



ASSESSING DEMOCRACY & GOVERNANCE: A CIFP HANDBOOK

This handbook, funded by CIDA's Office for Democracy and Governance (ODG) is intended to be a user-friendly decision support tool to assist government desk officers, programme planners, NGOs and international governmental organisations in their operational and strategic decision making, country planning and project evaluation. It distils the findings of previous phases of the project, synthesising relevant findings from CIFP's research for the Department of National Defence (DND), the Department of Foreign Affairs and International Trade (DFAIT), the RCMP-CISC, the EC and more recently CIDA's Policy Branch. Over the course of this decade-long research endeavour, CIFP has developed a suite of tools for policy-relevant country analysis and risk assessment.

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1. Monitoring & Evaluating Governance and Democracy Processes

INTRODUCTION & OVERVIEW

Research shows that good governance brings concrete benefits to developing countries. Countries with better governance show higher economic growth rates, both overall and per capita, and improvements in areas such as infant mortality and illiteracy. As the world works together to meet the Millennium Development Goals (MDGs) there is a common recognition that governance will be a key to success. Governance affects both policy development and implementation, and provides a framework for sustainable economic and social development that basic aid cannot. Improved governance enables developing countries to better manage their own affairs, lock in gains from external aid and internal economic progress, and pursue policy outcomes in ways that are best suited to local environments. In the absence of strong governance to ensure sustainable management, individual programs and their outcomes are likely to fade when constant -- and costly -- external funding is removed. Further, strong governance institutions enable countries to meet the need for

KEY FACTS

- Governance speaks primarily to outcomes, even if part of the ideal outcome is a certain set of processes
- Democratic processes constitute a set of mechanisms that, when fully implemented, provide states with the best overall route to achieving lasting good governance
- Failings in any element of democratic process can result in less than optimal governance outcomes, but conditions associated with good governance can result without democratic process

internally managed long-term solutions. The 2007 Senate of Canada report "Overcoming 40 Years of Failure: A New Road Map for Sub-Saharan Africa," explicitly spells out the centrality of governance to development from a Canadian perspective, saying that "vibrant economies and good governance are the answer for Africa." This idea is applicable globally. Good governance is a prerequisite for effective development in all sectors of society. Democratic processes are a crucial element of good governance.

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It is useful to distinguish between good governance and democratic processes because failings in any element of democratic process can result in less than optimal governance outcomes, while conditions often associated with good governance can result without democratic process. The two do not directly equate. Good governance speaks primarily to outcomes, even if part of the ideal outcome is a certain set of processes. Democratic processes constitute a set of mechanisms that, when fully implemented, provide states with the best overall route to achieving lasting good governance. Empirical evidence as well as theory suggest that the two converge over the long term, but that states with unconsolidated and partially democratic institutions engender more open conflict and exhibit a greater capacity for human rights violations than either full democracies or entrenched autocracies. In the final analysis, outcomes are often more important than process, and one must always assess governance on a case by case basis, taking into consideration every country's stage of political consolidation.

This handbook builds on research by the Country Indicators for Foreign Policy (CIFP) project that monitors and evaluates governance and democratic processes. Several CIFP methodology documents are already widely available and can be downloaded from the CIFP site. In them, the reader will find detailed discussions of methodological issues such as risk analysis, early warning and programme evaluation.

CIFP briefs, country reports, and regional risk assessments utilise three streams of information –

TABLE 1: A COMPARISON OF GOVERNANCE AND DEMOCRATIC PROCESS ASSESSMENTS

	CIFP	World Bank	Economist	IDEA	Transparency International	UNDP
Rule of Law	✓	✓	✓	✓	✓	
Political Stability & Violence	✓			✓		✓
Democratic Participation	✓	✓		✓		✓
Government & Market Efficiency	✓	✓	✓			✓
Government Transparency & Accountability	✓	✓	✓	✓	✓	
Human Rights	✓					

open-source statistical country data; dynamic data analysis based on structured and systematic event monitoring, as well as detailed stakeholder analysis; and expert opinion based on in-country surveys, questionnaires, and interviews. These sources of information, in conjunction with scenario analysis, are synthesised to produce country-specific reports on democratic processes and good governance. The information also provides a comparative context that identifies differences among countries both globally and within a specific region.

An integrated approach, to governance and democratic process assessment, such as CIFP's, represents an evolution in the field of state fragility. There are connections between fragility, governance, and democratic processes. Fragile states fail to exhibit good governance. They are characterised by weak governments that are unable to provide for the basic wellbeing of their citizens. The inductive methods and theoretical approaches of CIFP's work on state fragility, which focused on the necessary elements of a functional state, implicitly reflected the values of good governance and democratic

processes. This has enabled the current analytical framework to build on the foundation of its predecessor, enhancing previous research regarding state performance and placing it within the context of governance development programming.

Using CIFP's failed and fragile state experience as a starting point allows the governance assessment system to achieve greater depth of analysis than other approaches (see Table 1). The CIFP methodology takes a whole-of-government perspective and considers democratic governance to be an expression of the organic relationship that exists between state and society; one that touches many aspects of individual and communal life. Furthermore, by building on CIFP's past work in developing research methodologies, this assessment framework enables a flexible approach capable of including and synthesising multiple information streams into a comprehensive analysis. The end result is a multi-source analysis that enhances accuracy and reliability, allowing analysts to validate conclusions through a comparison of different information streams.

2. The Contribution of Accurate Governance Assessment to Effective Programming

OUTLINE

This handbook's contents are as follows: The first section discusses the necessity of three types of contributing information -- quantitative, expert-opinion, and events-based -- in order to clearly identify the basic building blocks of sound analysis. The second section evaluates good governance and democratic processes through six analytical focus areas to assist the reader in applying a systematic but manageable assessment. These focus areas are: political stability and violence, rule of law, human rights, government transparency and accountability, government and market efficiency, and democratic participation. This section also provides definitions for the key elements of the framework. The third and final section provides examples of findings from current research in the field to highlight the importance of case specific analysis.

Governance programming seeks to improve outcomes for individuals by

EXPERTISE IN CANADIAN POLICY PERSPECTIVES

CIFP has worked for over 10 years with Canadian policy makers and program managers to create analytical methods that incorporate Canadian-specific concerns and tailor output accordingly. Considering governance and democracy from a Canadian perspective entails meaningful analysis for Canadian policy and programming. Many country reports are widely available, but because they are not adapted to Canadian policy needs they fail to provide direction that focuses on affecting the kind of change that Canada wants to see in developing states.

enhancing institutional or process performance, with the ultimate purpose of improving human wellbeing. This can be done by solving problems as well as supporting areas of strength. Effective policy in developing states requires a solid analytic base that:

- Is sufficiently nuanced to allow the observer to understand differentiated performance in different areas of governance, rather than presenting government processes and performance in an oversimplified manner;
- Identifies both positive and negative sectors in each state's governance and democratic performance, thereby highlighting potential points of entry for external actors;
- Combines real time dynamic event and actor analysis with long-term structural information to counter time lags between developments on the ground and their reflection in statistical indicators and resulting programming priorities and timelines;
- Provides policy relevant diagnosis by matching the analysis to the end user's operational capacity; and
- Provides an evaluative framework with which to assess policy impact both before and after programs are implemented.

Governance and democratic processes constitute a network of dynamic and interdependent systems that change over time.



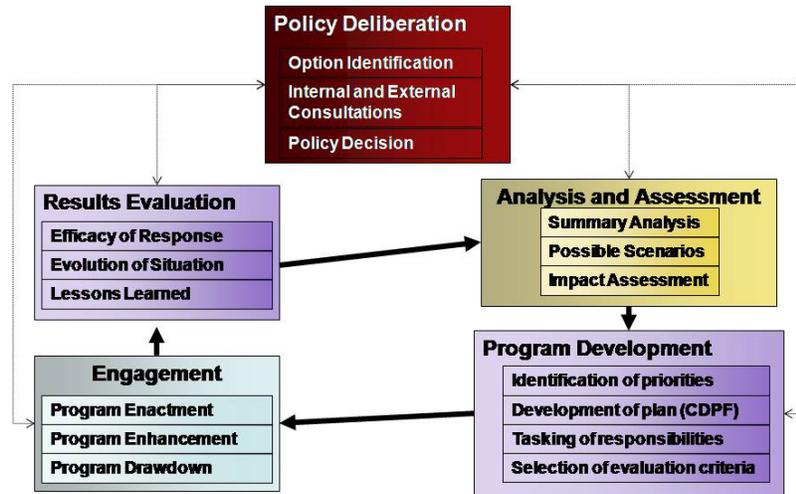
Weakness in any one area of governance may increase stress on other areas, just as a small tear in a spider's web places greater strain on all its connected parts. In assessing the strength of various individual elements of governance, it is important to retain a view of how they impact on the overall structure as well. From a programming perspective this approach has the advantage of allowing interventions to target areas where the need is greatest and where the impact is expected to be significant. Scarce donor resources can be used efficiently to build overall systemic integrity by reinforcing stress points and building on strengths.

To identify potential entry points for engagement, country analysis needs to identify those factors that are contributing to both positive and negative outcomes. Further, it must marry that analysis with an understanding of capacities both within and outside the system that have an influence on country performance. Having all of this information is crucial for

understanding how a potential program might increase the likelihood of realistic and successful engagement, and reduce the potential for unintended and detrimental consequences. With an understanding of how programming can reduce risk, desk officers and policy analysts are more likely to have confidence in their decisions. Figure 1 shows the role of risk assessment in the policy cycle.

Programmes that incorporate an in-depth understanding of unique local realities enjoy a greater probability of achieving their objectives. Moreover, because they target factors that contribute to governance outcomes in reference to local and international capacities, their impact is more likely to be significant and positive on the partner country. In the absence of accurate assessment programming may fail to achieve its objectives or even have a negative effect, despite the good intentions with which it was conceived and implemented. For example, there is a practical consensus that functioning democracies produce positive outcomes in the long term, but much less agreement about how states should get to the long term functioning democratic stage. Simply making a society move through the steps of being democratic i.e. "holding elections" can be ill-conceived. Voting in deeply factionalised societies is well-documented as a trigger for organized violence. The resulting insecurity may actually undermine the democratic institutions already functioning, however imperfectly, within the country. Other potential problems include a vicious cycle of damage to an intervener's

FIGURE 1: THE ROLE OF RISK ASSESSMENT IN THE POLICY CYCLE



reputation, attempts to compensate by doing what looks good rather than what works, scepticism that builds as outcomes don't improve and that reduces the likelihood of good future programming -- and further reputational damage.

different information streams that can act as a system of checks and balances on each other, with each source providing a method of validation for the others. Together they provide a full picture of country performance.

2.1 TYPES OF INFORMATION NECESSARY FOR POLICY RELEVANT DIAGNOSIS

Problems are best understood from a multiplicity of perspectives. Different types of information and the methodologies used to gather them act like the lenses of a camera. Each have their own biases and strengths. Some types of information, like some types of lenses are good for close-up pictures, while others provide a macro-strategic overview. Some lenses are useful for capturing fast moving action while others are useful for portraits. Like lenses, the information used to assess governance and democratic processes bring a country into sharp relief. They allow the viewer to appreciate both the uniqueness and the similarities. Used together, different lenses provide a more complete and balanced picture than any one lens could on its own. In the following section we identify

2.1.1 Structural Data

The value of country-specific structural data

Structural data, such as GDP per capita, political indices and human rights measures, provide a sturdy platform on which to build country analysis. Structural data are compiled by recognised organizations, sometimes in partnership with host nations. Structural data allows the end user to rank countries for quick assessments of performance within sub-sectors. Country level structural data also enable comparative analysis. For example, one may compare the voting rates among women in Ghana and Cote D'Ivoire using data collected by the UNDP or the World Bank. Using the same indicators and econometric analysis it is possible to determine in what way women's voting rates in Ghana and Cote D'Ivoire are influenced by education levels, rural and urban environments, and formal employment.

Many statistical indicators are themselves composite indices capturing several underlying concepts in a single score. The UNDP's Human Development Index (HDI) is an example of a composite index. Indexing makes quantitative data easy to handle and compare and is useful for broad strategic evaluation across countries. For example, the CIFP indexing approach utilises a three-step process of initially collecting data on a yearly basis, assigning raw scores a global rank based upon a continuous distribution of countries for each indicator and then ranking

countries for a specific year. Tables 2, 3, and 4 demonstrate the utility of the "at a glance" approach that structural data can provide. The color coding scheme shown here provides even further information about areas of concern within a country as well as areas in less need of attention.

The limits of structural data

Structural data has obvious merit from a macro or strategic perspective but, a number of factors limit its utility as the sole source of information in decision making. At the sub-national level

TABLE 2: GOVERNANCE INDEX SCORING SCALE

SCORE	DESCRIPTION
1-3.5	Country performing well relative to others
3.5-6.5	Country performing at or around the median
6.5+	Country performing poorly relative to others

TABLE 3: NICARAGUA STRUCTURAL PROFILE 2007

Nicaragua	Cluster Average	Raw Score	CIFP Index Score	Last Year of Data Available	Data Trend
1. Democratic Participation	3.77				
Checks and Balances (World Bank Database of Political Indicators, Index, 1-5)		2.8	5.6	2004	neg
Degree of Party Dominance (WB DPI, ratio of opp. to gov't members in legislature)		1.0	2.1	2004	neg
Percentage of Female Parliamentarians (WB WDI)		18.7	3.2	2005	pos
Level of Democracy (Polity IV, Index, -10-10)		8.0	4.2	2004	s.q.
Executive Constraints (Polity IV, Index, 1-7)		7.0	3.7	2004	s.q.
2. Government and Economic Efficiency	5.75				
Economic growth -- Percentage of GDP (WB WDI)		3.1	5.8	2005	s.q.
Economic Size -- Relative -- GDP per capita (WB WDI)		807.9	6.4	2005	s.q.
Economic Size -- Total -- GDP (WB WDI)		4260263400	6.1	2005	s.q.
External Debt -- percentage of GNI (WB WDI)		35.2	3.3	2004	*
Ease of Doing Business (WB Ease of Doing Business, Global Rank)		69.5	4.1	2006	*
Starting a Business (WB Ease of Doing Business, Global Rank)		60.5	3.7	2006	*
Protecting Investors (WB Ease of Doing Business, Global Rank)		82.0	4.7	2006	*
Trading Across Borders (WB Ease of Doing Business, Global Rank)		77.5	4.5	2006	*
Closing a Business (WB Ease of Doing Business, Global Rank)		65.0	4.0	2006	*
Economic Freedom (Heritage Foundation, Index, 0-100)		59.9	4.6	2007	pos
Savings Level (WB WDI, Gross Domestic as a % of GDP)		1.1	8.1	2004	s.q.
Foreign Investment Freedom (Heritage Foundation, Index, 0-100)		62.0	4.7	2007	pos
Intellectual Property (Fraser Institute, Index, 0-10)		2.4	8.1	2004	s.q.
Investment Climate -- Contract Regulation (Heritage Foundation, Index, 1-5)		4.0	4.9	2006	s.q.
Enforcing Contracts (WB Ease of Doing Business, Global Rank)		47.5	3.2	2006	*
Dealing with Licences (WB Ease of Doing Business, Global Rank)		83.5	4.8	2006	*
Registering Property (WB Ease of Doing Business, Global Rank)		138.5	7.3	2006	*
Enrolment Rates (UNESCO, Gross enrolment ratio)		69.0	5.8	2004	s.q.

	Cluster Average	Raw Score	CIFP Index Score	Last Year of Data Available	Data Trend
2. Government and Economic Efficiency, cont'd					
Health Infrastructure -- Expenditures as a percentage of GDP (WB WDI)		7.2	3.3	2003	pos
Access to Improved Water (WB WDI, percentage of pop.)		79.0	6.4	2004	*
Gov't Effectiveness (WB Governance Matters, Deviation from mean)		-0.7	6.9	2005	*
FDI -- percentage of GDP (WB WDI)		5.2	6.9	2004	s.q.
Foreign Aid -- percent of Central Government Expenditures (WB WDI)		96.1	8.7	2004	neg
Inequality -- GINI Coefficient (WB WDI)		43.1	6.3	2003	*
Trade Balance -- percentage of GDP (WB WDI)		-18.8	8.8	2004	s.q.
Unemployment (WB, percentage)		10.4	6.0	2003	s.q.
Paying Taxes (WB Doing Business, global rank)		151.5	7.9	2006	*
3. Accountability	5.04				
Corruption (WB GM, Dev. from mean)		-0.5	5.7	2005	*
Voice and Accountability in Decision-making (WB GM, Dev. from mean)		0.0	4.9	2005	*
Freedom of the Press (FH, Index, 0-100)		39.0	4.6	2006	neg
4. Human Rights	4.78				
Restrictions on Civil Liberties (FH, Index, 1-7)		3.0	4.1	2005	s.q.
Restrictions on Political Rights (FH, 1-7)		3.0	4.5	2005	s.q.
Human Rights -- Empowerment (CIRI, Index, 0-10)		8.2	4.5	2004	s.q.
Human Rights -- Physical Integrity (CIRI, Index, 0-10)		5.0	6.0	2004	s.q.
5. Political Stability and Violence	3.28				
Permanence of Regime Type (Polity IV, years since regime change)		12.0	4.8	2004	s.q.
Informal Economy -- Black Market (Heritage Foundation, 1-5)		4.0	5.2	2006	s.q.
Conflict intensity (Uppsala PRIO, number of conflict-related deaths)		0.0	1.0	2005	*
Dependence on External Military Support (Fund for Peace, 1-10)		5.7	4.2	2006	*
Military Expenditure -- percentage of GDP (WDI)		1.0	1.5	2005	s.q.
Political Stability (WB GM, deviation from mean) Political Stability (WB GM, deviation from mean)		-0.1	5.4	2005	*
Refugees Produced (WB WDI)		3865.1	5.4	2004	pos
Terrorism -- Number of fatalities (US NCTC, number of fatalities)		0.0	1.0	2005	*
Terrorism -- Number of Incidents (US NCTC, number of incidents)		0.0	1.0	2005	*
6. Rule of Law	6.85				
Police, Law, and Criminality (WB GM, Dev from global mean)		-0.7	6.3	2005	*
Prison Population Rate (International Centre for Prison Studies, per 100,000 pop.)		125.8	5.2	2006	pos
Prison Occupancy Level (ICPS, percentage of official capacity)		129.5	5.8	2006	*
Number of Political Prisoners (CIRI, Index, 0-2)		2.0	5.4	2004	s.q.
Judicial Independence (Fraser Institute, Index, 0-10)		0.9	8.8	2004	*
Impartial Courts (Fraser Institute, Index, 0-10)		2.2	8.5	2004	neg
Integrity of the Legal System (Fraser Institute, Index, 0-10)		6.7	5.3	2004	s.q.
Military Interference in the Rule of Law (Fraser Institute, Index, 0-10)		3.3	8.1	2004	s.q.
Property Rights, (Heritage Foundation, Index, 0-100)		30.0	8.3	2007	s.q.

variations in both the types and method of data collection tend to limit an end-user's ability to compare governance indicators across sub-regions or within a single region over time. In particular, sub-national data is often not delineated by age or gender, thus limiting the extent to which it can inform targeted development programming. Even at the national level, in some cases statistical data for some indicators simply does not exist or is uneven in its coverage. This situation is changing for the better. In recent years, the World Bank and the UNDP have engaged in a wholesale effort to improve country level data collection and reliability.

TABLE 4: REGIONAL COMPARISON OF STRUCTURAL GOVERNANCE INDICATORS FOR LATIN AMERICA, 2007

	AVERAGE	DEMOCRATIC PARTICIPATION	GOVERNMENT AND ECONOMIC EFFICIENCY	GOVERNMENT TRANSPARENCY & ACCOUNTABILITY	HUMAN RIGHTS	POLITICAL STABILITY	RULE OF LAW
Costa Rica	3.24	2.72	4.76	2.45	2.63	2.15	4.70
Cuba	6.81	7.37	5.48	7.50	8.15	3.80	8.55
Dominican Republic	4.76	4.00	5.54	4.80	4.43	2.96	6.82
El Salvador	4.70	4.76	5.04	4.82	4.16	3.13	6.30
Guatemala	5.54	5.14	5.77	6.21	5.56	3.74	6.82
Guyana	4.75	4.61	6.35	4.02	3.91	3.97	5.62
Haiti	7.20	6.96	6.67	8.12	6.95	6.85	7.66
Honduras	5.49	4.88	5.90	5.71	4.65	4.59	7.20
Jamaica	4.34	4.52	4.76	3.89	4.12	3.25	5.51
Nicaragua	4.91	3.77	5.75	5.04	4.78	3.28	6.85
Panama	4.30	3.68	4.87	4.31	2.98	3.29	6.69

Beyond these issues, operationalizing (defining in meaningful and measurable ways) measures of governance and democratic processes is a challenge for country-level structural data analysis. Analysts must use specific and narrowly defined kinds of information to proxy or otherwise represent the more abstract concepts that lay at the heart of governance. There is a need to find a balance between too many and too few indicators to tap into the kinds of underlying constructs they represent. With too few indicators, one may have an incomplete picture. With too many, one may be unable to distinguish the vital information amid all the background 'noise'. In circumstances where structural data is unreliable or proxy measures cannot be properly identified it is particularly important to seek out alternative information sources to fill gaps.

Using structural data effectively

In assessing governance performance look first to outwardly visible signs and then ask what these indicate

about internal processes. Individual bits of information are indicators of larger issues, and need to be considered as parts of a bigger picture. Although a single statistic or story may seem suggestively positive or negative, it is the process behind the data that determine governance outcomes. Data are only meaningful if they are considered in context. Context might include a comparison between neighbouring villages, between states with similar economic development or democratic history, or of the same unit of analysis over time. In each of the six focus areas that follow, a break out box lists some possible pertinent indicators for which information is readily available. An appendix to this handbook lists sources for each indicator. These indicator lists are not exhaustive, and should be viewed as starting points. Country performance indices, such as that compiled regularly by CIFP, can provide a good source of information for cross-country comparisons; the time-consuming work of standardising information has been done and presented in a

neat package. Analysts should be sure to familiarise themselves with how categories are operationalized, and what the statistics mean.

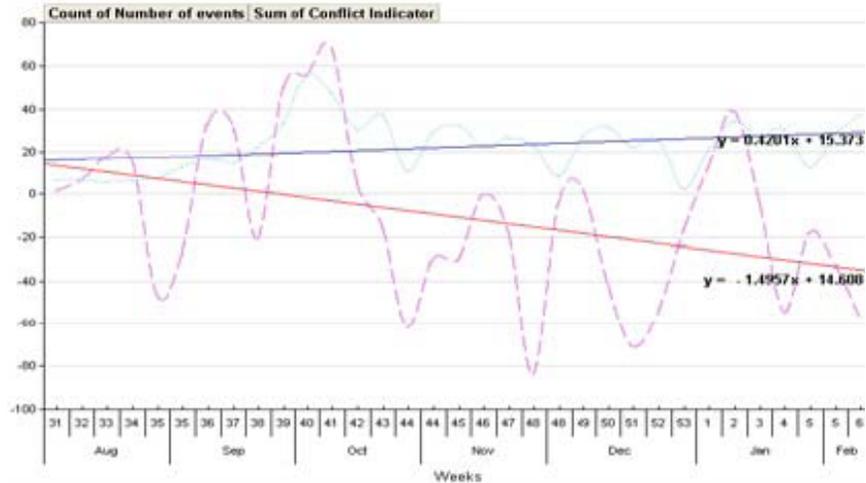
2.1.2 Dynamic data analysis using structured events coding

The value of dynamic data analysis

The systematic collection and evaluation of dynamic data also known as events-based information analysis, is highly relevant to programming on governance and democracy processes. Dynamic data analysis whether it draws on information from media sources or country experts, is useful for identifying up-to-date trends in popular perceptions, preferences and stakeholder behaviours. Dynamic data analysis can add considerable value through regularized and standardised reporting. It can deepen understanding of trends found in structural data, and can highlight trend reversals. For example, a statistical study may show a steady decline in violent events over a series of years, but current events may evidence a sudden surge in violent



FIGURE 2: PATTERNS IN GOVERNANCE PERFORMANCE—PAKISTAN 2007



demonstrations, one that will show up in structural data only until after the fact. Events-based information can also provide a window into stakeholder perceptions, how they are reacting to real-time changes and why they are doing so.

As the examples below demonstrate, events data draws from a myriad of open sources collected by humans or through machine-coded language. In either case, when each discrete event is analyzed in a structured and systematic fashion, patterns of performance begin to emerge. Pattern recognition is especially important to the analyst who is engaged in continuous country monitoring and, who wants to make projections about short term changes within a country on the basis of recent trends. For example, Figure 2 shows patterns of decline in governance performance approximately a year prior to the declared state of emergency in Pakistan in 2007. The red regression line in the graph represents the overall trend in events. Clearly, in the case of Pakistan, there was considerable evidence of an approaching crisis.

Such evidence, if properly understood, can allow policymakers to respond in a timely fashion to impending problems, rather than simply responding after the fact.

The limits of dynamic data analysis

Events-based information cannot provide the entire context for complex situations, nor does it necessarily provide a complete representation of root causes. Events represent specific interactions among key players, known as stakeholders, in a given situation. Discrete events can act as accelerants (factors that tend to magnify the effects of existing issues) either on their own or in conjunction with a series of similar

ensuing genocide in Rwanda, but without the underlying structural tensions deriving from ethnic fragmentation, power imbalances, and land shortages among other things, that radical elements could exploit, such a severe reaction most likely would not have occurred.

How dynamic data analysis can help the desk officer

Given the frequent absence of opinion polls on matters relevant to governance and democracy, learning about popular reactions to events through media reports or other sources is an important way to understand the reality of governance and democracy on the ground and to ascertain how a government is

“Such evidence, if properly understood, can allow policymakers to respond in a timely fashion to impending problems, rather than simply responding after the fact.”

events. Events can also be triggers that provide the immediate proximate cause for crises. Events precipitate reactions and provided that the appropriate pre-conditions are in place become the basis for wholesale transformation. An extreme but illustrative example was the assassination of Juvenal Habyarimana, the President of Rwanda, was a trigger for the

responding to social, cultural, and economic pressures and opportunities. Seeking out different sources for a broader set of views can of course reduce the bias that might occur were one to rely on a single media source for all information. Local language media are also important sources of information. All reports of an event will most likely provide useful

information and ideas, but the analyst must decide what is “fact”, what is “conjecture” and what is “polemic”, and how reliable event coverage is as a result. Analysts need to look at events in the context of past history and social realities, to try to understand what is driving an event.

2.1.3 Expert opinions, surveys and polling

The usefulness of expert opinions, surveys and polling

Human insight can offer invaluable nuanced views of governance and democratic health. Qualitative information, of this kind is a

valuable complement to the systematic collection of statistical data, as it uncovers details and nuance. Put simply, when correctly structured, expert opinion can provide the “why” behind the “what” revealed through structural and dynamic data analysis. Expert opinions can provide detailed insight into specific issue areas, as well as offer ideas about what areas deserve the most attention going forward, either because they are functioning well and can be used to propagate positive reform in other parts of the governance system, or because they are weakening and threaten to undermine stability and

development in other sectors. For example, CIFP’s expert survey on Ghana highlights the problem of low popular expectations of government as an obstacle to improving governance performance. Ghanaians have become so accustomed to limited government capacity that they have ceased to seriously challenge the government on its service delivery. The experts consulted for this study suggested programming aimed at popular democratic education as a way to counter these issues. Both problem and solution would have been difficult if not impossible to discern in the absence of expert opinion.

TABLE 5: DATA STREAMS: STRENGTHS AND WEAKNESSES

TYPE OF DATA	STRENGTHS	WEAKNESSES
Structural data	<ul style="list-style-type: none"> • Comparable temporally and spatially • Generalizable beyond a specific country • Considered reliable • In wide use by aid agencies • Considered essential for desk officers for doing strategic analysis • Benchmarking possible (e.g MDGs) • Lends itself to statistical analysis • The basis for long term forecasting and modelling 	<ul style="list-style-type: none"> • Difficult to operationalize unless one understands the underlying concepts • Available data can be limited, particularly at sub-national levels • Desired disaggregation (e.g. gender, age) often not available • Data can lag can be an issue • Identifies broad patterns but not necessarily context
Events	<ul style="list-style-type: none"> • Widely available information sources • Up to date information and real time analysis possible • Machine and human coding provides reliability and validity • Lends itself to impact assessment and programme evaluation • The basis for developing a short to medium predictive and forecasting capacity • The basis for developing scenarios 	<ul style="list-style-type: none"> • Context must be matched with stakeholder analysis • Potential bias of sources • More costly than open source structural data for comparable country coverage • Training essential for the end user • Investment in software for systematic analysis
Expert opinions	<ul style="list-style-type: none"> • Detailed in-depth country pictures • Access to broad-based knowledge • Can highlight unseen but important concerns and opportunities • Systematic comparisons provide the basis for forecasting and risk analysis • Most useful as a cross check against other sources of information 	<ul style="list-style-type: none"> • Expert Subjectivity • Potential costs • Development of questionnaires must be fitted to country issues, capacity and concerns • In-country coordination raises questions of consent and costs of implementation within host country

However, once identified, structural data, in the form of educational performance statistics, popular surveys, and other quantitative indicators, can be enlisted to measure progress towards achievement of the articulated goal. As discussed above, statistical analyses are limited by the ways that they can be and are operationalized. Qualitative information minimises this problem by describing the whole of a situation in detail, including all the bits and pieces that are difficult to include in a statistical analysis. For example, a human rights expert with long experience in a country can provide a full picture of the local rights environment, bringing in elements of culture, history, and analogous situations. Expert opinions also provide a valuable challenge function to quantitative analysis. If enough experts tell a story that differs with a statistical snapshot it can be worthwhile reconsidering the validity of a quantitative-based conclusion, and potentially revising the selection and/or operationalization of quantitative indicators.

The limits to expert opinions, surveys and polling

Individual expert opinion tends to reveal only one part of a larger picture. People have subjective viewpoints, whether they are ordinary citizens or specialists. Specialists are likely to overestimate the importance of their field to the overall governance and democratic situation in a country. Ideology can cloud opinions, as can personal experience and bias. Expert opinions cannot provide an objectively true description of a country's governance and democratic processes. Expert opinions have other limitations as well. Research processes involving



MAKING EXPERT OPINIONS WORK

Expert information gathering can use either standard interviews or a survey instrument as a framework; the former allows greater exploration of a given expert's area of specialty, the latter more ease of comparison among answers to similar questions. A sample CIFP questionnaire can be found in Appendix 2.

expert opinions are often comparatively expensive relative to other methods; many experts often require compensation, and it can be costly to interview a sufficient number to validate the information collected. In addition, excessive consultation of experts can actually burden the country that analysts are seeking to help. Research takes the time of the experts themselves, many of whom are involved in vital positions within their countries' government and society; when confronted with endless requests for interviews by international researchers, their own work may suffer.

Using expert opinions, surveys and polling effectively

CIDA is in an excellent position to tap into the acquired knowledge of many in-country experts, including

past and present CIDA field officers, NGO and IO staff, government officials, and staff working with other donor agencies. All these people represent many years of in-depth experience working with governance and democracy issues, whether implicitly or explicitly. It is crucial to derive expert-based information from as wide a base as possible to take advantage of multiple viewpoints and to limit the potential for 'tunnel-vision' and group-think that can arise from discussing ideas within a limited community that approaches problems from the same perspective. Subjective bias can never be eliminated altogether, but talking to a broad sample of people provides an analyst with a better overall conceptualisation of the society and its relationship with its government. Toward this end, an

expert panel should include individuals that approach different elements of governance, and approach them from different ideological and professional perspectives.

2.1.4 Combining information streams for better analysis

Meaningful analysis will include as much information as possible, ideally from all three of the sources described above. There are three main benefits to systematically combining information streams:

Challenge function: If different streams tell different stories one can investigate further to discover which is correct; analysis based upon a single information stream is impossible to verify or validate.

Depth of coverage: No single stream can provide a complete picture of a country's democratic and governance performance. Combining streams can give more information at different levels.

Finer focus: Looking at different streams lets the analyst see more clearly what factors contribute most to outcomes. This idea connects to the previous two advantages of multi-stream analysis. If all three streams suggest that a certain factor is the key driver of a certain phenomenon one can have confidence that this is the case.

However, if there is disagreement one can investigate further to gain clarity and find out which angle is less accurate. Likewise, deeper coverage will allow a more detailed picture of how various factors interact to produce outcomes, allowing causal relationships to go beyond simple cause and effect to embrace network dynamics.

2.1.5 Time and Trends

Governance and democratic process analysis must consider both the current state of a country, as well as the direction the country is moving. Is the country on a downward trajectory and thus on the path to governance failure? Or is it entering a potentially destabilising period of reform? A country that is emerging from a civil war may exhibit extremely poor performance in almost all areas if examined as a snapshot frozen in time, but when dominant trends are considered, the country may be in the midst of a rapid recovery made possible by its newfound stability.

Conversely, a democratic system may appear superficially strong and stable until one takes into account, for example, a growing and unchecked trend toward authoritarian executive behaviour. Trends are most easily and reliably visible through dynamic data analysis, but to a certain extent expert opinion prove helpful. From a programming perspective trends are of crucial importance; understanding them allows decision makers to engage in areas showing worrisome deterioration, or to take

advantage of positive momentum as a resource multiplier to support a crucial governance sector.

As a final note to this section, one must always understand and assess governance and democratic processes as unique arrangements that interact dynamically with their associated unique social structures. Institutions and processes will vary to some extent with cultural and sociological differences between countries. Assessing good governance and democratic processes does not mean going through a checklist to identify whether or not a predetermined ideal model exists in a given country. Rather, assessing good governance and democratic processes means identifying how (and if) a country's political system functions and interacts with society, and then determining what areas could stand improvement or reinforcement, and what areas are working effectively by satisfying the desires of the related population. The following six focus areas are signposts on a wide road rather than a deterministic and narrowly defined set of criteria for good governance and effective democratic process.



3. Understanding Governance & Democratic Processes

Understanding governance and democratic processes is daunting in itself. Using this information to assist country programming is even more challenging. Breaking ideas of governance and democratic processes into specific focus areas is necessary in order to provide manageable and useful analysis. Conclusions and recommendations must be specific if they are to be actionable by policymakers. Good policies and processes tend to produce good outcomes over a limited range of socioeconomic phenomena. There is no single policy that can ensure good governance. Positive processes and outcomes tend to be self-reinforcing, however, as they create positive dynamics and externalities that spill across demarcated boundaries. CIFP has identified six focus areas, listed in the text box below, that together constitute good governance and democratic processes. In many cases one focus area is dependent on another: effective democratic participation is impossible without the rule of law, which is in turn facilitated by transparent and accountable government mechanisms. Deficiency in one or more areas constitutes a challenge to development and human well-being. When considering these areas, it is useful to start with four primary questions:

- What is the current capacity of the institutions and organizations relevant to governance in the subject country, both within and beyond government, to perform the core functions associated with good governance;
- What is the current trajectory of those institutions and organizations; that is, are they improving or deteriorating in their performance of those core functions;
- What are the primary challenges and opportunities with respect to governance and democratic processes in the country; and
- How can international actors, particularly CIDA, best engage in the subject country to assist local actors in their efforts to overcome such challenges? In particular, what are the policy windows available in the near- to medium-term?

including street gangs and narco-traffickers, play in country governance?

Analysing the intersection of these questions, themes, and focus areas provides desk officers and programmers with a clear understanding of democratic processes and good governance in their respective countries of responsibility. Conceptually, elements of these areas overlap significantly and are complementary to those identified by ODG's four focus areas.

Whether divided into four or six focus areas these clusters of information are essential components of governance and democratic process. Multiple focus areas deliver a more nuanced understanding of outcomes and processes, and their causes, providing both a structural picture as well as an assessment of qualitative effects on individuals. In the following section, the definitions of good governance and democratic processes are specified using the six clusters identified and used by CIFP.

Two themes that cut across the focus areas identified above complement the four primary questions:

The political economy of governance: To what extent can women, aboriginal groups, youth, and other vulnerable populations access and participate in governance institutions? How responsive are governance institutions to the needs, wants, and values of these groups?

The role of non-state actors in governance: How are non-state actors, including NGOs, community organisations, business groups, international donors and organisations, and the private sector involved in country governance? What roles do illicit actors,

TABLE 6: COMPARISON OF CIFP/ODG FOCUS AREAS

ODG/CIDA		CIFP
Rule of Law	↘ ↗	Rule of Law Political Stability & Violence
Human Rights	→	Human Rights
Accountable Public Institutions	↘ ↗	Government & Market Efficiency Government Transparency & Accountability
Democracy & Freedom	→	Democratic Participation

The UNDP defines governance as ...

The system of values, policies and institutions by which a society manages its economic, political and social affairs through interactions within and among the state, civil society and private sector. It is the way a society organizes itself to make and implement decisions --- achieving mutual understanding, agreement and action. It comprises The mechanisms and processes for citizens and groups to articulate their interests, mediate their differences, and exercise their legal rights and obligations. It is the rules, institutions and practices that set limits and provide incentives for individuals, organisations and firms. Governance, including its social, political and economic dimensions, operates at every level of human enterprise, be it the household, village, municipality, nation, region or globe.

3.1 GOVERNANCE AND DEMOCRATIC PROCESSES: DEFINITIONS

A first and necessary step in country analysis, is definitional. This is particularly important when dealing with an abstract concept like governance. Previous definitions offered include everything from anti-corruption, to service delivery, to executive constraints, to participatory development, to market reform. The list is potentially endless. The approach taken by CIFP is to identify six focus areas, providing associated definitions for each. Collectively, these six cluster areas encompass the most important elements from a policy and human outcome perspective.

3.1.1 Governance

Governance encompasses the processes, institutions, and outcomes of decision making and policy implementation related to social, economic, and political affairs. It refers to both the means and ends of public institutions in a country. Good governance is an evaluative term implying that (a) decision-making processes include a number of desirable qualities, including transparency, inclusiveness, professionalism, and effectiveness; and (b) policies achieve a number of desired effects, including increased equality of opportunity, respect for civil and political rights,

economic development, poverty reduction, political stability, and individual security. The idea of good governance is thus both process and purpose driven: good governance must achieve a specific set of outcomes, and it must do so in a manner consistent with various internationally recognised benchmarks.

The specific outcomes to be achieved are best defined by the citizens of a given country themselves. Good governance is present when the population has its interests accurately and effectively pursued by government; this includes not only the expressed will of the vocal majority – or in some cases, the vocal minority – but also the often less visible needs and values of vulnerable populations as well. Good governance implies protection of minority human rights and interests against potential tyranny of the majority, and introduces a factor of balance and moderation into social behaviour. For example, it is impossible to reconcile the idea of good governance with genocide, even if this is what a vocal population within a country desires.

This idea of good governance cannot presuppose that populations always want positive things; rather, it incorporates sufficient checks and balances to ensure that political

excesses, whether autocratic or democratic in nature, cannot implement its agenda unchecked. Such checks may be formal structures such as a constitutional separation of powers between executive and legislative or federal and provincial levels; it may also be more informal, maintained by common respect for the opinions of social elders or deference towards the influence of traditional authority structures within society. A vocal and empowered opposition and media can also act as a check on the governing regime. While elections are a vital aspect of over the long term, they are just one important aspect of a broad array of democratic structures associated with good governance.

In the absence of human and public security, these checks are much more difficult to maintain as governments encounter increased incentives to arrogate power in order to deal with threats, whether real or perceived; thus, a stable and secure environment is a vital prerequisite of good governance.

In practice, it is difficult to directly, discretely and separately measure governance processes and outcomes in meaningful way. Thus, in its analysis, CIFP defines six broad goals that correspond with the six focus areas. In all cases, they comprise aspects of both process and outcome, but leave sufficient room for unique local interpretation:

- *Political stability and an absence of politically motivated violence;*
- General respect for and acceptance of the *legitimacy of the rule of law*, where state coercion is primarily a deterrent rather than a first line tool;

- A strong *human rights* regime ensuring equality and dignity for all citizens, in particular guaranteeing *rights to vulnerable populations* within the state, including women, minorities, children, and other potentially marginalised groups;
- A *transparent and accountable government*, in which there are effective checks on the exercise of authority both within and beyond government;
- An *efficient government* that ensures basic economic rights, enables the functionality of markets, provides for the provision of *vital public goods*, and ensures that gains from economic growth are distributed in a way that enhances general equality of opportunity and individual choice;
- A high level of *democratic participation* by all members of society, and a system that responds to, and when necessary, arbitrates between interests in society.

In summary, good governance is a condition involving both outcomes and process, wherein a government responds to legitimately expressed social interests and provides a check against destructive or predatory social impulses (outcome), by means of efficient, transparent, and responsive decision-making systems that include institutional safeguards against policy excess (process).

3.1.2 Democratic Processes

Effective democratic processes comprise five elements: mechanisms that ensure a population can communicate to its government, a population that uses these



mechanisms, a responsive government, compensations for inequality of access, and institutional protection of the interests of vulnerable populations against predatory political and social actions.

Democratic processes encompass both sides of the democratic conversation: the ability of social groups to communicate with government, and the government's institutional and actual capacity to respond to societal demands and competition. Social expressions include not only competitive democratic elections, but all other forms of communication with the government. Examples include direct consultations, plebiscites,

institutional capacity to absorb social communication and translate it into effective policy within the confines of established rule of law.

Theoretically, universal suffrage should allow everyone equal access to government, through non-violent competition but global experience suggests otherwise. In practice certain social groups and individuals tend to gain more influence than others, potentially undermining the basic principle of equality that legitimizes democratic government in the political process. Marginalization can easily lead to degraded social cohesion. This in turn makes the compromise upon which democracy relies difficult, if not impossible as marginalized

“Democratic processes encompass both sides of the democratic conversation: the ability of social groups to communicate with government, and the government’s institutional and actual capacity to respond to society’s wishes.”

referenda, petitions and letter writing campaigns, surveys, focus groups, political rallies, media reports and commentaries, peaceful protests and demonstrations, and in some cases, even acts of peaceful civil disobedience. Government responsiveness refers to its

groups opt to pursue their goals outside the mechanisms of government. Constitutional protections coupled with a strong independent judiciary play an important role, as do civil society groups that advocate for politically vulnerable groups and individuals.



Democracies are by nature somewhat chaotic; they are a tool for distilling millions of disparate interests into coherent policy, and this is not a smooth process. The process requires constant negotiation and ad hoc compromise that necessarily brings inefficiency. The tension between freedom and limits is also a fine and difficult balance. Excessive responsiveness to public opinion can harm minorities and other vulnerable groups, but excessive limits may create popular frustration with the democratic process itself and a corresponding 'disengagement' from participatory governance that delegitimizes the entire process. The deliberation and negotiation of democracy are not always conducive to action; indeed, the need for checks on decision makers often deliberately slows the process of policy formation and implementation. This is both a source of strength and weakness. Institutional inertia protects against rash and potentially counterproductive policy, but it also introduces inefficiency into government decision-making. Other things being equal, nations with highly developed economies can tolerate

greater inefficiency in government processes, while developing countries often have relatively smaller margins for error. In such cases, inertia that is often a strength in mature democracies can delay much needed reforms in new democracies, potentially reducing public trust in government to protect or enhance citizens' interests and needs. In brief, effective democratic processes are difficult to impose externally, and without significant domestic support, impossible.

"Inertia that is often a strength in mature democracies can delay much needed reforms in new democracies, potentially reducing public trust in government ..."

In summary, effective democratic process needs to involve state-society communication and a responsive government, but be institutionally and socially moderated by the ideals of good governance. Democratic processes are not deterministic but they are path dependent. They do not inevitably lead to positive outcomes, but effective processes that involve balance are more likely to correspond with good governance. The same analytical focus areas used to understand good governance are also useful in

understanding the effectiveness of democratic processes because democratic processes, in the best case, will produce good governance outcomes. The trend that democratic processes are following is particularly important given that many developing countries have fledgling democratic systems; effective processes take time to develop, and looking at them out of their historical context will not give an accurate representation of their value.

3.1.3 Good Governance and Democratic Processes—Connections and Distinctions

It is useful to distinguish between good governance and democratic processes because failings in any element of democratic process can result in less than optimal governance outcomes, while conditions associated with good governance can result, in the short term, without democratic process. Good governance speaks primarily to outcomes, even if part of the ideal outcome is a certain set of processes. Democratic processes constitute a set of mechanisms that, when fully implemented, provide

states with the best overall route to achieving lasting good governance. Empirical evidence and theory suggest that the two converge over the long term, but that 'partial democracies', countries with some elements of popular governance, but lacking other elements associated with democracy, tend to be more violent, more unstable, and exhibit a greater capacity for human rights violations than either mature democracies or entrenched autocracies. Thus, a rush to impose

democratic processes, especially superficially connected, such as elections, may actually undermine desired outcomes associated with good governance.

3.2 SIX FOCUS AREAS OF DEMOCRACY AND GOVERNANCE

The following six sections collectively define and operationalize CIFP's governance and democratic processes areas assessment methodology. Each section presents a framework of questions as well as a basic list of indicators that comprise starting points for assessing each of the relevant area of good governance. These questions are to be considered indicative rather than definitive, pointing analysts towards relevant information and analysis. Taken collectively, they provide a baseline assessment tool with which to assess governance and democratic processes, in a way that provides meaningful information from a Canadian perspective. Appendix 1 contains a full list of all indicators along with sources.

3.2.1 Rule of Law
Interpretation

DEFINITION

The RULE OF LAW is a condition wherein all actors, public, private, and institutional, are equally subject to a universally recognized system of articles, laws and regulations that collectively arbitrate social, political, and economic interaction within the country. To be effective, the legal system must be consistent with the legal and social traditions of the country, as well as with international benchmarks established in cornerstone treaties such as the International Declaration of Human Rights.

Within the parameters of a universal and equal application of the law there is much latitude for what exactly laws themselves will say. Whether laws are 'good' or 'bad' depend purely on subjective interpretation and such designations are not particularly useful when assessing the rule of law in a given country. While external assessments of law are appropriate in specific areas of inquiry such as human rights, in general, external evaluation of the rule of law should focus on the dual questions of the effectiveness and legitimacy of the legal system. Put differently, international assistance in support of the rule of law is most effective when focused on how laws are drafted, implemented, and enforced, rather than with what the laws say. Legitimate rule of law is present when the vast majority of inhabitants in a given society, including not only the majority but also members of various vulnerable populations within the society, feel that the legal system adequately protects their needs, interests, and values. When the interests of various groups conflict with one another the legal system must also provide a fair, transparent, and predictable dispute resolution mechanism.

There are three main factors in an effective rule of law system: an actual body of laws, policies, and regulations; institutions to interpret, enforce and adjudicate this body of law, and a population that generally accepts the system's legitimacy. Laws typically --- but not always --- exist within a hierarchy, including a foundational document or constitution enshrining basic rights and obligations of various members of the state, a variety of legislation compatible with that constitution,

RULE OF LAW INDICATORS

- Police, law and criminality
- Prison population rate
- Prison occupancy level
- Number of political prisoners
- Judicial independence
- Impartial courts
- Integrity of the legal system
- Property rights
- Organized crime
- Military interference in the rule of law
- Vigilantism

and an even broader array of proclamations, orders-in-council, and regulations that is sufficient to order social activity. Every legal system requires a judiciary capable of arbitrating among actors and interpretations of the law, and imbued with sufficient power and independence to protect the body of law from abuse by other areas of government. Other central institutions include law enforcement bodies such as police forces to enforce laws passed by legislative bodies and corrections institutions that protect society from those who transgress against societal norms codified in law. Ideally, these institutions possess resources not only to deter wrongdoing, investigate crimes, provide fair hearings for those charged with a crime, and incarcerate duly convicted offenders, but also to contribute to rehabilitation of the latter. Finally, although police forces can enforce laws to some extent, unless most of a given population voluntarily complies with most laws most of the time a rule of law system will become untenable and degenerate into a system dominated by coercion.

Connection to governance and democratic processes

A state with a functioning system of rule of law offers its citizens the

advantage of stability, an environment of fairness and trust, and predictability. The rule of law is a great leveller, protecting individuals against excesses by the state and other strong actors in society. Democracy itself is an expression of the rule of law: a political system founded on rules rather than the arbitrary exercise of power. Beyond this, the rule of law

is extremely important for economic development. A predictable and reliable legal system facilitates trust and confidence among both domestic and international economic actors, thus providing a stimulus (or at least removing a potential obstacle) to economic growth. Likewise, human rights are best safeguarded in an environment based on law rather than individual

whims. Perhaps most importantly, the rule of law may itself become a source of social cohesion, providing a common point of reference for disparate actors, and inspiring greater trust in the institutions of government. The rule of law is a basic foundation of good governance, enabling success in other areas.

ASSESSING THE RULE OF LAW

Are all elements of government and society equally subject to clearly defined and agreed upon rules?

- 1) Does the country's constitution clearly provide for judicial and legislative independence, assigning clear responsibility for the drafting, implementation, and adjudication of laws and ensuring that responsible mechanisms possess sufficient resources to exercise their mandate?
- 2) Is the legal system functional or aspirational?, Is there significant dissonance between the plan and practice?
 - Do the legislature and judiciary enjoy sufficient independence and authority to fulfill their roles in government?
 - Are constraints on executive power and military involvement in politics in place and observed?
- 3) Is there a functional criminal system comprising a body of laws, enforcement agencies, a judiciary, and correctional institutions?
 - Does the population consider the criminal system sufficiently fair and robust to provide for individual and social security?
 - ▲ Does law, including sexual assault laws, ensure the safety of women, children, and other vulnerable groups?
 - Are all elements of the legal system sufficiently trained and resourced to carry out their mandate?
 - ▲ Does the police force have sufficient funding, manpower, and training? Does it enjoy popular respect or work primarily through intimidation?
 - ▲ Does the judiciary function impartially and transparently? Does it efficiently process all cases it receives?
 - ▲ Does the correction system accommodate all prisoners it receives from the judiciary and maintain an acceptable level of living conditions for inmates? Are there separate institutions for men, women, and young offenders?
- 4) Is there an established civil legal system that facilitates peaceful dispute resolution and protects property rights to facilitate economic growth?
- 5) Do all citizens enjoy equal legal rights, including access to counsel and *habeas corpus*? Does the government hold political prisoners?
- 6) Is respect for and obedience to the law and legal process widespread, or are criminality and/or vigilantism common?
- 7) Do organised criminals, including transnational gangs, operate within the country? Do they operate on a sufficient scale to threaten the legitimacy of social and economic institutions?

3.2.2 Political Stability and Violence

DEFINITION

POLITICAL STABILITY is a condition characterised by peace and social order provided by government within the constraints of the rule of law. It is predicated on the presence of predictable and peaceful mechanisms for the transfer of political power from one regime to the next. Violence, particularly when politically motivated, is an indicator and perpetuator of instability that can erode the institutions and social cohesion necessary for long-term stability.

Interpretation

Stability is in itself a neutral term and as a condition may well obtain under a repressive regimes that clamp down on dissent with an iron fist, although peaceful regime transfers are less likely in these circumstances. In an immediate sense, political stability is often a reflection of citizen satisfaction with, or acquiescence to a given system, and the most stable form of political system is one which can incorporate and regulate public dissent within its structures. From this perspective harsh political regimes provide a brittle form of stability, while systems founded on popular satisfaction and responsiveness are relatively more flexible and resilient. Thus, it is the latter rather than the former that are most associated with stability in the context of good governance. Repressive systems contain latent instability and require significant resources in order to maintain stability. If such resources are momentarily unavailable as a result of a change in government policy or some other shock to the system, instability and violence can quickly flair up. On the other hand, regimes with stronger levels of popular consent can devote more

resources to providing society with benefits that in turn build greater stability, making long-term positive outcomes more likely.

A state's level of democracy is a significant factor in political stability and violence. Evidence suggests that partial democracies, also referred to as semi-democracies, anocracies, intermediate regimes, or unconsolidated regimes, are less stable than either full democracies or well entrenched autocracies. Possible causes include weak and chronically unstable governments unable to generate a durable polity; such states differ fundamentally from both autocracies and democracies in their ability to manage social transformation without triggering abrupt political change. Also, partial democratic regimes tend to face greater threats from opposition groups than other types of states, given the inconsistent nature of popular participation in the state. Executives in such states thus encounter substantial incentives to arrogate power, while often facing minimal checks on their authority. Further, partial democracies relax restrictions on civil liberties to the extent that organised opposition groups can form, but maintain sufficient controls on government authority to deny meaningful participation to such groups. Unable to secure a legitimate role in policy formation, such groups may turn to more radical avenues of opposition, creating new threats to the governing regime in the process. The net result is an increased likelihood for government repression and internal violence in partial democracies.

Democratic systems are not inherently stable; problems can

crop up if they are excessively responsive and constantly provide rapid and major changes, or are unresponsive and create popular frustration. Still, if democracies are connected with societies that have social tolerance for difference and meet other standards of good governance they have the potential to provide positive stability. Ideally a democracy will respond to moderate majoritarian impulses, and follow a relatively smooth course that by definition is stable. However, it is important to note that implanting democracy in a society deeply divided by social conflict will not by itself produce stable outcomes, and may well result in increased factionalism and intergroup tension. Societies that divide politically along lines of identity can turn democratic contests into all or nothing affairs, with losing groups feeling vulnerable to existential threats at the hands of the victorious majority. Stability and instability exist on a continuum. A completely stable system implies stagnancy; limited amounts of instability provide catalysts for positive change and evolution. At the opposite end of

POLITICAL STABILITY & VIOLENCE INDICATORS

- Permanence of regime type
- Black Market
- Battle-related deaths
- Dependence on external support
- Military expenditures (% of GDP)
- Political stability
- Refugees produced
- Terrorism fatalities
- Terrorism incidents
- Politically motivated violence against civilians (fatalities)
- Politically motivated violence against civilians (incidents)
- Armed conflict (intensity)
- Polity fragmentation

the scale, however, lies chaos. Short of chaos but still highly negative, conflict, both intra and interstate, and terrorism, have negative macro- and micro-level effects. Political violence has obvious and visible human costs, and it also results in an inefficient allocation of human and physical resources, reducing productive activity and polarizing or marginalizing valuable previously impartial public institutions. Entrenched conflict dramatically changes incentives structures for individuals including political elites, creating negative feedback loops where the elements of the state itself become destabilising agents, and instability continues to erode the capacity of remaining institutions.

Thus, though government institutions cannot, and arguably should not social competition and conflict, good governance depends on the presence and maintenance of mechanisms capable of regulating conflicts already present in society in a fair, predictable, and non-violent way.

Connection to governance and democratic processes

Stability is a desirable element of good governance because it allows individuals, government, and businesses to make long-term decisions and plan for the future. Stability and an absence of violence also allow stakeholders to evolve and participate in the

democratic process. Peaceful democracies tend to be self-reinforcing; the knowledge that political power is transferred as a result of electoral victory rather than violence, intimidation, or military dominance, encourages citizens and stakeholders to take a more active part in the democratic process. Similarly, stability provides an incentive for defeated political actors to respect democratic outcomes, secure in the knowledge that they will be able to try again in the next electoral cycle. Thus, legitimately derived stability is a key element of good governance, representing elements of peace and order that reinforce and facilitate other positive outcomes governance outcomes.

ASSESSING POLITICAL STABILITY AND VIOLENCE:

Is the country's political culture predictable, rule based, and free from violence?

- 1) Is the country's political structure based on a set of commonly accepted rules, both in theory and in practice?
- 2) Does the legal system delineate clear transition processes, and are these respected in practice?
 - In particular, does the military confine its activities to its constitutionally assigned role and submit to civilian control? Does the military consume an excessive portion of national revenue?
- 3) Does the state monopolise the use of force within its territory, or do non-state actors play important roles in security provision (or deliberately threaten the state)?
- 4) Do all political parties and civil society groups 'play by the rules' of the system and trust it to satisfy their needs? Are there major social groups that do not feel they are properly represented in the political process?
- 5) Does the government effectively manage its relations with neighbours and regional powers? Does the government actively and effectively cooperate with neighbours regional powers to address transnational issues of peace and security, including transnational crime and terrorism?
- 6) Do external stakeholders exert significant influence over actors within the country?
- 7) Does the government provide necessary services to all members of the population in a way that enhances the basic rights, opportunities, and choices of all members of society? Are such mechanisms generally perceived as being fair?
- 8) Is the state dependent on external support to function?
 - What role does foreign aid play in the maintenance of stability? Is it well managed and equitably distributed?
- 9) Do government environmental policies tend to promote or undermine stability?
- 10) Do all citizens, including women, children, and minority members, enjoy basic levels of peace, security, and opportunity, broadly defined?

3.2.3 Democratic Participation

DEFINITION

DEMOCRATIC PARTICIPATION is a reciprocal set of actions between society and its government that includes all ways that society's different actors communicate with their government, and the government's responsiveness to this communication.

Interpretation

Democratic participation is an expression of popular support of and belief in a democratic system, which in turn depends on a number of factors being present, including the rule of law, stability and a lack of violence, voice and accountability, and transparency. Democratic participation refers to the involvement of citizens in political decision-making processes. This extends beyond simple electoral processes to all forms of orderly communication between with the state and society. Positive democratic participation is a form of conversation and consultation and must include a response; endless voting that is meaningless, or endless protests without effect are more likely to result in mounting political instability. The central concern is that democratic participation involves articulating and channelling popular concerns into decision and policymaking.

Both aspects of democratic dialogue – action and response – are important. Popular participation in governance structures enables societies to choose their own directions and use the state as a tool to facilitate social ambitions. Broad-based participation is more likely to produce positive stability than participation that is narrowly confined to select elements of

society because it is more likely to produce a widespread sense of community, inclusion, and ownership. In this light, democratic participation involves all elements of society and is fundamentally pluralist. Relevant actors include men, women, civil society organisations, religious groups, business interests, and anyone else with a stake in the state's actions. The underlying assumption is that all groups will respect the right of other groups to have input in decisions, and that ideas of tolerance and equality are held in high regard.

Connection to governance and democratic processes

Broad-based democratic participation and a keen respect for the rule of law is likely to overcome extremist tendencies found at the fringes of any society, particularly if coupled with strong

constitutional protections for potentially marginalised groups. At the same time, successful democratic participation will by definition reflect the will of a given society. The state and social forms that derive from these processes are unlikely to be identical in all cases, and will be unpredictable to some extent. Democratic participation is an outcome in one sense, in that it can be assessed as a condition that exists to varying degrees, but more importantly it is a process that interacts dynamically with all other elements of good governance. Democratic participation can cause positive or negative outcomes in other governance areas, and these in their own right can impact on the level and nature of democratic participation. For this reason it is necessary to think of democratic participation as something with both quantitative and qualitative elements.

DEMOCRATIC PARTICIPATION INDICATORS

- Percentage of women Parliamentarians
- Degree of Party Dominance
- Checks and Balances
- Polity Score
- Level of democracy
- Public perceptions of the government
- Executive Constraints



ASSESSING DEMOCRATIC PARTICIPATION

Does the population speak to the government, does the government answer, and is the entire population generally satisfied with the political system?

- 1) Are the necessary government structures in place and functioning?
 - Are there checks and balances, including an empowered legislature and judiciary?
 - Are there limitation on executive recruitment and power?
 - Does the government respond to social pressure yet still protect minorities?
 - Do municipal and provincial governments have real power to make local decisions?
- 2) Do electoral processes function smoothly, without violence, and according to clear rules?
 - Is there a codified electoral system, preferably with constitutional provisions? Do all actors respect this system?
 - Are there parties representing all major social views and interests that collectively provide genuine alternatives to voters?
 - Are limits on incumbent use of state assets for electoral purposes in place and enforced?
 - Does electoral transparency inspire public confidence in the system?
- 3) Is democratic participation universal?
 - Are all groups, including women and minority groups, as well as NGOs, business leaders, academics, tribal chiefs, senior religious figures, and other community leaders involved in the democratic process?
 - Are alternative avenues of participation employed that go beyond elections? These may include, but are not limited to consultations with civil society organisations, government and NGO-sponsored roundtables, inter-group dialogues, popular surveys, plebiscites and referenda, focus groups, political rallies, discussions in media, and cultural events?
 - Can and do civil society organisations engage in dialogue with the government?
 - Is legitimate protest and dissent tolerated?
- 4) Are basic democratic freedoms – including freedoms of assembly, speech, and party formation – provided and observed at all times, for all people?

3.2.4 Government and Market Efficiency

DEFINITION

Governments and markets are sets of institutions. An EFFICIENT GOVERNMENT is one that makes the best use of available resources to maximize service delivery to individuals and business. An EFFICIENT MARKET is one that finds an optimal equilibrium between economic growth and the public interest, including relatively even wealth distribution.

Interpretation

This handbook considers government and economic efficiency to be instrumental rather than simple ends. In other words, measures of

government and market efficiency are not limited to the presence of specific and measurable outcomes; they also include the processes that facilitate such outcomes. Efficient markets present low barriers to commerce and provide sufficient flexibility and predictability to allow individuals to employ long-term plans and capital investment strategies. Very few economists would advocate the idea of completely free and unregulated economic activity, but markets with a minimum of unnecessary encumbrances – combined with robust mechanisms to protect against arbitrary political manipulation – are more likely to function smoothly and create wealth. There are a number of

caveats to this, however. Restrictions on market freedom to pollute without penalties, or deliberately discriminate against women or minorities, for example, serve to address potential long term problems in the form of instability, health problems, and rights issues, which purely market-driven decision-making processes may ignore, particularly in developing markets, which often exhibit persistent and significant inefficiencies. Discrimination is economically inefficient, but persists in many societies due to a variety of non-economic factors. Furthermore, there is evidence to suggest that market deregulation in relatively undercapitalized developing countries

can have a destabilising and ultimately negative effect on their economies. Indeed, examples such as South Korea, Japan, and China suggest that interventionist state policies can greatly facilitate economic growth at some stages of development in certain contexts. Moreover, the very fact that free markets have been so strongly promoted by international financial institutions and various donor agencies have created a certain resentment within states, robbing such policies of any domestic legitimacy when implemented, creating a strong possibility for increased instability and reduced development. In such cases, even if radical market reform constituted good governance – a question open for debate in a number of instances – it was often perceived to be undemocratic and therefore illegitimate.

Efficient governments find policy equilibriums that enable economic production and growth to contribute to positive outcomes in other areas associated with good governance. This assumes that the state has a role to play in shaping the market through taxation and regulation, and further an assumption that governments have a role to play in the promotion social wellbeing. An efficient government maximises wealth creation while minimising social harm deriving from wealth creation, thus contributing to social harmony. Governments can do this by creating regulatory environments that are conducive to business but mindful of social needs, all the while working within the limits of resource constraints and unique local circumstances.

Beyond facilitating efficient markets, to find a positive socio-economic equilibrium governments use certain

portions of national production for the provision of core public goods and service, including contract enforcement, defence, transportation and communication infrastructure, water and sanitation services, education, health services, and so on. Efficient governments perform these functions with a minimum of waste. This means balancing between desires and needs in all cases; part of government efficiency is responsibility. Inefficiency in government and markets acts as a tax upon a people and their economy; resources that could be invested, saved, or spent are instead wasted.

Connection to governance and democratic processes

Economic health is necessary precondition to good governance outcomes. It provides individuals with the means to satisfy their physical needs and an important sense of basic security and optimism, while giving the government the revenue it needs to provide public goods such as health care, education, and security that the market is unlikely

to supply equitably. Simply put, efficient markets are more likely to produce more wealth that can be used by both the public and private sector to improve human wellbeing. Economic prosperity may also contribute to democratic participation as people with more wealth may be more inclined --- and able --- to demand a say in decision making. Efficient governments will make better use of available resources, thus improving social welfare, and will also encourage democratic participation by making citizens feel that their decisions actually make a difference on the ground; governments that are perceived to be ineffective or inefficient can provoke public disillusionment. Transparency and accountability are key contributors to both government and market efficiency, providing mechanisms to control corruption and waste; they also make bureaucratic processes easier to understand and navigate. The rule of law facilitates economic efficiency by creating a predictable environment where businesses can flourish, and also enforces government efficiency by making institutional responsibilities and limits clear.

GOVERNMENT & MARKET EFFICIENCY INDICATORS

- Economic growth—% of GDP
- Relative economic size—GDP per capita
- Economic size—GDP
- External debt—% of GNI
- Ease of doing business
- Starting a business
- Protecting investors
- Trading across borders
- Closing a business
- Economic freedom
- National savings level
- Foreign investment freedom
- Intellectual property
- Contract regulation
- Enforcing contracts
- Dealing with licences
- Registering property
- Enrolment rates
- Health expenditure
- Access to services—improved water
- Government effectiveness
- FDI—% of GDP
- Foreign Aid—% of central government expenditures
- Inequality—GINI coefficient
- Trade balance—% of GDP
- Paying taxes

ASSESSING GOVERNMENT AND MARKET EFFICIENCY

Does the government make the best use of available resources and ensure markets are business friendly yet beneficial to the common good?

- 1) Is there an independent and professional central bank that provides a stable currency and manages other macro-economic factors such as inflation and basic credit rates independent of political interference?
- 2) Are business laws and regulations straightforward? Are there significant legal or bureaucratic barriers to free commerce?
- 3) Do business-related laws balance the need for economic growth with the need for individual well-being and environmental concerns?
- 4) Do laws governing foreign investment, ownership, and imports pragmatically address the country's particular economic context?
- 5) Are government and/or civil society anti-poverty programs acting to reduce vertical and horizontal economic disparities?
- 6) Does the judiciary equitably enforce contracts, upholding the rule of law as it pertains to economic activity?
- 7) Does the government generate sufficient revenue to operate?
 - Are tax codes and collection methods transparent, predictable, efficient, and fair?
 - Are most people and businesses reasonably honest about their tax obligations and willing to pay without excessive coercion? Are there significant loopholes available to particular economic actors?
- 8) Are government bureaucracies sufficiently funded and merit-based to attract talented employees? Do they provide the services that they are responsible for?
 - Are bureaucracies transparent? Are there mechanisms to address potential redundancies and other inefficiencies? Do they show the public value for money?
- 9) Does the government provide basic public goods, including health services, education, sanitation, and transportation, to all members of society?

3.2.5 Government Transparency and Accountability *Interpretation*

DEFINITION

Transparency and accountability are both properties associated with good governance. TRANSPARENCY exists to the extent that citizens can easily understand and have timely and meaningful information about political decision making process. ACCOUNTABILITY exists to the extent that institutions and public servants alike can be held responsible for their action – or inaction – according to the rule of law.

Transparency first depends on citizens being able to understand the processes by which decisions are made. This in turn depends on institutions and public servants having clearly defined roles and responsibilities that are well known to the public. Once citizens understand how things are done they are in a position to identify and evaluate policies developed and implemented by government. For this they need access to information. Governments have a responsibility to make public all information that does not need remain secret for reasons of national security, and national security should be defined in specific terms, to prevent its use as

a shield against public scrutiny. Ultimately, transparency requires active cooperation on the part of the government within the context of a culture of openness.

Accountability also requires clearly defined institutional and individual roles and responsibilities. Beyond this, accountability needs standards of performance and conduct that are publicly known and widely agreed upon. Finally, administrative and legal mechanisms are needed to monitor, investigate, and punish violations of these standards. In a practical sense, systems of checks and balances, including judicial and legislative oversight of executive action and legislative supervision of

bureaucracies, are important elements of functioning accountability regimes. Institutionally, balances of power are important, and imbalances tend to limit accountability. Transparency is a crucial element of accountability because performance and conduct can only be judged if it is known.

Transparency and accountability require active participation by citizens and civil society. An uninterested society will be poorly informed, and a poorly informed society has no way to demand accountability. Media freedom is an important tool in creating transparency, as professional and independent media outlets provide a vital service in bringing information to the public realm. Accountability requires freedom of information and stakeholders who are able to organise with the means to pressure for changes in leadership upon discovery of corruption. Given that the media has an important role to play in promoting both transparency and accountability objectivity and independence are essential. A strong media tradition does not develop

overnight; it, like other democratic institutions, requires a long period of time to develop high standards of professionalism.

Connection to governance and democratic processes

Transparency and accountability underpin many of the other elements of good governance and democracy. For example, citizens are far more likely to participate in a democratic system if they know that vote counts are fair, and they can only know this if the system is transparent and has clear lines of accountability. Citizens also need to know that governments allocate funds fairly and properly; conduct business professionally and efficiently; respect human rights; respect the rule of law is respected; and so on. Simply put, transparency and accountability facilitate trust, and trust is crucial grease for the wheels of governance. Absent trust, social, economic, and political interactions become difficult, if not impossible.

Accountability and transparency are important factors in non-

governmental sectors as well. Both are prerequisites for foreign direct investment that can bolster economic growth. Firms are less likely to invest in a business environment characterised by secrecy and impunity because it severely restricts predictability and presents potentially large and unforeseeable cost. Economic sectors with high levels of state involvement, including resources and other strategic industries, are in particular need of transparency and accountability because of the potential for illicit activity. Citizens need to know that their national heritage is being well managed for their own benefit, not the benefit of a tiny minority; this is a crucial contributor to political stability and popular satisfaction.

TRANSPARENCY & ACCOUNTABILITY INDICATORS

- Corruption
- Voice and Accountability
- Party financing
- Transparency of government policy-making
- Press Freedom



ASSESSING GOVERNMENT TRANSPARENCY & ACCOUNTABILITY

Does the population understand and have meaningful information about decision making processes, are institutions and officials alike held responsible for their actions, and is there an institutionalised system of checks and balances?

- 1) Is there a clear layout of institutional and individual responsibilities?
- 2) What are the primary constraints on the power of the executive, and do they work?
- 3) Which government institutions have an oversight function over government actions in theory? In practice?
 - How effective are these constraints?
- 4) Are there access to information laws that place the onus on government to justify information that is kept secret, and apply to both process and outcomes?
- 5) Is there a clear anti-corruption legal framework with meaningful penalties?
 - Do anti-corruption efforts target all offenders, and not just political opponents of the ruling group?
- 6) How free is the press? Is it able to conduct independent and critical investigations into government activities?
 - Are the chief constraints government derived, or are they related to violent actions by non-state actors?
- 7) Are government institutions believed to be corrupt? If so, which ones are considered to be particularly so? Are there institutions that enjoy greater trust than others?
- 8) How does media ownership affect its independence?
 - Are the major media organs owned by relatively few individuals?
- 9) Is there an inspector general's office? An auditor general's office? If not, are there analogous institutions?
 - Do such officials have the ability to scrutinise all aspects of government business? If so, do they effectively utilise that power to protect the public interest?

3.2.6 Human Rights

DEFINITION

HUMAN RIGHTS are the freedoms and protections considered necessary prerequisites to a life of choice and opportunity; they are, in principle, afforded to all humans regardless of age, ethnicity or gender.

Interpretation

A positive human rights environment is a central objective of good governance – an outcome – but also is integral to the processes of good governance. For example, rights of basic equality underpin ideas of inclusiveness that are central to democratic processes. The concept of human rights assumes certain truths to be absolute and universal, but beyond some very basic

principles – the right to freedom of thought, for example – even the most liberal societies tend to place limits on applied human rights. Still, while limitations on the implementation of human rights need to be analysed and understood alongside local realities and constraints, this should not place limits on universality. Canada for instance restricts free speech, and associational freedoms never extend to all people in all places at all times. Different societies interpret general principles and find many different modes of expression. Western ideas of human rights often seek to protect the individual vis-à-vis the group or the state, while other more communal societies may stress the protection of the individual's role within the group. Furthermore, cultural ideals of what is and is not acceptable treatment of human beings has varied widely over time. Universal consensus about what

freedoms and protections should be considered the birthright of all human beings is hard to come by. Yet, a fundamental principle underlying the international human rights framework is its universality. That said, it can be difficult to apply uniformly international law in every country context (and this may not even be desirable). There is certainly room for cultural interpretation in the *implementation* of different rights, but this should not negate the universality of them, or undermine the value of international law. For example, by 2007 all States had ratified at least one of the seven major human rights treaties, and 80% had ratified four or more. The two most broadly endorsed human rights treaties—CEDAW and the

CRC—have each been ratified by more than 90% of the UN membership. And these treaties contain a high degree of specificity concerning individual freedoms and protections. Thus, general principles such as equality and freedom are useful starting points that allow for unique local interpretations of similar themes. This is a crucial factor in forging rights regimes that are functional and not simply aspirational. Rights regimes need to be lived and embraced by the societies to which they apply. The core principles underlying international human rights conventions recognise that governments are accountable for the promotion, protection, and fulfillment of people's rights. In fact, a major purpose of government is to ensure the wellbeing of citizens, and ensuring that human rights are observed is an important way of realising this goal. Beyond this, however, it is important that societies develop their own rights regimes that address local practices and traditions.

Once a useful and practical regime is in place, there are two main obstacles to positive human rights outcomes: governments acting against citizens, either universally or against selected groups, and groups within society acting against the rights of other groups. Ensuring that governments observe norms of human rights involves citizen and civil society supervision and depends on an effective rule of law, transparency, and accountability. The government itself is central to protecting societal groups from one another if threats arise. As in many other instances, state and society require mutual and reciprocal supervision to realise optimal good governance.

The main foundation of a positive human rights regime is societal belief in its value. It is difficult if not impossible to enforce human rights through coercion over the long term. However, a system of enforceable

laws, ideally with constitutional rights protections as a basis, is an important part of enforcing a generally accepted rights regime. If a legal rights system exists, and if the rule of law is pervasive, it follows that the government and all relevant groups will tend to observe human rights. Creating such a body of law is not always easy, and ensuring compliance can be more difficult still. Many groups and individuals will resist this process, particularly if they feel they have something to lose by change. Education and awareness are important tools for improving human rights regimes.

Connection to governance and democratic processes

Beyond being a good governance objective in their own right, broadly constituted respect for human rights is associated with important gains in other areas. Groups denied rights cannot fully contribute to social and economic progress, thus weakening society as a whole and restricting progress in areas such as market

efficiency and democratic participation. Political stability is also at risk in poor rights environments. Exclusion and discrimination create and exacerbate social divisions, which can in turn provide fertile ground for conflict. Among the groups most often excluded and marginalised are women, children, people with disabilities, ethnic minorities, and refugees. In order for government policies to produce positive human rights outcomes and support good governance objectives they should address problems that these groups face and thus build inclusiveness and community. On the other hand, changes in knowledge, practices and power is by definition destabilising in its own right; it is an attempt to rewrite cultural codes. Care should be taken to minimise societal upheaval and seek compromises that build inclusiveness.

HUMAN RIGHTS INDICATORS

- Human rights – physical integrity
- Human rights – empowerment
- Restrictions on civil and political rights



ASSESSING HUMAN RIGHTS

Do individuals enjoy the basic rights and protections that they think they deserve?

- 1) To what extent is there a cultural acceptance of fundamental principles of human rights?
 - Does society as a whole work to be inclusive and base interaction on respect and tolerance?
- 2) Do education and awareness campaigns promote general principles and highlight universal gains?
- 3) Has the government ratified major international rights conventions, and backed this up with domestic legislation that protects the rights of all citizens, including women, children, and minority members?
 - Do these legal frameworks translate into action on the ground? Does the country generally uphold basic internationally accepted principles of human rights?
- 4) Does every citizen – including women, children, members of minority groups, and other vulnerable populations – have access to complaint mechanisms that include protections against reprisals for people who come forward?
- 5) Do monitoring and investigatory institutions exist and have sufficient resources to pursue their tasks, and access to the information they require?
- 6) Does the judiciary see itself as a guarantor of rights and the law rather than the guarantor of the status quo?
- 7) Do NGOs and the media take an active role in promoting positive rights outcomes?
 - Does the government work with these actors, and create an environment conducive to their work? Does the government work with these actors, and create an environment conducive to their work?

CIDA AND HUMAN RIGHTS: LEADING THE FIELD

CIDA sees Human rights as **universal legal** guarantees protecting individuals and groups against action and omissions that interfere with their fundamental freedoms, entitlements and human dignity. A common international legal framework, comprising a series of international treaties, has been evolving since the late 1940s and reflects an **international consensus** concerning civil, political, economic, social and cultural rights. The **nearly universal ratification of most major human rights treaties** provides a significant opportunity for understanding a country's specific commitments to realize the rights of those living within their jurisdiction and for people to hold their governments to account. Based on this understanding of human rights, when considering human rights in its development programme, CIDA takes as its starting point the human rights *standards* contained in the six major human rights treaties which Canada has ratified as well as the human rights principles underlying those treaties. More specifically, CIDA understands those principles to include:

- Non-discrimination and equality
- Accountability and transparency
- Participation and inclusion
- Indivisibility and interdependence

For example: the right to education cannot be fully realised if gender, racial or other forms of discrimination limit access to education. Equally, the right to food or the right to the highest attainable standard of health depend to a large extent on the capacity of affected communities to organise themselves (freedom of association) and to call attention to inefficiency, corruption or discriminatory practices in the provision of services (freedom of expression.) It is also important to note that CIDA's working definition of human rights as applied to its development work is very consistent with like-minded bilateral donors and international organizations such as the OHCHR and UNDP.

4. The Need for Nuance & Customized Solutions

From the perspective of international donors, the point of assessing governance and democratic processes is to better understand an ongoing and dynamic process, and to identify ways in which external actors can constructively support that process. Part of this process is being open to possibilities identified through analysis, whether expected or not. There is little point in engaging in analysis if the policy direction has already been decided upon. Good governance can take a number of forms, as can effective democratic processes: there is no set model, no 'right' way. As has been repeated throughout this handbook, solutions need to fit the problems, and address the unique aspects of every situation. The following section provides a summary view of some evolving understandings of how governance and democratic processes fit together, and how they interact to produce outcomes that vary in nature. The point of this brief discussion is not to undermine current development practices; on the contrary, many programs are doing a great deal of good. Rather, it highlights the need for serious in-depth assessment and analysis that produces accurate and nuanced understandings of the problems facing particular countries, or even areas within countries. This knowledge needs to translate into programs that address the factors that are causing problems, and take into account all possible consequences of action.

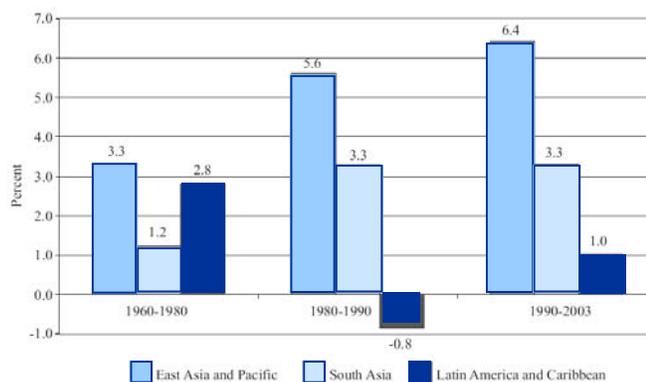
Q : Do completely free markets produce more wealth?¹

Not necessarily. Figure 3 shows economic growth rates for South and East Asia, and Latin America. From 1960 to 1980 growth rates were relatively similar in all three regions, with South Asia lagging behind. During the 1980's and 1990's Latin American countries radically liberalised their markets, and suffered a drastic downturn in economic growth. Meanwhile, Asian countries such as China, India, and Vietnam opened up to business, but with a markedly different approach involving heavy state participation in the economy and protectionist policies in many areas. These countries have moved toward more open policies, but are doing so after years of enjoying strong growth, rather than counting on liberalisation to produce growth itself. The point of this is not that economic freedom is bad, but rather that cookie-cutter solutions are unlikely to achieve desired results. Solutions need to be tailored to solve specific problems rather than simply pulled ready-made out of a box and applied everywhere in the same way. Efficient markets need to look at local conditions pragmatically to produce wealth and better social outcomes.

Q : Are there moral hazards in supporting democratic transitions from abroad?

Absolutely. A moral hazard is generated in a situation in which a third party acts as or portrays itself as a guarantor to those engaged in struggle for

FIGURE 3: COMPARATIVE GROWTH EXPERIENCE



political or economic power. Under conditions of democratization, such hazards may induce unnecessary risk taking behaviour or create unrealistic expectations about what that third party is willing or capable of doing especially when favouritism towards one group is shown. Whether it is international support for the Orange revolution in the Ukraine, in which pressure was brought to bear to respect the outcome of the democratic process or the creation of international fora for the expression of sub-state grievances on human rights, such actions can convey a level of sincerity that is unmatched by a willingness to devote the necessary resources to defend the actions of those responsible. Moral hazards can be avoided through a better understanding of how outside actors elicit risk taking behaviour and unanticipated consequences, through their actions, statements and allocation of resources.

1. Table and ideas from Dani Roderik, "Development Lessons for Asia from Non-Asian Countries," Asian Development Review 23, no. 1 (2006): 1-15.



Q : Is economic development a pre-requisite for democratic consolidation?

Some scholars have suggested that democratic governance comes late historically and typically as a crowning institution of the participant society. The more well to do a nation the greater the chances it will sustain a democracy. Indeed there is a moderate positive correlation between democracy and levels of economic development. How then does one account for those countries that have achieved sustainable democracy in the absence of strong economic development? India is often thought of as a test case in answer to this question. The long term nature of India's political system has been decisively influenced and determined by its social and economic environment – a cultural and historical system that effectively manages political power through institutional decentralisation and the distribution of economic resources at the local level. Both of these pre-conditions pre-date the arrival of colonialism

and make democracy in India both possible and sustainable.

Q : Does development assistance aid political development?

Not necessarily. Recent studies suggest that while aid may be beneficial it can also have side effects.² Aid may harm the valuable middle class by pushing up currency exchanges and harming fragile export industries, boosting inflation, driving up the cost of skilled labour, and hollowing out bureaucratic institutions. There are significant externalities associated with aid disbursements, and these must be considered when deciding to allocate resources.

Q : Do human rights contribute to political stability?

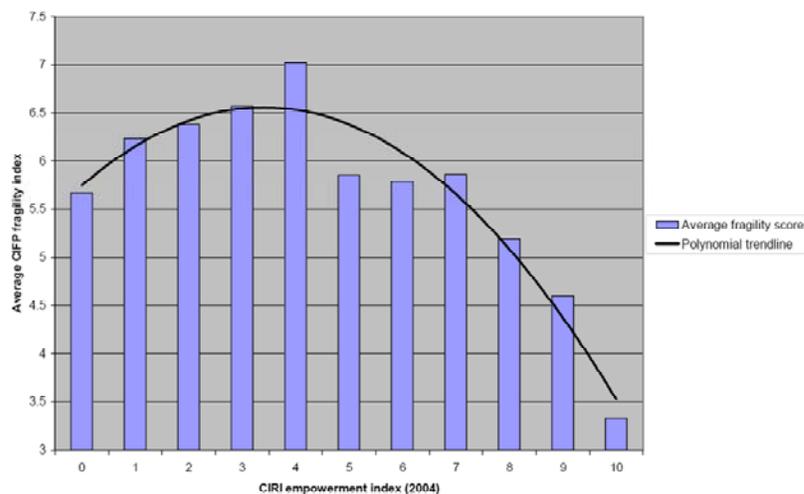
Not always. Preliminary evidence suggests that countries with strong human rights records tend to enjoy high levels of stability and corresponding low levels of violence, but highly repressive regimes are more stable than

countries with moderate rights records. This relationship is shown in Figure 4, which plots CIRI's empowerment index against the CIFP fragility index. Human rights may be good for stability, but the process by which rights environments improve may not be. Expanding human rights upsets the status quo, and any large scale social change of this magnitude needs to be carefully managed to prevent negative consequences that outweigh the intended good.

Q : Are democracies more stable than other countries?

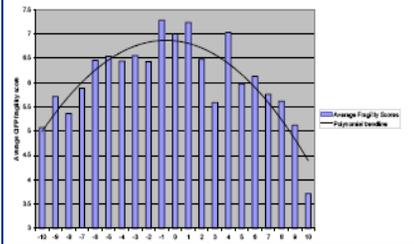
Generally yes, but the answer appears to depend on the health of democratic processes. Figure 5 compares CIFP's fragility index against Polity IV's Democracy-Autocracy index. The relationship that emerges is complex. Countries with highly functional democratic processes are indeed stable, but then so are deeply entrenched and repressive regimes. The most unstable countries are those with moderate levels of democratic

FIGURE 4: RELATION OF HUMAN RIGHTS TO FRAGILITY—CIRI



2. See Nancy Birdsall "Do No Harm: Aid, Weak Institutions, and the Missing Middle in Africa," Center for Global Development Working Paper Number 113 (March 2007). Available online at <http://www.cgdev.org/content/publications/detail/13115>

FIGURE 5: RELATIONSHIP BETWEEN DEMOCRACY AND FRAGILITY



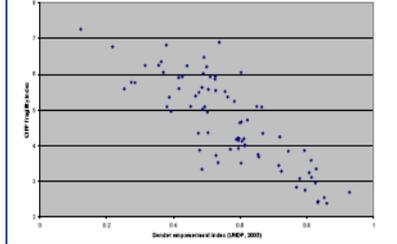
performance. This presents a challenge to efforts to move repressive regimes toward more open and participatory forms of governance. As discussed above regarding human rights, it is important that efforts to do good don't in fact cause more harm than they reduce. This point reiterates this handbook's earlier idea that accurate analysis is of the utmost importance. One must understand the nature of the problem at hand in order to develop pragmatic policies that will target problems without setting off chain reactions of disturbance.

Q : Does democracy improve economic growth?

Yes and no. In autocratic countries some democratic opening correlates with higher economic growth. However, research shows that in countries that enjoy low levels of democracy, further increases in political freedoms and responsiveness actually correlate with reduced economic growth. With these two ideas in mind the answer to whether democracy stimulates economic growth appears to depend on context; a little is good, but a little more may cause harm.

These findings are intuitively plausible. Increased democratic participation in autocratic or authoritarian states may provide

FIGURE 6: RELATION OF GENDER EMPOWERMENT TO FRAGILITY



valuable guidance for government policy, not to mention reduce literal barriers to commerce such as restrictions on citizen movement or assembly. However, truly responsive democratic governments are more likely to produce policies addressing popular concerns that are not growth-focused, such as wealth distribution and social programming. This is not to say that democracy is a bad thing, only that it should not be treated as a 'magic bullet' that will solve all of a developing country's problems. Concentrating on accountability, transparency, and predictable rules governing economic interaction is more likely to produce greater wealth. Higher levels of wealth do correlate with stronger democracies, suggesting that putting elections ahead of

growth may ultimately be an inefficient use of resources even if well-intentioned.

Q : Are gender equality and political stability related?

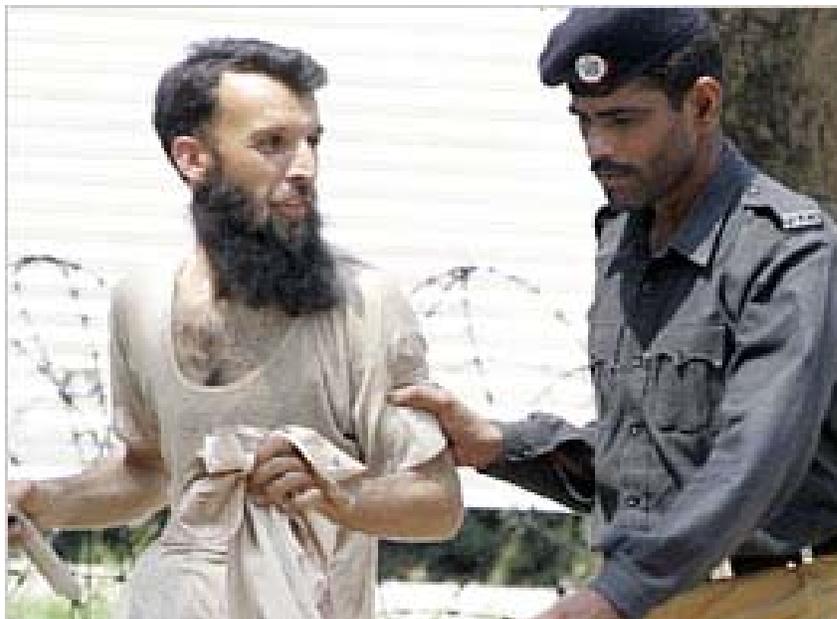
Absolutely. Figure 6 shows a clear correlation between gender empowerment and stability, using the UNDP's Gender Empowerment scores against the CIFP fragility index. Getting more women more involved in democratic processes can only build social cohesiveness by means of enhanced inclusivity. Beyond this, having women contribute to the formal economy can generate wealth that brings real and immediate benefits at the local level, potentially reducing social tensions.

Q : How do ethnic conflict and democracy relate?

Ethnic leaders often take advantage of uncertainty in democratic political systems to consolidate their power base and in some cases to provide benefits only to their group. Two conditions serve to exacerbate this process. The first condition is the transition to democracy that many



states emerging from the cloak of Russian imperialism underwent in the 1990s. To be sure this phase was not unique to the former Soviet Union. Africa and Latin America also experienced a transition phase but at earlier times. In some cases, these democracies have become fully consolidated while many more remain unconsolidated, institutionally incomplete anocracies; exhibiting the tendencies of both authoritarianism and democracy. The so called "Third Wave" at 20th century's end, led to ethnic upheaval because, institutional change created opportunities for groups to more openly pursue their objectives.



The transformation of the political arena along narrow bands of ethnic sensibility means that leaders face a basic trade-off in strategy. On the one hand, ethnic leaders must establish a power base that is broad and inclusive enough to fend off potential challengers. On the other hand, in order to maintain support from extremists, leaders must demonstrate that they are unwilling to compromise on fundamental security issues. One important way that leaders reconcile this dilemma is by lobbying for support from diaspora who more often than not hold the most extreme positions on questions of ethnic survival, but who do not directly threaten a leader's power base. The exploitation of diaspora, in other words, is a fundamental determinant of ethnic conflict in democratic systems.

Q : What kinds of democracies are possible in Africa?

Many scholars believe that Africa itself offers the most appropriate models for political reform. There are traditions of consensus and

popular authority over tribal chiefs that go back centuries. The simple imposition of a western model doesn't guarantee democracy. For example, under colonial rule many chiefs became authoritarian. One possibility is to find the modern equivalent of African traditions that would not be experienced as foreign. What are widely felt to be an important prerequisites are the development of participatory institutions at the local levels to develop a strong and independent civil society and the maintenance of a significant area of freedom for public discussion and political issues. One problem is that democracy is a fragile institution vulnerable to economic insecurity. The Europe of the thirties gave rise to fascism, for example.

Q : Can transitions to democracy be stage-managed from outside?

Probably not. The emergence of democracy as a viable form of conflict resolution is comprised of many distinct parts and must be disaggregated and analytically understood if strategies are to be

devised that focus on sharing democratic transitions. Stage-managed democratic transitions face a host of shared political, social and economic problems and experiences in grappling with these problems offer valuable lessons. Transitions are navigated most successfully by those societies that balance the implementation of democratic institutions and processes with steps to strengthen civil society and democratic culture.

The fate of democratization in the developing world will be determined by forces other than those that ended earlier democratization processes such as those experienced in the West. Grounding institutions in indigenous values will be absolutely essential for the next phase of democratization. In this regard, transitions will falter in those countries that have not developed the resources for effective civic and political leadership. Finally, democracy is not a panacea. Rather it is a fundamental prerequisite for achieving many of the aspirations that define political and economic life.

Appendix 1: Governance & Democratic Processes Methodology

The report is based on three elements, adapted from CIFP's fragile states methodology. First, structural indicators are grouped into six clusters capturing different facets of democratic processes and governance: rule of law, human rights, government transparency and accountability, government and market efficiency, political stability and violence, and democratic participation. The structural data in this preliminary report constitute a limited set of leading indicators of democracy and governance; later versions of the document will include up to 75 separate structural indicators providing a detailed quantitative baseline portrait of the country.

Second, the analysis draws on event monitoring data compiled by CIFP researchers over a six month period extending from November 2006 to May 2007. Collected from a variety of web-based sources, including both international and domestic news sources in English and Spanish, the events are quantitatively evaluated and systematically assessed to identify general trends of relevance to democratic processes and governance. Highly significant events are also qualitatively analyzed to highlight their specific causes and consequences.

Third, the report includes a series of analytical exercises, including stakeholder analysis and scenario generation. Future iterations of the report may include detailed consultations with country and subject experts located in-country as well as in Canada and abroad. This multi-source data structure enables more robust analysis than any single method of data collection and assessment.

INDEX METHODOLOGY

Like the CIFP fragility index, the governance index employs a methodology of relative structural assessment. The analysis begins with a structural profile of the country, a composite index that measures overall country performance along six dimensions listed above. Each of these clusters is based on a number of indicators. This multidimensional assessment methodology is a direct response to the multi-dimensional nature of governance and democratic processes. CIFP thus adopts what might be termed an inductive approach, identifying areas of relative strength and weakness across a broad range of measures related to governance and democratic processes.

In ranking state performance on a given indicator, global scores are distributed across a nine-point

index. The best performing state receives a score of one, the worst a score of nine, and the rest are continuously distributed between these two extremes based on relative performance. As country performance for some types of data can vary significantly from year to year – as in the case of economic shocks, natural disasters, and other externalities – averages are taken for global rank scores over a five-year time frame. Once all indicators have been indexed using this method, the results for a given country are then averaged in each subject cluster to produce the final scores for the country.

In general, a high score – 6.5 or higher – indicates that a country is performing poorly relative to other states. Such a score may be indicative of an arbitrary and autocratic government, a history of non-transparent government, the presence of significant barriers to political participation, the absence of a consistently enforced legal framework, or a poor human rights record.

A low score – in the range of 1 to 3.5 – indicates that a country is performing well relative to others, or that a country's structural conditions present little cause for concern. Values in the moderate 3.5 to 6.5 range indicate performance approaching the global mean.

EVENTS MONITORING METHODOLOGY

The purpose of CIFP event monitoring is to observe and report on events within a country to better understand the dynamic trends affecting democratic processes and governance in the country. This data, when combined with structural data, provides a more comprehensive analysis of both the underlying conditions and recent developments, thereby informing a more nuanced

and ultimately policy-relevant analysis. The six-month monitoring period demonstrated in these reports is an integral part of the proof of concept. Subsequent reports will include systematic and long term monitoring for more complete and accurate forecasting and policy-relevant diagnosis. Ongoing monitoring that allows the production of easy-to-interpret context-specific briefings would integrate shifting stakeholder interests, changes in baseline structure and of course event dynamics.

In the CIFP event monitoring methodology, events are all coded using a number of criteria. First, each event is assigned to the specific cluster area to which it is *most directly* related. This assigned cluster acts as the dependent variable; the event will be coded with respect to its effect on that particular aspect of governance. Second, the event is coded as being either positively or negatively related to the assigned cluster. The event score is then determined by answering the following three questions:

1. How direct is the impact of the event on the cluster stability?
2. How broad is the impact of the event?
3. How intense is the event, in comparison with past events in the country?

Each question is answered quantitatively using a three-point scale; thus the highest score for a single event is 9. The answers to these questions are added

together to generate a composite indicator for each event, thereby determining its net impact on governance. The composite indicator is used to create time-series regression lines, as event data is plotted over a defined time period. These trends are analysed both in aggregate and disaggregated by cluster, in an effort to understand the current trajectory of the country. This trajectory is referred as the event 'tendency' during the period observed, to emphasize its role as an indicative piece of information rather than a deterministic extrapolated trend line. This analysis in turn provides some indication of the potential developments in governance and democratic processes over the short- to medium-term.

COMPONENTS OF COMPOSITE EVENT SCORE

Causal Relevance

1. Event is relevant, but with no clearly delineable causal linkage to governance or democratic processes (e.g. a funding announcement or an international soccer friendly).
2. Event is relevant, with a delineable, though indirect causal linkage to governance or democratic processes (e.g. New legislation enhancing minority rights is passed, or a bomb detonates within an ethnically divided region).
3. Event is relevant with delineable and direct causal linkage to governance or democratic processes. (e.g. Declaration of a ceasefire or assassination of a government minister.)

Centrality

1. Event affects less than 25% of political stakeholders.
2. Event affects 25% - 75% of political stakeholders.
3. Event affects more than 75% of political stakeholders.

Intensity/Escalation

1. Event is comparable to others experienced in the state in the previous six months.
2. Event is more intense than others experienced in the state in the previous six months.
3. Event is more intense than others experienced in the state in the previous five years.

EVENT ANALYSIS

The analysis occurs in both aggregate (all events) and disaggregate (events analysed by cluster) by using quantitative data in two ways. First, **summary statistics** provide the analyst with an overview of the average event scores. Positive average event scores are indicative of an environment that experiences more or more significant positive events than negative events. Negative average scores indicate the opposite.

The second avenue of analysis is via **regression lines** to observe whether the events demonstrate any positive or negative tendency

Tendency Key	Negative Slope	Status quo Slope	Positive Slope
OLS Slope value	Below -0.1	Between -.1 and .1	Above +0.1
Symbol			

over time. The composite indicators are plotted over a defined period of time – usually six months – and trend lines are generated using ordinary least squares regression. The trend line uses a weekly aggregate in order to capture the changing magnitude of events as well as any increase or decrease in the total *number* of events; both phenomena are deemed important to the analysis. When numbers associated with the trend line are included in the report, they refer to the slope of the trend line. In general, the greater the magnitude of the slope, the more significant the trend. In general, slopes greater than (+/-0.1) are considered to be significant; those falling between this range are considered indicative of continuing *status quo*. Thus, a rapid increase in the number of positive events may result in a positive trend line, as might an increase in the average score per event. This trend analysis provides an overview of general event-driven developments over the months under consideration. On the other hand, a negative slope denotes a deteriorating situation one in which there is an increase in the number or significance of negative events relative to positive ones during the time period under observation.

SCENARIO GENERATION

The report includes scenarios for the country over the short term, normally up to 18 months. The analysis includes three scenarios: a best-case, worst-case and most likely case, with each based on

an analysis of basic structural data, recent trends in governance-related events, as well as a consideration of the role likely to be played by significant stakeholders within the country. The best-case assumes that the strongest positive trends will dominate over any negative trends in the near future. Conversely, the worst-case scenario assumes the opposite. These two scenarios are intended to highlight different facets of the situation for the reader. The best and worst cases consider the strongest trends among stabilizing and destabilizing events, drawing attention both to dominant threats and potential points of entry. Finally, the most likely case scenario extrapolates future tendencies based on the strongest overall trends present within the state. To begin with, it identifies

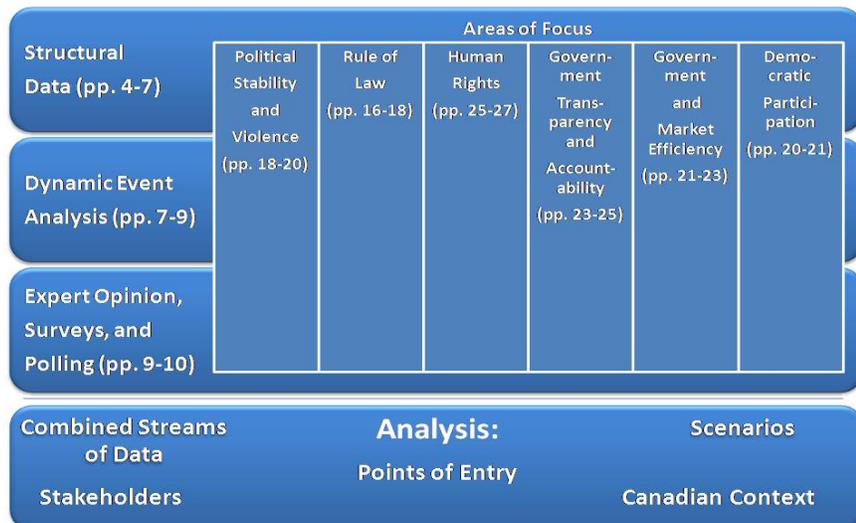
dominant trends – those most likely to continue in each of the six subject clusters over the short term. These trends are then combined to form an overall portrait of the country over the near term, providing a baseline “likely” scenario.

Taken together, these three scenarios define the universe of developments that may occur in the country in the near term, and give some sense of what may reasonably be expected in the same period. Such insights may inform contingency planning processes in both the domestic government and international partners, and provide some assistance when setting benchmarks with which to evaluate the success of initiatives intended to improve governance and democratic processes.

STAKEHOLDERS

As part of the initial country profile, the analyst compiles a list of stakeholders. Stakeholders are those individuals or groups that possess an identifiable, broadly similar political agenda and either have an effect on or are affected by governance. They often have an organizational structure in addition to sufficient resources to pursue explicitly or implicitly articulated goals.

Framework of Analysis



Appendix 2: Governance & Democratic Processes Indicators

RULE OF LAW		
Indicator	Measurement	Source
Police force / law enforcement	Quality of police: controlled by civilians? Government?	World Economic Forum (Global Competitiveness Survey – Quality of Police)
Criminality	Perception of violent and non-violent crime	Governance matters Database World Bank
Detainees - Prison population rate	Number of detainees per 100,000?	International Centre for prison studies
Number of political prisoners	Number of cases	CIRI Human rights Data Project
Occupancy level	Number of detainees compared to capacity %	International Centre for prison studies
Detainees	% of detainees without trials	International Centre for prison studies
Judicial independence	From the government in power	Fraser Institute
Impartial courts	Qualitative measure of fairness and objectivity	Fraser Institute
Integrity of the legal system	PRS aggregate law and order indicator	Fraser Institute
Military interference in rule of law and the political process.	Qualitative judgement of the involvement of the military	Fraser Institute
Equal legal protection for minority	Quality of the judicial and physical protection offered to minorities by the judicial and police system	MAR
Dispossession of land for minority		MAR
Legal procedure for minority	Availability of legal procedure for minority	MAR
Property Rights	Freedom from government influence over the judicial system, Commercial code defining contracts, Sanctioning of foreign arbitration of contract disputes, Government expropriation of property, Corruption within the judiciary, Delays in receiving judicial decisions and/or enforcement, Legally granted and protected private property	Heritage eco freedom 2006
Organized crime		
POLITICAL STABILITY AND VIOLENCE		
Indicator	Measurement	Source
Presence of Intrastate conflicts	Intensity and frequency of intrastate conflict (number of casualties)	Uppsala Conflict Database CSCW
Presence of Interstate conflicts		Uppsala Conflict Database CSCW
Presence of internationalized conflict	Frequency: Number of internationalized conflicts	CSCW database Centre for Study of Civil War
Military Expenditure (% of GDP)	Percentage of GDP spent on armed forces	SIPRI (Military Expenditure, % GDP)
Terrorism	Number of incidents	MIPT Terrorist Knowledge Database

POLITICAL STABILITY AND VIOLENCE, CONT'D

Indicator	Measurement	Source
Terrorism	Number of fatalities	MIPT Terrorist Knowledge Database
Permanence of regime type	Regime durability score	Polity IV: Durability score
Polity fragmentation	Existence of a separate polity over which the coded polity exercises no effective authority	Polity IV
Political Instability and violence		Governance IV: Political stability
Number of Refugees Produced		

DEMOCRATIC PARTICIPATION

Indicator	Measurement	Source
Level of Participation	Voter Turnout %	IDEA or Polyarchy
Competition	% of votes shared between the opposition and smaller parties	Polyarchy
Federalism	Are municipal, state or provincial governments locally elected?	DPI 2004 World Bank Political Institution Database
Checks and Balances	Presence of checks and Balances within the political system (chief executive competitively elected, control of the opposition, chambers in the legislature, number of parties in government coalition)	DPI 2004 World Bank Political Institution Database
Political Pluralism	Number of active political parties	DPI 2004 World Bank Political Institution Database
Degree of party dominance	Fraction of seats held by the government	DPI 2004 World Bank Political Institution Database
Degree of party dominance	Fraction of seats held by the Opposition	DPI 2004 World Bank Political Institution Database
Fractionalization of the legislature	Herfindahl Index - Measure of monopoly	DPI 2004 World Bank Political Institution Database
Representation of women in politics	% of seats held by women in parliament	UNDG UN Millennium Goal Indicators
Representation of minorities	presence of ethnic parties	IDEA
Polity score	Degree of democratization of a society	Polity IV
Executive recruitment	Regulation, competitiveness, openness of executive recruitment	Polity IV
Executive constraints	Extent of institutionalized constraints on the decision making powers of chief executives, whether individuals or collectivities.	Polity IV
Access to civil service by minority	% of minority in the public service	MAR
Voting right by minority	Right to vote, degree of intimidation, access to polling station	MAR
Representation of women in politics	election law quota for number of women	Global Database of Quotas for Women (IDEA & Stockholm University)

INDICATORS: GOVERNMENT AND MARKET EFFICIENCY

Indicator	Measurement	Source
Starting a business	Number of procedure, time and cost necessary to open a business	World Bank Ease of Doing Business
Protecting investors	Disclosure, director liability, shareholder suite and investor protection indexes	World Bank Ease of Doing Business
Trading across borders	Documents, time and cost to export and import across borders	World Bank Ease of Doing Business
Closing a business	Number of procedure, time and cost necessary to close a business	World Bank Ease of Doing Business
Dealing with Licenses	Number of procedure, time and cost necessary	World Bank Ease of Doing Business
Registering property	Number of procedure, time and cost necessary to register property	World Bank Ease of Doing Business
Contract Regulation	Legislation and enforcement	Heritage Foundation
Enforcing contracts	Number of procedure, time and cost necessary	World Bank Ease of Doing Business
Economic Freedom (Aggregate and individual avail)	aggregate data on economic freedom; 50 independent variables divided into 10 broad factors of economic freedom	Heritage Foundation
Single Commodity Dependence (Export)	Commodity export dependence	EIU (Major Export, % total exports)
Economic size	GDP	WDI
Relative economic size	GDP per capita	WDI
Economic growth	GDP growth	WDI
Inflation	Only if nominal GDP used	WDI
Inequality	GINI	
Unemployment total	Unemployed	WDI
Trade balance	Current account balance as a % of GDP	WDI: Trade balance
External Debt (Relative)	Debt serviced as a % of GNI	WDI: Present Value of Debt (% GNI)
Aid dependency	Aid as a % of government expenditure	WDI Aid as a % of government expenditure
FDI	FDI net inflows as a % of GDP	WDI (FDI, net inflows %GDP)
Variation of exchange	% fluctuation in value in a given year	World Bank and IMF
Saving level		World Bank
Capital flows and foreign investment	Foreign investment code, Restrictions on foreign ownership of business, Restrictions on industries and companies open to foreign investors, Restrictions and performance requirements on foreign companies, Foreign ownership of land, Equal treatment under the law for both foreign and domestic companies, Restrictions on repatriation of earnings, Restrictions on capital transactions, Availability of local financing for foreign companies	Heritage eco freedom 2006
Informal market	Smuggling, IP violations, and informal markets	Heritage eco freedom 2007
Protection of intellectual property.	Legislation and enforcement	Fraser Institute

INDICATORS: GOVERNMENT AND MARKET EFFICIENCY , CONT'D

Indicator	Measurement	Source
Education levels	Proportion over 15 with no school (can split between gender) also have over 25 to see trends	World Bank Data (http://devdata.worldbank.org/edstats/td10.asp)
Education	Enrolment in primary, secondary and tertiary schools	UNDP - Human Development Index
Health care	Health expenditure per capita	UNDP - Human Development Index
Infrastructure	Access to improved water	UNDP - Human Development Index
Capacity to collect taxes	Payment and tax rate enforced by the government on businesses	World Bank Ease of Doing Business
Effectiveness	Government effectiveness	Gov. effectiveness index Governance Matters
Ease of Doing Business	World Bank "Doing Business" Rank (aggregate)	World Bank Ease of Doing Business

INDICATORS: GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY

Indicator	Measurement	Source
Party financing	System of regulation for financing of parties	IDEA, National Legislation
Corruption	Corruption in the Public Service	Governance Matters, Control of Corruption Index or Transparency International
Political donation disclosure		IDEA Political Finance Database
Media Ownership - TV	public/private/government/political party owned	http://www.aceproject.org/epic-en/me/
Media Ownership - Radio	public/private/government/political party owned	http://www.aceproject.org/epic-en/me/
Media Ownership - Newspapers	public/private/government/political party owned	http://www.aceproject.org/epic-en/me/
Press Freedom (Aggregate and individual (below avail))	Free, Partly Free, Not Free (numeric Score, 0-100)	Freedom house
Press Freedom	Reflects the degree of freedom journalists and news organisations enjoy	http://www.rsf.org/article.php3?id_article=15338
Regime integrity	Patronage, reports of	Transparency international
Accountability	Accountability of the bureaucracy	Governance Matters, Voice and Accountability Index
Transparency of Government		World Economic Forum

INDICATORS: HUMAN RIGHTS

Indicator	Measurement	Source
Prison Conditions and the Treatment of Prisoners	Prison Conditions. See more: (Violence, extortion, abuse, torture, overcrowding, access to health care, food, separation by age/ gender, upkeep of facilities)	Human Rights Watch, Amnesty Int. & http://www.prisonstudies.org
Ratification/accession to major international human rights instruments: CAT, CAT, OP, ICCPR, CCP- OP1, CCPR-OP2- DP CEDAW, CEDAW- OP CERD, CESC, CMW CRC, CRC- OP- AC CRC- OP- SC	Actual accession recorded UN Treaty Depository Database; reservations? Actuation in domestic law?	UNHCHR & Treaty Depository Database
Disappearance	Number of cases	CIRI Human rights Data Project
Extrajudicial killings	Number of cases	CIRI Human rights Data Project
Torture	Number of cases	CIRI Human rights Data Project
Freedom of Movement		CIRI Human rights Data Project
Freedom of Assembly		CIRI Human rights Data Project
Freedom of speech	Qualitative measure of freedom	CIRI Human rights Data Project
Women Political rights		CIRI Human rights Data Project
Women Social rights		CIRI Human rights Data Project
Women Economic rights		CIRI Human rights Data Project
Freedom of Religion	ranks religious freedom on a 1-7 scale, then splits into free, partly free, and unfree	Freedom House
Access to higher education for minority	Minority's % enrolment in primary, secondary and tertiary schools	MAR
Presence of minority in commerce or in official position		MAR
Minority Right to organization		MAR
Government repression by group type		MAR
Differential in land and property owning	Access to land by a country's minorities	MAR
Police military recruitment	Recruitment among minorities	MAR
Restrictions on Civil and Political Rights		FH?

Appendix 3: Sample Survey



GOVERNANCE SURVEY—HAITI

2.2 Does the executive branch competently manage the day-to-day affairs of the country?

1 2 3 4 5

Not at All Completely Don't know N. A.

2.3 Please explain your answers.

4.2 Do the police respect their constitutional role relative to other parts of government?

1 2 3 4 5

Not at All Completely Don't know N. A.

4.3 Please explain your answers.

3.1 Does the legislative branch independently enact laws?

1 2 3 4 5

Not at All Completely Don't know N. A.

5.1 Does the judicial system interpret law independently and in good faith?

1 2 3 4 5

Not at All Completely Don't know N. A.

3.2 Does the legislative branch represent the will of its voting constituents?

1 2 3 4 5

Not at All Completely Don't know N. A.

5.2 Does the judicial system apply the law to all citizens equally?

1 2 3 4 5

Not at All Completely Don't know N. A.

3.3 Does the legislative branch ensure that other government institutions are held accountable for their actions, enforcing guidelines and legislation?

1 2 3 4 5

Not at All Completely Don't know N. A.

5.3 Does the judicial system offer access to all citizens?

1 2 3 4 5

Not at All Completely Don't know N. A.

3.4 Please explain your answers.

5.4 Please explain your answers, providing examples.

4.1 Does the police effectively ensure the security of the country and its citizens?

1 2 3 4 5

Not at All Completely Don't know N. A.

6.1 Does the civil service effectively and efficiently carry out government orders?

1 2 3 4 5

Not at All Completely Don't know N. A.

GOVERNANCE SURVEY—HAITI

14.2 Please explain your answers.

15. In your opinion, do the activities of non-state actors supplant the government to a degree that threatens state legitimacy in the following areas?

15.1 Security provision

1 2 3 4 5 Don't know
 Not at All Completely N. A.

15.2 Infrastructure provision

1 2 3 4 5 Don't know
 Not at All Completely N. A.

15.3 Social service provision

1 2 3 4 5 Don't know
 Not at All Completely N. A.

15.4 Please explain your answers.

16. In your opinion, is the political system open to the participation of members of the following groups?

16.1 Ethnic minorities

1 2 3 4 5 Don't know
 Not at All Completely N. A.

16.2 Religious minorities

1 2 3 4 5 Don't know
 Not at All Completely N. A.

16.3 Women

1 2 3 4 5 Don't know
 Not at All Completely N. A.

16.4 Poor citizens

1 2 3 4 5 Don't know
 Not at All Completely N. A.

16.5 Please explain your answers.

17. Do the official political parties successfully articulate the political interests of all elements of the population?

1 2 3 4 5 Don't know
 Not at All Completely N. A.

18. In your opinion, does the government approach rights and freedoms in a way that is in keeping with popular will in the following areas?

18.1 Women's rights

1 2 3 4 5 Don't know
 Not at All Completely N. A.

18.2 Children's rights

1 2 3 4 5 Don't know
 Not at All Completely N. A.

18.3 Religious freedom

1 2 3 4 5 Don't know
 Not at All Completely N. A.

Appendix 4: Key Findings from Recent Governance Reports

NICARAGUA

- Police and judiciary are functional but susceptible to political pressures and corruption
- Civil society is active but with no direct influence on government policies
- Poor government accountability with limited oversight and access to information
- Lack of reliable energy sources hampers industrialization and foreign investment
- Tradition of fund mismanagement by government officials

HAITI

- Insecurity continues to impede development and investment
- Massive poverty and unemployment continue unabated
- An antiquated electoral system has proved complex and difficult to implement
- Parliamentary paralysis and corruption continue to impede social and economic reform

GHANA

- Steady GDP growth over 5% and declining inflation are economic success stories
- Poverty reduction remains a challenge
- Access to secondary and tertiary school is limited
- Gender equality is improving but major gaps persist
- Religious peace and interaction provides important social cohesion
- Civil society organisations and capacity remains underdeveloped but is improving

PAKISTAN

- Insurgencies in Baluchistan and North West Frontier Province (NWFP) continue to threaten stability
- The government is becoming increasingly autocratic and democratic freedoms are severely limited
- Frustration and discontent with the government is on the rise
- Poverty, inflation, crime, unemployment continue unabated
- Religious radicalism is gaining momentum
- Corruption and disregard for the rule of law

GUATEMALA

- State authority, legitimacy, capacity are weak
- Narco-trafficking and the involvement of the drug trade in politics is highly destabilizing
- High corruption and involvement in criminal activities among the police force
- The government is unable to ensure the security of its citizens and urban violence is common
- Weak and fragmented political system
- Exclusion of indigenous population, women and youth from the political, social and economic realm
- Number of incidences of human rights violations

KEY FINDINGS OF REGIONAL COMPARISON: GUATEMALA

Not surprisingly, indicators for governance and democratic processes in Central America tend to be similar across countries, averaging medium risk scores between 3.5 (Costa Rica) and 5.5 (Guatemala and Honduras). Within the region, the Rule of Law indicator tends to be the most threatening to good governance and democratic processes, while the Political Stability and Violence seems to present the least challenge. While Costa Rica's indicators reflect the uniqueness of the country in the region because of its stability, high security and well established democratic system, comparing structural data between Guatemala, Nicaragua, El Salvador, Honduras and Panama offers interesting insight in the problems affecting the region as a whole as compared to the particular challenges faced by Guatemala.

In terms of political stability and violence, we can see that the absence of conflict as well as good scores for the permanence of regime type, military expenditures, dependence on external support and the number of terrorism incidents can help create better conditions and reduce violence and political instability. However, political stability, black markets, and the number of refugees produced tends to remain high across the region.

Rule of Law is the weakest cluster for the region. Judicial independence, impartiality of the courts, the integrity of the legal system, and protection of property rights remain indicators of concern in all five countries. They represent a reality where police officers and judges are often subject to corruption, prison conditions are appalling and property rights are hardly enforceable. Guatemala's average score is among the highest and reflects the situation on the ground, where urban violence is a constant source of instability.

Human rights are a greater source of preoccupation in Guatemala and Nicaragua although Honduras and El Salvador also have medium risk scores. While Costa Rica and Panama display low-risk scores for civil liberties and political rights, the four remaining countries have medium risk scores for all the indicators in this cluster.

Government Accountability and Transparency is the second highest source of instability for Guatemala. Honduras, Nicaragua and El Salvador also exhibit medium risk scores, while Costa Rica and Panama display more stabilizing scores. Corruption seems to be the most worrying indicator in and the efficiency of the governments in power. All countries have an average score that represents a medium risk for governance and democratic processes. Dependence on foreign aid, government effectiveness, inequality and paying taxes seem to be the most challenging indicators across the region since it has the highest score among the three indicators monitored and is a high source of instability in Guatemala and Honduras.

UNDERLYING CONDITIONS: REGIONAL COMPARISON

	PSV	RL	HR	GTA	GME	DP
NICARAGUA						
	3.28	6.85	4.78	5.04	5.75	3.77
GUATEMALA						
	3.74	6.82	5.56	6.21	5.77	5.14
EL SALVADOR						
	3.13	6.30	4.16	4.82	5.04	4.76
HONDURAS						
	4.59	7.20	4.65	5.71	5.90	4.88
COSTA RICA						
	2.15	4.70	2.63	2.45	4.76	2.72
PANAMA						
	3.29	6.69	2.98	4.31	4.87	3.68

The Government and Market Efficiency cluster is composed of 27 different indicators. Most countries in the region exhibit a mixed performance that reflects the priorities and the efficiency of the governments in power. All countries have an average score that represents a medium risk for governance and democratic processes. Dependence on foreign aid, government effectiveness, inequality and paying taxes seem to be the most challenging indicators across the region. Finally, democratic participation once again set Costa Rica apart. Nicaragua and Panama are not far behind with scores of respectively 3.77 and 3.68, which reflect the strength of the political systems in both countries. El Salvador, Honduras and Guatemala trail further behind. Guatemala has the highest score in the region, which is representative of its very immature and still not consolidated democratic system. The nature of the political system in place is reflected in the score that each country is attributed for executive constraints, polity and check and balances.

Appendix 5: Field Report—Guatemala

1. REPORT SUMMARY

Political Stability and Violence

The main issues affecting political stability and violence in Guatemala are violence and insecurity. Interviewees were clear about the impact of violence and insecurity on their daily life and their fear that impunity and the dysfunctional security institutions would push Guatemala towards state collapse. When interview subjects were asked about how the power was shared among main stakeholders, the main preoccupations seemed to be the role of the President, the military and narco-trafficking groups. Study participants expressed many concerns over the narco-trafficking groups' and obscure powers' influence over the government. It was said that narco-trafficking adds a burden onto institutions that are already dysfunctional and makes them completely paralyzed. Narco-trafficking also disrupts legal procedures and prevents investigations, which reinforces impunity and makes violations easier to commit without punishment.

Rule of Law

Interviewees admitted that the rule of law sector was facing serious challenges. Recent events have forced most Guatemalans to recognize that the judicial system has been infiltrated by organised crime and narco-trafficking. Although the international community invested important financial resources into the judicial system for training and alternative conflict resolution mechanisms after the war, any progress which was achieved, is now almost impossible to discern. Security is declining at an

alarming rate. 18 people are killed each day, which is more than during the Civil War. The annual number of murders (6000 per year) is alarming, even for Central America. With 93% of the criminal cases left unresolved, the judicial system as a whole is close to being non-operative and is badly corrupted. In Guatemala, impunity is the rule and not the exception. The performance of the police is widely criticized. Interviewees hoped that new mechanisms of internal control and investigation would help to rejuvenate the system but were generally doubtful about the possibility to reform the current institution.

Human Rights

Study participants were asked to discuss the status of a variety of rights in Guatemala, as well as the progress that has been made in these areas over the course of the past two years. All study participants were unanimous in declaring that human rights are a low priority for the government. Treaties are signed and ratified but they are not implemented and consequently translate into no specific programs or policies. The legislative and constitutional frameworks exist but the concrete improvements for human rights are few. Some placed the responsibility solely onto the government, while others blamed the civil society for the lack of achievement, arguing that it was unable to articulate interest and propose concrete policies. Nonetheless, the human rights situation has improved significantly since the Civil War because of the lack of systematic abuses by the government and the military. The problem is now the government's

lack of interest in implanting the different human rights clauses of the peace accords and its indifference towards abuses.

Government Transparency and Accountability

Overall, there was an agreement that considerable improvements had been made under Berger in terms of government accountability and transparency. These improvements included the creation of several institutions, commissions, technological advances, anti-corruption laws and the inclusion of knowledgeable professionals in key ministries. However, there was a sense that corruption would always remain a problem hampering effectiveness in Guatemala. Participants identified several factors that could have contributed to the high level of corruption, including poverty, low salaries and the lack of a professional and educated bureaucracy. The culture is difficult to change and corruption is still a problem in part because people are ready to take and give bribes. The lack of persecution was also identified as a major reason for the continuing corruption and fraud.

Government and market efficiency

Respondents agreed that the quantity of services offered has improved significantly since the war, although the quality is sometime poor. Services such as health, education and nutrition are unevenly distributed among the population, with some communities relying on national and international NGOs for services. Key policies that could have improved conditions were never passed. Study participants were unanimous in their opinion that limited financial recourses, due to low tax imposition

and deficient tax-collection as well as corruption, were at least partly responsible for the poor delivery of government services.

Democratic Participation

Study contributors suggested that there were considerable improvements in terms of electoral processes. The majority of the population now votes and logistical concerns during elections are less worrisome. International and national electoral observers confirmed the fairness of the process, which convinced people to get involved. The government does not necessarily encourage educated participation by the different groups but it has improved nonetheless because of technological advances, telecommunication and a new opening to the World. People exercise a more educated vote and manipulations work less effectively. Participation of indigenous peoples and women has increased considerably in terms of voting patterns and candidacy in the elections. Many barriers remain, but there has been progress in the last few years.

2. FINDINGS

2.1 General Evaluation of Institutional Performance

Overall, opinions regarding institutional performance were not excessively positive. There was a general sense of discontentment and disillusion with the performance of Guatemala's government among the individuals who were consulted. All of the institutions were seen as being corrupted, inefficient and dysfunctional to some extent. Respondents expressed concern over the deterioration of government performance and saw little potential for improvement in the short-term. The legislative branch and the judiciary were identified as facing

the most challenges.

2.1.1 Institutional Performance - The Executive Branch (The Presidency and the Cabinet)

Participants identified several problems affecting the institutional performance of the Executive branch. The main problem cited by interviewees was the fact that Presidents had a tendency to rule by decree instead of generating changes through legislations passed by Congress. Interviewees identified two causal factors contributing to the explanation for executive dominance in Guatemalan politics, namely the fragmentation of parties and the difficulties and delays involved in passing laws in Congress. The consequences of ruling by decree are several. Because the programs, funds and commissions created by Presidential decrees are not institutionalized and can be revoked by future Presidents, they favour short-term planning and weaken the entire governance structure. Programs and institutions created by decree are also dependent on the Executive for funds and the renewal of their

mandate, which means that they are more malleable and can be used by the Executive to justify its actions instead of doing independent research and generating sound policies.

Concerns also emerged during the study process over the lack of consultation and open dialogue with the civil society about policy choices and implementation strategies. On several instances it was mentioned that the Executive's achievement depended upon personality and perceived priorities. While some Presidents have made noticeable achievements in given sectors, others were perceived as having had little impact on national policy. The creation of the Commission against Racism and the Defence for Indigenous and Women were identified as example of notable progress accomplished by the Executive branch. Some respondents felt that Presidents were not interested in improving or strengthening state institutions because they have no chance of re-election and changes would not benefit them directly. Most individuals interviewed thought that



Presidents were often seeking elections in order to gain prestige, power and financial rewards while little was said of civic duty, common good and national interest. Finally, the lack of coordination between the Executive, Congress and the judicial system was said to impact progress in many sectors such as human rights.

A few days after the election that brought Colom to power, feelings were mixed about his chances of generating real changes. Some respondents were worried about the exacerbation of the trends towards a governance crisis and the flagrant lack of proposals and policies to resolve the issues. It was mentioned that Colom needed to make key changes quickly in order to avoid an irrevocable crisis. Respondents perceived Colom's intention to generate a social pact and consult different groups positively. There was a general sense that his strategy to reduce violence by addressing root causes would be better than a *Mano Dura* approach, as suggested by the losing Presidential candidate Ottawa Perez-Molina. On the other hand, there were doubts about his relationship with narco-trafficking groups, which could seriously impact his ability to find a solution to violence and insecurity. The lack of gender dimensions in his campaign was also deceptive to many organizations.

2.1.2 Institutional Performance - The Legislative Branch

Congress was generally perceived by those interviewed as an institution that needs to be strengthened. Without a strong Congress to oversee government operations and to hold other branches accountable, respondents felt it would be difficult

to prevent excessive power in the executive and implement reforms that would be beneficial to all Guatemalans. Study contributors unanimously described Guatemala's Congress as being fragmented, inefficient, and unrepresentative of the different segments of the population. These weaknesses prevent the government system from functioning as a whole and effectively supervising governance in the country. Reasons cited by consulted individuals for Congress' failure to truly be an effective institution can be divided into two areas: first of all, the fragmentation of parties and absence of party lines make negotiations very challenging and provoke delays in the passing of laws. Secondly, deputies elected often lack the knowledge and technical skills necessary to understand complex issues.

The party system in Guatemala was not consolidated after the war. The political panorama is constantly changing and political parties remain very weak. They are formed and disappear depending on the need and desire of political patrons. They depend on financing and often have links with narco-trafficking or other illegal groups because financial support is not provided by the state. Candidates who are elected under the banner of a party feel no obligation to vote in accordance to party lines. A high percentage of candidates also change parties or declare themselves independent for one reason or another, which increases the number of actors in Congress. This fragmentation hampers negotiations and can delay the passing of laws for considerable periods of time. The approval of the budget every year, for example, is particularly problematic because it is often



delayed and the final budget is reflective of different interests, which are not necessarily in accordance with government priorities. This makes long-term planning very difficult and makes ruling by decree attractive for the President in power.

The lack of knowledge and technical skills necessary to understand complex issues such as economy and law is another serious challenge to the good functioning of Congress. While some deputies are educated and can perform their duties well, others are unprepared and lack the technical skills necessary to be able to understand complex issues and debate economic and social problems. Women and indigenous peoples elected to Congress are finding it especially difficult to adapt. They often lack political experience, training and knowledge, and there are many barriers to their elections which reinforce their lack of experience and information. Finally, a portion of elected representatives were described by respondents as seeing political activity as a path to money, rather than a course of

public service. Being elected to Congress is associated with many material benefits and offer great financial rewards, which does not reflect the poverty of Guatemalan citizens and encourages some individuals to seek election for the wrong reasons. Once elected, deputies often basing base their decisions on personal ideology instead of representing the will of their constituents.

In the last elections, the UNE won a majority in Congress; however, there is no indication that they will be united and vote in block. They will most likely have to make alliances and negotiate with other parties in order to pass legislations. The new Congress also continues to be unrepresentative of the Guatemalan population. Only 19 women were elected to Congress, 4 of whom are indigenous. The lack of financial resources is the main impediment to candidacy.

2.1.3 Institutional Performance - The Military

The military is still perceived as having considerable power and influence over the Executive, which is the result of many years of close collaboration between the Executive and military officials as well as direct military interference in the political rule of the country. Study participants affirmed that while this influence is not exercised as openly as in the past, the military's soaring budget is proof that it still has considerable influence in political circles. The attempt to reduce the size of the military in the past decade has not succeeded at changing the role of the institution but has worked at disarticulating it, which study contributors argued was the wrong approach. The military is still a key actor in internal security and intelligence gatherings, although it should be focussed on national

defence and international interventions such as peacekeeping. Some study contributors also suspected the military of having links with hidden powers and contributing to Guatemala's condition as a captured state.

The military is still associated with the atrocities that it committed during the Civil War and is distrusted by the population in general. The military had a profound impact on the political life of Guatemala during several decades and instituted fear and distrust in people, which will take many years to undo. The fact that human violators within the army have been given immunity following the war has helped to antagonize them in the eyes of the population in general. The civil society is now stronger and united against military power. A lot of education was provided in the communities.

2.1.4 Institutional Performance - The Judiciary

The police forces are often blamed for the disappointing performance of the rule of law in general and for the prevalence of violence and insecurity in particular. There is consensus over the fact that a complete revamp of the police forces is needed at this point. Respondents suggested the creation of an investigative police force different from the civil police, which would remain focussed on prevention, patrol and reaction as a solution that could contribute to a better functioning of the rule of law. The need for scientific and technological material that would make crime easier to elucidate was also mentioned. Salaries would need to be higher to attract better candidates, increase loyalty and reduce the attractiveness of bribes. Improvement in the judicial

system that would increase the number of cases brought to a close would also be necessary in order to improve the morale among police officers. The Minister of the Interior and new Chief of police have generated new changes following the crisis of February 2007, when three Salvadorian politicians were killed and police officers were accused of the murder. The reforms include a purification of the police forces, the strengthening of internal investigation mechanisms, more education and training, better criminal investigations and stricter criteria for recruitment. Interviewees seemed doubtful that these efforts would be enough to reform the current institution. The high level of corruption and inefficiency within the police forces will make it difficult to reform without completely disbanding it and starting fresh.

Likewise, respondents' opinion on the court system was not overly positive. Judges are still considered by many as lacking proper training, being easily influenced, lacking investigation capabilities and accepting scientific evidence with reluctance. The judiciary was almost unanimously described by consulted individuals as being badly under-resourced, in terms of funding, human resources and material. These factors contribute to chronic delays and inefficiencies that incite people to take justice into their own hands. On a more positive note, some respondents believed that the court system could function if the police and the Public Ministry would work efficiently and independently of obscure powers. One contributor mentioned that the judicial system had benefited from key initiatives in the decentralization of administrative services in the past few years. Purchases and contracts

are completed more quickly and make the system more efficient. A new focus on telecommunication and oral procedure is also making case handling quicker, easier and more accessible to the public. The centre for justice administration in Quetzaltenango, for example, now makes the purchases and contracts for 29% of the national territory. The decisions are still taken to the capital but the distribution of responsibility simplifies the logistics of administrative procedures.

Several participants raised concerns over the lack of accessibility to the judicial system for women and poor rural peasants, due to its emphasis on written documents and legal representation. Women going to court were said to commonly be victims of discrimination and harassment and to often abandon their case as a result. Alternative conflict resolution mechanisms are still used in villages because of the lack of access to the judicial system. Traditional leaders often use mediation and negotiation techniques to solve cases because state justice is inaccessible. A few participants were also worried about the malleability of the law, which can be interpreted to as an advantage to the wealthy, who are able to afford the counselling of expensive lawyers. There have been some improvements, but there remains much room for progress.

Individuals consulted said very little about the performance of the penitentiary system. The lack of comments could be attributed to a common perception of it being completely dysfunctional and out of government control. The reality is not far from the perception. Experts confirmed that the penitentiary system is controlled by urban gangs

and narco-trafficking groups and that no census of prisoners exists. While young males pertaining to gangs are sent to prison for petty crimes, narco-traffickers and gang leaders never see the walls of the penitentiary because they have the appropriate contacts within the judicial system to avoid incarceration. The conditions in

“While young males pertaining to gangs are sent to prison for petty crimes, narco-traffickers and gang leaders never see the walls of the penitentiary because they have the appropriate contacts within the judicial system to avoid incarceration...”

prisons are also precarious in terms of services and respect for human rights; as a result, violence and corruption often prevail.

2.1.5 Institutional Performance - The Bureaucracy

The need for a professional civil service was identified by respondents as being crucial to a more efficient delivery of services and implementation of laws. The reduction of fraud and corruption and the ability to execute long-term planning were also seen as advantages of having a professional bureaucracy replace the current partisan institution.

Currently, there is no professional bureaucracy in Guatemala. Employees are mostly appointed and often have a career limited to the four years their political patron is in power. The consequences are several. First, an incredible amount of knowledge is lost because of the quick turnover of civil servants every election, which is costly for the government. Secondly, there is no retention of public management knowledge and development of capabilities, which prevents improvement of bureaucratic performance over time. Finally, short civil servants' careers prevent the long-term and

continuous execution of programs and policies and favour the constant reinvention of the wheel. Study participants identified other challenges faced by the bureaucracy. Some mentioned the lack of access to civil servant job opportunities for women. According to them, women only have access to lower echelon jobs in the

bureaucracy and do not reach the positions of power because of a still very patriarchal society. Others talked about the degree to which obscure and hidden power had recently infiltrated the bureaucracy making it completely paralysed and un-operational. On the other hand, a few mentioned the progress that had been made under Berger's administration in terms of the simplification of bureaucratic processes aimed at increasing commerce and making Guatemala more attractive for foreign investors.

The de-concentration of administrative services for all the departments of the government was suggested as a solution to poor efficiency and long delays in service delivery. According to some respondents, it can help facilitate everyday operations, reduce logistical puzzles and increase speed. The departments of health, justice and revenue have implemented a certain de-concentration of services. The next step would be a decentralization, which would involve locating the decision-making process in the regions.

2.1.6 Institutional Performance - The Opposition

This study asked participants to comment on the performance of the

opposition in terms of its success in holding the government accountable. Respondents felt that the opposition was not successful in holding the government accountable for many of the same reasons that Congress does not successfully oversee the Executive. The fragmentation of parties, inexperience of elected representatives, and the lack of representation of a significant percentage of the population were identified as the three main problems.

The weakness of political parties was seen by the majority of respondents as the main challenge to the opposition's overall efficiency. Parties were qualified as having no ideology, no permanent structure, no discipline, no program and no autonomy since they depend on the financial elite for survival. There are a great number of small parties participating in each election and the parties change constantly. Candidates also switch parties depending on the alliances of the day and the benefits that they can get for being associated with a specific leader. The result is a fragmented opposition that cannot limit the action and the power of the Legislative or Executive branches. The party system has never been consolidated in Guatemala. According to respondents, bi-partisanship would allow greater organization, accountability and institutionalization of parties. Instead, people vote for candidates because parties continue to appear and disappear every election, which confuses voters and observers alike.

People also spoke about the lack of knowledge and technical skills necessary to understand complex issues such as economy and law. The comments discussed above for the representatives elected to Congress are also valid for the

opposition and prevent the well-functioning of the overall government system.

Finally, study participants mentioned the fact that political parties do not articulate the political interests of all elements of the population. They represent sectoral interests and do not act in favour of the majority. The left is particularly divided and unable to articulate the needs and interests of the groups it represents. There is still a stigma attached to the Left, tied with communism and guerrillas, which harms poor people and minorities. The parties that could represent the poor such as the URNG have no funds to campaign and thus elect very few deputies to Congress, further reducing the representation of the majority of Guatemalans. Moreover, political parties continue to exclude women and indigenous peoples. Another problem is the fact that political parties often campaign without stating their position on key issues and offering policy ideas to solve national problems. The reason for this is that political parties have no permanent staff responsible for generating policies and often rely on marketing to elect their candidates. The consequences are twofold: people tend to vote for candidates instead of parties and parties get into Congress without clear agendas, strategies and positions on key governmental matters.

2.2 Evaluation: Political Stability & Violence

2.2.1 Violence and insecurity

The main issues currently affecting political stability and violence in Guatemala are violence and insecurity. Interviewees were clear about the impact of violence and

insecurity on their daily lives and their fear that impunity and dysfunctional security institutions would push Guatemala towards state collapse. Formerly, the violence was restricted to certain red zones, mainly located in Guatemala City. Respondents expressed concerns over the fact that violence had now spread to formerly secure zones of the capital and to the countryside. The increasing violence was blamed by most on impunity and the lack of police investigation into committed crimes.

Study participants gave two interpretations of the situation. Some saw violence as a consequence of the war, while others linked it to the interaction of new forces at play. For example, the debility of the justice system was seen as a consequence of the war but new economic scarcity was said to be responsible for the popularity of the *maras*. Some interviewees also mentioned the cultural acceptance of violence, which derived from the civil war, as a factor for high criminality. The series of murders and political violence that has characterized the last elections has left most experts on governance wondering if the rule of law sector can still be reformed or if it needs to be completely restructured. According to the majority, the problem needs to be addressed as a social, educational and economic phenomenon.

2.2.2 Power balance

When interview subjects were asked about how the power was shared among main stakeholders, the main preoccupations seemed to be the role of the President, the military and narco-trafficking groups. As discussed above,

participants felt that the role of the Executive in Guatemala often overrides the role of Congress and is left unchecked. The ruling by decree was particularly perceived as being problematic and challenging for long-term planning and the institutionalization of the system. The power of the military was also perceived as exceeding its share as defined in the Peace Agreements. Although the military was reduced considerably in recent years, the military budget is higher than ever, which presupposes that the military is still very influential within the government. Interview subjects thought that the use of the military to fight crime and violence was also disturbing since the police should be the institution handling internal security.

Finally, study participants expressed a lot of concerns over the narco-trafficking groups and obscure powers' influence over the government. It is now widely known that narco-traffickers have infiltrated the local and national institutions and prevented the proper functioning of government as well as an efficient delivery of services. Narco-trafficking adds a burden on institutions that were already dysfunctional and makes them completely paralyzed. It disrupts legal procedures and prevents investigations, which reinforces impunity and makes violations easier to commit without punishment. It also creates insecurity and is a threat to productive activity. A few study contributors blamed the ambivalence of the USA on its anti-drug plan for the Central American drug trafficking problem, which burdened institutions that were already weak. The lack of policies about possession of arms was also mentioned as a factor increasing



crime and violence. If Colom was elected with the financial aid of the organized crime, this could pose a major threat to governance for the country.

2.2.3 Perception of government legitimacy

The government of Guatemala is perceived as legitimate in the sense that the electoral democracy is now consolidated and elections results are respected. However, the 36-year civil conflict has contributed to the portrayal of the State as an enemy of the people and it will take several years before the government regains the full trust of its citizens. Because of the citizens' reluctance to confide in political institutions, the government is often perceived as illegitimate and unrepresentative. The fact that the government has not asked for forgiveness and has not invested in reconciliation also impacts its level of perceived legitimacy. Some participants had doubts about the capacity of the government to control all parts of the territory, mostly because of

the narco-trafficking groups' influence and activities in certain areas of the country. The lack of poor quality of governmental services delivered to the Guatemalan population also impacts the perception of the government's legitimacy. Since health, education and security services are often provided by private companies, the elite is reluctant to pay taxes, which further erodes the capacity of the government and its legitimacy in the eyes of the population.

2.3 Evaluation: Rule of Law

2.3.1 Judicial system

Recent events have forced most Guatemalans to recognize that the judicial system has been infiltrated by organised crime and narco-trafficking and that the new lawlessness is now threatening to push the country towards state failure. Although the international community invested important financial resources into the judicial system for training and alternative conflict resolution mechanisms after the war, it is now almost impossible to perceive any achieved progress.

Security is declining at an alarming rate. 18 people are killed each day, which is a higher number of daily deaths than that which existed during the civil war. The annual number of murders (6000 per year) is alarming, even for Central America. With 93% of the criminal cases left unresolved, the judicial system as a whole (including the police forces, tribunals, the Public Ministry and penitentiaries) is close to becoming non-operative and is badly corrupted. In Guatemala, impunity is the rule as opposed to the exception.

2.3.2 Police forces

The performance of the police is widely criticized. Interviewees hoped that new mechanisms of internal control and investigation would eventually help to rejuvenate the system but were generally doubtful about the possibility of reforming the current institution. Corruption and officers' involvement in crime has helped to tarnish the image of the police forces among study participants and the population in general. Participants mentioned instances of police officers threatening youth with prison charges and forcing them to recur to criminality in order to pay bribes and avoid prison sentences. Meanwhile, criminals go unpunished because of weak investigation capabilities and the low percentage of cases carried to the end of the judicial process. The result is that young men in prison are often victims of social discrimination, while real criminals remain at large. The lack of material resources and the low ratio of police/population (30,000 police) also help to explain the low performance of the police forces. The population's lack of trust in the government and its institution sometimes pushes people to take justice into their own hands. Several respondents mentioned the need for

the international community to commit to further funding in order to continue the work of MINUGUA with police officers, especially in terms of technical support, materials, training, educational material, seminars, etc. The prevalence of private security

“Corruption and officers' involvement in crime has helped to tarnish the image of the police forces among study participants and the population in general.”

companies, especially in urban areas, may challenge the authority of the police as the primary guarantor of public order, if the tendency continues and policing capacity further deteriorates.

2.3.3 Urban gangs and violence

Youth membership in urban gangs is certainly a factor contributing to violence and insecurity; however, interviewees seemed more preoccupied with the activities of narco-trafficking groups than with that of the *maras*. *Maras* are concentrated in certain areas of activity. They claim taxes from citizens for their protection, institutionalize fear and participate in daily activities with members of narco-trafficking groups. The police sometimes collaborate directly with the *maras* or turn a blind eye on their illegal activities. They are in control of the prisons, which impacts the overall performance of the rule of law institution and impedes progress in other sectors of the judicial system such as the police and court systems. Study participants mentioned that there should have been a reintegration program for former combatants following the war. Such a program would have prevented people without education from integrating urban gangs or private security firms. Narco-trafficking was discussed in the Political Stability and Violence section.

2.3.4 CCIG

Several participants described the creation of the UN Commission against Impunity in Guatemala as a ray of hope infiltrating into the bleak panorama. The Commission is supposed to investigate the influence of hidden powers on the

government and destroy unofficial networks interfering in the government affairs. Experts admitted that it is difficult to know how much the Commission will be able to accomplish considering the foreseen potential for political interference of the private sector and hidden powers themselves. However, most supported the Commission and affirmed that it should be given as many resources and as much support as possible.

2.4 Evaluation: Human Rights

Study participants were asked to discuss the status of a variety of rights in Guatemala, as well as progress that has been made in these areas over the course of the past two years. Study contributors were unanimous in declaring that human rights were a low priority for the government. Treaties are signed and ratified but they are not implemented and do not translate into any specific programs or policies. The legislative and constitutional framework thus exists but does not convert into concrete improvement of human rights. Some placed the responsibility solely onto the government, while others blamed the civil society for the lack of achievement, claiming that it was unable to articulate interests and propose concrete policies. Nonetheless, people were of the opinion that the human rights

situation had improved significantly since the Civil War because of the lack of systematic abuses by the military and the government. The problem is now concentrated around the government's lack of interest in implanting the different human rights clauses of the peace accords and its indifference towards abuses.

2.4.1 Political and Civil Rights

Study participants agreed that political rights had improved, mostly because of the critical situation that existed during the war when political participation was severely curtailed by the government and the military. People admitted that there is more political freedom and space for political participation. The Development Councils are more active and allow greater participation from people in the development of their own communities. In terms of civic rights, the right to justice is particularly unfulfilled by the government because of its failure to bring war criminals to justice and the ensuing impunity that prevails. Freedoms of speech and association were identified as having improved significantly. There were also positive developments in the areas of respect for physical integrity, such as torture and disappearance. Experts affirmed that violations still occur but are less widespread and systematic. In some cases, violations are better hidden because of new methods of torture. While the government is no longer a violator by action, some respondents qualified it as a violator by omission or lack of implementation. The treaty clearly designates the government responsible for the cases of torture still taking place in the country, yet the government is doing little to prevent instances of torture and disappearance.

2.4.2 Human Rights in need of greater attention

Study participants were asked to identify areas of human rights in need of improvements. Although study participants tended to talk about their own areas of interest when asked this question, the following themes were recurrent and could be considered potential entry points for the international community:

- Reconciliation and Reparation activities need to be promoted in order to expose the truth and recreate a national identity.
- Socio-Economic rights need to be addressed because they are currently responsible for massive emigration, which could impact productivity. Economic, social and cultural rights should also be addressed because they would benefit many and would bring tangible improvement to the lives of people.
- Cultural rights should be promoted, which would allow people to identify with traditional cultural practices after having rejected them for fear of persecution.
- Violence against women and children should be addressed. Domestic violence has been perpetrated from generation to generation and is important in terms of the number of cases and the gravity. A reform of the penal code that would have criminalized violence against women has been introduced but not passed.
- Land issues have deteriorated during the last administration due to the fact that they were not a priority. However, these issues remain vital to the political stability of the country.
- Labour rights deserve more attention from the government, especially in *maquiladoras* where conditions are inhumane and workers have no recourse to justice.



2.4.3 Groups most susceptible to Human Rights violation

Consulted individuals were unanimously of the opinion that women and youth were among the most susceptible to human rights violations. Cases of abuse against women include domestic violence and violent killings in which there are often no investigations. The procurator for Human Rights intervenes on a regular basis in cases of domestic violence by carrying out mediation, intervention, prevention and denunciation. The patriarchal culture, which is still prevalent in Guatemala favours violence against women and children. While a lot of education has been provided by NGOs among women, little attention has been paid to men, the perpetrators of domestic violence. Several interviewees emphasized the importance of working with men in order to change the culture, provide men with alternative conflict mechanisms, and reduce cases of domestic violence.

Youth are also victims of human rights abuses. In urban areas young gang members are often victims of discrimination and arbitrary arrests. In rural areas, they face grim economic opportunities or difficult labour conditions that often force them to migrate toward the cities or outside Guatemala for work. According to respondents, women and youth's rights have been a relatively low priority for the government. This lack of focus can be attributed in part to the fact that demands from women's groups and advocates of youth's rights remain fractured and limited in their formation, providing little incentive for policy makers to advance their causes.

Indigenous have also been identified as being susceptible to human rights

violations. A few participants raised the issues of access to land and right to territorial self-determination, although most talked about the lack of access to health, education and justice. Among the indigenous, women and girls were believed to face deep-rooted cultural discrimination which, in many cases, deprived them of food, education and economic opportunities.

“Interviewees affirmed that segments of the population are aware of the importance to protect human rights but very few people demand the systematic implementation of human rights treaties“

2.4.4 How to improve Human Rights

According to study participants, NGOs and international donors have carried out education programs and campaigns following the Civil War, which has increased general awareness of human rights. Although education is still necessary in order to counter the demonization campaign that has portrayed human rights as a tool to protect criminals, most interviewees mentioned that there is now a rush for implementation and specific policies that will improve human rights in a concrete way.

Interviewees affirmed that segments of the population are aware of the importance to protect human rights but very few people demand the systematic implementation of human rights treaties, which would put pressure on the government to put an end to violations. Part of the problem is that many people still perceive human rights as a tool to defend criminals because of the current focus on the prevention of extrajudicial killings, torture, etc. Participants were unanimous in stating that it needed to go one step further. Both the international

community and the non-governmental organizations were identified as having a role to play in the reinforcement of human rights in the country. According to respondents, the international community should pressure the government to get results in addition to providing funding. It should address key issues such as transparency, participation, evaluation and control. It should

also coordinates projects and funds in order to ensure the delivery of positive and tangible results. Many identified the problem as being a lack of governmental ownership for well-working projects, which prevents continuity. Even so, there was recognition that the international community had played an important role in the improvement of human rights conditions in the country in general as well as in some specific sectors, such as gender, by requiring the inclusion of a gender dimension in development projects.

2.5 Evaluation: Government Accountability and Transparency

Overall, there was an agreement that considerable improvements had been achieved under Berger in terms of government accountability and transparency, including the creation of several institutions, commissions, technological advances, anti-corruption laws and the inclusion of knowledgeable professionals in key ministries.

2.5.1 Transparency

The creation of the Presidential Secretariat to overview contracts was outlined as a positive

achievement that has considerably reduced the discretionary power of government officials when awarding contracts. Nonetheless, several study participants said that it would be difficult to reduce the influence and power of the financial and economical elite, who have always benefited from privileges and would likely continue to for some time. The

“Although a Commission in charge of investigating corruption cases does exist, it has very few human and financial resources and would need more professionals and a reinforcement of its capabilities in order to become a deterrent to corruption.”

creation of the Presidential Commission for transparency was another tool that was mentioned as having limited act of fraud. However, an external mechanism that would investigate the nature of expenses and have the authority to audit ministries still does not exist and would, according to some respondents, be beneficial. The institutions are more effective than in the past but need more human resources and financial capabilities in order to be more efficient. Although they were qualified as a positive development, internal institutions were often seen as dependent and uncritical of government performance and results. The creation of *Guatecompras* and its associated information system which is accessible online was mentioned several times as a system that had the potential of making the bureaucracy more accountable. Technology and the use of the internet were said to have had an important impact on access to information.

2.5.2 Corruption

Experts interviewed perceived corruption as being a serious problem, and one that does not appear to be getting better very quickly. Corruption is embedded in

the Guatemalan culture and is difficult to control or reduce. There is a need to strengthen existing institutions and for the creation of new ones. Participants identified several factors that could contribute to an explanation for the high levels of corruption, including poverty, low salaries and the lack of a professional and

educated bureaucracy. The culture is difficult to change and corruption is still a problem in part because people are willing to take and give bribes. The lack of persecution was also identified as a major reason for the continuing corruption and fraud. Corruption cases are still going through the regular justice system, which is highly dysfunctional. Although a Commission in charge of investigating corruption cases does exist, it has very few human and

financial resources and would need more professionals and a reinforcement of its capabilities in order to become a deterrent to corruption. The media was said to play an important role in investigating cases of corruption. On the other hand, the civil society's activities in this sector were perceived as remaining minimal. A few organizations, such as *Accion Ciudadana*, are working with the government through constructive criticism, suggestions, education and reinforcement, but a greater mobilization against corruption, fraud and the lack of transparency and accountability could be beneficial.

2.5.3 Fragmentation of parties

Interviewees agreed that the fragmentation of parties did affect the degree to which elected government officials were held accountable. The impossibility for Presidents to be re-elected was judged to be an important factor preventing transparency and



accountability because of its lack of incentive for good performance. The impact of party fragmentation has been discussed in further detail in the *Institutional performance* sections.

2.6 Evaluation: Government and Market Efficiency

Experts interviewed expressed their concern about the current economic situation. Although Guatemala has a GDP higher than most Central American countries, inequalities remain high and the majority of Guatemalans continue to live in dire economic conditions. The Guatemalan government has limited financial capacity, which prevents the implementation of many programs and laws that could benefit the society. Reforms elaborated in the Peace agreement that would have allowed the government to raise taxes have never been passed which has prevented the improvement of social programs.

2.6.1 Ability of the government to address the needs of the population

Most respondents agreed that the quantity of services offered had improved significantly since the war, although the quality remains poor. Services like health, education and nutrition should have improved considerably more over the last decade. However, key policies that could have improved conditions and capabilities were never passed. Housing is especially problematic and government performance in this area was qualified as mediocre. On the other hand, some respondents mentioned improvement in the education sector. The Ministry of education was qualified as being well-managed, efficient and having made serious effort towards decentralization. Among the factors identified as responsible for the poor

service delivery were the limited financial capabilities of the government, the presence of labour conflict between the government and state workers, and the lack of representation of certain groups within Congress, which amplifies inequality of service delivery and will be discussed in the following section.

“Some communities are given more services and benefits by narco-trafficking groups than by the government.”

Study participants were unanimous in declaring that corruption and limited financial recourses, due to low tax imposition and poor tax-collection, were at least partly responsible for the poor services. According to most, there is a strong need for tax reforms that would expand the taxing base and augment the ability of the government to collect taxes, consequently increasing government revenues. The presence of labour conflict between civil servants and the government was also identified as a factor that was limiting the availability and quality of social services offered to the population. Teachers and doctors are often on strike because of low wages and poor working conditions, which further reduces the quantity of services offered to the population.

Finally, interviewees emphasized the inequalities in service delivery. They argued that the needs of women and the poor were addressed with great limitation. Social programs targeting these groups had limited financial resources and were not continuous or properly planned. Programs and services offered to the indigenous are also often inadequate. Multiculturalism and multilingualism remain challenging in the education, health and justice

sectors. Some respondents believed that the decentralization of services could be an option for greater representation and quality, although they acknowledged that it would necessitate better analysis, good will and capabilities. They were also of the opinion that the elaboration of priorities should be carried out by the Development Councils, which

would be able to focus resources on education, health and security. According to some respondents, the centralization of government agencies and institutions in the capital contributes to the discrepancy between perceived needs and services offered. Rural and urban Guatemala have different needs but politicians are not aware of this. The government ministries are thus perceived as managing resources poorly.

As a consequence of the government's inability to deliver reliable and good quality services, some regions are now dependent on other sources of supply. Some communities are given more services and benefits by narco-trafficking groups than by the government. The lack of economic opportunities makes trafficking attractive and renders this form of enrichment acceptable because it is the only viable option. Other communities benefit from health and education services offered by NGOs, which have been created because of the government's incapacity to deliver health and education services to its population. On the topic of NGOs' activities, study participants were divided. While some praised the services offered by NGOs, others were fairly

critical. NGOs were said to have spent significant sums of money following the earthquake with little evaluation of circumstances. Some participants affirmed that many local NGOs now live from aid money and are governed by interests instead of cause. The same NGOs are at the forefront and leave little space for others, which leads to a lack of innovation. Other participants affirmed that NGOs should be reinforcing government capabilities instead of trying to replace the government. They should also exercise more care in their choice of projects and focus on continuity and good management. Finally, people mentioned the dependence that NGOs activities had created in several communities, where people are now used to being given products and services without having to innovate or invest resources and energy.

2.6.2 Government Responsiveness

Study participants provided insight into the ways that the government in Guatemala responds to the demands of a variety of constituents. Overall, most contributors did not feel that the government is overly responsive and representative of the population. Participants said that, although everyone could now vote, political offices were still restricted to the elite, with access to financial resources. State institutions do not represent the multiculturalism of the country and there are very few women and indigenous peoples in high political positions. The elite is thus over-represented in the government and high offices, which leads to the government representing and responding to the demands of the oligarchy, the commercial elite, and obscure powers instead of the majority of



poor Guatemalans. Groups such as women, youths, indigenous and seniors have access to limited services in part because these groups are not united and not able to mobilize and express their demands. The lack of mobilization was attributed by some to the civil war and political repression that existed for many years.

Some suggested that conditions should first change at the local level. Communities should train students who could later be able to access government positions and reinvest in the communities. The lack of responsiveness of the local authorities was also mentioned as a problem hampering the delivery of services. Local authorities in several municipalities were said to work for their own benefit instead of responding to the demands of their constituents. Oftentimes, the money available is not spent wisely and the choice of projects is not appropriate or decided according to a well-structured development plan.

A few study participants saw potential for improvement in the

next few years. They affirmed that government responsiveness could increase as a result of the last election since rural participation had increased significantly and the President had been supported by a majority of poor and rural citizens. Traditionally, the government has addressed the demands of the private sector and the rich urban elite because these groups have been behind the presidential candidates' elections. Considering the 2007 election results, rural leaders who supported Colom might have more influence on his government and be able to hold it more accountable to his election promises. With the increased participation of the rural areas in elections, the interests of the poor, the indigenous and minority groups could be better represented.

2.6.3 Inequalities

Most study respondents emphasized the fact that there were still numerous inequalities within Guatemala. However, they were positive that the possibility to express opinions and mobilize politically should ensure peace in the short-term. Guatemala has more private planes than any other

country and more private security guards than police officers. Opportunities are not the same for all and the capital remains in the hands of the urban elite, which always had an advantage compared to the regions. There are still inequalities in terms of education, health and the quality of jobs available and the capital benefits from more investment and opportunities than rural areas. Participants also mentioned the fact that remittances have helped to create inequality because they have a direct effect on the quality of life for people with relatives abroad. Unfortunately, they encourage more migration and further reduce positive investment in the Guatemalan economy. In addition to this, land inequalities remain a significant challenge. The land title system has still not been reformed and remains ineffective. Its good functioning is vital in order to prevent the recurrence of conflict and to allow improvement in terms of productivity. Indigenous and peasant groups have not been able to achieve a political dialogue with the government and influence government policies.

2.6.4 Investment

In terms of foreign investment and economic development, there was an agreement that improvement has been made. In the economic sector, Berger was seen as having continued reforms begun under his two predecessors. He launched new initiatives under 6 axis: 1) Education, health and training 2) Infrastructure, 3) Environment, 4) Market, 5) Decentralization and 5) Reform of the bureaucracy. Major improvements were made under this economic plan and need to be continued. The market has benefited from a reduction of bureaucratic processes, better financial accountability, better tools to protect

the environment, and better living conditions for the labour forces. Respondents were also enthusiastic about how Guatemala has been able to capitalize on DR-CAFTA. The last government made rapid progress on several fronts, which has allowed Guatemala to

“The government could do much more in terms of training, technical assistance, negotiation, dialogue and integration into regional markets.”

benefit from the free trade agreement. The industrial and commercial sectors have been the great benefactors of DR-CAFTA. The agricultural sector faces more challenges but efforts underlying the importance of increasing productivity and competitiveness have been made leading to the agreement, which has reduced the damage. The last government promoted productivity and access to new markets. It improved the investment market by increasing economic trust and stability. On the other hand, assistance to the PME has been limited. The government, which is acting as an intermediary between foreign donors and small and medium businesses, has had trouble channelling funds efficiently. The European Union, for examples, is financing a regional organization of small and medium businesses but funding going through the government is not being redistributed. The government could do much more in terms of training, technical assistance, negotiation, dialogue and integration into regional markets.

Further doubts were raised about the government's leadership and the presence of conditions favourable to foreign investment. Respondents mentioned the need for the Executive to define a clear policy regarding economic development and do more to

make foreign investment attractive and beneficial to small and medium sized enterprises in particular. The need for technical assistance and credit for new companies was also underlined. Respondents also agreed that the government had done very little to encourage micro-

businesses to operate legally and reduce the informal market. At the same time, there was a feeling that more should be done to fight tax evasion by large foreign companies and that foreign businesses operating in Guatemala should not be given tax breaks. The mining sector was especially contentious. Many conflicts have recently erupted between foreign mining companies and the local population where they operate. People normally worry about environmental degradation and the lack of stable economic development offered through mining. When asked about the possibility of increasing corporate social responsibility, answers were mixed. Respondents thought that multinationals' investments in social programs within the communities where they operate would certainly not be harmful. However, there was a feeling that it should not be their responsibility to do so. Respondents believed that companies should be paying an appropriate amount of taxes, which the government could then use to improve services and programs. Finally, respondents acknowledged that improvements in terms of security were still required if Guatemala was to attract foreign investment. Some expressed their preoccupation with the possibility of losing foreign investment to more stable countries, such as the

Dominican Republic and Costa Rica, if the rule of law is not re-established.

2.6.5 Foreign Aid

Experts interviewed for this study acknowledged that international organizations and donors had given significant support in implementing the Peace Accords. However, they also underlined the fact that support had now been drastically reduced and concentrated around State institutions, which are in many cases deficient. Coordination among donors improved over the years and a great quantity of projects were carried out. Further emphasis was placed on transparency and accountability as well as project evaluation. On the other hand, donors still have the tendency to conduct studies throughout the years preceding the implementation phase, which translates into fewer funds invested in project development and, therefore, a smaller impact.

Some of the factors impacting the success of projects included Guatemala's lack of sector-specific policies in education, health and other social programs as well as the absence of long-term government planning, which could provide a framework of action for foreign donors. Currently, projects are implemented but lack governmental ownership, which makes continuity less likely. Projects are started but oftentimes are not completed beyond the first phases. Some suggested that more funding should be channelled through the municipalities directly in order to develop health, education and agriculture projects.

There was also a sense that the government was growing more

independent vis-à-vis foreign donors, which was perceived as a positive development for a country that will soon need to be fully financially independent. Currently, aid represents only 3% of Guatemala's GDP. Several well-educated professionals and politicians within the government resist pressure from international

“Political participation of women still depends on the good will of elected representatives who can either open political space and facilitate projects or leave women marginalized and kept from the decision-making power.”

donors. More collaboration between donors could be necessary in order to force the government to articulate a concrete and long-term plan of action for governance.

2.7 Evaluation: Democratic Participation

2.7.1 Electoral processes

Study contributors suggested that there had been considerable improvements in terms of electoral processes. The majority of the population now votes and logistical concerns during elections are less worrisome. International and national electoral observers confirmed the fairness of the process, which convinced people to get involved. There is still a high percentage of absenteeism, especially for the second round, but there were fewer blank votes in the 2007 race. There were fewer conflicts over election results in the rural areas where candidates were accused of having manipulated the vote or where people felt they had been presented with no real choices, but these conflicts had no overall impact of the vote. The campaigning process is still problematic. It is often geared toward dirty attacks instead of policy. There remains a strategy of

vote-purchasing which reduces the emphasis on policy and the rationality of the choice made by the electorate. There is little innovation in terms of policy as exemplified by Colom, who won with the same policies he has been campaigning with for 8 years. There is also a need for political education and a shift away from marketing

and towards policy and representation of interests. Contributors also questioned the impartiality of the media. It was portrayed as having favourites, which impacts the voting outcome and confuses people.

2.7.2 Political Participation

Study participants mentioned the fact that the government does not encourage educated participation of the different groups of citizens, although it is nonetheless improving because of technological advances, telecommunication and a new opening to the World. People exercise a more educated vote and manipulation works less effectively. Study participants' responses suggested that women are not actively engaged in democratic processes to a great extent. Women often face cultural barriers that prevent them from being politically active. The machista culture also impacts the level of female participation in the different communities. Political participation of women still depends on the good will of elected representatives who can either open political space and facilitate projects or leave women marginalized and kept from the decision-making power. There is also a strong culture of dependence among women, which has been created by national and



international NGOs who have been giving gifts to marginalized groups for many years and thus making participation and local ownership more difficult to achieve. Indigenous women's participation has increased considerably in terms of voting patterns and candidacy in the election. Many barriers remain, but there has been progress.

The problem of indigenous political participation was also concerning to many. Indigenous people are a majority in Guatemala but they continue to be highly under-represented in all levels of state institutions. Political space for indigenous participation in national politics was open during the negotiations that ended the war. Unfortunately, this forum was not institutionalized and they now lack a framework to express their needs. Many also lack trust in government institutions and financial resources in order to be politically active. They lack unity and are not able to achieve results because of the division among the groups and the different points of views they have on development. The NGOs and international organizations have helped to increase room for political participation by all marginalized groups. The government must now ensure the sustainability of the system and the programs and create

a framework within which all stakeholders can work.

2.7.3 Rigoberta Menchu

Study participants were asked to comment on the importance of Rigoberta Menchu's presidential campaign. They were quick to mention that Rigoberta Menchu is more recognized internationally than within Guatemala. For many Guatemalans, her candidacy had no public appeal. The fact that she decided to campaign with a centrist party instead of the URNG, which is associated with the left, sent unclear signals and was disappointing to many. She was unable to suggest policies that would have untied people and rallied the indigenous to her campaign, mostly because indigenous leaders have not reached a consensus about what they want and need. There is still a need for dialogue in order to create a common agenda. Her candidacy was nonetheless an important symbol, which people hope will break a strong stigma. It motivated other women to participate and mobilize.

2.7.4 Municipal power and development councils

Municipal power was thought to require further development and

professionalism. Some respondents affirmed that the national bureaucracy was an obstacle to citizen participation because decision-making power was concentrated in the higher echelons of the institutions. They suggested that decentralization would bring about more participation and a better functioning of the system. While some municipalities have accomplished a great deal in recent years, progress and achievement still depends solely on the good will of elected politicians. Many municipalities are captured and are evolving outside of the national framework.

Some study participants saw the Development Council has an essential element of the governmental structure and one that would canalize participation, action and dialogue about priorities. The election of community representatives would allow the community to have a say in municipal politics and organize the participation of the civil society groups. Development councils would discuss development needs with municipal deputies and give a voice to the people. Others affirmed that the Democratic Councils have been politicized and are no longer a venue for dialogue and the establishment of common priorities. Discussion with the civil society about priorities and strategies at the community level is limited. Local politicians are often corrupted and deviate funds away from social programs.

2.7.5 The State and Civil Society

When asked about the level of activity within and influence of the civil society, study respondents affirmed that progress had been made following the war but halted

CHALLENGES	# OF RESPONSES (OUT OF 56)
Insecurity and inefficiency of the police and the justice system	15 (27%)
Lack of investment in social programs	6 (10%)
Economic scarcity and unemployment	5 (9%)
Lack of participation and representation in the political system	5 (9%)
Lack of institutionalization	4 (7%)

in recent years. The civil society was given a prominent role immediately following the war but is now disillusioned about its role and impact. The civil society is divided and unorganized and has yet to reach a consensus on the type of policy and program that would be most beneficial for the country. According to a few respondents, the Civil War and several military dictatorships have destroyed the intellectual elite and repressed civil responsibilities for so long that it will take a few generations in order to reach civic maturity enabling progress in governance. The Development Councils, which were supposed to be the forum for civil society participation have been politicized and remain uninfluential in many cases. The municipal government leaves very little space for dialogue and collaboration with the Development Councils. The Development Councils have little influence on the mayor, who runs the show and makes decisions for his own benefit.

3. FUTURE CHALLENGES

When asked what the three most important challenges to Governance

and Democratic Processes would be in the next 5 years, 27% of the answers were related to the lack of security and the inefficiency of the police and judicial system, mostly because this component is impacting every other aspect of governance. The other challenges identified included the lack of investment and poor quality of development programs such as education, health and nutrition (10%), economic scarcity and unemployment (9%), and the lack of participation and representation of the different groups within the political system. Corruption, labour rights, and good will were also identified as important challenges. Other recurrent themes included corruption, weakness of the civil society (lack of coherence and coordination), human rights, the lack of multiculturalism policy, social confrontation between different groups and actors, land issues, lack of political will, labour rights and issues such as informal markets and social planning.

4. METHODOLOGY

This research study is based on a series of questionnaire-based consultative interviews carried out in November 2007 with individuals who work directly with governance building, advocacy, and analysis, in Guatemala. Academics, foreign and domestic government personnel, consultants, and NGO staff participated in this information gathering process. All interviews were conducted in person by the researcher, in Guatemala.

Interview questionnaires included a general and uniform section that dealt with the overall performance of government institutions, as well as a closing section about the main challenges that would affect

Guatemala throughout the next 5 years. They also included a series of questions about human rights since CIDA was planning on orienting its development programs in that sector. These sections allowed for a greater comparability and the formulation of general statements. For each different cluster, a series of 10 specific questions were drafted and asked to interviewees in order to have a complete portrait of the current situation and the progress achieved over time. The goal was to acquire as much information as possible on the sector most interesting to CIDA (namely human rights) while attaining a broad overview of governance and taking the maximum advantage of the interviewee's knowledge all at once.

Participants were identified by CIFP in collaboration with the Canadian Embassy in Guatemala and Canadian International Development Agency (CIDA) officers in the field. All participants were guaranteed written credit as contributors, but total anonymity with regard to their individual responses. No financial compensation was provided to any participant.



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The researcher and CIFP would like to thank all study participants for their contributions, of time and of thought, to this project; this report would not have been possible without their assistance. All participant contributions are kept strictly anonymous throughout this report, in keeping with pre-study agreements.

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Caucuses Institute for Peace, Democracy and Development <http://www.cipdd.org/en/index.shtml>

Center for Systemic Peace <http://members.aol.com/cspmngm/>

Centre for International Development and Conflict Management Polity IV 2003 report <http://www.cidcm.umd.edu/inscr/polity>

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

Conflict Early Warning Systems Database http://www.usc.edu/dept/LAS/ir/cis/cews/html_pages/conflictdatabase.htm

Conflict Studies Research <http://www.da.mod.uk/CSRC>

Correlates of War <http://www.correlatesofwar.org/> Data for: intrastate wars; national military capabilities; formal alliances; territorial change,

Country Indicators for Foreign Policy <http://www.carleton.ca/cifp/>

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European Centre for Minority Studies <http://www.ecmi.de>

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 KOSIMO conflict barometer http://www.hiik.de/en/ConflictBarometer_2004.pdf
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 Minorities at Risk -- Centre for Int'l Development and Conflict Management <http://www.cidcm.umd.edu/inscr/mar/>
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 Ploughshares
 Armed Conflict Briefs <http://www.ploughshares.ca/libraries/ACRBriefs>
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 Political Instability Task Force State Failure Task Force (U Maryland) <http://globalpolicy.gmu.edu/pitf/>
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 Facts on International Relations and Security Trends (FIRST) www.first.sipri.org
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