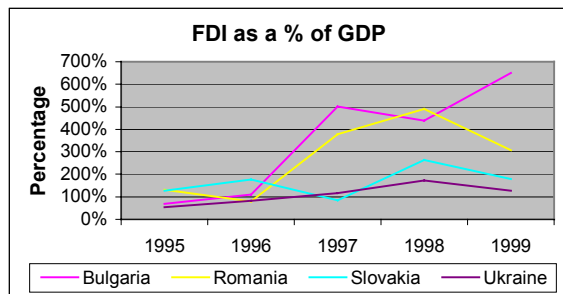
³³ Fidrmuc, Jarko. 'The Political Economy of Restructuring of East-West Trade: Economic Winners and Losers in the CEECs and EU' EUI Working Papers. (No. 99/15) Florence: European University Institute, 1999, p. 25.

³⁴ van Brabant, Jozef M. 'The Impact of Widening on Outsiders' in van Brabant, Jozef M. ed. *Remaking Europe: The European Union and the Transition Economies*. (New York: Rowman & Littlefield Publishers, Inc., 1999), p. 193.

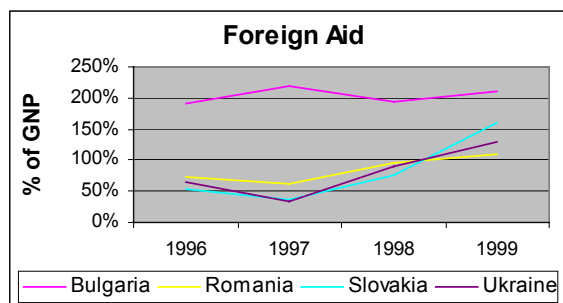
the EU in 2004, but should this trade diversion phenomenon arise, Bulgaria, Romania, and Ukraine will be negatively affected.

Capital Inflows (Investment and Foreign Aid)

Foreign direct investment and foreign aid are crucial to the efforts of the CEECs to implement the structural reforms necessary to complete their transition to market economies. For those seeking EU membership, pre-accession aid is also vital to fulfilling the numerous accession criteria. The initial slow progress of the countries at economic liberalisation impeded their ability to attract long-term capital investment. Bulgaria and Slovakia have since succeeded in implementing extensively liberalising reforms. Despite increases in FDI during the last half of 1990s, the year 2000 saw a decline in levels of investment (with the exception of Bulgaria).



However, FDI increases, and decreases, have also been accompanied by rising rates of Foreign Aid (again with the exception of Bulgaria where rates of Foreign Aid have remained largely consistent).



In order to complete the structural reforms necessary to complete the transition process, and if so desired fulfill the EU's membership criteria, the countries will need to attract higher levels of

FDI. The other alternative is to seek greater foreign aid which is not always beneficial. Moreover, capital requirements are anticipated to increase as the countries continue along the transformation process and approach greater parity with Western European standards and levels of development.³⁵ Without increased quantities of FDI and/or foreign aid, the countries will be required to cover the 'price' of transformation and EU accession preparation by relying to a greater degree on financing drawn from domestic savings.³⁶ However, as already mentioned, domestic savings are being eroded by high levels of inflation.

In addition, merely increasing capital inflows is insufficient. The countries also need to improve on their absorption of investment and financial aid by focusing on solving problems of economic growth.³⁷ EU accession criteria and foreign pressure in general can be problematic in this regard. The countries are often required to apply aid to the implementation of administrative reforms. However, applying aid to investment, instead of administrative reform, would promote greater progress on structural reforms.³⁸ By increasing the pace of liberalisation, capital can circulate in the economy more quickly. This in turn leads to an acceleration of the multiplier effect and spurs on increased growth and further liberalisation. That is not to say that administrative reforms and the application of the rule of law are unimportant, as the following section highlights.

The Pervasiveness of Corruption

The GRECO (Groupe d'Etats contre la corruption) reports from the Council of Europe indicate corruption is a systemic problem in Central and Eastern Europe.³⁹ While the extent and degree of corruption varies from country to country, it is

³⁵ The author is making the point in reference to Bulgaria. However, the overall distribution of the proportion of financing from the various is likely to be comparable if not identical in Romania, Slovakia and Ukraine. Angelov, Ivan. 'Costs and Benefits of Bulgaria's Integration into the European Union' *Sudosteuroopa*. Vol. 50, No. 1/3 (2001), p. 18

³⁶ *Ibid.*, p. 19-22.

³⁷ Economic Policy Institute, Sofia and Center for the Study of Democracy, Sofia. 'Bulgaria and Romania' in Tang, Helena. ed. *Winners and Losers of EU Integration: Policy Issues for Central and Eastern Europe*. (Washington, DC: World Bank, 2000), p. 108.

³⁸ *Ibid.*, p. 107.

³⁹ Council of Europe. *GRECO Evaluation Reports*. <http://www.greco.coe.int>

largely seen as a side-effect of the transformation to market oriented economies. The lack of a rigorous regulatory system, following the collapse of command economies, left gaps which have resulted in a growth in organised crime and a rise in elite level corruption. Bulgaria, Romania, Slovakia and Ukraine are not untouched by this problem.

Each of the four countries has made efforts to tackle their corruption problems with varying degrees of enthusiasm and success. According to the 2001 Global Corruption Report, of the countries considered here, Slovakia is the most advanced in attempting to combat its corruption problem.⁴⁰ Slovakia's upcoming accession to the EU is held as a major factor for its superior progress at combating its corruption problem. Countries on the verge of accession to the EU face greater pressure implement anti-corruption measures; they must ensure their standards of regulatory integrity are on par with those in Western Europe. For Bulgaria and Romania, who are not slated to accede with the first wave, and Ukraine which has not applied to join the EU, anti-corruption efforts are much less advanced.

Corruption is regarded as a significant problem because its impacts are unambiguously negative and cross-cutting in nature. Public perceptions of corruption contribute to frustration with efforts at transforming the economy, which instead of promoting increasing prosperity are seen to result in growing inequity. The more the average citizen perceives the system does not work for them, the more they are inclined to also by-pass regulations and resort to corrupt practices and the informal economy. This impedes the development of functioning market economies and economic development. Further, elite level corruption leads to dissatisfaction with and jaded attitudes towards the democratisation process.

Weak regulatory structures and pervasive corruption further discourages investment from abroad. International investors, who might otherwise be inclined to invest in these countries, in order to capitalize on low labour-capital ratios and potentially higher rates of return, will instead choose to look elsewhere. Unless they succeed in effectively addressing their corruption problems and regulatory shortfalls, Bulgaria, Roma-

nia, Slovakia (somewhat less so) and Ukraine will increasingly lose investment opportunities to neighbouring countries that are more advanced in their anti-corruption efforts and can offer international investors the same potential returns. And, as already mentioned, without consistent, and ideally increasing, FDI the transformation process in these countries will become increasingly difficult.

⁴⁰ Transparency International. *Global Corruption Report 2001*. <http://www.globalcorruptionreport.org>

VII. Human Development

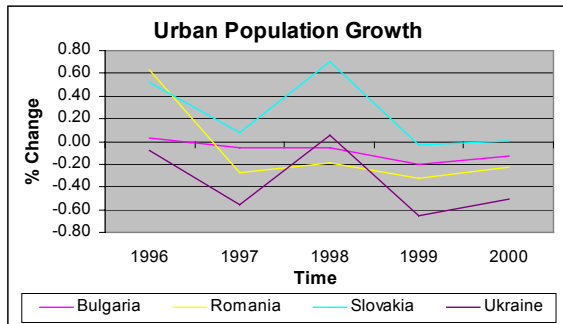
LEAD INDICATORS	COUNTRY	GLOBAL PERFORMANCE RANK	TREND SCORE	VOLATILITY SCORE	RISK SCORE
Access to Improved Water Source (2000)					
(% of Total Population)	Bulgaria	1.0	single measure		1.0
	Romania	8.0	single measure		8.0
	Slovakia	1.0	single measure		1.0
	Ukraine	2.0	single measure		2.0
Access to Sanitation (2000)					
(% of Total Population)	Bulgaria	1.0	single measure		1.0
	Romania	7.0	single measure		7.0
	Slovakia	1.0	single measure		1.0
	Ukraine	2.0	single measure		2.0
Life Expectancy (Years) (Avg. 1997-2000)					
	Bulgaria	4.0	-1.0	0.0	3.0
	Romania	5.0	-1.0	0.0	4.0
	Slovakia	3.0	2.0	0.0	5.0
	Ukraine	6.0	-1.0	1.0	6.0
Infant Mortality Rate (Avg. 1997-1999)					
(per 1000 live births)	Bulgaria	3.5	-1.0	0.0	2.5
	Romania	4.0	-1.0	0.0	3.0
	Slovakia	2.0	2.0	2.0	6.0
	Ukraine	3.0	0.0	0.0	3.0
Maternal Mortality Rate (1995*)					
(per 100,000 live births)	Bulgaria	2.0	single measure		2.0
	Romania	4.0	single measure		4.0
	Slovakia	1.0	single measure		1.0
	Ukraine	3.0	single measure		3.0
HIV/AIDS (% of Adult Population) (1997,1999)					
	Bulgaria	1.0	-1.0	0.0	0.0
	Romania	2.0	0.0	0.0	2.0
	Slovakia	1.0	0.0	1.0	2.0
	Ukraine	7.5	1.0	1.0	9.5
Primary School Enrollment (Avg. 1995-1998)					
(% of Relevant Age Group)	Bulgaria	4.7	0.0	0.0	4.7
	Romania	2.0	1.0	0.0	3.0
	Slovakia	..	..	..	..
	Ukraine	..	..	..	..
Secondary School Enrollment (Avg. 1995-1998)					
(% of Relevant Age Group)	Bulgaria	4.0	1.0	0.0	5.0
	Romania	4.0	0.0	0.0	4.0
	Slovakia	..	..	..	..
	Ukraine	..	..	..	..
Child Labour (Avg. 1998-1999)					
(% of Children Aged 0-14)	Bulgaria	1.0	-1.0	0.0	0.0
	Romania	1.0	-1.0	0.0	0.0
	Slovakia	1.0	0.0	1.0	2.0
	Ukraine	1.0	0.0	1.0	2.0
COMPOSITE HUMAN DEVELOPMENT SCORE					
	Bulgaria				2.1
	Romania				3.9
	Slovakia				2.6
	Ukraine				3.9

As with overall levels of economic development, poor levels of human development correlate

strongly with higher risk of violent conflict and state failure. The lack of, or decline in, public

services such as health care, education, safe water and sanitation indicate weak state capacity to provide and allocate vital services. This can decrease population confidence in the state, leading to political instability and social unrest. So too can unmet expectations regarding educational opportunities or other opportunities for social advancement increase discontent and the likelihood and severity of civil strife. Low levels of investment in human capital can also hinder the development of a skilled labour force, necessary for creating livelihoods and increasing incomes and so on in a downward spiral.

The development situation and, hence, the emerging priorities in all of these countries stem from the ongoing processes of transition that began about a decade ago. The overall impact of transition from centrally planned economies has had a significant affect on the quality of life of the people living in southeastern Europe. While the manifestations of these impacts have varied from country to country the, human development in the region generally have stagnated, and in some cases declined.⁴¹



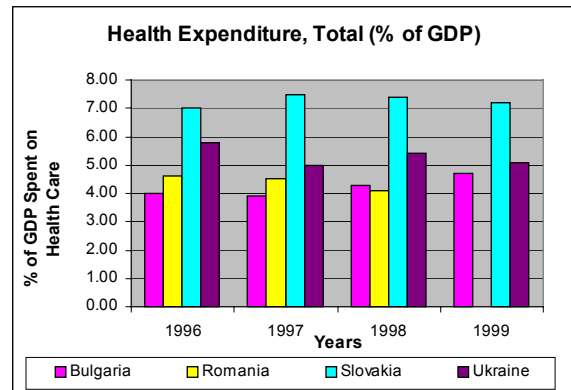
Some of the most noticeable areas of human development affected by the transition to market economies have occurred in the area of declining public spending on health and public services.

While health expenditures as a percentage of GDP has remained relatively constant over the last five years in all of the countries examined here, none of these countries have regained the per capita GDP levels of the pre-transition period. The decline in national income has therefore had a drastic effect on the quality of life in these countries. As a result, long-term human development has been significantly impacted on

⁴¹ Over the last 5/7 years, life expectancy for example, has remained stagnant or even declined.

by declining public services, reduced household disposable income and high rates of unemployment, combined with the poor environment track records of many centrally planned economies.

Romania lags behind its neighbors in some key areas of human development.⁴² While improvements have been made, incomes are still low and access to basic services such as education, health and social welfare, remains inadequate, particularly in access to water and access to sanitation, with only 58% of Romanians to an improved water source, and 53% of the population with access to improved sanitation facilities. Moreover, despite Romania's poor water and sanitation infrastructure these figures fail to represent the stark discrepancies between the rural



and urban populations, making the human development scenario in Romania much more critical than the aggregate figures would suggest.

HIV/AIDS

Until recently HIV/AIDS had been considered primarily a health issue; however such a limited approach is clearly insufficient. HIV/AIDS is predominantly a development issue; one that demands preemptive strategies to address the underlying symptoms perpetuating the spread of the disease, rather than limiting responses to managing its final outcomes.

There is no internationally uniform pattern of HIV/AIDS transmission. Rather, it differs substantially from region to region, making globally standardised responses simply inadequate. Despite differing patterns of transmission however;

⁴² UNDP: Country Cooperation Framework and related matters. p. 3.

poverty, underdevelopment and vulnerability are all catalysts for this epidemic regardless of geographic location. Therefore, the underlying socio-economic conditions in a given country must be considered in tandem with the health related aspects of the disease.

The transmission patterns for central and Eastern Europe are largely associated with intravenous drug use. Several factors are creating a fertile setting for the epidemic. Mass unemployment and economic insecurity persists in much of the region, particularly in the CIS countries. Social and cultural norms are being increasingly liberalised; and public health services are increasingly scarce,⁴³ thus exacerbating the spread of the disease.

At 1%, the adult HIV prevalence rate in Ukraine is the highest in the region. While intravenous drug use is currently responsible for three-quarters of HIV infections in Ukraine, the proportion of sexually transmitted HIV infections is increasing.⁴⁴ Despite the low infection rates in Slovakia, Bulgaria and Romania, many of the underlying social and economic conditions, which can potentially perpetuate the spread of the disease, prevail; thereby increasing the potential for the disease to impact on domestic human development.

Prevalence rates that are currently low may not accurately reflect the medium and long-term rates of infection. Countries with low levels of HIV infection must actively attempt to avert the epidemic's potential spread, rather than take comfort from current infection rates. In low-prevalence societies, where HIV has been largely confined to high-risk groups, it is important to target those vulnerable groups, and encourage them to adopt safer sexual and drug-injecting behaviour. Interventions targeting high-risk groups can contribute significantly to interrupting the virus's spread among and between those groups, and buy time to bolster the wider population's ability to protect itself against the virus.⁴⁵

Poverty and Human Development

All of these countries have been grappling with the challenges of open unemployment and eco-

nomie fluctuations created by the process of transition. Poverty and vulnerability have become increasingly prevalent and visible issues in the last decade: ones that can threaten the security of citizens within these countries as well as the region as a whole.

Of the four countries examined here, Romania and Ukraine appear to have experienced more difficulties in their process of transition. Perhaps the most revealing trend in the Romanian human development profile over the last decade has been the increase of poverty, vulnerability and human insecurity. While the UNDP recognises that the EU accession process is a legitimate long-term objective; the conclusions of a recent UNDP report on Romania suggests that, if the government does not make improving human development its primary objective, the goal of EU membership will continue to elude the country for the foreseeable future.⁴⁶

⁴³ Ibid. p. 9.

⁴⁴ Ibid. p. 9.

⁴⁵ UNAIDS epidemiological fact sheet. Dec. 2001. p. 4

⁴⁶ 2000 Romania Development Report. P. 36.

VIII. Environmental Stress

LEAD INDICATORS	COUNTRY	GLOBAL PERFORMANCE RANK	TREND SCORE	VOLATILITY SCORE	RISK SCORE
Rate of Deforestation (Percent)					
		(2000)			
	Bulgaria	1.0	single measure		1.0
	Romania	1.0	single measure		1.0
	Slovakia	1.0	single measure		1.0
	Ukraine	1.0	single measure		1.0
People per km² of Arable Land					
		(Avg. 1995-1998)			
	Bulgaria	1.0	-1.0	0.0	0.0
	Romania	2.0	-1.0	0.0	1.0
	Slovakia	4.0	0.0	1.0	5.0
	Ukraine	1.0	0.0	0.0	1.0
Freshwater Resources (m³ per capita)					
		(1999)			
	Bulgaria	7.0	single measure		7.0
	Romania	4.0	single measure		4.0
	Slovakia	3.0	single measure		3.0
	Ukraine	6.0	single measure		6.0
COMPOSITE ENVIRONMENTAL STRESS SCORE					
	Bulgaria				2.7
	Romania				2.0
	Slovakia				3.0
	Ukraine				2.7

Environmental factors interact powerfully with various other factors, including population pressures in the form of population growth and shifts in population density, making the environment an important long-term indicator for identifying potential conflict areas. Of particular concern here are those environmental factors that have contributed either directly or indirectly or risk doing so, to the potential for violent conflict. The degradation and depletion of natural resources – particularly renewable resources, such as freshwater, arable land and forests -- can generate a variety of effects that underlie social or political instability and increase the potential for conflict. Reduced stocks of natural resources increase scarcity, heighten competition, and can result in increasingly inequitable distribution of resources between communal groups or regions. The unequal allocation of resources in a climate of scarcity, or the capture of resources by dominant groups, can create or exacerbate cleavages within a society, creating incentives for violent conflict. Environmental degradation or depletion can also result in constrained economic productivity and growth, causing increased poverty and loss of livelihoods, leading to forced displacement or migration into ecologically marginalised areas.

The common legacy of environmental degradation and pollution from the era of centrally

planned economies are expected to affect the region for decades to come. Heavy industry, agriculture, car exhausts and organic (domestic) wastes, continue to have a significant impact on air and water quality in all four countries; ultimately diminishing the quality of life in the region. Decreasing emissions of pollutants and overall improvement in the environment have become recent trends in all four countries. This positive trend is, however, largely due to increased efficiency in the control of polluters. A major factor is the economic crisis and shrinking production levels and, as a result, this trend in improved environmental performance could be defined as unstable.⁴⁷

With three of the four countries actively pursuing accession to the European Union there is reason to be 'cautiously' optimistic. In order to be eligible for membership, each candidate country must fulfill a set of conditions known as the Copenhagen criteria, a set of three broad accession preconditions.⁴⁸ The third criterion which

⁴⁷ European Union. 'Requirements and Framework for Environment and Telematics: Bulgarian Country Report.' November 1998.

<http://www.rec.org/REC/Countries.html#Bulgaria>. May 17, 2002.

⁴⁸ The Copenhagen Criteria require applicant countries to satisfy a set of three broad conditions. The first criterion requires countries to possess a liberal democratic form of

requires the countries to be able to accept all pre-existing EU legislation, including environmental legislation, will raise the standard of environmental protection up to that of the current EU member states. In the process of negotiating for membership, applicant countries can negotiate finite transition periods to delay the implementation of certain aspects of EU legislation. While the option exists to potentially delay the implementation of, in this case, environmental legislation, ultimately the countries will not be able to avoid adoption indefinitely.

As mentioned above though, this situation calls for 'cautious' optimism. For those countries seeking to join, membership in the EU indeed exerts a positive upward pressure on environmental standards and practices. However, EU environmental regulations may not be wholly appropriate for countries in transition such as these. The regulations, created by the developed, highly industrialised and wealthy countries of Western Europe, are likely to exact high costs in applicant countries such as Bulgaria, Romania and Slovakia. These countries will be required to implement the same environmental regulations and policies as their wealthier western neighbours, while at the same time possessing levels of GDP and GDP per capita that are a fraction of the EU average. The demands of implementing environmental regulations will place a further strain on already limited government resources, potentially leading to increased tension over the allocation of funds. Moreover, more stringent environmental regulations will place a greater financial burden on local industries, potentially reducing or eliminating domestic production and creating further unemployment.

Industrial Pollution and the Danube

Despite the legacy of environmental degradation in the region, the governments of the countries along the Danube River Delta have become increasingly concerned with the long-term impacts resulting from high levels of pollution and losses of biodiversity. In an effort to address these issues, the affected governments have taken

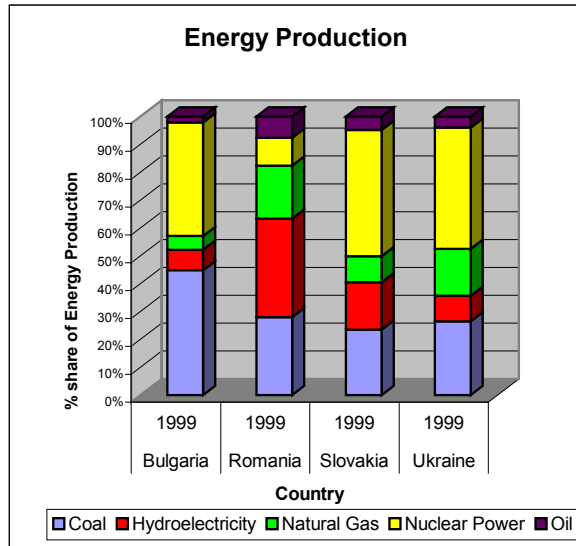
steps to actively address the environmental issues impacting the delta.

In an effort to address the long-term environmental effects on the delta, the governments of the Danube River Delta implemented the Danube-Carpathian Region "green corridor" initiative in June 2000. The Green Corridor has established a network of fully functioning wetland areas along the Danube in Romania, Bulgaria, Moldova and Ukraine, and is considered to be a major step in restoring the floodplain habitats in the Danube River Basin, and promote cross-boarder wetland restoration and protection.⁴⁹ It requires intra-regional environmental initiatives such as this to effectively address the legacy of environmental degradation in the region.



government. The second criterion states applicant countries must establish a fully functioning market economy capable of competing within the European Union. The third criterion requires the states to be able to adopt, in its entirety all existing EU legislation, *acquis communautaire*. For more on the Copenhagen Criteria for EU Membership see <http://europa.eu.int/comm/enlargement/intro/criteria.htm>.

⁴⁹ WWF. Danube-Carpathian Region Green Corridor. <http://www.panda.org/livingwaters/danube/index.cfm>. March 2002



The Impact of Energy Production on the Environment

Industrial emissions have declined substantially over the last decade as a result of the economic contractions from transition. Nonetheless, the collective history of rapid industrial growth at the expense of the environment is one that cannot be easily overlooked. One of the most prominent culprits of environmental degradation in southeastern Europe is in the energy sector.⁵⁰ While the emissions from oil and coal consumption have traditionally associated with air pollution, in southeastern Europe nuclear energy production plays an increasingly important role in meeting domestic and international energy demands.

The impact of the energy sector on the environment cannot be understated. One need only look back to the events at Chernobyl in 1986 to appreciate the environmental threat posed by the production of nuclear energy.

Nuclear energy production is providing increasingly larger shares of the domestic energy production in all four countries. With the exception

of Romania, nuclear sources make up at least 40% of the energy produced by these countries individually. The heavy reliance on nuclear energy in the region magnifies the role of energy production in shaping environmental quality in the region, and globally.

The countries of Southeastern Europe occupy a strategic location in the world energy picture. Although none of these countries are major oil and gas producers, their geographic locations between major consumers and producers, makes the countries of Southeastern Europe important transit points for oil and gas suppliers.

Each of these four countries plays a critical role in the region's energy trade. Romania has the largest refining industry in the region making it a critical transit point for oil exporting countries such as Russia and Kazakhstan. Bulgaria, on the other hand, is seeking to become a major electricity exporter in the region, which in addition to being a transport route for Russian oil exports gives it the added advantage of capturing the coal and nuclear electricity markets. Meanwhile, Ukraine provides a critical transport route for Russian oil and natural gas exports to Southern Europe and the Mediterranean. Slovakia is a crucial transit route for Russian natural gas to Western Europe and the EU.⁵¹ Moreover, Southeastern Europe is also a potentially significant transit region for Caspian oil exports to Europe.⁵²

However, as witnessed in the Caucasus, the transport of oil and the presence pipelines can contribute to the incidence and continuation of conflict. In Chechnya, the oil pipeline has represented both a strategic assets and a means for perpetuating the conflict. Both Chechnians and Russians claim ownership of the pipeline, and the proceeds resulting from the transport of the oil. At the same time, sections of the pipeline have been destroyed by Chechnian forces in an effort to impede its functioning and to place pressure on the Russian government to accede to Chechnian demands.

⁵⁰ Look at: European Union. 'Requirements and Framework for Environment and Telematics,' these are country reports on the environment. P. 09, in the Romanian report discusses the impact of energy production on the environment.

⁵¹ EIA. South Eastern Europe. November 2001. <http://www.eia.doe.gov/emeu/cabs/romania.html#BULGARIA>. May 15, 2002.

⁵² Ibid.

IX. International Linkages

LEAD INDICATORS	COUNTRY	GLOBAL PERFORMANCE RANK	TREND SCORE	VOLATILITY SCORE	RISK SCORE
Economic Organizations Index		(2001)			
Source: CIA World Factbook 2000	Bulgaria	8.0	single measure		8.0
	Romania	7.0	single measure		7.0
	Slovakia	7.0	single measure		7.0
	Ukraine	8.0	single measure		8.0
Military/Security Alliances Index		(2001)			
Source: CIA World Factbook 2000	Bulgaria	9.0	single measure		9.0
	Romania	9.0	single measure		9.0
	Slovakia	9.0	single measure		9.0
	Ukraine	9.0	single measure		9.0
UN Organizations Index		(2001)			
Source: CIA World Factbook 2000	Bulgaria	4.0	single measure		4.0
	Romania	3.0	single measure		3.0
	Slovakia	3.0	single measure		3.0
	Ukraine	5.0	single measure		5.0
Multipurpose and Misc. Orgs. Index		(2001)			
Source: CIA World Factbook 2000	Bulgaria	1.0	single measure		1.0
	Romania	1.0	single measure		1.0
	Slovakia	2.0	single measure		2.0
	Ukraine	3.0	single measure		3.0
International Disputes		(Avg. 1996-2001)			
(Number of)	Bulgaria	2.8	-1.0	0.0	1.8
Source: CIA World Factbooks 1991-2000	Romania	3.7	-1.0	0.0	2.7
	Slovakia	5.5	-1.0	0.0	4.5
	Ukraine	5.5	-1.0	0.0	4.5
COMPOSITE INTERNATIONAL LINKAGES SCORE					
	Bulgaria				4.8
	Romania				4.5
	Slovakia				5.1
	Ukraine				5.9

The form of a country's engagement with outside actors – bilaterally with other countries or multilaterally through international or regional forums – can serve to reduce or, in some cases, contribute to the potential for violent conflict. On the one hand, international linkages can contribute positively to the mitigation of both intrastate and interstate conflicts; if external actors perform in a facilitating or supportive fashion, and have the operational capacity to contribute meaningfully in terms of mediation and support for reconciliation efforts. Constructive engagement – whether through diplomatic, political, commercial, trade or cultural relations – can contribute to interdependency and shared vested interests, and creates opportunity for a wide range of support mechanisms. Participation in international regimes and organisations can also help decrease security risks by codifying broad rules

and processes by which disputes are resolved peacefully.

On the other hand, weak linkages or harmful engagement with partisan actors can contribute profoundly to the potential for the outbreak or escalation of conflict. Countries with fewer diplomatic, political, commercial, trade or cultural linkages with neighbouring states, as well as international and regional organisations, and are less likely to profit from constructive engagement with outside actors, in areas such as developmental assistance, mediation, or support in peace processes. In addition, neighbouring countries might also contribute directly or indirectly to armed conflict by harbouring or supporting armed protagonists of a civil conflict. Furthermore, the interventions of neighbouring or regional actors can contribute to the potential of

a civil conflict becoming inter-state or regional in scale.

Europe possesses a high density of international linkages. Bulgaria, Romania, Slovakia and Ukraine benefit from the stability afforded by close proximity to Western Europe and its dense network of multilateral fora. Moreover, the pre-1990 Socialist countries of Central and Eastern Europe, and the now independent countries of the Former Soviet Union, had a history of engage in international and regional organisations. Prior to the collapse of socialism, the Eastern Bloc was an active participant in the United Nations and possessed their own regional security and economic institutions, respectively, the Warsaw Treaty Organisation and COMECON. There is even a pre-communist tradition upon which these states can draw. As a result, there is a certain amount of path dependency at work. There exists a 'tradition of internationalism' influencing the countries to continue and increase their engagement in multilateral organisations.

All four countries have joined the Council of Europe; an initially Western European, but increasingly inclusive, organisation. To gain membership a state 'accepts the principle of the rule of law and guarantees human rights and fundamental freedoms to everyone under its jurisdiction.'⁵³ The ultimate goal of the Council of Europe is 'to help consolidate democratic stability in Europe by backing political, legislative and constitutional reform.'⁵⁴

Bulgaria, Romania, Slovakia and Ukraine are also deeply engaged with the United Nations. While Bulgaria and Ukraine scored medium risk ratings for their membership in United Nations Organisations, they are towards the lower end of the scale. However, the lack of membership on the part of Ukraine in the Food and Agriculture Organisation and the International Fund for Agricultural Development is troubling; especially for a country with the reputation of being the breadbasket of the Soviet Union. A further (supplementary) indicator may be engagement in UN peacekeeping. All four countries are currently contributing to UN peacekeeping operations (PKO). Bulgaria is engaged in 4, Romania in 5, Slovakia in 3, and Ukraine in 9. However, too much should not be read into the current state of

Membership in International Organisations (2001)	Bulgaria	Romania	Slovak Rep.	Ukraine
Source: CIA World Factbook				
Economic Organisations				
Bank for International Settlements	v	v	v	
Black Sea Economic Cooperation Zone	v	v	v	v
European Bank for Reconstruction and Development	v	v	v	v
Group of 77		v		
International Chamber of Commerce			v	
Organization for Economic Cooperation and Development			v	
United Nations Organisation				
Economic Commission for Europe	v	v	v	v
Food and Agriculture Organization	v	v	v	
International Atomic Energy Agency	v	v	v	v
International Bank for Reconstruction and Development (World Bank)	v	v	v	v
International Civil Aviation Organization	v	v	v	v
International Development Association		v		
International Finance Corporation	v	v	v	v
International Fund for Agricultural Development		v		
International Labor Organization	v	v	v	v
International Maritime Organization	v	v	v	v
International Monetary Fund	v	v	v	v
International Telecommunication Union	v	v	v	v
United Nations	v	v	v	v
United Nations Conference on Trade and Development	v	v	v	v
United Nations Educational, Scientific, and Cultural Organization	v	v	v	v
United Nations Industrial Development Organization	v	v	v	v
Universal Postal Union	v	v	v	v
World Health Organization	v	v	v	v
World Intellectual Property Organization	v	v	v	v
World Meteorological Organization	v	v	v	v
World Trade Organization	v	v	v	v
Security / Military Organisations				
None				
Miscellaneous & Multipurpose Organisations				
Australia Group		v	v	
Customs Cooperation Council	v	v	v	v
European Organization for Nuclear Research	v	v		
International Confederation of Free Trade Unions	v	v	v	
International Criminal Police Organization	v	v	v	v
International Hydrographic Organization		v		
International Mobile Satellite Organization	v	v	v	v
International Olympic Committee	v	v	v	v
International Organization for Migration	v	v	v	
International Organization for Standardization	v	v	v	v
International Telecommunications Satellite Organization		v		
Nuclear Suppliers Group	v	v	v	v
Organization for the Prohibition of Chemical Weapons	v	v	v	v
Permanent Court of Arbitration	v	v	v	v
World Confederation of Labor	v	v		
World Federation of Trade Unions	v	v	v	v
World Tourism Organization	v	v	v	v
Zangger Committee	v	v	v	v
Agency for Cultural and Technical Cooperation		v		
Central European Initiative	v	v	v	v
Commonwealth of Independent States		v		
Council of Europe	v	v	v	v
Euro-Atlantic Partnership Council	v	v	v	v
Group of 9		v		
International Federation of Red Cross and Red Crescent Societies	v	v	v	v
International Red Cross and Red Crescent Movement	v	v	v	v
Organization for Security and Cooperation in Europe	v	v	v	v
Partnership for Peace	v	v	v	v

participation in UN peacekeeping. While this may potentially represent an indication of positive international engagement, it may also merely indicate a desire for the hard currency afforded by participation in peacekeeping operations.

There has been strong international, and especially Western, commitment to the transformation and development of Central and Eastern Europe. New organisations, such as the Euro-

⁵³ Council of Europe. 'The Council of Europe: An Overview.' http://www.coe.int/T/E/Communication_and_Research/Contacts_with_the_public/About_Council_of_Europe/An_overview/

⁵⁴ Ibid.

pean Bank for Reconstruction and Development, and programmes, such as PHARE⁵⁵, were established to provide aid and support to those European countries undertaking transition and seeking EU membership. However, instead of hailed as a modern day Marshall Plan, the support afforded to the countries of Central and Eastern Europe is often criticised as falling far short of what is required to successfully achieve transition and, if desired, fulfill EU membership criteria.

The countries under consideration are remarkable in their nearly complete lack of international disputes. Those that exist are insignificant in character or are being addressed via legitimate international mechanisms. Engagement within the continent's dense institutional framework has exuded a strong positive pressure on the countries to settle any international disputes that arose following the regional collapse of Socialism. After witnessing the violence that occurred in the Balkans, institutions such as the Organisation for Security and Cooperation in Europe (OSCE), the Council of Europe (CoE), the EU and NATO strengthened membership demands on the countries of Central and Eastern Europe. States were required to affect settlement of any unresolved border claims and implement minority rights legislation in order to obviate the desire by neighbouring states to intervene to protect irredentist populations.

International Disputes

(Source CIA World Factbook 2001)

Bulgaria
None
Romania
None
Slovakia
Gabcikovo / Nagymaros Dam dispute with Hungary is before the ICJ.
Ukraine
Has made no territorial claim in Antarctica (but has reserved the right to do so) and does not recognise the claims of any other nation.

The indicators of greatest concern are the high risk ratings for Economic Organisations and Security / Military Organisations indicating low

⁵⁵ PHARE-Poland and Hungary: Actions for European Reconstruction. Initially established to support reform in Poland and Hungary, PHARE has expanded over the years to provide pre-accession assistance to those Central and Eastern European countries seeking EU membership.

membership. Slovakia is the only country to have membership in an Economic Organisation of any weight, the OECD, and none of the countries are members in a Security / Military Organisation. These high risk ratings can be somewhat moderated due the fact the IMF, the World Bank and the WTO⁵⁶ are considered United Nations Organisations as opposed to Economic Organisations; and NATO's Partnership for Peace carries no weight in the determination of the Security / Military Organisation risk score due to the lack of an explicit collective defence component to membership.

European Union Enlargement

For the countries of Central and Eastern Europe, membership in the European Union is perceived as the culmination of the process of democratic transition and the creation of market-oriented economies. In the mid-1990s, the European Union was inundated with applications from the countries of Central and Eastern Europe. At present, the EU is in negotiation with 12 applicant countries. Bulgaria, Romania and Slovakia are among those 12 applicants. While it has yet to submit a formal application, Ukraine has repeatedly reaffirmed its intention to seek EU membership. Ukrainian President Leonid Kuchma most recently reiterated this objective on May 18, 2002 in an address before the *Rada* (parliament). President Kuchma equated membership in the European Union to be 'a natural result of Ukraine's state independence' and that 'Ukraine's European choice is, at the same time, a movement to the standards of real democracy, information society, socially-oriented market economy based on supremacy of law and ensuring rights and freedoms of human and citizen.'⁵⁷

Ostensibly, EU membership and the current efforts, on the part of Central and Eastern European countries, to meet the membership criteria are variables that impact positively on the applicant countries. It is considered that membership will support the transition process by strengthening the rule of law, solidifying the creation of democratic and market institutions and promote

⁵⁶ Bulgaria, Romania, Slovakia and Ukraine are all members of these three organisations, with the exception of the WTO, to which Ukraine has not yet acceded.

⁵⁷ Summary of the Address of the President of Ukraine L.Kuchma to the Verkhovna Rada of Ukraine – European Choice Conceptual Grounds of the Strategy of Economic and Social Development of Ukraine for 2002-2011. May 31, 2002.

the functioning of a free market economy; all positive developments in the eyes of both the West and the applicant countries. However, as already indicated in the previous section on Environmental Stress, EU membership, and accession conditions can work at cross-purposes to the objectives of transition. The demands of fulfilling EU membership criteria, can place strains on the economic, political, social, and bureaucratic resources of the applicants and exacerbate pre-existing structural risk factors. For example, much need financial resources could be diverted from the provision of social services in order to establish an institutional framework for the regulation of market competition, the creation of which might be a criteria for EU membership. In the long-run, such a framework would be necessary whether the country sought to join the EU or not. However, in the short-run, programmes that attempt to address many of the gaps, inequalities and deficits in the provision of social services may be better at reducing the salience of structural risk factors. By easing the pain of the transition process, the need and desire to resort to violence is abated.

A further potentially negative side-effect of EU enlargement deserves consideration. As already mentioned, Ukraine has not formally decided that it intends to apply. Romania and Bulgaria are the only countries among the current applicants not expected to be invited to join in 2004. Of these four then, only Slovakia will accede in this round. As a result, these countries, with the exception of Slovakia, must examine the ramifications of remaining outside an enlarged EU. Of primary concern are the issues of trade and investment diversion / exclusion already discussed in the Economic Performance section. In terms of investment, EU pre-accession aid (to Bulgaria and Romania) and foreign aid (to Ukraine) may face reductions due to necessary increases in funds allocated to assist in the adjustment of new members. Alternately, another area of consideration concerns the implications arising from increased, instead of decreased, trade and investment. These countries already currently carry trade deficits with the EU. With an expanded union, which has absorbed many of their local trading partners, these countries could face even larger trade deficits. Moreover, dependence on EU markets and sources of capital could increase to the point the countries become disproportionately vulnerable to shocks and fluctuations in the European market.

Regional Security: NATO, Russia, and the CIS.

Bulgaria, Romania, Slovakia and Ukraine are not members of a Military / Security Alliance, which accounts for the Very High Risk rating for that indicator. However, they do benefit from close proximity to and engagement with the North Atlantic Treaty Organisation (NATO). All four countries are participants in NATO's Partnership for Peace (PfP) programme. Of the 27 countries currently members of PfP, the four considered here were among the first ten countries to sign the PfP framework document,⁵⁸ denoting participation. Moreover, for Bulgaria, Romania and Slovakia, attaining NATO membership has become a principle priority. NATO has its own set of membership criteria, and has established Membership Action Programmes (MAPs) to guide countries seeking to join. The MAPs reinforce key elements of the transition process and provide much needed expertise, and external pressure. As in the case with the European Union, Ukraine has made no formal indication that it seeks to join NATO. In fact, Ukraine's relationship with NATO is frequently ambiguous and occasionally hostile.⁵⁹ Ukraine and NATO have signed the bilateral NATO-Ukraine Charter establishing a unique bilateral relationship, but the country continues to eschew membership. However, as indicated previously, for any of the four countries considered here, membership in NATO, or for that matter in any other Military / Security Alliance, will sharply reduce the Very High Risk rating.

The role of NATO cannot be discussed without also considering the other major security actor in the region, Russia. Relations between the former adversaries have improved considerably over the years, greatly reducing the ambient tension and instability in the region. This has culminated most recently in the signing of the Rome Declaration⁶⁰ formally establishing a new

⁵⁸ Romania was the first to join (26.01.94), Ukraine the sixth (08.02.94), Slovakia the seventh (09.02.94), and Bulgaria was ninth (14.02.94). NATO Partnership for Peace. 'Signatures of Partnership for Peace Framework Document.' <http://www.nato.int/pfp/sig-date.htm>.

⁵⁹ In 1999, Ukraine joined Russia in its condemnation of NATO and the organisation's air campaign in Yugoslavia. The situation placed a strain on the NATO-Ukraine relationship.

⁶⁰ Rome Declaration. 'NATO-Russia Relations: A New Quality' May 28, 2002. <http://www.nato.int/docu/basicxt/b020528e.pdf>.

consultative body, the NATO-Russia Council. Thanks to the larger voice in NATO discussions afforded to Russia by the recent agreement, the former superpower is unlikely to actively seek to prevent future NATO enlargements. Despite the unlikelihood of overt Russian pressure, the country is large and continues to be unstable. As a result, its presence and the effects of its' actions continue to be felt throughout the region.

Russia's intentions vis-à-vis its near abroad are frequently ambiguous and occasionally alarming. The ongoing tensions in Chechnya continue to raise questions regarding Russia's role in Europe's security architecture and the country's commitment to principles of international law and human rights. Moreover, Georgia continues to face strong pressure from Russian authorities over its role as a staging ground for Chechnian separatists. This leads to heightened concern among countries in the region about a possible resurgence of Russian regional hegemony.

The situation in Chechnya is not the only source of concern in the area. Conflicts exist throughout the Caucasus with the potential to spread instability to neighbouring regions.

Drugs and Transnational / Organised Crime

The CIA World Factbook identifies all four countries as major transshipment points for South-west Asian heroin, but also in the case of Romania, for cocaine to Western Europe. Moreover, Ukraine is further identified as possessing a minor but growing money laundering problem. However, money laundering is but one facet of a much larger risk factor, organised crime. This issue is particularly important for Ukraine, which faces the prospect of becoming a conduit for organised crime between Russia and the EU following the upcoming enlargement. While Bulgaria currently shares a border with Greece, and therefore the EU, after enlargement, and particularly the accession of Hungary, Romania will share a border as well, facing the same prospect of greater exploitation as a transshipment point. The risk is greatest for Bulgaria and Romania. Due to the progress they have made on their applications for membership, visas are no longer required to travel to EU countries. However, adequate measures have yet to be established to halt corruption and eliminate the presence of domestic and transnational criminal networks. As a result, the countries are perfect staging grounds for these networks to access the EU. Consequently, the integrity of political, economic and social structures in Bulgaria, Romania, and Ukraine will continue to be challenged by criminal groups seeking to retain their access to these countries, and via them, the European Union.



Definition of Indicators

Issue Area 1. History of Armed Conflict

Armed Conflicts (Conflict Intensity Level) (Time Series: 1995-1999) (Source: Conflict Data Project and SIPRI Yearbook) The "Conflict Intensity Level" describes the intensity of armed conflicts occurring within a country in a given year, based on data from the Conflict Data Project (CDP) at Uppsala University. The CDP defines an armed conflict as a contested incompatibility that concerns government and/or territory where the use of armed force between two parties, of which at least one is the government of a state. In order to be counted as an armed conflict, the CDP requires that there be a minimum of 25 battle-related deaths per year and per incompatibility. The scale for the Conflict Intensity Level is as follows: **1. Minor armed conflict:** At least 25 battle-related deaths per year and fewer than 1,000 battle-related deaths during the course of the conflict; **2. Intermediate armed conflict:** At least 25 battle-related deaths per year and an accumulated total of at least 1,000 deaths, but fewer than 1,000 per year. **3. War:** At least 1 000 battle-related deaths per year. For the global rank based index (nine point scale) of the "Armed Conflicts" variable, 1 is "no armed conflict" and 9 is "high degree of armed conflict."

Refugees Produced and Residing Outside Country (Refugees by Country of Origin) (Time Series: 1995-1999) (Source: United Nations High Commissioner for Refugees (UNHCR), State of the World's Refugees) The number of refugees originating in the country in question, but currently taking asylum outside the country. For the global rank based index (nine point scale) of the "Refugees Produced" variable, 1 is "Low number of refugees" and 9 is "High number of refugees."

Refugees Hosted, IDP and Others of Concern (Time Series: 1996-2000) (Source: UNHCR, Annual Statistical Overview Reports) The total number of displaced populations within a country, including Refugees (by Country of Asylum), Asylum Seekers, Returned Refugees, IDPs, Returned IDPs, and Other Populations of Concern. For the global rank based index (nine point scale) of the "Refugees Hosted, IDP and Others of Concern" variable, 1 is "Low number of displaced persons" and 9 is "High number of displaced persons." Note that whereas the "Refugees Produced Index" ranks the number of displaced persons produced by a country (and have sought or received asylum/residence elsewhere), the "Refugees Hosted, IDP and Others of Concern Index" ranks the number of displaced persons of various types within a country.

Issue Area 2. Governance and Political Instability

Level of Democracy (Overall Polity Score) (Time Series: 1995-1999) (Source: Polity IV) The Overall Polity Score is on a 21 point scale ranging from +10 (strongly democratic) to -10 (strongly autocratic). In the definition of Polity IV, democracy is conceived as three essential, interdependent elements. One is the presence of institutions and procedures through which citizens can express effective preferences about alternative policies and leaders. Second is the existence of institutionalised constraints on the exercise of power by the executive. Third is the guarantee of civil liberties to all citizens in their daily lives and in acts of political participation. Autocracy is defined operationally in terms of the presence of a distinctive set of political characteristics. In mature form, autocracies sharply restrict or suppress competitive political participation. Their chief executives are chosen in a regularised process of selection within the political elite, and once in office they exercise power with few institutional constraints. For the global rank based index (nine-point scale) of the Overall Polity Score, 1 is "strongly democratic" and 9 is "strongly autocratic."

Regime Durability (Time Series: 1995-1999) (Source: Polity IV) The number of years since the most recent regime change (defined by a three-point change in the Overall Polity score over a period of three years or less). In calculating the Regime Durability Score, the first year during which a new (post-change) polity is established is coded as the baseline year "zero" (value = 0) and each subsequent year adds one to the value of the Durability variable. For the Global rank based index (nine-point scale) of the Regime Durability Score, 1 is "high durability" and 9 is "low durability."

Restrictions on Civil and Political Rights (Time Series: 1996-2000) (Source: Freedom House, Annual Survey of Freedom) Restrictions on Civil and Political Rights are scored on a 2 to 14 scale, where 2 is the highest degree of freedom and 14 is the lowest. The score is the sum of Freedom House scores for Political Rights (on a 1-7 scale) and Civil Liberties (on a 1-7 scale). In Freedom House's definition, Political rights enable people to participate freely in the political process, which is the system by which the polity chooses authoritative policy makers and attempts to make binding decisions affecting the national, regional, or local community. In Freedom House's definition, Civil Liberties include the freedoms to develop views, institutions, and personal autonomy apart from the state. For the global rank based index (nine point scale) of the combined score for Political Rights and Civil Liberties, 1 is "free" and 9 is "not free."

Restrictions on Press Freedom (Time Series: 1996-2000) (Source: Freedom House, Annual Press Freedom Survey) Freedom House's Annual Press Freedom Survey assesses the degree to which each country permits the free flow of information on 1-100 point scale, where countries scoring 0 to 30 are regarded as having a free press, 31 to 60 as having a partly-free press, and 61 to 100 as having a not-free press. The Survey assesses a number areas of concern, including: the structure of the news-delivery system (the laws and administrative decisions and their influence on the content of the news media); the degree of political influence or control over the content of the news systems; the economic influences on news content exerted either by the government or private entrepreneurs; and actual violations against the media, including murder, physical attack, harassment, and censorship. For the global rank based index (nine-point scale) of the Press Freedom Score, 1 is "free" and 9 is "not free."

Level of Corruption (Time Series: 1997-1998) (Source: Transparency International) Transparency International's Corruption Perceptions Index (CPI) provides a score of the perceptions of corruption within countries, ranging from 10 (highly clean) to 0 (highly corrupt). The CPI has adopted the approach of a composite index that averages the scores of multiple surveys concerning the perceptions of the degree of corruption as seen by business people, risk analysts and the general public. Transparency International focuses on corruption in the public sector and defines corruption as the abuse of public office for private gain. The surveys used in compiling the CPI tend to ask questions in line with the misuse of public power for private benefits, with a focus, for example, on the bribing of public officials or giving and taking of kick-backs in public procurement. As the same component surveys are not necessarily employed every year of the CPI, the comparison of CPI scores between different years is problematic. Global rank based index (nine-point scale) of the Corruption Score, where 1 is "highly clean" and 9 is "highly corrupt."

Issue Area 3. Militarisation

Military Expenditure (% of GDP, Constant 1995 US\$) (Time Series: 1996-2000) (Source: SIPRI Military Expenditure Database) SIPRI military expenditure figures as a percentage of GDP, expressed in US\$ Millions, at constant 1995 prices and exchange rates. Where possible, SIPRI military expenditure include all current and capital expenditure on: the armed forces, including peace keeping forces; defence ministries and other government agencies engaged in defence projects; paramilitary forces when judged to be trained, equipped and available for military operations; military space activities. For the global rank based index (nine point scale) of the Total Military Expenditure (% of GDP, Constant 1995 US\$) variable, 1 is "low expenditure" and 9 is "high expenditure."

Total Armed Forces (Per 1000 People) (Time Series: 1998-2001) (Source: CIFP score based on IISS Military Balance and World Development Indicators) In order to assess and compare the portion of a country's population involved in the operation of the military, the size of a country's Total Armed Forces was calculated per 1000 people, based on Armed Forces data from the IISS Military Balance and Population data from the World Bank's World Development Indicators. Total armed forces includes both Active Forces and Reserves. For the global rank based index (nine point scale) of the Total Armed Forces (Per 1000 People) variable, 1 is "Low number of armed forces" and 9 is "High number of armed forces."

Issue Area 4. Population Heterogeneity

Ethnic Diversity Score (Single Measure: 1990s) (Source: CIFP score based on CIA World Factbook, Levinson's Ethnic Groups Worldwide: A Ready Reference Handbook) The Ethnic Diversity Score is calculated on the basis of Shih's D1 index of ethnic diversity. This measure is based on the number of ethnic groups in a country weighted by the fraction of the population each group represents. A primary strength of Shih's measure is that both the number and the sizes of ethnic groups jointly determine the degree of ethnic diversity. The primary source of data is the CIA World Factbook, but where this source did not provide adequate percentage breakdowns of ethnic groups, CIA data was supplemented with information from Levinson's Ethnic Groups Worldwide: A Ready Reference Handbook. For the global rank based index (nine point scale) of the Ethnic Diversity Score variable, 1 is "low diversity" and 9 is "high diversity."

Religious Diversity Score (Single Measure: 1990s) (Source: CIFP score based on CIA World Factbook, Levinson's Ethnic Groups Worldwide: A Ready Reference Handbook) The Religious Diversity Score is calculated on the basis of Shih's D2 index of religious diversity. This measure is based on the number of religious groups in a country weighted by the fraction of the population each group represents.¹ A primary strength of Shih's measure is that both the number and the sizes of religious groups jointly determine the degree of religious diversity. The primary source of data is the CIA World Factbook, but where this source did not provide adequate percentage breakdowns of religious groups, CIA data was supplemented with information from Levinson's Ethnic Groups Worldwide: A Ready Reference Handbook. For the global rank based index (nine point scale) of the Religious Diversity Score variable, 1 is "low diversity" and 9 is "high diversity."

Risk of Ethnic Rebellion (Single Measure: 1998) (Source: CIFP Score based on Minorities at Risk Data Set) Minority Groups are identified by the Minorities at Risk Project as being "at risk" if the country in which they reside has a population greater than 500,000, the group itself has a population larger than 100,000 (or 1 percent of the country population), and it meets at least one of the four criteria for inclusion as a "minority at risk." These four criteria are: that the group is subject to political, economic or cultural discrimination; that the group is disadvantaged from past political, economic or cultural discrimination; that the group is a politically, economically or culturally advantaged, and that advantage is being challenged; that the group supports political organisations advocating greater group rights. In his analysis of the characteristics of Minority groups at Risk as coded in the MAR data set, Gurr (2000) identified six risk factors that according to tests correctly identified 88% of existing ethnic rebellions. These factors are: the persistence of protest in recent past; the persistence of protest in the recent past; government repression; territorial concentration; group organisation; regime instability; and transnational support from foreign states. Based on data from the 1998 for each of these key variables, and using logistic regression analysis, Gurr calculated scores for the risk of future rebellion for each minority at risk group. The CIFP rankings for "Risk of Ethnic Rebellion" are based on a global ranking of scores for all countries with identified Minorities at Risk (a rank score of "1" being reserved for countries with no identified Minorities at Risk), totaling for each country the individual risk scores for Minorities at Risk groups within each country. For the global rank based index (nine point scale) of the Risk of Ethnic Rebellion Score variable, 1 is "low risk of ethnic rebellion" and 9 is "high risk of ethnic rebellion."

Issue Area 5. Demographic Stress

Total Population (Time Series: 1995-2000) (Source: World Development Indicators) Total population is based on the de facto definition of population, which counts all residents regardless of legal status or citizenship. Refugees not permanently settled in the country of asylum are generally considered to be part of the population of their country of origin. For the global rank based index (nine point scale) of the Total Population variable, 1 is "low population" and 9 is "high population."

Population Growth Rate (Annual %) (Time Series: 1995-2000) (Source: World Development Indicators) Annual growth rate of population from previous year. Population is based on the de facto definition

of population, which counts all residents regardless of legal status or citizenship except for refugees not permanently settled in the country of asylum, who are generally considered part of the population of the country of origin. For the global rank based index (nine point scale) of the Population Growth Rate variable, 1 is "low growth rate" and 9 is "high growth rate."

Population Density (People Per Sq. km) (Time Series: 1995-1999) (Source: World Development Indicators) Population density is midyear population divided by land area in square kilometres. Total population is based on the de facto definition of population, which counts all residents regardless of legal status or citizenship. Refugees not permanently settled in the country of asylum are generally considered to be part of the population of their country of origin. Land area is a country's total area, excluding area under inland water bodies, national claims to continental shelf, and exclusive economic zones. In most cases the definition of inland water bodies includes major rivers and lakes. For the global rank based index (nine point scale) of the Population Density variable, 1 is "low density" and 9 is "high density."

Urban Population (% of Total) (Time Series: 1995-2000) (Source: World Development Indicators) Urban population is the midyear population of areas defined as urban in each country and reported to the United Nations. It is measured here as a percentage of the total population. Data is sourced from the United Nations, World Urbanisation Prospects: The 1998 Revision. For the global rank based index (nine point scale) of the Urban Population variable, 1 is "low population" and 9 is "high population."

Urban Population Growth Rate (Annual %) (Time Series: 1995-1999) (Source: World Development Indicators) Annual growth rate of urban population from previous year. Urban population is the midyear population of areas defined as urban in each country and reported to the United Nations. Data is sourced from the United Nations, World Urbanisation Prospects: The 1998 Revision. For the global rank based index (nine point scale) of the Urban Population Growth Rate variable, 1 is "low growth rate" and 9 is "high growth rate."

Youth Bulge (Pop. Aged 0-14 as a % of Total) (Time Series: 1995-2000) (Source: World Development Indicators) Total population between the ages 0 to 14. Population is based on the de facto definition of population, which counts all residents regardless of legal status or citizenship except for refugees not permanently settled in the country of asylum, who are generally considered part of the population of the country of origin. Data based on World Bank staff estimates. For the global rank based index (nine point scale) of the Youth Bulge variable, 1 is "low growth rate" and 9 is "high growth rate."

Issue Area 6. Economic Performance

GDP Growth Rate (Annual %) (Time Series: 1996-2000) (Source: World Development Indicators) Annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 1995 U.S. dollars. GDP measures the total output of goods and services for final use occurring within the domestic territory of a given country, regardless of the allocation to domestic and foreign claims. Gross domestic product at purchaser prices is the sum of gross value added by all resident producers in the economy plus any taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. The residency of an institution is determined on the basis of economic interest in the territory for more than a year. Data derived from World Bank national accounts data, and OECD National Accounts data files. For the global rank based index (nine point scale) of the GDP Growth Rate (Annual %) variable, where 1 is "high Growth Rate" and 9 is "low Growth Rate."

GDP Per Capita (PPP, Current International \$) (Time Series: 1996-1999) (Source: World Development Indicators) GDP per capita based on purchasing power parity (PPP). GDP PPP is gross domestic product converted to international dollars using purchasing power parity rates. An international dollar has the same purchasing power over GDP as the U.S. dollar in the United States. GDP measures the total output of goods and services for final use occurring within the domestic territory of a given country, regardless of the allocation to domestic and foreign claims. Gross domestic product at purchaser prices is the sum of gross value added by all resident producers in the economy plus any taxes and minus any

subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. The residency of an institution is determined on the basis of economic interest in the territory for more than a year. Data are in current international dollars. Data derived from World Bank, International Comparison Programme database. For the global rank based index (nine point scale) of the GDP Per Capita (PPP, Current International \$) variable, where 1 is "low GDP Per Capita" and 9 is "high GDP Per Capita."

Inflation (Consumer Prices, annual %) (Time Series: 1996-2000) (Source: World Development Indicators) Inflation as measured by the consumer price index reflects the annual percentage change in the cost to the average consumer of acquiring a fixed basket of goods and services that may be fixed or changed at specified intervals, such as yearly. Data derived from International Monetary Fund, International Financial Statistics and data files. For the global rank based index (nine point scale) of the Inflation (Consumer Prices, annual %) variable, 1 is "low inflation" and 9 is "high inflation."

Foreign Direct Investment, Net Inflows (% of GNP) (Time Series: 1995-1999) (Source: World Development Indicators) Foreign direct investment is net inflows of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. Data are figured as a percentage of GNP. Data are derived from International Monetary Fund, International Financial Statistics and Balance of Payments databases, and World Bank, Global Development Finance 2000. For the global rank based index (nine point scale) of the Foreign Direct Investment, Net Inflows (% of GNP) variable, 1 is "high investment" and 9 is "low investment."

Total Debt Service (% of GNI) (Time Series: 1996-1999) (Source: World Development Indicators) Total debt service, figured as a percentage of Gross National Income, is the sum of principal repayments and interest actually paid in foreign currency, goods, or services on long-term debt, interest paid on short-term debt, and repayments (repurchases and charges) to the IMF. Data derived from World Bank, Global Development Finance 2000. For the global rank based index (nine point scale) of the Total Debt Service (% of GNI) variable, 1 is "low debt service" and 9 is "high debt service."

Trade Openness (Trade as a % of GDP) (Time Series: 1996-1999) (Source: World Development Indicators) Trade is the sum of exports and imports of goods and services measured as a share of gross domestic product. Exports and Imports of goods and services represent the value of all goods and other market services provided to or received from the rest of the world. Included is the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services, such as communication, construction, financial, information, business, personal, and government services. Labour and property income (formerly called factor services) is excluded. Data are in constant 1995 U.S. dollars. Data derived from World Bank national accounts data, and OECD National Accounts data files. For the global rank based index (nine point scale) of the Trade Openness (Trade as a % of GDP) variable, 1 is "high openness" and 9 is "low openness."

Inequality Score (GINI Coefficient) (Single Measure) (Source: World Income Inequality Database) The Gini index provides a convenient summary measure of the degree of inequality, ranging, in ideal terms, from 0 (absolute equality) to 100 (absolute inequality). Inequality in the distribution of income is reflected in the percentage shares of either income or consumption accruing to segments of the population ranked by either income or consumption (expenditure) levels. Data on personal or household income or consumption come from nationally representative house-hold surveys. The data included in the CIPF refer to different years between 1985 and 1999, and the rankings are based on either per capita income or consumption (expenditure). Because the underlying household surveys differ in method and in the type of data collected, the distribution indicators are not reliably comparable across countries. For the global rank based index (nine point scale) of the Inequality Score (GINI Coefficient) variable, 1 is "low inequality" and 9 is "high inequality."

Issue Area 7. Human Development

Access to Improved Water Source (% of Total Population) (Time Series: 1990, 2000) (Source: UNICEF/WHO - Global Water and Sanitation Assessment Report) Data were collected from two main sources: assessment questionnaires and household surveys conducted by UNICEF and WHO. The assessment questionnaires defined access to water supply in terms of the types of technology and levels of service afforded. This included house connections, public standpipes, boreholes with hand-pumps, protected dug wells, protected springs and rainwater collection; allowance was also made for other locally-defined technologies. "Reasonable access" was broadly defined as the availability of at least 20 litres per person per day from a source within one kilometer of the user's dwelling. Types of source that did not give reasonable and ready access to water for domestic hygiene purposes, such as tanker trucks and bottled water, were not included. For the global rank based index (nine point scale) of the Access to Improved Water Source (% of Total Population) variable, 1 is "high % with access" and 9 is "low % with access."

Access to Sanitation (% of Total Population) (Time Series: 1990, 2000) (Source: UNICEF/WHO - Global Water and Sanitation Assessment Report) Data were collected from two main sources: assessment questionnaires and household surveys conducted by UNICEF and WHO. The assessment questionnaires defined access to sanitation in terms of the types of technology and levels of service afforded. This included connection to a sewer or septic tank system, pour-flush latrine, simple pit or ventilated improved pit latrine, again with allowance for acceptable local technologies. The excreta disposal system was considered adequate if it was private or shared (but not public) and if it hygienically separated human excreta from human contact. For the global rank based index (nine point scale) of the Access to Sanitation (% of Total Population) variable, 1 is "high % with access" and 9 is "low % with access."

Life Expectancy (Years) (Time Series: 1997-2000) (Source: World Development Indicators) Life expectancy at birth indicates the number of years a new-born infant would live if prevailing patterns of mortality at the time of its birth were to stay the same throughout its life. Based on World Bank staff estimates. For the global rank based index (nine point scale) of the Life Expectancy (Years) variable, 1 is "high life expectancy" and 9 is "low life expectancy."

Infant Mortality Rate (Per 1,000 Live Births) (Time Series: 1997-1999) (Source: World Development Indicators) Infant mortality rate is the number of infants who die before reaching one year of age, per 1,000 live births in a given year. Based on World Bank staff estimates. For the global rank based index (nine point scale) of the Infant Mortality Rate (Per 1,000 Live Births) variable, 1 is "low mortality rate" and 9 is "high mortality rate."

Maternal Mortality Rate (Per 100,000 Live Births) (Single Measure: 1995) (Source: World Development Indicators) Maternal Mortality Rate is the number of maternal deaths per 100,000 live births. For the global rank based index (nine point scale) of the Maternal Mortality Rate (Per 100,000 Live Births) variable, 1 is "low mortality" and 9 is "high mortality."

HIV/AIDS (% of Adult Population) (Time Series: 1997, 1999) (Source: UNAIDS Epidemic Reports) To calculate the adult HIV prevalence rate, the estimated number of adults living with HIV/AIDS at the end of each year was divided by that year's adult population. UNAIDS estimates include all people with HIV infection, whether or not they have developed symptoms of AIDS, alive at the end of the year. Adult population is defined as men and women aged 15–49. This age range captures those in their most sexually active years. While the risk of HIV infection obviously continues beyond 50, the vast majority of those with substantial risk behaviour are likely to have become infected by this age. Since population structures differ greatly from one country to another, especially for children and the upper adult ages, the restriction of "adults" to 15–49-year-olds has the advantage of making different populations more comparable. This age range was used as the denominator in calculating the adult HIV prevalence rate. For the global rank based index (nine point scale) of the HIV/AIDS (% of Adult Population) variable, 1 is "low prevalence of HIV/AIDS" and 9 is "high prevalence of HIV/AIDS."

Primary School Enrollment (% of Relevant Age Group) (Time Series: 1995-1998) (Source: World Development Indicators) Net enrollment ratio is the ratio of the number of children of official school age (as defined by the national education system) who are enrolled in school to the population of the corresponding official school age. Primary education provides children with basic reading, writing, and mathematics skills along with an elementary understanding of such subjects as history, geography, natural science, social science, art, and music. Based on the International Standard Classification of Education (ISCED). Data derived from United Nations Educational, Scientific, and Cultural Organisation Statistics. For the global rank based index (nine point scale) of the Primary School Enrollment (% of Relevant Age Group) variable, 1 is "high enrollment" and 9 is "low enrollment."

Secondary School Enrollment (% of Relevant Age Group) (Time Series: 1995-1998) (Source: World Development Indicators) Net enrollment ratio is the ratio of the number of children of official school age (as defined by the national education system) who are enrolled in school to the population of the corresponding official school age. Secondary education completes the provision of basic education that began at the primary level, and aims at laying the foundations for lifelong learning and human development, by offering more subject- or skill-oriented instruction using more specialised teachers. Based on the International Standard Classification of Education (ISCED). Data derived from United Nations Educational, Scientific, and Cultural Organisation Statistics. For the global rank based index (nine point scale) of the Secondary School Enrollment (% of Relevant Age Group) variable, 1 is "high enrollment" and 9 is "low enrollment."

Children in Labour Force (% of 10-14 Age Group) (Time Series: 1998-1999) (Source: World Development Indicators) Children 10-14 in the labour force is the share of that age group that is active in the labour force. Labour force comprises all people who meet the International Labour Organisation's definition of the economically active population. Data is derived from International Labour Organisation statistics. For the global rank based index (nine point scale) of the Children in Labour Force (% of 10-14 Age Group) variable, 1 is "low % of children in labour force" and 9 is "high % of children in labour force."

Issue Area 8. Environmental Stress

Rate of Deforestation (% Change) (Single Measure: 2000) (Source: World Development Indicators, World Bank Atlas) Definitions of forest area vary among countries. Land area is the country's total area, excluding the area under inland bodies of water. Annual Average Deforestation is calculated on the basis of the average annual percentage reduction in Total Forest Coverage. Data on land area and forests are from the Food and Agriculture Organisation. For the global rank based index (nine point scale) of the Rate of Deforestation variable, 1 is "low deforestation" and 9 is "high deforestation."

People per Square km of Arable Land (1995-1998) (Source: World Development Indicators, World Bank Atlas) People per Square km of Arable Land. For the global rank based index (nine point scale) of the Rate of Deforestation variable, 1 is "high amount of arable land" and 9 is "low amount of arable land."

Freshwater Resources (Cubic Meters per Capita) (Single Measure: 1999) (Source: World Development Indicators) Cubic meters of freshwater resources per capita. For the global rank based index (nine point scale) of the Freshwater Resources variable, 1 is "high amount of freshwater resources" and 9 is "low amount of freshwater resources."

Issue Area 9. International Linkages

Economic Organisations (Single Measure: 2001) (Source: CIA World Factbook) The number of organisations, based on CIA World Factbook data on memberships, coded by the CIFP as having a mandate focusing primarily on economic matters. To construct an index of membership in economic organisations, the total GDP represented by each organisation (based on the total GDPs of all member states [using 1998 GDP figures at Market Prices in 1995 US\$ millions]) was calculated. These organisational totals were summed for each country to provide an indication of the strength of the Economic Organisations to which the country belonged. Countries were sorted from highest to lowest, divided into nine equal categories.

ries, and then assigned numbers ranging from 1 to 9 based on the category to which they belonged (where 1 = High Membership and 9 = Low Membership).

Military/Security Alliances (Single Measure: 2001) (Source: CIA World Factbook) The number of organisations, based on CIA World Factbook data on memberships, coded by the CIFP as having a mandate focusing primarily on military and security matters. To construct an index of membership in Military/Security Organisations, the total armed forces represented by each organisation (based on the total armed forces of all member states [using 2000 Armed Forces numbers from IISS' s Military Balance]) was calculated. Then, these organisational totals were summed for each country to provide an indication of the strength of the Military/Security Organisations to which the country belonged. Countries were sorted from highest to lowest, divided into nine equal categories, and then assigned numbers ranging from 1 to 9 based on the category to which they belonged (where 1 = High Membership and 9 = Low Membership).

UN Organisations (Single Measure: 2001) (Source: CIA World Factbook) The number of organisations of which a country is a member, based on CIA World Factbook data on memberships, which are formally part of the United Nations System. To assess each country's stature within the United Nations (UN), the number of UN organisations to which a country belonged was used as the indicator of a country's relative dominance. Countries were sorted from highest to lowest, divided into nine equal categories, and then assigned numbers ranging from 1 to 9 based on the category to which they belonged (where 1 = High Membership and 9 = Low Membership).

Multipurpose and Miscellaneous Organisations (Single Measure: 2001) (Source: CIA World Factbook) Multipurpose organisations include those organisations, based on CIA World Factbook data on memberships, coded by the CIFP as having a mandate that crossed various sectors of activity. Miscellaneous organisations include those organisations coded by the CIFP as having a mandate focusing primarily on areas not included above, or otherwise not fitting into any of the above categories. A procedure similar to that of UN organisations was used to assess the strength of each country's memberships in multipurpose organisations or miscellaneous organisations (i.e. organisations that could not be classified as economic, military/security, UN, or multi-purpose.) The number of such organisations to which a country belonged was used as the indicator of a country's relative dominance. Countries were sorted from highest to lowest, divided into nine equal categories, and then assigned numbers ranging from 1 to 9 based on the category to which they belonged (where 1 = High Membership and 9 = Low Membership).

Total International Disputes (Time Series: 1999-2001) (Source: CIA World Factbook) To assess a country's relationship with its neighbours, CIFP examined the number of international disputes in which the country was involved. International disputes are defined by the CIA World Factbook to include a wide range of situations that range from traditional bilateral boundary disputes to unilateral claims of one sort of another. The Total International Disputes variable counts the total annual number of international disputes that appear annually in the CIA World Factbook. In cases where a country claims a territory that is also claimed by a number of other countries, disputes are counted for each of the other countries individually. If a country has multiple disputes with another country, again these are counted separately. For the global rank based index (nine point scale) of the Total International Disputes variable, where 1 is "no disputes" and 9 is "many disputes."

Data Sources

Food and Agricultural Organisation (FAO)

FAOSTAT Statistical Database

<http://apps.fao.org/>

Freedom House

Annual Review of Freedom

<http://www.freedomhouse.org/ratings/index.htm>

Annual Press Freedom Survey

<http://www.freedomhouse.org/research/pressurvey.htm>

International Institute for Strategic Studies (IISS)

Military Balance Annual

<http://www.iiss.org/pub/milbal1.asp>

Joint United Nations Programme on HIV/AIDS (UNAIDS)

Epidemic Updates and Reports

http://www.unaids.org/epidemic_update/

Stockholm International Peace Research Institute (SIPRI)

Military Expenditure Database

http://projects.sipri.se/milex/mex_database1.html

SIPRI Yearbooks

<http://editors.sipri.se/pubs/yearb.html>

Transparency International

Corruption Perceptions Index

<http://www.transparency.org/documents/cpi/2001/cpi2001.html>

United Nations Children's Fund (UNICEF) / World Health Organisation (WHO)

Global Water and Sanitation Assessment Reports

http://www.who.int/water_sanitation_health/Globassessment/GlobalTOC.htm

United Nations Development Programme (UNDP)

Human Development Reports

<http://www.undp.org/hdro/>

United Nations High Commissioner for Refugees (UNHCR)

Statistical Overviews

<http://www.unhcr.ch/statist/main.htm>

State of the World's Refugees Reports

<http://www.unhcr.ch/sowr2000/toc2.htm>

United Nations Statistical Division

United Nations Statistical Yearbook

<http://esa.un.org/unsd/pubs/>

United Nations University (UNU) and United Nations Development Programme (UNDP)

World Income Inequality Database

<http://www.undp.org/poverty/initiatives/wider/wiid.htm>

United States Central Intelligence Agency

World Factbook Annuals

<http://www.cia.gov/cia/publications/factbook/>

**University of Maryland, Centre for International Development and
Conflict Management (CIDCM)**

Polity IV Project Data Set

<http://www.bsos.umd.edu/cidcm/polity/>

Minorities at Risk Project Data Set

<http://www.bsos.umd.edu/cidcm/mar/>

Uppsala University

Conflict Data Project

<http://www.pcr.uu.se/data.htm>

World Bank

World Development Indicators

<http://www.worldbank.org/data/wdi/home.html>

World Governance Research Indicators Data Set

D. Kaufmann A. Kraay, and P. Soido-Lobatón

<http://www.worldbank.org/wbi/governance/pubs/aggindicators.htm>

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