



Fall 2007

Based on structural and event data available as of August 2007

This follow-up report is produced as part of the CIFP governance and democratic processes project. It is intended as a baseline analysis, assessing structural and dynamic facets of democratic governance in Pakistan, and includes a second period of events monitoring (February to August 2007), adapted scenarios, and a complete structural profile. New sections for the analysis of key issues and regional comparisons have been added. The overall project aims to support informed, evidence-based decision making for Canadian foreign policy and development assistance related to democratization and good governance.

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Pakistan

EXECUTIVE SUMMARY

Between the removal and subsequent reinstatement of Chief Justice Iftikhar Chaudhry, a bloody standoff at the Red Mosque, the assassination of Benazir Bhutto and the breakdown of peace agreements with tribal militants, the Musharraf government has witnessed the continued erosion of its legitimacy and authority. Pakistan continues to display a diminishing level of capacity, as demonstrated in its mobilization of resources for disaster recovery during this year's floods, in deteriorating ties with state partners, and the inability to prevent and prosecute crime.

Despite claims to the contrary, the government continues to exert tight control over the messages carried by the nation's press. As a result, it is difficult to gauge which messages are controlled and which are not, though the English media generally has a reputation for greater independence.

The human rights situation continues to deteriorate, though, in this regard, the situation in Pakistan is not dissimilar to its neighbours. Women's rights in particular leave much to be desired. The seriousness of the problem varies greatly from region to region. Many Pakistani women are not aware of their rights under the law.

TABLE 1: KEY FINDINGS

- Women's political, economic, social, and physical rights continues to be a challenge for Pakistan and is an obstacle to improvements in democratic and governance processes
- The central government is severely lacking in capacity and legitimacy, which is manifested in its inability to control the totality of its territory
- Strict government control leaves much of the Urdu-language press unable to provide objective information about the nation

Beyond the mismanagement of the probe into Bhutto's death, the government's largest problem is its inability and unwillingness to exert control over all its territories, specifically the tribal areas. Caught between incompatible internal and external pressures and demands, Pakistan's government walks a very fine line between moderation and extremism. Pakistan's current problems are the result of postponing difficult decisions.

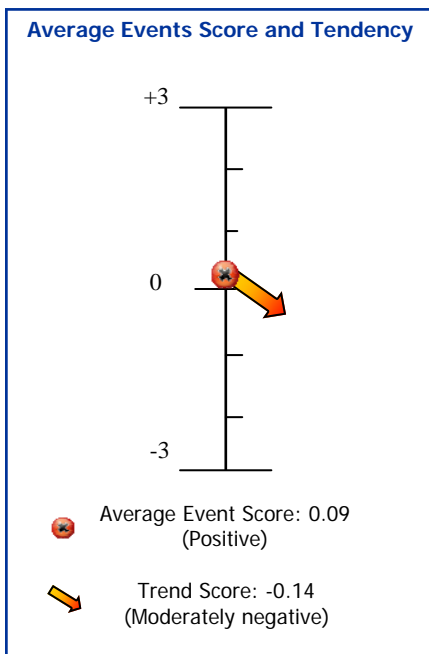
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TABLE 2: UNDERLYING CONDITIONS

Political Stability & Violence	Government & Market Efficiency	Rule of Law
6.91	5.03	7.25
Human Rights	Government Transparency & Accountability	Democratic Participation
7.48	7.05	6.87

TABLE 3: EVENT MONITORING RESULTS
FEBRUARY-AUGUST 2007



UNDERLYING CONDITIONS

An analysis of Pakistan's underlying conditions using CIFP's indexing methodology demonstrates that Pakistan faces significant performance challenges in all but one of its key governance and democracy functions. Of particular concern is its score for human rights, low even when compared to others in the region (See Table 12 *Regional Comparison*). Pakistan possesses a low regard for fundamental human rights. Pakistan also has a significantly high risk score for rule of law, placing it second only to Afghanistan in the region. In brief, the difficulties experienced by Pakistan in terms of political stability and violence have their roots in its poor performance in human rights and rule of law.

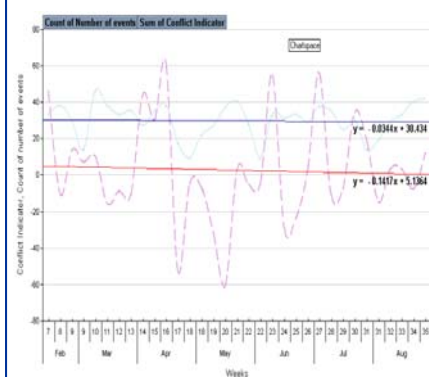
DYNAMIC EVENTS ANALYSIS

Between 11 February 2007 and 31 August 2007, CIFP recorded **985 events** that affected or reflected Pakistan's governance and democratic performance. A **statistical analysis** of the events recorded during this 29-week period shows that events were moderately destabilizing on average. Events recorded during the period had a slightly positive average score (0.09) but resulted in a moderately negative trend (-0.14). Essentially, while there

were a slightly larger number of stabilizing than destabilizing events recorded during the period (510 compared to 475), their average impact on governance and democratic processes was less significant (see Table 3).

The **main drivers** of this trend are events in the Political Stability & Violence (PSV), Rule of Law (RL) and Government & Market Efficiency (GME) clusters, which together account for close to 80 percent of the events recorded. This period has been particularly trying for Pakistan, as 194 people – not including fatalities from the Red Mosque standoff or the flood – were killed in 13 suicide attacks in July alone. The government's legitimacy has seen some erosion due to the Iftikhar Chaudry affair and, more recently, General Pervez Musharraf's refusal to resign his military position before standing for re-election as President caused some discontent, including within his own party. However, talks with regional neighbours, especially India and Afghanistan, appear to be bearing fruit and economic negotiations with international partners were reported throughout the period. Also, a high number of drug-related arrests throughout the period monitored could be seen to demonstrate the government's seriousness in dealing with this critical issue. While the current state of affairs in Pakistan leaves much to be desired, ordinary citizens appear increasingly ready to risk their personal safety to stand up for their right to participate fully and freely in their nation's affairs.

TABLE 4: AGGREGATE OF EVENTS RECORDED



READING THE EVENTS CHART

Red line (solid): Trend line for events; downward slope left to right is negative

Blue line (solid): Trend line for number of events

Purple line (dotted): This indicates the sum total scores of events (positive or negative), as coded in the event monitoring process; the red trend line is derived from these values.

Blue line (dotted): The total number of events; the blue trend line is derived from these values

KEY EVENTS

Seminary Student Protests

Notwithstanding the significance of Bhutto's death which occurred after, key events during the reporting period displayed a worrisome trend. In February 2007, several hundred female students forcibly occupied a public library in Islamabad in protest against the government's planned demolition of schools and mosques that had been built illegally on public land. In response to their demands for the legalization of 81 mosques and the implementation of Sharia law in the city. While the first standoff ended peacefully, the occupation of the Lal Masjid (Red Mosque) in July 2007 by over 1000 armed students led to over 100 deaths when Pakistani troops stormed the building and, indirectly, caused the breakdown of the peace agreement in North Waziristan. Since the beginning of the year, influential clerics Maulana Abdul Aziz and Maulana Abdul Rashid Ghazi have allegedly been sending their students to intimidate storekeepers selling Western music and films, and kidnap brothel workers as part of an anti-vice campaign.



Suspension of Chief Justice Iftikhar Chaudhry

General Musharraf's suspension of Chief Justice Iftikhar Chaudhry in March 2007 on charges of judicial misconduct and misuse of influence set off a series of protests, strikes, and civil unrest. To many Pakistani citizens during this period, Chaudhry became a symbol of democracy and of defiance against military rule.

Many believed he had been suspended because of his willingness to try cases that were embarrassing to the government and his refusal to resign his position, and his suspension was

"We in the West sometimes say that poor countries like Pakistan aren't ready for democracy. But who takes democracy more seriously: Americans who routinely don't bother to vote, or peasants in Dummerwala who risk their lives to vote?"

~ Nicholas D. Kristof, NY Times, 11 Apr 07

viewed as an attack on the independence of the judiciary. This led the government to ban gatherings of more than five people, arrest opposition party members in attempts to scuttle planned protests, and crack down on media reports on this topic. Chaudhry was reinstated by order of the Supreme Court in July 2007, and charges against him were dismissed.

Negotiations with Benazir Bhutto

Before her return to Pakistan and her subsequent death, rumours of negotiations between Bhutto and General Musharraf surfaced in April of 2007. Her return was made possible when a corruption investigation against the exiled former Pakistani Prime Minister was dropped allegedly on Musharraf's orders. Though much of the process was veiled in secrecy and disinformation, Bhutto returned to Pakistan in October 2007 where she was immediately threatened by assassination. When a national reconciliation ordinance was passed, a possible power-sharing

agreement emerged, that would facilitate Musharraf's re-election as President by Parliament. Both the United States and Britain were in favour of the potential power sharing arrangement viewing it as a means by which to weaken the more radical Islamic parties. Bhutto's death surely diminishes the prospects for political moderation in the near future. Her death was a blow to democracy, not so much because she herself was a democrat, but because political opposition to Musharraf is now clearly fragmented. For now Musharraf is at the helm, if not control of Pakistan's government. Until a serious challenger emerges from one of several key opposition parties and Musharraf steps down or is replaced, Pakistan will remain a democracy in name only.

SCENARIO FORECASTING

Scenario analysis is one of the primary analytical tools used by CIFP to set the stage for policy evaluation. Scenarios evaluate interactions between stakeholder agendas and grievances, baseline structural features, and dynamic events. Each scenario is an assessment based on hypothetical projections (positive or negative) of stakeholder behaviour and events.

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. Finally, the most likely case scenario extrapolates future tendencies based on the overall trend within the state. The exercise thus highlights both opportunities and challenges facing policymakers in the short- to medium term.

Most Likely Scenario

The Supreme Court will uphold the postponed elections and the general amnesty granted to all former politicians. The question of whether or not Musharraf decides to remove his uniform is now moot; the greater issue being if the army – which has become accustomed to having some direct or indirect influence on politics in Pakistan since Independence – will stage yet another coup. The now fragmented PPP will run but not perform as well as expected. Regardless of who is returned to power, dissatisfaction with the government and a general lack of improvement will fuel discontent in the cities and on the periphery. The uneasy balance between the central government and

secessionist elements in the tribal areas will fragment, and sporadic violence will ebb and flow across the border spilling over into India and Afghanistan. Pakistan's economy will weaken in the major urban centres, and little improvement will be felt in the lives of average citizens. Pakistan's authority, legitimacy and capacity will all teeter on the brink.

Best-Case Scenario

In the aftermath of Bhutto's death, and following its investigation, the Supreme Court upholds the validity of the presidential elections and the general amnesty granted to former politicians. Musharraf resigns his post as army chief, as promised, and the army adjusts well to its civilian control. A strong showing by the PPP improves its bargaining position vis-à-vis the power-sharing agreement with Musharraf, and leads to a gradual shift of powers from the President back to the Prime Minister. Relations with neighbouring countries continue to improve, as the peace agreement with leaders in the tribal areas strengthens their ties to the central government, slowly beginning to bring them under its control.

Worst-Case Scenario

The worst case scenario is similar to the most likely with the potential for increased violence and full state breakdown. The Supreme Court refuses to uphold either the presidential elections or the general amnesty, plunging the country into a political crisis. Subsequently, Musharraf's ability

to maintain control will depend on his control of the army; if the army no longer recognizes his leadership they will find a replacement. Pakistan's central leadership whether it is Musharraf or someone else will retain power, but only by declaring a state of emergency and placing the country under total martial law. Parliamentary elections in the new year will be postponed due to increasing political instability, further exacerbating popular discontent.

The situation will deteriorate further if an assassination against Musharraf materializes. Secessionist elements in the tribal areas will take advantage of the unrest to launch their own attacks, against both the government of Pakistan and neighbouring countries. Any semblance of stability that had begun to take hold, prior to Bhutto's death, crumbles as the entire region becomes engulfed in conflict.



2. Analysis: Key Issues

POLITICAL STABILITY AND VIOLENCE

Control of the Borderlands

The lack of central government control over the seven autonomous tribal agencies that border Afghanistan is an increasing problem for both internal and regional stability. Created by Britain in the 19th century, tribesmen protected British India from northern invaders in exchange for being allowed to remain under local rule, and Pakistan continued this custom following independence in 1947, despite the fact that the arrangement has since been deemed unconstitutional by the Supreme Court. Though Federally Administered Tribal Areas (FATA) are officially under Pakistan's control, these regions, especially North and South Waziristan, are intrinsically linked with Afghanistan in practice. Not only do they share a common

ethnicity – residents of the border regions belong largely to the Pashtun ethnic group, which also forms the majority in Afghanistan, as compared to the rest of Pakistan, which is dominated by Punjabis – but members of the Waziri tribe live on both sides of the border between Afghanistan and Pakistan. The Taliban movement originated in Waziristan and continues to wield power in the area.

In September 2006, a controversial peace agreement – which critics claimed was tantamount to surrender by the government – was signed with pro-Taliban militants. In return for infrastructure reconstruction, compensation for loss of life, and the cessation of full-scale activities in the area, militants agreed to cease their attacks on the Pakistani army and across the border, and not to allow foreign

TABLE 5: COMPARISON OF DEVELOPMENT INDICATORS: FATA VS. PAKISTAN

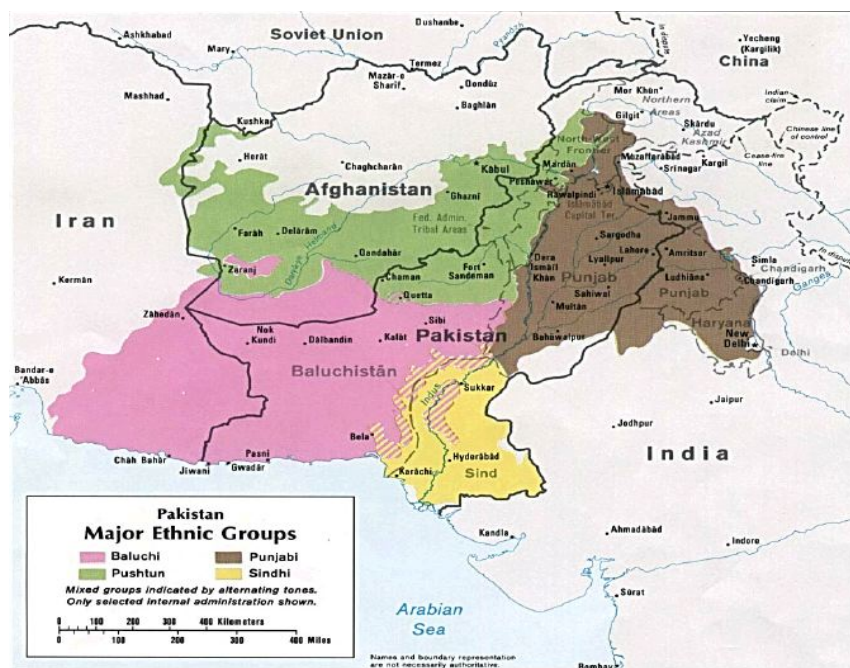
	FATA	NATIONAL AVERAGE
Households Below Poverty Line	60%	32.6%
Literacy Rate	17%	49%

Source: Reuters Alertnet

militants to operate in their territory. This agreement collapsed in July 2007 in retaliation for the government response to the Red Mosque siege. As of the end of August 2007, close to 300 militants and soldiers had been killed in renewed fighting.

Besides ethnic affinity, chronic underdevelopment has been another factor in the unrest in the Federally Administered Tribal Areas (FATA). These areas lag behind the rest of the country in a number of key areas, a fact that has been exacerbated by the recent flow of tribesmen to the cities in search of better prospects; the stark contrast between the rights and privileges of Pakistanis outside the FATA and those back home are further eroding an already negligible sense of allegiance to the state. Although there has been a move to encourage development in these areas, many fear that the money will simply be wasted as there is virtually no way to guarantee how it will be spent.

Source: Baker, Aryn, "The Truth about Talibanistan," *TIME Magazine*, 22 March 2007



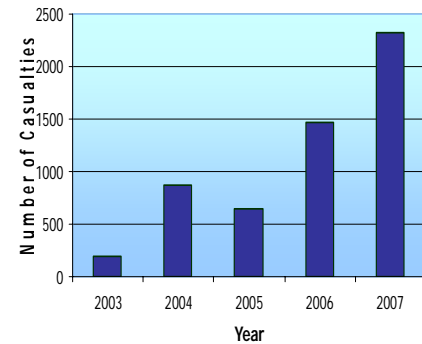
Islamic Extremism in Islamabad

The extremist element in Pakistan's capital of Islamabad centres around the Lal Masjid, or Red Mosque, and its affiliated *madrassas*, the Jamia Faridia (for male students) and the Jamia Hafsa (for female students). The latter was one of many religious buildings that is considered to have been illegally built on public land, and was demolished at the end of July. Both are known to attract students from the highly conservative Northwest Frontier Province (NWFP) and tribal areas, and its leaders have known links to Al-Qaeda's leadership, including Osama bin Laden. The mosque was administered by Maulana Abdul Aziz and Maulana Abdul Rashid Ghazi; the former

was detained by security forces during the July standoff, and the latter was killed when the mosque was stormed.

Since the beginning of the year, students from the *madrassas* have been conducting an anti-vice campaign in Islamabad, abducting alleged prostitutes, vandalizing music and video shops, kidnapping policemen, and setting up an internal "Sharia Court" parallel to the regular court system. Some have speculated that the government crackdown in early July was the result of pressure from China, following the abduction of Chinese health clinic workers accused by the Lal Masjid brigade of prostitution.

TABLE 6: CASUALTIES OF TERRORIST VIOLENCE IN PAKISTAN, 2003-2007



The Lal Masjid and its *madrassas* have been closed since the siege, except for the attempt to reopen the mosque for Friday prayers in late July under a government appointed imam, Maulana Ashfaq Madni, which resulted in rioting by former students. In October, the Supreme Court ordered the opening of the Mosque once again, under the control of individuals with close links to Maulana Abdul Aziz. The Jamia Hafsa *madrassa* is also to be rebuilt, on land to be granted by the government for this purpose. As these events unfold, the government must remain vigilant that the parallel system of governance that radical clerics in the capital city were in the process of establishing not be allowed to take hold once more.



Source: "Profile: Islamabad's Red Mosque," BBC News Online

Rahman, Jamilur "Protest and Lal Masjid," *The News*, 7 April 2007

"Editorial: Lal Masjid Reopens," *The Dawn*, 4 October 2007

RULE OF LAW

The Pakistani Justice System

Pakistan's justice system has very little credibility among the populace for a number of reasons. First, the slow pace at which cases make their way through the

system has degraded the judiciary's image and decreased its relevance to ordinary citizens. At present, cases in the lower courts take 5 to 6 years to be decided, and can take as long as 15 to 20 years if it goes into the appeals process; cases have been reported of individuals spending a longer time in detention awaiting trial than they would have had they been given the maximum sentence for their crime. As of May 2007, over 20,000 cases were reportedly pending before the Supreme Court alone, with a further one million were pending before the country's 3500 other courts. The chronic underfunding faced by Pakistan's lower courts has exacerbated this problem and has further eroded the credibility of the courts due to rampant corruption, while the expenses involved in bringing a case to court are higher than many can afford and has

encouraged them to turn instead to alternative dispute resolution systems, such as *jirgas* and *panchayats*.

A second problem faced by the judiciary is its lack of real independence from the executive branch of government. Not only did the judiciary's credibility suffer from its legitimization of two military coups in a quarter of a century, but its ability to fulfill its constitutional oversight role has been damaged by successive military regimes, either through legislation or through retributive actions by the executive. For instance, just days before the Supreme Court was to begin hearings on the legitimacy of the 1999 coup, General Musharraf forced all the Justices to take an oath swearing to uphold the Provisional Constitution Order of 1999, which barred Courts from issuing orders against him or

anyone acting under his orders. Judges who attempt to assert themselves are often punished by reference to the Supreme Judicial Council for reprimand, receiving threats against themselves or their family members, or being suspended from their duties.

Finally, the fact that two parallel justice systems exist in Pakistan: a secular system based on British traditions and a Sharia system with a mandate to ensure that laws and decisions are consistent with the tenets of Islam. The Federal Sharia court is responsible also for those convictions in criminal court that fall under the Hudood (Islamic Criminal Law) Ordinances.

In effect, in cases of murder, rape, and other such serious crimes, intervention by the Sharia court was frequent, and judgements by the secular courts were often superseded (though appeals will go to the Sharia bench of the Supreme Court). Under Sharia law, if a woman who claimed rape failed to produce four eyewitnesses to the act, for instance, she opened herself up to charges of adultery. In late 2006, however, the government passed the "Women's Protection Bill" into law, which suspended some of the more draconian punishments allowed by the Ordinance and brought the crime of rape under the Pakistan Penal Code. On the negative side, however, some analysts believe that rape cases will be more difficult to report, as reporting must be done at district courts – which are located only in certain cities and have limited operating hours – rather than police stations, which are open

"Judges who attempt to assert themselves are often punished by reference to the Supreme Judicial Council for reprimand, receiving threats against themselves or their family members, or being suspended from their duties."



around the clock.

Source: "Pakistan: Judicial subservience must be ended without further bloodshed," *Asian Legal Resource Centre*, 31 May 2007

Hasan, Syed, "Strong feelings over Pakistan rape laws," *BBC News Online*, 15 November 2006

Armytage, Livingston, "Pakistan's Law and Justice Sector Reform Experience," *Law, Social Justice, and Global Development: Commentary*, 20 January 2004

Pakistan's Police Force

A leap forward in the laws governing Pakistan's police force was made when the outdated Police Act of 1861 was replaced with the Police Order of 2002. It contained provisions to specifically define the extent of the government's superintendence over the police. Specifically, superintendence was to be exercised to ensure the police's strict accordance with the law; this addition was aimed at proscribing the government's use of the police for partisan and illegitimate purposes. Another innovation in the Police Order of 2002 was the establishment of Public Safety Commissions at the Federal, Provincial, and District levels, providing for the first time a mechanism by which complaints of police misconduct could be investigated. Notably, one third of positions on the Commissions at all three levels are reserved for women.

In practice, significant problems remain with Pakistan's police force. In a UNDP survey designed to assess progress in the law and order situation in Pakistan, it was

TABLE 7: RULE OF LAW INDICATORS PAKISTAN—PRISON STATISTICS

Prison population total (including pre-trial detainees / remand prisoners)	89,370 at 2005 (Human Rights Commission of Pakistan)
Prison population rate (per 100,000 of national population)	57 based on an estimated national population of 157.9 million at mid-2005 (United Nations)
Pre-trial detainees / remand prisoners (% of prison population)	66.1 (2002)
Female prisoners (% of prison population)	1.5 (2005)
Juveniles / minors / young prisoners (% of prison population)	3.8 (2005 - estimate by local NGOs)
Foreign prisoners (% of prison population)	2.0 (2005)
Number of establishments / institutions	87 (2005)
Official capacity of prison system	36,075 (2005)
Occupancy level (% based on official capacity)	247.7 (2005)
Recent prison population trend (year, prison population total, prison population rate)	1993 72,950 (54) 1996 72,700 (50) 1999 78,938 (51) 2002 87,000 (59)

Source: *International Centre for Prison Studies*

TABLE 8: REPORTED TERRORIS-ASSOCIATED KILLINGS IN KARACHI, 2003-2006

2003	2004	2005	2006
76	163	130	278

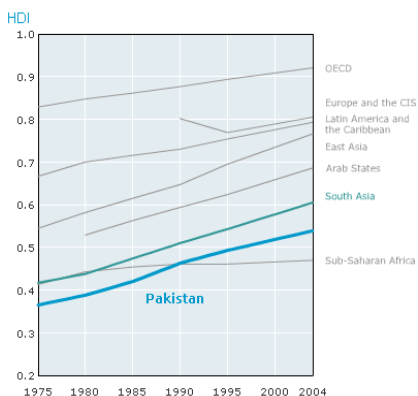
Source: *Business Recorder*

found that the nation's poor did not feel that their needs were properly served by the police. More than half stated that they had found it difficult to file a police report, and most indicated that this was because the police wanted a bribe. In addition, many poor people stated that they would avoid the police because complaints tend to work out in favour of the rich, who have more resources for bribery. While two thirds of the survey's respondents stated that they would go back to the police, 86 percent said that they would only do this because they have no other choice. Only 7 percent thought that the police were fair. Especially in rural areas, the preference was to turn to an influential individual to help solve

problems. The police's ability to fight crime is weakened by the fact that crime has been on the rise in certain areas of Pakistan this year, according to government figures reported in *The Business Recorder* on 13 February 2007. The increase was most marked in Punjab province, where the crime rate increased by 24 percent between 2005 and 2006. In the city of Karachi, an average of 423 vehicles and 585 motorcycles were reported stolen per month in 2006, while the terrorist killing rate (murders associated with terrorist acts or groups) increased by 113%.

The current mistrust of the police and judiciary, especially by the

TABLE 9: PAKISTAN HDI—GLOBAL COMPARISON



Source: UNDP 2006

TABLE 10: POLIO ERADICATION STATISTICS

	Number of Polio Cases	Polio-affected Districts
2003	99	43
2004	44	29
2005	28	18
2006	39	13

Source: USAID, 2007

poor, has had the tendency of perpetuating the feudal system of justice and propagating the patron-client relationship in rural areas, further eroding the authority of the central government.

Source: Police Order 2002; available at <http://cpdi-pakistan.org/publications/Police%20Order%202002.pdf>

Khan, Foqia and Khan, Shahrukh, "A Benchmark Study on Law and Order and the Dispensation of Justice in the Context of Power Devolution," *Sustainable Development Policy Institute/ UNDP Pakistan*, May 2003

GOVERNMENT & MARKET EFFICIENCY

Human Development in Pakistan

Pakistan has made enormous strides in terms of human

development over the last few decades, decreasing its infant mortality rate (from 130 per 1,000 live births in 1990 to 99 per 1,000 in 2005), lengthening the average life expectancy of its citizens (by 9 years for women and 7 years for men), and increasing the national immunization rate to 52%. However, Pakistan's development indicators remain among the worst in the world, ranking 134th of 177 countries in the 2006 Human Development Index. In addition, close to a third of its population still lives under the poverty line, despite an average economic growth rate of 5.5 percent between 1960 and 1990, and public expenditure on health care accounts for only about 2 to 3 percent of the national budget.

Women and children, in particular, have been left behind in Pakistan's development: Pakistan ranks 64th of 66 countries on the Mother's Index (Save the Children 2007, ranking among less developed countries only) and 118th of 140 countries on the Girl's Investment Index (Save the Children 2001). As of 2007, Pakistan has the 5th highest number of child deaths in the world (just after Ethiopia) and the 3rd highest number of maternal

"The poor relative development position of women in society has been due as much to Pakistan's political and cultural environment as to a poor availability of services."

deaths. The poor relative development position of women in society has been due as much to Pakistan's political and cultural environment as to a poor availability of services. For instance, the female mortality rate for female infants (ages 1 to 4) is 12 higher than for boys in the same age group, and girls are at higher risk of anaemia and

chronic malnutrition than boys. Pakistan's Gender Development Index (GDI) was 95.2% of its Human Development Index value in 2006, placing it 133rd of 136 countries on this count.

According to the World Health Organization (WHO), Pakistan is one of four countries in which polio remains a serious problem, a fact that is exacerbated by the anti-immunization campaigns that have been waged by fundamentalist clerics. During the period monitored, several instances of misinformation – most commonly that the vaccine was in fact an American attempt at Muslim sterilization – were reported.

Source: Save the Children, "State of the World's Mothers 2007"

USAID Pakistan: Health, 7 August 2007

UNDP Human Development Index, 2006

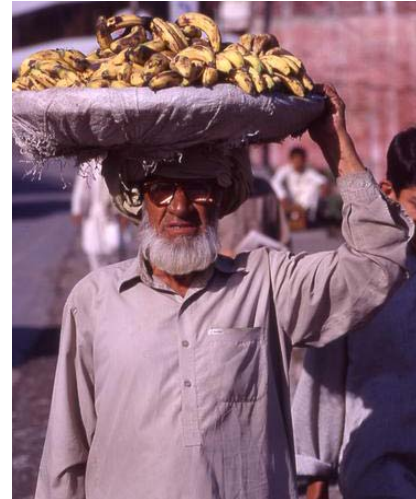
Economic Prospects

Pakistan's economy has been a bright spot in its performance, averaging just under 6 percent over the last five years. Since the extreme economic instability it experienced in the 1990s, Pakistan has reduced its deficit to

approximately 4.2 percent of GDP from a high of 7 percent of GDP, even with the unexpected expenditures caused by the earthquake in 2005. Pakistan's economy ranks 89th of 177 countries in terms of economic freedom, though its score of 58.2 percent puts it just under the

KEY ECONOMIC FACTS

Population:	152.1 million
GDP (PPP):	\$338.4 billion <i>7.1% growth in 2004</i> <i>4.5% 5-yr comp. ann. growth</i> <i>2,225 per capita</i>
Unemployment:	6.5%
Inflation (CPI):	7.4%
FDI (net inflow):	\$896 million
Official Development Assistance:	\$424 million (18% from the U.S.)
External Debt:	\$35.7 billion
Exports:	\$16.1 billion, primarily textiles, rice, leather goods, sports goods, chemicals, manufactures, carpets and rugs
Imports:	\$22.1 billion, primarily petroleum and petroleum products, machinery, plastics, transportation equipment, edible oils, paper and paperboard, iron and steel, tea



Asian average of 59.1 percent. Pakistan's high price environment is a challenge; inflation sits around 8 percent (above the central bank's 7 percent target), which will have a negative effect on investment and consumption. Furthermore, Pakistan's economy is vulnerable to the political climate, which is currently relatively unstable, and to continued American involvement.

Women continue to lag behind men in their participation in the labour force, which means that the nation is not tapping into its full productivity potential. According to the Labour Force Survey 2005-2006, men hold 80 percent of positions in the major occupations. In rural areas, only 23 percent of positions are held by women. This is even more pronounced in urban areas, where women hold 11 percent of the jobs.

Energy shortages will become a more significant problem as its production becomes increasingly unable to keep up with its population growth. According to JS Global Securities, Pakistan produces about 65,000 barrels of oil a day, or 21 per cent of its

domestic needs, and the remainder is imported. Its daily output of 3.8 billion cubic feet of natural gas meets demand at present, but will be 1 billion cubic feet less than required by 2010. Investments to boost domestic gas output are tempered by concern that installations will be targeted by rebels, especially in Baluchistan, which accounts for 25 percent of the nation's gas output. A long-planned pipeline from Iran to India has similarly been stalled by security concerns; investors are difficult to find in an unstable and volatile climate, though the World Bank has recently announced its willingness to support the project.

According to the Associated Press of Pakistan (2 March 2007), another area where population growth is beginning to outpace capacity is in the availability of water, which some analysts predict will reach scarcity levels by 2010. The orientation of water management institutions has been toward economic growth, rather than conservation, with existing resources now under increased threat from degradation, soil erosion, deforestation, and

untreated discharge of industrial and municipal wastes into rivers and other water bodies. A balance between economic growth and environmental sustainability must be struck.

Source: Pakistan Business Forecast Report 2007, Business Monitor International

Index of Economic Freedom 2007, The Heritage Foundation

DEMOCRATIC PARTICIPATION

Democratic Participation of Women

Pakistan's performance for the democratic participation of women is, in general good. With 73 female Parliamentarians in the National Assembly (21.3 percent) and 17 in the Senate (17 percent), Pakistan is ranked among the top 50 countries for women in parliament, ahead of Canada, the United Kingdom, France and the United States. Furthermore, almost 22 percent of provincial leaders and 28 percent of local government leaders are women. That being said, performance on this measure is not consistent throughout the entire country.

The Northwest Frontier Province (NWFP) is a region of particular

concern on this count. Only one woman was elected to the provincial government despite a 22-seat quota, and in more than 17 of the NWFP's 24 districts, women have been denied the right to vote or contest elections. During local elections, women were not allowed to run in 21 union councils of districts Swabi and Mardan and in 34 union councils of district Dir. In August 2007, it was reported that most female councillors of Upper Dir had not attended council sessions out of fear since an "unofficial ban" on women's participation in politics was declared by a local jirga. Similarly, in the Federally-Administered Tribal Areas (FATA), the franchise was only extended to women in the late 1990s, and continues to be theoretical rather than practical.

According to several civil society organizations, 59 percent of women in the NWFP, 53.5 percent in Sindh province, 48 percent in Punjab province, and 24 percent in Balochistan have been excluded from the voters list as of July 2007. Failure to address these issues could have the effect of strengthening fundamentalist forces in the nation who do not approve of women's active participation in society.

*Source: "Women in National Parliaments," Inter-Parliamentary Union
International Foundation for Election Systems (IFES)
"Pakistan: 38 Million People are Denied their Right to Vote," Asian Human Rights Commission*

**GOVERNMENT TRANSPARENCY &
ACCOUNTABILITY**

Pakistan and the Press

In a strong, democratic society, a free press serves an important watchdog function over government and corporate actions; in weak, democratizing societies, however, analysts have argued that an unfettered, untrained press can stir up antagonisms and cause more harm than good. Pakistan's case arguably falls somewhere in between these two extremes: although it is not on the brink of collapse, neither is its future entirely certain. In addition, while some Pakistani journalists have learned the profession in one of Pakistan's media training centres – many of which receive significant international support – others are part-time, unpaid, and unaware of the norms of the profession. Therefore, calls for greater media freedom in Pakistan with absolutely no consideration for the context may be irresponsible.

Nonetheless, despite the Government's claim of "unprecedented media freedom," journalism continues to be a disproportionately risky profession in Pakistan. In 2006, the International Federation of Journalists listed Pakistan as the world's third most dangerous country in which to be a journalist. At least 19 journalists have been killed since 2000. According the Internews, there were 191 attacks, 5 murders, 9 abductions, 45 arrests, and 13 death threats against journalists in 2006. Although minimum job conditions and wages were established for journalists in 2001, they are not enforced and, consequently, few newspapers have implemented them. As a result, many journalists work two or three jobs to make ends meet. This desperation increased the likelihood that stories can be bought, and decreases the credibility of the profession.

A 2007 study found that the Urdu-





language publications were much more in line with official government views than the English-language publications, suggesting that the government is much more concerned with the message being delivered to the masses than that being delivered to the "elite." Government budgets are widely believed to be used to reward compliant newspapers and punish more controversial ones, therefore bringing into question the independence of the printed press. Furthermore, the Pakistan Electronic Media Authority (PEMRA), the broadcast media watchdog, reports to the government rather than to Parliament, calling the independence of its decisions into question. That the Chair and many senior officers of PEMRA are members of the country's police service is an additional cause for concern.

Source: International Federation of Journalists, *State of Denial: Crisis of Press Freedom & Journalist Safety in Pakistan*, February 2007
Committee to Protect Journalists, *Attacks on the Press in 2006: Asia*

HUMAN RIGHTS

Women in Pakistan

The situation faced by women in Pakistan, while improved in some areas, remains dire, though the discrepancy from region to region is significant. In 2006, for instance, local human rights organizations reported between 1,337 and 1,511 honour killings, mostly in Sindh, and mostly against women.

Domestic violence continues to be a widespread problem, with dowry and family-related disputes often resulting in death or disfigurement through burning or acid for the woman. According to the Human Rights Commission of Pakistan, one of every two women in Pakistan is the victim of physical or mental abuse. However, reported incidents tend to be low for socio-cultural reasons: local police and lower courts tend to be reluctant to interfere in what they deem to be internal, family issues while women are reluctant to press charges because of the stigma attached to divorce and their psychological and financial dependence on their relatives. Other witnesses are reluctant to report cases of abuse for fear of damaging the family reputation. Although the government has made some effort in establishing district emergency centres where abused women can seek shelter, medical treatment, and vocational training, many of these centres have, themselves, been reported to abuse their residents.

Rape continues to be the most taboo human rights violation, and therefore the most underreported

problem in Pakistan. Rape is a criminal offence in Pakistan, except where the perpetrator is the victim's spouse; this means that an assault is only rape if it is extramarital, and the victim is therefore subject to charges of adultery. Domestic and international trafficking in women for sexual activity is also a significant problem, as most prostitutes are held to the profession against their will. Although prostitution is illegal in Pakistan, most police are willing to turn a blind eye in exchange for a bribe.

Although the law prohibits discrimination based on sex, most women are unaware of their rights under the law and are financially unable to retain counsel to advise them. Although the law provides for maintenance payments in the case of divorce, many divorced women are ostracized by their families and left with no means of support. In inheritance cases, women are entitled to half as much as men, and women are further only entitled to one eighth of her husband's estate. As women are also less likely to be employed than men, and more likely to be paid less than men for similar work, the future prospects for a single woman in Pakistan are poor.

Source: US Department of State, *Country Report on Human Rights Practices, 2006: Pakistan*

Human Rights Commission of Pakistan website

Human Rights Society Pakistan website

Women's Rights: A Regional Perspective

As the previous section of this report illustrated, women continue to face significant challenges in

Pakistan in terms of physical, economic, and social rights. One country's performance, however, provides an incomplete picture of the situation faced by women, as the wider socio-cultural context informs the treatment of women in general. This section has extracted the relevant gender-related indicators from CIFP's database to provide a picture of how Pakistan performs regionally.

It is immediately apparent that Pakistan's parliament is among the best regional performers—second only to Afghanistan—in terms of its representativeness of women. Women's political rights in Pakistan fare no worse than the average nation in the region, with only China and India performing more strongly on these indicators.

When it comes to social and economic rights, however, Pakistan clearly lags behind its regional neighbours; along with the highly conservative Iran and the highly unstable Afghanistan, Pakistan registers extremely high risk scores in these categories. India, Bangladesh, and even China achieve largely medium-risk scores in these categories. With the exception of China, all countries in the region registered high risk scores in terms of women in the labour force; it is worth noting, however, that Pakistan's risk score topped the list.

Pakistan also holds the dubious distinction of having the region's highest risk scores in terms of primary school enrolment (ratio of women to men) and women's development as well as the

	Afghanistan	Bangladesh	China	India	Iran	Pakistan
Percentage of Female Parliamentarians (WDI)	2.0	6.8	2.6	6.4	8.2	2.6
Female Parliamentary Quota (Global database of quotas for women)	1.5	..	9.0	..	9.0	1.9
Women's Political Rights (CIRI)	7.0	5.0	3.0	3.0	5.0	5.0
Women's Social Rights (CIRI)	7.0	5.0	5.0	5.0	9.0	9.0
Women's Economic Rights (CIRI)	9.0	5.0	5.0	5.0	9.0	9.0
Women in the labour force (WDI)	..	6.8	3.7	8.3	7.9	8.5
Education—Primary Completion—female (WDI)	..	6.5	..	6.7	5.5	..
Education—Primary Completion—Ratio of female to male (WDI)	..	1.5	..	7.8	5.5	..
Education—Primary Enrolment—Ratio of female to male (WDI)	9.0	1.5	2.2	7.8	5.2	8.8
Gender Empowerment Measure (UNDP)	..	8.1	..	..	8.6	8.0
Gender-related Development Index (UNDP)	..	7.2	5.0	6.7	5.5	7.4
HIV/AIDS—Percentage of Adult Females Infected (WDI)	..	1.1	3.0	4.0	1.3	1.3
Literacy—female (WDI)	8.9	..	4.9	7.9	6.3	8.2
Literacy—Ratio of female to male (WDI)	9.0	..	5.8	8.0	6.4	8.3
Life Expectancy—Female (WDI)	..	6.7	5.2	6.6	5.6	6.5
Life Expectancy – Ratio of female to male (WDI)	..	6.7	4.7	6.5	4.9	6.3

region's second highest scores—second only to Afghanistan—in terms of female literacy.

The rate of HIV/AIDS among Pakistan's women and regionally is not a significant concern. In addition, Pakistan's risk score in terms of female to male life expectancy is in the medium range, as it is in the remainder of the region.

Having compared Pakistan's performance in terms of the situation of women across countries in the region, it is clear that, with few exceptions,

Pakistan is among the worst regional performers. This is particularly worrisome given that one of its neighbours—Afghanistan—is in a state of conflict and another—Iran—is openly highly conservative.

As long as such a large portion of its population is left behind, Pakistan will have great difficulty making any significant progress.

4. Primary Drivers

Primary drivers are clusters that are the main areas of activity in the country and make the greatest contribution to the overall event trend.

TABLE 11: POLITICAL STABILITY & VIOLENCE

	6.91
Permanence of Regime Type	7.8
Informal Economy — Black Market	5.2
Conflict Intensity	1.0
Dependence on External Military Support	8.1
Military Expenditure — % of GDP	7.5
Political Stability	8.3
Refugees Produced	6.9
Terrorism -- Number of fatalities	8.7
Terrorism -- Number of Incidents	8.7

POLITICAL STABILITY & VIOLENCE

Underlying Conditions

Structural data indicates that Pakistan is at high risk in terms of political stability and violence. More significantly, Pakistan has the dubious distinction of having the second-highest risk score in this cluster in the region (see Table 12). Its extremely good score for battle-related deaths is counteracted by extremely high scores for terrorism fatalities and terrorism incidents, which place it in the same category as Afghanistan (terrorism fatality score 8.8, terrorism incident score 8.7). Furthermore, separatist movements in Baluchistan, governance structures in the Northwest Frontier Province and FATA that are largely disconnected from the centre, and the attendant risk of assassination have negatively affected Pakistan's performance in terms of political stability, with its risk score of 8.3 second only to Afghanistan's (at 8.8) and significantly higher than the next lowest score (India at 7.4). Pakistan is only at medium risk in terms of black market activities, which makes it one of the better regional performers in this category. However, considering that the informal economy is the main source of income for many in the tribal areas, this number may be reflective of those areas under direct central government control, rather than of the country as a whole.

Event Analysis

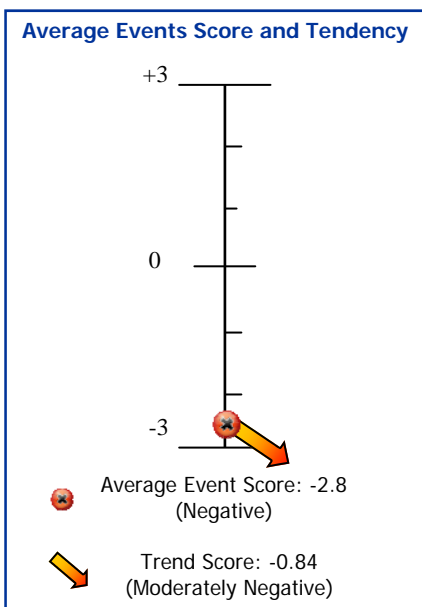
Between 11 February 2007 and 31 August 2007, the average event score was even more strongly negative (-2.8) than that for events recorded between 1 August 2006 and 10 February 2007 (-2.1) (see Table 13 and 14). While the overall trend recorded in the first 29-week period continued to be moderately positive (0.23), the overall trend recorded in the second 29-week period has become moderately negative (-0.84).

The de-escalation of violence in the lawless tribal areas that was witness in the first period was reversed in the second period, with the collapse of the peace agreement in July 2007. As in the first period, violence by protesters continued to be reported, but increased in intensity during the second period due to the highly controversial suspension of the Chief Justice. Furthermore, the actions of the Lal Masjid brigade, the ultimate bloody government crackdown, and its continuing repercussions throughout Pakistan had a significant effect on the overall trend. In spite of the internal discord, the dialogue between Pakistan and its neighbours – particularly India and Afghanistan – that was witnessed in the first period has continued to have a mild mitigating effect on the overall trend.

TABLE 12: REGIONAL COMPARISON

Pakistan	6.91
Afghanistan	8.52
Bangladesh	5.54
China	4.57
India	6.42
Iran	6.63

**TABLE 13: EVENT MONITORING RESULTS
FEBRUARY-AUGUST 2007**



Significant stabilizing events:

- The Pakistani government provides land for two mosques demolished by the administration (18 April 2007, Dawn)
- Pakistani-Afghan Tribal Leaders declare cease-fire and reopen border routes in Kurram Agency (21 May 2007, Daily Times)
- Prominent Pakistani scholars condemn the use of violence in the name of religion (18 April, Associated Press of Pakistan; 28 June 2007; Dawn)
- India and Pakistan release each others nationals in a good-faith gesture (30 June, PTI; 13 August 2007, Associated Press of Pakistan)
- Afghanistan-Pakistan joint peace jerga opens in Kabul (9 August 2007, BBC Monitoring South Asia)

continue with their businesses (throughout the period monitored)

- Police battle and protesters clash in a confrontation over Chief Justice Iftikhar Chaudhry's suspension (17 March, Irish Independent; 2 & 3 May 2007, Associated Press of Pakistan)
- Gas pipeline blown up in Baluchistan province (14 & 22 February, 24 March, BBC Monitoring South Asia; 6 June, 30 August, 2007, Associated Press of Pakistan)
- Pakistan successfully test-fires nuclear-capable missiles (24 February, BBC Monitoring South Asia; 22 & 31 March, New York Times; 26 July, Daily Times; 25 August 2007, Associated Press of Pakistan)
- Pakistani Commandos storm the Red Mosque, killing at close to 100 people over the course of the operation (10 July 2007, The Washington Post)

Significant Destabilizing Events:

- Music, video, and barber shops blown up and owners threatened with death if they

TABLE 14: TREND—02/07 TO 08/07

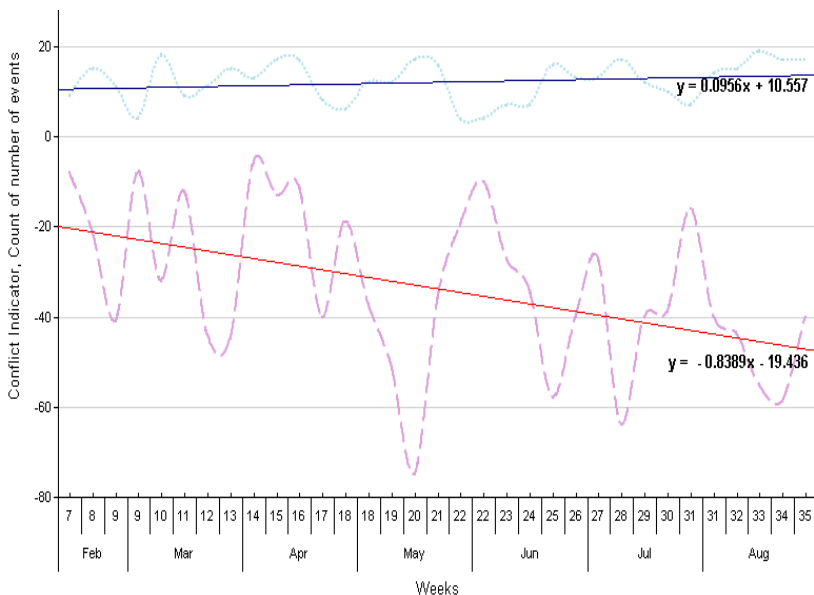


TABLE 15: RULE OF LAW

	7.25
Police, Law & Criminality	6.8
Prison Population Rate	2.2
Prison Occupancy Level	8.6
Number of Political Prisoners	9.0
Judicial Independence	7.4
Impartial Courts	7.6
Integrity of the Legal System	6.9
Military Interference in Rule of Law	8.4
Property Rights	8.3

RULE OF LAW

Underlying Conditions

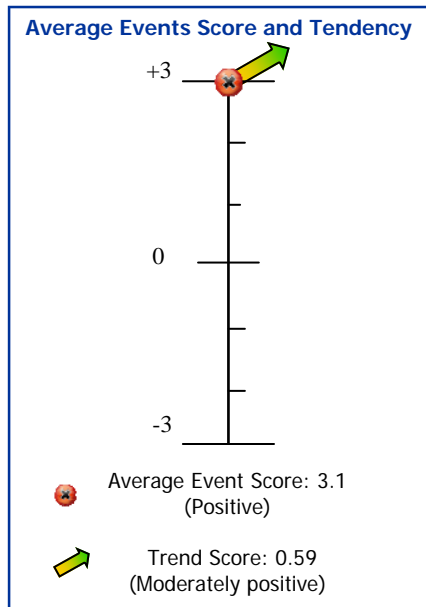
Structural data indicates that Pakistan is at high risk in terms of rule of law, largely because outdated law and order legislation – held over from colonial times – has only recently begun to be reformed. Even so, its history of government and military interference in the rule of law will take some time to overcome. As with its performance in terms of political stability and violence,

TABLE 16: REGIONAL COMPARISON

Pakistan	7.25
Afghanistan	8.93
Bangladesh	7.25
China	6.27
India	4.86
Iran	6.92

Pakistan has the second-highest risk score in this cluster in the region (*see Table 16*). While its highest risk score is in the area of the number of political prisoners, its score is on par with that received by other nations in the region, none of whom have a particularly good record on this count. Pakistan is also performing on par with others in the region, aside from India, on its enforcement of property rights. With its prison occupancy level at reportedly 247.7 percent of official capacity, Pakistan's prisons are the most severely overpopulated in the region (among those where data is available). Military interference in the rule of law also presents a significantly higher risk for Pakistan than for others in the region.

TABLE 17: EVENT MONITORING RESULTS FEBRUARY-AUGUST 2007



Events Analysis

Between 11 February 2007 and 31 August 2007, the average event score was more strongly positive (3.1) than that for events recorded between 1 August 2006 and 10 February 2007 (0.13) (*see Table 17 and 18*). While the overall trend recorded in the first 29-week period was moderately

negative (-0.81), the overall trend recorded in the second 29-week period has become moderately positive (0.59).

The change in the rule of law trend can largely be explained by an increase in the number of events recorded detailing activity that indicates a functioning police system, such as arrests of suspected terrorists, drug smugglers, and criminals. However, it must be noted events were coded on the basis of the story alone; some of the arrests may well have been politically motivated, but unless this was noted in the article itself, or in subsequent articles, the event will have been coded as reflective as positive functioning of the system.

On this same note, although the government is proscribed from using the police for political purposes by the Police Order of 2002, instances of political manipulation were still clearly present during the period monitored. For instance, opposition party members were regularly arrested ahead of protests – especially during the period of upheaval following the suspension of the Chief Justice – on no particular charge. Furthermore, there were reports of police harassment of reporters on government orders during the period.

The suspension of Iftikhar Chaudhry was disruptive to the already strained court system, as a series of lawyer protests and boycotts during the period brought the judicial process to a halt on several occasions. As with

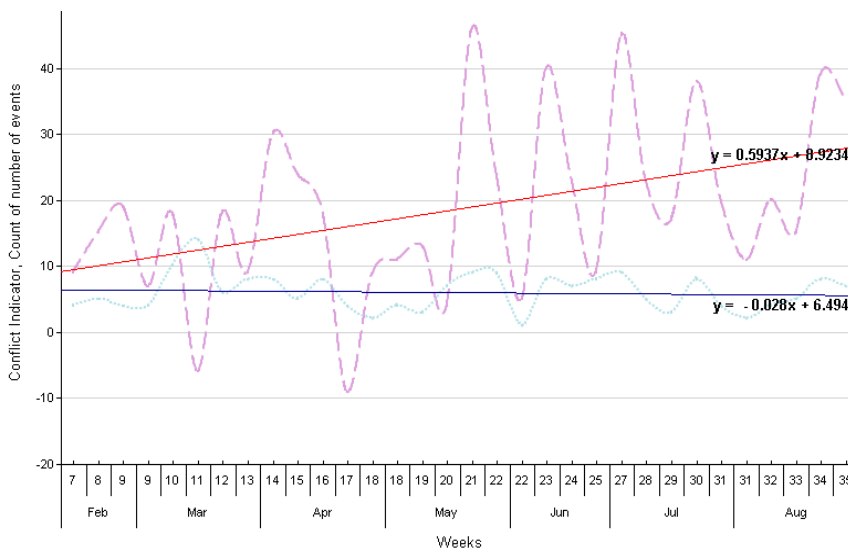
the police, reports of cases passing through the courts and judgements being delivered was recorded as a positive reflection of its capacity, unless irregularities were specifically mentioned in the article. Therefore, while the overall trend in rule of law appears to be stabilizing, the trend reflects the capacity of the system more than it does its legitimacy.

Significant stabilizing events:

- Pakistan arrests Indian fisherman for illegally fishing in its waters (3, 15 & 18 March, 7 April 2007, PTI/Associated Press of Pakistan)
- Pakistan destroys 900 acres of poppy crops in Baluchistan (4 May 2007, Dawn)
- Recovery of drugs and arrests of dealers and smugglers (6 June, BBC Monitoring; 7 & 29 July, 30 August, Associated Press of Pakistan)
- Reinstatement of Chief Justice Iftikhar Chaudhry by order of the Supreme Court (20 July 2007, BBC Monitoring)
- Prevention of suicide attacks and recovery of arms and explosives by police (throughout the period)



TABLE 18: TREND—02/07 TO 08/07



Significant destabilizing events:

- Alleged adulterers are reportedly stoned to death by the Lashkar-e-Islami (14 March 2007, Daily Times)
- Lawyers protests and boycotts bring Pakistan's court system to a standstill (13-15 March, New York Times, 10 April 2007, BBC Monitoring South Asia)
- Pakistani Police attack TV station; judicial inquiry called over their actions (16 March 2007, Associated Press of Pakistan)
- Six judges resign in protest over suspension of Chief Justice and his reference to the Supreme Judicial Council (19 March 2007, Financial Times)
- Opposition activists arrested on suspicion of plans to disturb law and order by protesting (21 March, BBC Monitoring South Asia; 18 April, Daily Times)

GOVERNMENT & MARKET EFFICIENCY

Underlying Conditions

Structural data indicates that Pakistan is at medium risk in terms of government and market efficiency, placing it second only to China among its regional neighbours. Pakistan's best scores are found in its protection of investors and in its low GINI coefficient, indicating that wealth

inequality is not a significant problem. Pakistan is the strongest regional performer on both counts. Areas of weakness include health expenditure and school enrolment rates, reflecting the fact that Pakistan's economic boom has not greatly benefited the average population, and contract enforcement, reflecting Pakistan's weak law and order

institutions. Regionally, Pakistan's poor contract enforcement record is exceeded by India and Afghanistan and its enrolment rate is higher only to Afghanistan's. Its health expenditures are consistently the lowest in the region, and represents an area in serious need of improvement.

TABLE 19: GOVERNMENT & MARKET EFFICIENCY

			5.03
Economic Growth—% of GDP	4.0	Contract Regulation	8.4
Economic Size—Relative—GDP/capita	6.9	Enforcing Contracts	5.2
Economic Size—Total—GDP	3.0	Dealing with Licences	3.8
External Debt—% of GNI	3.4	Registering Property	8.4
Ease of Doing Business	4.1	Enrolment Rates	8.6
Starting a Business	3.2	Health Expenditures	4.7
Protecting Investors	1.8	Access to Improved Water	6.1
Trading Across Borders	5.8	Government Effectiveness	2.8
Closing a Business	2.8	FDI—% of GDP	6.5
Economic Freedom	5.9	Foreign Aid—% of Expenditures	2.3
National Savings Level	5.3	Inequality—GINI Coefficient	3.1
Foreign Investment Freedom	7.2	Trade Balance—% of GDP	3.9
Intellectual Property	8.1	Unemployment—Total	7.4

TABLE 20: EVENT MONITORING RESULTS
FEBRUARY-AUGUST 2007

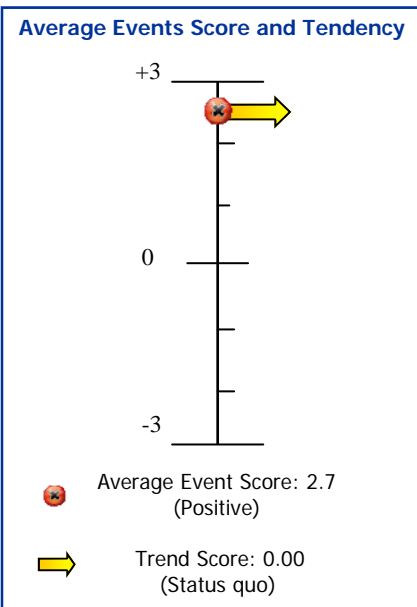
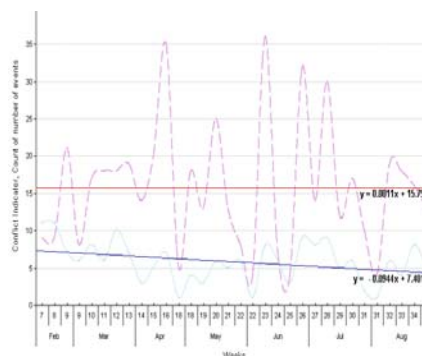


TABLE 21: REGIONAL COMPARISON

Pakistan	5.03
Afghanistan	6.97
Bangladesh	5.68
China	4.75
India	5.36
Iran	5.23

TABLE 22: TREND—02/07 TO 08/07



Event Analysis

Between 11 February 2007 and 31 August 2007, the average event score was strongly positive (2.7), though somewhat lower than that for events recorded between 1 August 2006 and 10 February 2007 (4.9). The overall trend recorded in the first 29-week period represented a status quo (-0.03), a trend that continued in the second 29-week period (0.00).

The majority of events recorded in the Government and Market Efficiency cluster related to the conclusion of economic agreements and treaties with other states, reports on traffic congestion and oil production, the progress of the polio eradication campaign, and the reaction to the floods in late June and early July. Other than the progress reported in talks to build the Iran-Pakistan-India pipeline, the "business as usual" character of the majority of events during this period explains the status quo trend.

Significant stabilizing events:

- Pakistan announces increased spending on education in Baluchistan (11 February 2007, BBC Monitoring)
- About 125 Islamic Schools in

the Northwest Frontier Province agree to receive grants from the Pakistan government, bringing them under the supervision of the provincial home department (27 February 2007, BBC Monitoring)

- General Musharraf opens the Gwadar deep-seaport and announced that the foundation for a seaport in Baluchistan would be laid later this year (21 March 2007, BBC Monitoring)
- Pakistan's largest independent power producer, Hub Power Co., plans to set up a 225-MW oil-fired plant

near Lahore (30 May 2007, Global Power Report)

- The United States agrees to help Pakistan in checking for intellectual property violations and enforcing regulations (19 August 2007, Associated Press of Pakistan)

Significant destabilizing events:

- The EU decides against signing a Free Trade Agreement with Pakistan (2 March 2007, The Statesman)
- Parents refuse polio vaccinations for their children amid fears of a secret sterilization campaign by

Americans against Muslims (15 February, The Guardian; 25 May, Dawn; 13 June 2007, Dawn)

- Regular power outages of between 2 and 12 hours over several weeks spark riots and protests in several cities (21 June 2007, Agence France Presse)
- Quake aid is disrupted by militant attacks (18 July 2007, The Guardian)
- Pakistan State Oil, Pakistan's largest oil marketing company, reports a 38% drop in profit for 2006-2007 (9 August 2007, Platt's Oilgram News)



5. Secondary Drivers

TABLE 23: DEMOCRATIC PARTICIPATION

	6.87
Checks and Balances	9.0
Degree of Party Dominance	6.4
Percentage of Female Parliamentarians	2.6
Polity Score	7.6
Executive Constraints	8.7

DEMOCRATIC PARTICIPATION

Underlying Conditions

Structural data indicates that Pakistan is at high risk in terms of democratic participation (*see Table 23 and 24*). Although its risk score is slightly lower than that of China and Iran, it is slightly higher than Afghanistan's and significantly higher than India's and Bangladesh's. Pakistan's strongest performance can be found in the area of percentage of female parliamentarians, and is largely due to a 2002 law reserving 17.5 percent of National Assembly seats for women and 30 percent in provincial, district, and municipal assemblies. Pakistan, Afghanistan, and China have the lowest risk scores on this count. Pakistan, however, is also at very high risk in terms of checks and balances and executive constraints, which reflects the high degree of power centralization around the President. Except for India and Bangladesh, this is typical of the other nations in the region.

The majority of events recorded in the Democratic Participation cluster related to peaceful protests, the registration of voters, and the functioning of Parliament. Destabilizing events included the shooting death of a female Cabinet Minister for refusing to wear a veil, the filing of a treason case against lawyers for holding a pro-Chaudhry rally, Musharraf's refusal to resign his army position, lower voter registration rates, and reports of the banning of women councillors in Pakistan's Northwest Frontier Province.

TABLE 24: DP—REGIONAL COMPARISON

Pakistan	6.87
Afghanistan	6.68
Bangladesh	5.53
China	7.29
India	3.84
Iran	7.54

TABLE 25: DP EVENT STATISTICS

	All Events	Stabilizing Events	Destabilizing Events
# of Events	96	72	24
Avg. Event Score	2.32	4.74	-4.92
Trend	-0.01	-0.04	-0.05

TABLE 26: GOVERNMENT TRANSPARENCY & ACCOUNTABILITY

	7.1
Corruption—World Bank	7.3
Voice & Accountability	7.8
Press Freedom	6.0

GOVERNMENT TRANSPARENCY & ACCOUNTABILITY

Underlying Conditions

Although structural data indicates that Pakistan is at high risk in this cluster, a regional comparison demonstrates that, after India, Pakistan is one of the best regional performers (*see Table 27*). Pakistan's score of 7.3 for corruption is a cause for concern, and, other than Bangladesh and Afghanistan, is higher than the regional average. Its performance in terms of voice and accountability is the mean for the region. Finally, Pakistan's medium risk score for press freedom marks it as the best performer in the region on this count, other than India.

TABLE 27: GTA—REGIONAL COMPARISON

Pakistan	7.05
Afghanistan	8.05
Bangladesh	7.16
China	7.48
India	4.71
Iran	7.20

Event Analysis

Between 11 February 2007 and 31 August 2007, the average event score was strongly positive (2.3), though not as strongly positive as that recorded between 1 August 2006 and 10 February 2007 (5.3). The overall trend recorded in the first 29-week period was moderately destabilizing (-0.26), a trend that stabilized into a status quo in the second 29-week period (-0.01) (*see Table 25*).

Events Analysis

Between 11 February 2007 and 31 August 2007, the average event score was moderately negative (-0.1), though not as strongly negative as that recorded between 1 August 2006 and 10 February 2007 (-5.7). The overall trend

TABLE 28: GTA EVENT STATISTICS

	All Events	Stabilizing Events	Destabilizing Events
# of Events	72	35	37
Avg. Event Score	-0.14	4.86	-4.87
Trend	0.22	0.21	0.11

TABLE 29: HUMAN RIGHTS

	7.5
Civil Liberties	6.5
Political Rights	6.9
Human Rights—Empowerment	8.0
Human Rights—Physical Integrity	8.5

recorded in the first 29-week period was moderately destabilizing (-0.76), a trend that became moderately stabilizing in the second 29-week period (0.22) (see Table 28).

Although there were virtually the same number of stabilizing as destabilizing events recorded, the slightly positive trend can be attributed to an increase in the number and intensity of stabilizing events toward the end of the period monitored and a decrease in destabilizing events at the end of the period monitored. Most stabilizing events were related to the recovery of finances through anti-corruption measures, the protection of television stations by the courts, and the launch of new stations and newspapers. Most significant, however, was the reinstatement of Chief Justice Iftikhar Chaudhry after a 5-month suspension. The majority of destabilizing events were related to the shutting down or harassment of media outlets, unlawful detentions of opposition

TABLE 30: HR—REGIONAL COMPARISON

Pakistan	7.48
Afghanistan	7.92
Bangladesh	6.27
China	8.39
India	5.33
Iran	8.09

TABLE 31: HR EVENT STATISTICS

	All Events	Stabilizing Events	Destabilizing Events
# of Events	35	6	29
Avg. Event Score	-3.31	4.83	-5
Trend	-0.25	n/a	-0.04

party members, and restrictions placed on reporters during the Red Mosque and Chief Justice crises.

HUMAN RIGHTS

Underlying Conditions

Although structural data indicates that Pakistan is at high risk in terms of Human Rights, a regional comparison demonstrates that, after India and Bangladesh, Pakistan is one of the best regional performers – although India and Bangladesh do outperform their neighbours significantly on several counts. Unfortunately, being one of the best performers on human rights counts in a region with as questionable a commitment to the issue is not much to be proud of. Pakistan has the third lowest risk score for civil liberties and empowerment, and has the median regional score for political rights (along with Iran). Also, Pakistan has a lower risk score than India and Afghanistan in terms of physical integrity, and its score on this count is only slightly

higher than those received by China and Bangladesh.

Events Analysis

Between 11 February 2007 and 31 August 2007, the average event score was strongly negative (-3.31), which is quite similar to the average event score recorded between 1 August 2006 and 10 February 2007 (-3.43). The overall trend recorded in the both 29-week periods were moderately destabilizing (-0.71 compared to -0.25). The slightly less destabilizing trend in the second period can be attributed to the lower number of events recorded in the second period than in the first.

Overall, the picture of the human rights situation in Pakistan is grim. Not only did the destabilizing events outnumber the stabilizing events by almost five to one, chances are good that Pakistan's poor human rights record is vastly underreported. The majority of events recorded related to the harassment of minorities – especially women – who don't subscribe to more fundamentalist interpretations of Islam, the arrest of opposition members and protestors without just cause, and continued reports of Pakistan's large black market in human organs. The six positive events tend to be less concrete events, relating mostly to announcements of the government's commitment to protecting women, the rare release of opposition activists, and demands for probes into the government's actions.

7. Regional Perspective: Governance and Democratization

Comparing Pakistan's performance against its peers provides information both about the nature of the problems encountered, highlighting those problems requiring regional solutions, and gives some indication of areas of relative strength in Pakistan. Such areas of comparative success may provide entry points for policy initiatives, allowing Pakistani citizens and international donors to build on previous achievements, rather than struggling against weakness. Overall, indicators for governance and democratic processes in South Asia tend to be similar across countries. Table 32 summarizes results for Pakistan's closest neighbours, and is followed by more detailed data for each country. The best regional performer is India, while Afghanistan, unsurprisingly, faces the greatest challenges with respect to governance and democratic processes, with Pakistan and Iran close behind. Indicators for Government Transparency & Efficiency and Democratic Participation exhibit the most worrisome results throughout the region; conversely, indicators related to Government & Market Efficiency tend to be relatively positive throughout the region.

Except for Afghanistan, the region's nations generally are not in conditions of large scale open conflict, which has a strong positive effect on their overall risk score. However, the region's nations also have a tendency to spend a disproportionate amount of GDP on the military and have high incidences of—and high fatality rates from—terrorist attacks. The permanence of regime type and low dependence on external support in Bangladesh, China, and India have helped these nations perform above the regional average.

China and India are also the strongest performers in the Rule of Law cluster, though both have very high risk scores for the number of political prisoners. All nations in the region, except for China and Iran, are also at high risk for military interference in the rule of law. Pakistan and Bangladesh also score poorly as compared to the region when it comes to impartiality of the courts, judicial independence, and the integrity of the legal system.

With the exception of India and Bangladesh, none of the countries in this region score particularly well on human rights issues, with China receiving the highest risk score. The most worrisome indicator in this cluster is physical integrity, for which Bangladesh held the lowest score at 8.2.

Government Transparency and Accountability is the third highest source of instability for Pakistan but, regionally, it holds the second lowest risk score. India is by far the best performer in this cluster, with a relatively low risk score of 4.71. To varying degrees, Voice and Accountability and Press

TABLE 32: UNDERLYING CONDITIONS: REGIONAL COMPARISON

PSV	RL	HR	GTA	GME	DP
PAKISTAN					
6.91	7.25	7.48	7.05	5.03	6.87
AFGHANISTAN					
8.52	8.93	7.92	8.05	6.97	6.68
BANGLADESH					
5.54	7.25	6.27	7.16	5.68	5.53
CHINA					
4.57	6.27	8.39	7.48	4.75	7.29
INDIA					
6.42	4.86	5.33	4.71	5.36	3.84
IRAN					
6.63	6.92	8.09	7.20	5.23	7.54

Freedom present the greatest challenges to the region, with almost all nations exhibiting high risk scores. Corruption is a problem across the board, though China, India, and Iran achieve risk scores lower than the regional average.

The Government and Market Efficiency cluster is a bright spot in regional performance, with all nations except Afghanistan exhibiting medium instead of high risk scores. Economic Freedom appears to be a challenge for all regional countries except Pakistan, while enrolment rates present high risks to all regional countries except Iran and China. Otherwise, each nation appears to exhibit its own particular blend of strengths and weaknesses.

Finally, democratic participation once again set Costa Rica apart with its score of 3.84, though Bangladesh is also performing around the median with its score of 5.53. The difference between these two nations and the rest, however, is significant, with the next lowest score—Afghanistan’s—being 6.68. Among the nations with high risk scores, the lack of executive constraints and checks and balances present the greatest challenges.

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

Pakistan

	Cluster Average	Raw Score	CIFP Index Score	Last Year of Data Available	Data Trend
1. Democratic Participation	6.87				
Checks and Balances (World Bank Database of Political Indicators, Index, 1-5)		1.0	9.0	2004	s.q.
Degree of Party Dominance (WB DPI, ratio of opp. to gov't members in legislature)		0.3	6.4	2004	pos
Percentage of Female Parliamentarians (WB WDI)		21.8	2.6	2005	*
Level of Democracy (Polity IV, Index, -10-10)		-5.4	7.6	2004	pos
Executive Constraints (Polity IV, Index, 1-7)		1.6	8.7	2004	pos
2. Government and Market Efficiency	5.03				
Economic growth -- Percentage of GDP (WB WDI)		4.8	4.0	2005	pos
Economic Size -- Relative -- GDP per capita (WB WDI)		553.3	6.9	2005	s.q.
Economic Size -- Total -- GDP (WB WDI)		82304110000.0	3.0	2005	pos
External Debt -- percentage of GNI (WB WDI)		35.3	3.4	2004	*
Ease of Doing Business (WB Ease of Doing Business, Global Rank)		70.0	4.1	2006	*
Starting a Business (WB Ease of Doing Business, Global Rank)		49.0	3.2	2006	*
Protecting Investors (WB Ease of Doing Business, Global Rank)		18.5	1.8	2006	*
Trading Across Borders (WB Ease of Doing Business, Global Rank)		107.5	5.8	2006	*
Closing a Business (WB Ease of Doing Business, Global Rank)		40.0	2.8	2006	*
Economic Freedom (Heritage Foundation, Index, 0-100)		55.9	5.9	2007	s.q.
Savings Level (WB WDI, Gross Domestic as a % of GDP)		16.2	5.3	2005	s.q.
Foreign Investment Freedom (Heritage Foundation, Index, 0-100)		46.0	7.2	2007	s.q.
Intellectual Property (Fraser Institute, Index, 0-10)		2.4	8.1	2004	*
Investment Climate -- Contract Regulation (Heritage Foundation, Index, 1-5)		3.2	2.7	2006	pos
Enforcing Contracts (WB Ease of Doing Business, Global Rank)		163.0	8.4	2006	*
Dealing with Licences (WB Ease of Doing Business, Global Rank)		91.0	5.2	2006	*
Registering Property (WB Ease of Doing Business, Global Rank)		62.5	3.8	2006	*
Enrolment Rates (UNESCO, Gross enrolment ratio)		36.3	8.4	2004	s.q.
Health Infrastructure -- Expenditures as a percentage of GDP (WB WDI)		2.8	8.6	2003	neg
Access to Improved Water (WB WDI, percentage of pop.)		91.0	4.7	2004	*
Gov't Effectiveness (WB Governance Matters, Deviation from mean)		-0.5	6.1	2005	*
FDI -- percentage of GDP (WB WDI)		0.8	2.8	2004	s.q.

	Cluster Average	Raw Score	CIFP Index Score	Last Year of Data Available	Data Trend
2. Government and Economic Efficiency, cont'd					
Foreign Aid -- percent of Central Government Expenditures (WB WDI)		11.6	6.5	2004	s.q.
Inequality -- GINI Coefficient (WB WDI)		30.6	2.3	2003	*
Trade Balance -- percentage of GDP (WB WDI)		2.3	3.1	2004	s.q.
Unemployment (WB, percentage)		6.9	3.9	2002	..
Paying Taxes (WB Doing Business, global rank)		141.5	7.4	2006	*
3. Accountability	7.05				
Corruption (WB GM, Dev. from mean)		-0.9	7.3	2005	*
Voice and Accountability in Decision-making (WB GM, Dev. from mean)		-1.2	7.8	2005	*
Freedom of the Press (FH, Index, 0-100)		59.2	6.0	2006	s.q.
4. Human Rights	7.48				
Restrictions on Civil Liberties (FH, Index, 1-7)		5.0	6.5	2005	s.q.
Restrictions on Political Rights (FH, 1-7)		6.0	6.9	2005	s.q.
Human Rights -- Empowerment (CIRI, Index, 0-10)		2.0	8.0	2004	s.q.
Human Rights -- Physical Integrity (CIRI, Index, 0-10)		1.6	8.5	2004	s.q.
5. Political Stability and Violence	6.91				
Permanence of Regime Type (Polity IV, years since regime change)		3.0	7.8	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)		8.9	8.1	2006	*
Military Expenditure -- percentage of GDP (WDI)		3.8	7.5	2005	s.q.
Political Stability (WB GM, deviation from mean) Political Stability (WB GM, deviation from mean)		-1.6	8.3	2005	*
Refugees Produced (WB WDI)		19191.6	6.9	2004	neg
Terrorism -- Number of fatalities (US NCTC, number of fatalities)		306.5	8.7	2005	*
Terrorism -- Number of Incidents (US NCTC, number of incidents)		294.5	8.7	2005	*
6. Rule of Law	7.25				
Police, Law, and Criminality (WB GM, Dev from global mean)		-0.8	6.8	2005	*
Prison Population Rate (International Centre for Prison Studies, per 100,000 pop.)		54.4	2.2	2006	s.q.
Prison Occupancy Level (ICPS, percentage of official capacity)		247.7	8.6	2006	*
Number of Political Prisoners (CIRI, Index, 0-2)		0.0	9.0	2004	s.q.
Judicial Independence (Fraser Institute, Index, 0-10)		2.6	7.4	2004	*
Impartial Courts (Fraser Institute, Index, 0-10)		3.2	7.6	2004	neg
Integrity of the Legal System (Fraser Institute, Index, 0-10)		5.0	6.9	2004	s.q.
Military Interference in the Rule of Law (Fraser Institute, Index, 0-10)		1.1	8.4	2004	neg
Property Rights, (Heritage Foundation, Index, 0-100)		30.0	8.3	2007	s.q.

For trend scores, (s.q.) indicates continuation of status quo; (pos) indicates a positive trend toward stability, and (neg) indicates a negative trend toward instability. ()Indicates insufficient data for calculation of trend scores.*

Note: CIFP index methodology has recently been amended. Scores are no longer modified for trend and volatility; thus index scores solely reflect relative country performance over the previous five years of available data. Further information regarding the index methodology is available in an attached appendix, as well as in a forthcoming companion document.

Afghanistan

	Cluster Average	Raw Score	CIFP Index Score	Last Year of Data Available	Data Trend
1. Democratic Participation	6.68				
Checks and Balances (World Bank Database of Political Indicators, Index, 1-5)		1.0	9.0	2004	s.q.
Degree of Party Dominance (WB DPI, ratio of opp. to gov't members in legislature)		0.0	9.0	2004	s.q.
Percentage of Female Parliamentarians (WB WDI)		27.3	2.0	2005	*
Level of Democracy (Polity IV, Index, -10-10)		..	..	..	..
Executive Constraints (Polity IV, Index, 1-7)		..	..	..	..
2. Government and Market Efficiency	6.97				
Economic growth -- Percentage of GDP (WB WDI)		12.5	1.4	2005	s.q.
Economic Size -- Relative -- GDP per capita (WB WDI)		..	..	..	neg
Economic Size -- Total -- GDP (WB WDI)		..	..	..	s.q.
External Debt -- percentage of GNI (WB WDI)		..	..	..	*
Ease of Doing Business (WB Ease of Doing Business, Global Rank)		160.5	8.3	2006	*
Starting a Business (WB Ease of Doing Business, Global Rank)		19.5	1.9	2006	*
Protecting Investors (WB Ease of Doing Business, Global Rank)		173.0	9.0	2006	*
Trading Across Borders (WB Ease of Doing Business, Global Rank)		149.5	7.8	2006	*
Closing a Business (WB Ease of Doing Business, Global Rank)		151.0	8.1	2006	*
Economic Freedom (Heritage Foundation, Index, 0-100)		..	..	..	s.q.
Savings Level (WB WDI, Gross Domestic as a % of GDP)		..	..	..	s.q.
Foreign Investment Freedom (Heritage Foundation, Index, 0-100)		..	..	..	pos
Intellectual Property (Fraser Institute, Index, 0-10)		..	..	..	s.q.
Investment Climate -- Contract Regulation (Heritage Foundation, Index, 1-5)		..	..	..	s.q.
Enforcing Contracts (WB Ease of Doing Business, Global Rank)		165.0	8.5	2006	*
Dealing with Licences (WB Ease of Doing Business, Global Rank)		..	..	..	*
Registering Property (WB Ease of Doing Business, Global Rank)		169.0	8.7	2006	*
Enrolment Rates (UNESCO, Gross enrolment ratio)		32.2	8.6	2004	pos
Health Infrastructure -- Expenditures as a percentage of GDP (WB WDI)		4.5	6.7	2003	s.q.
Access to Improved Water (WB WDI, percentage of pop.)		39.0	8.9	2004	*
Gov't Effectiveness (WB Governance Matters, Deviation from mean)		-1.2	8.3	2005	*
FDI -- percentage of GDP (WB WDI)		..	..	..	s.q.
Foreign Aid -- percent of Central Government Expenditures (WB WDI)		304.0	9.0	2004	pos
Inequality -- GINI Coefficient (WB WDI)		..	..	..	*
Trade Balance -- percentage of GDP (WB WDI)		..	..	..	s.q.
Unemployment (WB, percentage)		..	..	..	*
Paying Taxes (WB Doing Business, global rank)		30.5	2.3	2006	*
3. Accountability	8.05				
Corruption (WB GM, Dev. from mean)		-1.3	8.7	2005	*
Voice and Accountability in Decision-making (WB GM, Dev. from mean)		-1.3	8.1	2005	*
Freedom of the Press (FH, Index, 0-100)		71.0	7.3	2006	pos

	Cluster Average	Raw Score	CIFP Index Score	Last Year of Data Available	Data Trend
4. Human Rights	7.92				
Restrictions on Civil Liberties (FH, Index, 1-7)		6.0	7.8	2005	pos
Restrictions on Political Rights (FH, 1-7)		5.8	6.9	2005	pos
Human Rights -- Empowerment (CIRI, Index, 0-10)		1.5	8.2	2004	*
Human Rights -- Physical Integrity (CIRI, Index, 0-10)		0.6	8.8	2002	..
5. Political Stability and Violence	8.52				
Permanence of Regime Type (Polity IV, years since regime change)		0.8	8.6	2004	neg
Informal Economy -- Black Market (Heritage Foundation, 1-5)		..	..	..	..
Conflict intensity (Uppsala PRIO, number of conflict-related deaths)		557.8	6.8	2005	*
Dependence on External Military Support (Fund for Peace, 1-10)		10.0	8.4	2006	*
Military Expenditure -- percentage of GDP (WDI)		11.7	8.9	2005	*
Political Stability (WB GM, deviation from mean) Political Stability (WB GM, deviation from mean)		-2.2	8.8	2005	*
Refugees Produced (WB WDI)		2825792.4	9.0	2004	pos
Terrorism -- Number of fatalities (US NCTC, number of fatalities)		479.0	8.8	2005	*
Terrorism -- Number of Incidents (US NCTC, number of incidents)		318.0	8.7	2005	*
6. Rule of Law	8.93				
Police, Law, and Criminality (WB GM, Dev from global mean)		-1.7	8.9	2005	*
Prison Population Rate (International Centre for Prison Studies, per 100,000 pop.)		..	..	..	..
Prison Occupancy Level (ICPS, percentage of official capacity)		..	..	..	..
Number of Political Prisoners (CIRI, Index, 0-2)		0.0	9.0	2002	..
Judicial Independence (Fraser Institute, Index, 0-10)		..	..	..	..
Impartial Courts (Fraser Institute, Index, 0-10)		..	..	..	..
Integrity of the Legal System (Fraser Institute, Index, 0-10)		..	..	..	..
Military Interference in the Rule of Law (Fraser Institute, Index, 0-10)		..	..	..	..
Property Rights, (Heritage Foundation, Index, 0-100)		..	..	..	..

For trend scores, (s.q.) indicates continuation of status quo; (pos) indicates a positive trend toward stability, and (neg) indicates a negative trend toward instability. (*)Indicates insufficient data for calculation of trend scores.

Note: CIFP index methodology has recently been amended. Scores are no longer modified for trend and volatility; thus index scores solely reflect relative country performance over the previous five years of available data. Further information regarding the index methodology is available in an attached appendix, as well as in a forthcoming companion document.

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

Bangladesh

	Cluster Average	Raw Score	CIFP Index Score	Last Year of Data Available	Data Trend
1. Democratic Participation	5.53				
Checks and Balances (World Bank Database of Political Indicators, Index, 1-5)		3.4	4.9	2004	neg
Degree of Party Dominance (WB DPI, ratio of opp. to gov't members in legislature)		0.6	4.7	2004	neg
Percentage of Female Parliamentarians (WB WDI)		7.0	6.8	2005	*
Level of Democracy (Polity IV, Index, -10-10)		6.0	5.4	2004	s.q.
Executive Constraints (Polity IV, Index, 1-7)		5.0	5.9	2004	s.q.
2. Government and Market Efficiency	5.68				
Economic growth -- Percentage of GDP (WB WDI)		5.3	3.5	2005	s.q.
Economic Size -- Relative -- GDP per capita (WB WDI)		387.6	7.5	2005	s.q.
Economic Size -- Total -- GDP (WB WDI)		53027060000.0	3.2	2005	s.q.
External Debt -- percentage of GNI (WB WDI)		25.7	2.3	2004	*
Ease of Doing Business (WB Ease of Doing Business, Global Rank)		84.5	4.8	2006	*
Starting a Business (WB Ease of Doing Business, Global Rank)		65.5	4.0	2006	*
Protecting Investors (WB Ease of Doing Business, Global Rank)		15.0	1.7	2006	*
Trading Across Borders (WB Ease of Doing Business, Global Rank)		133.0	7.0	2006	*
Closing a Business (WB Ease of Doing Business, Global Rank)		90.0	5.2	2006	*
Economic Freedom (Heritage Foundation, Index, 0-100)		49.6	7.7	2007	s.q.
Savings Level (WB WDI, Gross Domestic as a % of GDP)		17.9	4.9	2005	s.q.
Foreign Investment Freedom (Heritage Foundation, Index, 0-100)		38.0	8.1	2007	neg
Intellectual Property (Fraser Institute, Index, 0-10)		1.9	8.7	2004	s.q.
Investment Climate -- Contract Regulation (Heritage Foundation, Index, 1-5)		5.0	8.3	2006	s.q.
Enforcing Contracts (WB Ease of Doing Business, Global Rank)		174.0	9.0	2006	*
Dealing with Licences (WB Ease of Doing Business, Global Rank)		65.5	4.0	2006	*
Registering Property (WB Ease of Doing Business, Global Rank)		167.0	8.6	2006	*
Enrolment Rates (UNESCO, Gross enrolment ratio)		58.0	7.0	2003	neg
Health Infrastructure -- Expenditures as a percentage of GDP (WB WDI)		3.3	8.4	2003	s.q.
Access to Improved Water (WB WDI, percentage of pop.)		74.0	6.9	2004	*
Gov't Effectiveness (WB Governance Matters, Deviation from mean)		-0.7	6.8	2005	*
FDI -- percentage of GDP (WB WDI)		0.4	2.2	2004	s.q.
Foreign Aid -- percent of Central Government Expenditures (WB WDI)		26.2	7.5	2004	*
Inequality -- GINI Coefficient (WB WDI)		31.8	2.7	2003	*
Trade Balance -- percentage of GDP (WB WDI)		-0.1	3.9	2004	s.q.
Unemployment (WB, percentage)		..	..	..	..
Paying Taxes (WB Doing Business, global rank)		70.5	4.1	2006	*
3. Accountability	7.16				
Corruption (WB GM, Dev. from mean)		-1.2	8.3	2005	*
Voice and Accountability in Decision-making (WB GM, Dev. from mean)		-0.6	6.4	2005	*
Freedom of the Press (FH, Index, 0-100)		66.4	6.9	2006	s.q.

	Cluster Average	Raw Score	CIFP Index Score	Last Year of Data Available	Data Trend
4. Human Rights	6.27				
Restrictions on Civil Liberties (FH, Index, 1-7)		4.0	5.4	2005	s.q.
Restrictions on Political Rights (FH, 1-7)		3.8	5.3	2005	neg
Human Rights -- Empowerment (CIRI, Index, 0-10)		5.4	6.1	2004	neg
Human Rights -- Physical Integrity (CIRI, Index, 0-10)		2.0	8.2	2004	neg
5. Political Stability and Violence	5.54				
Permanence of Regime Type (Polity IV, years since regime change)		11.0	5.6	2004	s.q.
Informal Economy -- Black Market (Heritage Foundation, 1-5)		4.7	7.6	2006	pos
Conflict intensity (Uppsala PRIO, number of conflict-related deaths)		0.0	1.0	2005	*
Dependence on External Military Support (Fund for Peace, 1-10)		6.0	4.5	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)		-1.1	7.5	2005	*
Refugees Produced (WB WDI)		5610.6	5.6	2004	s.q.
Terrorism -- Number of fatalities (US NCTC, number of fatalities)		55.5	8.2	2005	*
Terrorism -- Number of Incidents (US NCTC, number of incidents)		70.0	8.4	2005	*
6. Rule of Law	7.25				
Police, Law, and Criminality (WB GM, Dev from global mean)		-0.8	7.1	2005	*
Prison Population Rate (International Centre for Prison Studies, per 100,000 pop.)		50.8	2.0	2006	s.q.
Prison Occupancy Level (ICPS, percentage of official capacity)		288.5	8.8	2006	*
Number of Political Prisoners (CIRI, Index, 0-2)		0.4	8.2	2004	neg
Judicial Independence (Fraser Institute, Index, 0-10)		3.1	7.0	2004	*
Impartial Courts (Fraser Institute, Index, 0-10)		3.0	7.7	2004	s.q.
Integrity of the Legal System (Fraser Institute, Index, 0-10)		2.7	8.7	2004	neg
Military Interference in the Rule of Law (Fraser Institute, Index, 0-10)		4.2	7.6	2004	pos
Property Rights, (Heritage Foundation, Index, 0-100)		30.0	8.3	2007	s.q.

For trend scores, (s.q.) indicates continuation of status quo; (pos) indicates a positive trend toward stability, and (neg) indicates a negative trend toward instability. (*)Indicates insufficient data for calculation of trend scores.

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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

China

	Cluster Average	Raw Score	CIFP Index Score	Last Year of Data Available	Data Trend
1. Democratic Participation	7.29				
Checks and Balances (World Bank Database of Political Indicators, Index, 1-5)		1.0	9.0	2004	s.q.
Degree of Party Dominance (WB DPI, ratio of opp. to gov't members in legislature)		0.0	9.0	2004	s.q.
Percentage of Female Parliamentarians (WB WDI)		21.3	2.6	2005	neg
Level of Democracy (Polity IV, Index, -10-10)		-7.0	8.5	2004	s.q.
Executive Constraints (Polity IV, Index, 1-7)		3.0	7.4	2004	s.q.
2. Government and Economic Efficiency	4.75				
Economic growth -- Percentage of GDP (WB WDI)		9.5	1.5	2005	s.q.
Economic Size -- Relative -- GDP per capita (WB WDI)		1220.7	5.7	2005	s.q.
Economic Size -- Total -- GDP (WB WDI)		1574289200000.0	1.2	2005	pos
External Debt -- percentage of GNI (WB WDI)		14.5	1.2	2004	*
Ease of Doing Business (WB Ease of Doing Business, Global Rank)		100.5	5.6	2006	*
Starting a Business (WB Ease of Doing Business, Global Rank)		134.5	7.1	2006	*
Protecting Investors (WB Ease of Doing Business, Global Rank)		98.5	5.5	2006	*
Trading Across Borders (WB Ease of Doing Business, Global Rank)		36.5	2.7	2006	*
Closing a Business (WB Ease of Doing Business, Global Rank)		72.0	4.3	2006	*
Economic Freedom (Heritage Foundation, Index, 0-100)		52.8	7.0	2007	s.q.
Savings Level (WB WDI, Gross Domestic as a % of GDP)		38.1	1.6	2004	pos
Foreign Investment Freedom (Heritage Foundation, Index, 0-100)		30.0	8.7	2007	s.q.
Intellectual Property (Fraser Institute, Index, 0-10)		3.9	5.9	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)		61.0	3.8	2006	*
Dealing with Licences (WB Ease of Doing Business, Global Rank)		152.0	8.0	2006	*
Registering Property (WB Ease of Doing Business, Global Rank)		21.0	1.9	2006	*
Enrolment Rates (UNESCO, Gross enrolment ratio)		68.3	6.0	2004	*
Health Infrastructure -- Expenditures as a percentage of GDP (WB WDI)		5.3	5.7	2003	s.q.
Access to Improved Water (WB WDI, percentage of pop.)		77.0	6.6	2004	*
Gov't Effectiveness (WB Governance Matters, Deviation from mean)		0.0	4.2	2005	*
FDI -- percentage of GDP (WB WDI)		3.2	5.6	2004	s.q.
Foreign Aid -- percent of Central Government Expenditures (WB WDI)		0.9	3.0	2003	*
Inequality -- GINI Coefficient (WB WDI)		44.7	6.9	2003	*
Trade Balance -- percentage of GDP (WB WDI)		2.4	3.0	2004	s.q.
Unemployment (WB, percentage)		3.4	1.8	2002	..
Paying Taxes (WB Doing Business, global rank)		168.5	8.7	2006	*
3. Accountability	7.48				
Corruption (WB GM, Dev. from mean)		-0.5	5.9	2005	*
Voice and Accountability in Decision-making (WB GM, Dev. from mean)		-1.5	8.3	2005	*
Freedom of the Press (FH, Index, 0-100)		81.0	8.2	2006	s.q.

	Cluster Average	Raw Score	CIFP Index Score	Last Year of Data Available	Data Trend
4. Human Rights	8.39				
Restrictions on Civil Liberties (FH, Index, 1-7)		6.0	7.9	2005	s.q.
Restrictions on Political Rights (FH, 1-7)		7.0	8.3	2005	s.q.
Human Rights -- Empowerment (CIRI, Index, 0-10)		0.0	9.0	2004	s.q.
Human Rights -- Physical Integrity (CIRI, Index, 0-10)		1.6	8.3	2004	neg
5. Political Stability and Violence	4.57				
Permanence of Regime Type (Polity IV, years since regime change)		53.0	2.1	2004	s.q.
Informal Economy -- Black Market (Heritage Foundation, 1-5)		3.5	4.0	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)		2.1	1.5	2006	*
Military Expenditure -- percentage of GDP (WDI)		2.0	4.4	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)		125525.8	8.0	2004	neg
Terrorism -- Number of fatalities (US NCTC, number of fatalities)		12.5	7.4	2005	*
Terrorism -- Number of Incidents (US NCTC, number of incidents)		6.5	7.3	2005	*
6. Rule of Law	6.27				
Police, Law, and Criminality (WB GM, Dev from global mean)		-0.4	5.3	2005	*
Prison Population Rate (International Centre for Prison Studies, per 100,000 pop.)		114.8	4.8	2006	s.q.
Prison Occupancy Level (ICPS, percentage of official capacity)		..	..	..	..
Number of Political Prisoners (CIRI, Index, 0-2)		0.0	9.0	2004	s.q.
Judicial Independence (Fraser Institute, Index, 0-10)		4.3	6.1	2004	s.q.
Impartial Courts (Fraser Institute, Index, 0-10)		4.7	5.3	2004	s.q.
Integrity of the Legal System (Fraser Institute, Index, 0-10)		7.5	4.5	2004	pos
Military Interference in the Rule of Law (Fraser Institute, Index, 0-10)		5.1	6.8	2004	neg
Property Rights, (Heritage Foundation, Index, 0-100)		28.0	8.3	2007	neg

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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

India

	Cluster Average	Raw Score	CIFP Index Score	Last Year of Data Available	Data Trend
1. Democratic Participation	3.84				
Checks and Balances (World Bank Database of Political Indicators, Index, 1-5)		5.0	1.9	2004	s.q.
Degree of Party Dominance (WB DPI, ratio of opp. to gov't members in legislature)		0.7	3.8	2004	s.q.
Percentage of Female Parliamentarians (WB WDI)		8.9	6.4	2005	neg
Level of Democracy (Polity IV, Index, -10-10)		9.0	3.4	2004	s.q.
Executive Constraints (Polity IV, Index, 1-7)		7.0	3.7	2004	s.q.
2. Government and Economic Efficiency	5.36				
Economic growth -- Percentage of GDP (WB WDI)		6.8	2.6	2005	s.q.
Economic Size -- Relative -- GDP per capita (WB WDI)		519.3	7.0	2005	s.q.
Economic Size -- Total -- GDP (WB WDI)		55348494000.0	1.5	2005	pos
External Debt -- percentage of GNI (WB WDI)		18.4	1.6	2004	*
Ease of Doing Business (WB Ease of Doing Business, Global Rank)		136.0	7.2	2006	*
Starting a Business (WB Ease of Doing Business, Global Rank)		95.0	5.3	2006	*
Protecting Investors (WB Ease of Doing Business, Global Rank)		33.0	2.4	2006	*
Trading Across Borders (WB Ease of Doing Business, Global Rank)		139.0	7.3	2006	*
Closing a Business (WB Ease of Doing Business, Global Rank)		130.5	7.1	2006	*
Economic Freedom (Heritage Foundation, Index, 0-100)		53.1	6.8	2007	s.q.
Savings Level (WB WDI, Gross Domestic as a % of GDP)		24.7	3.3	2004	s.q.
Foreign Investment Freedom (Heritage Foundation, Index, 0-100)		48.0	6.8	2007	s.q.
Intellectual Property (Fraser Institute, Index, 0-10)		4.1	5.7	2004	pos
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)		173.0	8.9	2006	*
Dealing with Licences (WB Ease of Doing Business, Global Rank)		154.5	8.1	2006	*
Registering Property (WB Ease of Doing Business, Global Rank)		109.0	6.0	2006	*
Enrolment Rates (UNESCO, Gross enrolment ratio)		57.2	7.2	2004	pos
Health Infrastructure -- Expenditures as a percentage of GDP (WB WDI)		5.0	6.2	2003	s.q.
Access to Improved Water (WB WDI, percentage of pop.)		86.0	5.4	2004	*
Gov't Effectiveness (WB Governance Matters, Deviation from mean)		-0.1	4.4	2005	*
FDI -- percentage of GDP (WB WDI)		0.9	3.0	2004	s.q.
Foreign Aid -- percent of Central Government Expenditures (WB WDI)		1.5	3.7	2004	s.q.
Inequality -- GINI Coefficient (WB WDI)		..	..	..	..
Trade Balance -- percentage of GDP (WB WDI)		0.2	3.6	2003	s.q.
Unemployment (WB, percentage)		..	..	..	..
Paying Taxes (WB Doing Business, global rank)		158.5	8.2	2006	*
3. Accountability	4.71				
Corruption (WB GM, Dev. from mean)		-0.4	5.2	2005	*
Voice and Accountability in Decision-making (WB GM, Dev. from mean)		0.3	4.3	2005	*
Freedom of the Press (FH, Index, 0-100)		40.6	4.6	2006	pos

	Cluster Average	Raw Score	CIFP Index Score	Last Year of Data Available	Data Trend
4. Human Rights	5.33				
Restrictions on Civil Liberties (FH, Index, 1-7)		3.0	4.1	2005	s.q.
Restrictions on Political Rights (FH, 1-7)		2.0	3.4	2005	s.q.
Human Rights -- Empowerment (CIRI, Index, 0-10)		7.0	5.0	2004	neg
Human Rights -- Physical Integrity (CIRI, Index, 0-10)		0.4	8.9	2004	s.q.
5. Political Stability and Violence	6.42				
Permanence of Regime Type (Polity IV, years since regime change)		52.0	2.2	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)		1586.0	8.9	2005	*
Dependence on External Military Support (Fund for Peace, 1-10)		4.2	3.0	2006	*
Military Expenditure -- percentage of GDP (WDI)		3.0	6.8	2005	s.q.
Political Stability (WB GM, deviation from mean) Political Stability (WB GM, deviation from mean)		-1.0	7.4	2005	*
Refugees Produced (WB WDI)		12874.1	6.6	2004	s.q.
Terrorism -- Number of fatalities (US NCTC, number of fatalities)		856.5	8.9	2005	*
Terrorism -- Number of Incidents (US NCTC, number of incidents)		958.0	9.0	2005	*
6. Rule of Law	4.86				
Police, Law, and Criminality (WB GM, Dev from global mean)		0.0	4.4	2005	*
Prison Population Rate (International Centre for Prison Studies, per 100,000 pop.)		31.2	1.2	2006	s.q.
Prison Occupancy Level (ICPS, percentage of official capacity)		139.0	6.2	2006	*
Number of Political Prisoners (CIRI, Index, 0-2)		0.2	8.6	2004	s.q.
Judicial Independence (Fraser Institute, Index, 0-10)		7.0	3.4	2004	s.q.
Impartial Courts (Fraser Institute, Index, 0-10)		6.3	3.2	2004	s.q.
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)		6.0	6.3	2004	pos
Property Rights, (Heritage Foundation, Index, 0-100)		50.0	5.1	2007	s.q.

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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

Iran

	Cluster Average	Raw Score	CIFP Index Score	Last Year of Data Available	Data Trend
1. Democratic Participation	7.54				
Checks and Balances (World Bank Database of Political Indicators, Index, 1-5)	..	..	..	..	..
Degree of Party Dominance (WB DPI, ratio of opp. to gov't members in legislature)	0.0	9.0	s.q.	2004	
Percentage of Female Parliamentarians (WB WDI)	3.6	8.2	s.q.	2005	
Level of Democracy (Polity IV, Index, -10-10)	1.2	6.3	neg	2004	
Executive Constraints (Polity IV, Index, 1-7)	3.6	6.6	neg	2004	
2. Government and Economic Efficiency	5.23				
Economic growth -- Percentage of GDP (WB WDI)	5.6	3.7	s.q.	2005	
Economic Size -- Relative -- GDP per capita (WB WDI)	1798.4	5.1	s.q.	2005	
Economic Size -- Total -- GDP (WB WDI)	11924334000 0.0	2.5	pos	2005	
External Debt -- percentage of GNI (WB WDI)	9.2	1.1	*	2004	
Ease of Doing Business (WB Ease of Doing Business, Global Rank)	116.0	6.3	*	2006	
Starting a Business (WB Ease of Doing Business, Global Rank)	63.0	3.8	*	2006	
Protecting Investors (WB Ease of Doing Business, Global Rank)	156.0	8.3	*	2006	
Trading Across Borders (WB Ease of Doing Business, Global Rank)	80.5	4.6	*	2006	
Closing a Business (WB Ease of Doing Business, Global Rank)	106.0	5.9	*	2006	
Economic Freedom (Heritage Foundation, Index, 0-100)	41.7	8.6	s.q.	2007	
Savings Level (WB WDI, Gross Domestic as a % of GDP)	39.8	1.5	s.q.	2005	
Foreign Investment Freedom (Heritage Foundation, Index, 0-100)	22.0	8.8	neg	2007	
Intellectual Property (Fraser Institute, Index, 0-10)	..	..	..	..	..
Investment Climate -- Contract Regulation (Heritage Foundation, Index, 1-5)	5.0	8.3	s.q.	2006	
Enforcing Contracts (WB Ease of Doing Business, Global Rank)	32.5	2.5	*	2006	
Dealing with Licences (WB Ease of Doing Business, Global Rank)	167.5	8.7	*	2006	
Registering Property (WB Ease of Doing Business, Global Rank)	139.5	7.3	*	2006	
Enrolment Rates (UNESCO, Gross enrolment ratio)	69.4	5.7	s.q.	2004	
Health Infrastructure -- Expenditures as a percentage of GDP (WB WDI)	6.1	4.6	s.q.	2003	
Access to Improved Water (WB WDI, percentage of pop.)	94.0	4.0	*	2004	
Gov't Effectiveness (WB Governance Matters, Deviation from mean)	-0.6	6.2	*	2005	
FDI -- percentage of GDP (WB WDI)	0.2	1.9	s.q.	2004	
Foreign Aid -- percent of Central Government Expenditures (WB WDI)	0.4	2.1	s.q.	2004	
Inequality -- GINI Coefficient (WB WDI)	44.1	6.7	*	2003	
Trade Balance -- percentage of GDP (WB WDI)	..	..	..	..	..
Unemployment (WB, percentage)	13.3	7.4	pos	2003	
Paying Taxes (WB Doing Business, global rank)	93.5	5.2	*	2006	
3. Accountability	7.20				
Corruption (WB GM, Dev. from mean)	-0.5	5.6	*	2005	
Voice and Accountability in Decision-making (WB GM, Dev. from mean)	-1.3	8.0	*	2005	
Freedom of the Press (FH, Index, 0-100)	78.8	8.0	neg	2006	

	Cluster Average	Raw Score	CIFP Index Score	Last Year of Data Available	Data Trend
4. Human Rights	8.09				
Restrictions on Civil Liberties (FH, Index, 1-7)		6.0	7.9	s.q.	2005
Restrictions on Political Rights (FH, 1-7)		6.0	6.9	s.q.	2005
Human Rights -- Empowerment (CIRI, Index, 0-10)		0.0	9.0	s.q.	2004
Human Rights -- Physical Integrity (CIRI, Index, 0-10)		1.4	8.5	s.q.	2004
5. Political Stability and Violence	6.63				
Permanence of Regime Type (Polity IV, years since regime change)		3.6	7.7	neg	2004
Informal Economy -- Black Market (Heritage Foundation, 1-5)		4.6	6.6	pos	2006
Conflict intensity (Uppsala PRIO, number of conflict-related deaths)		7.0	2.8	*	2005
Dependence on External Military Support (Fund for Peace, 1-10)		6.2	5.3	*	2006
Military Expenditure -- percentage of GDP (WDI)		4.6	8.0	pos	2005
Political Stability (WB GM, deviation from mean) Political Stability (WB GM, deviation from mean)		-1.0	7.3	*	2005
Refugees Produced (WB WDI)		111362.4	7.9	neg	2004
Terrorism -- Number of fatalities (US NCTC, number of fatalities)		11.5	7.6	*	2005
Terrorism -- Number of Incidents (US NCTC, number of incidents)		7.5	6.6	*	2005
6. Rule of Law	6.92				
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.)		219.6	7.1	pos	2006
Prison Occupancy Level (ICPS, percentage of official capacity)		243.1	8.6	*	2006
Number of Political Prisoners (CIRI, Index, 0-2)		0.0	9.0	s.q.	2004
Judicial Independence (Fraser Institute, Index, 0-10)		..	..	..	..
Impartial Courts (Fraser Institute, Index, 0-10)		4.6	5.4	s.q.	2004
Integrity of the Legal System (Fraser Institute, Index, 0-10)		6.7	5.3	s.q.	2004
Military Interference in the Rule of Law (Fraser Institute, Index, 0-10)		8.3	4.6	s.q.	2004
Property Rights, (Heritage Foundation, Index, 0-100)		10.0	9.0	s.q.	2007

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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

Appendix 2: About the 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.

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

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



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Africa News	IRNA (Iran)
Agence France Presse	Jane's Defence Weekly
Airline Industry Information	Khabrain
Asia In Focus	Korea Times
Asia News International	Kuwait Times
Asia Pulse	Kyodo (Japan)
Asian News International	Los Angeles Times
Associated Press Newswires	Middle East Real Estate & Construction News
Associated Press of Pakistan (APP)	Mist News
Ausaf	Nawa-i-Waqt
Automotive World	New Straits Times (Malaysia)
BBC Monitoring	New York Times
Birmingham Post	New Zealand Press Association
Broadband TV News	Nikkei Weekly (Japan)
Broadcast News	Nordic Business Report
Business Recorder	Oil & Gas Journal
Business Wire	Organisation of Asia-Pacific News Agencies
Cheragh (Afghanistan)	Orlando Sentinel
China Daily	Pacific Shipper
Christian Science Monitor	Pajhwok Afghan News
Daily Times - Pakistan	Pakistan Observer
Dawn (Pakistan)	Pakistan Press International Information Services
DMAsia	Periscope Daily Defense News Capsules
Dow Jones Energy Service	Pharma Marketletter
Dow Jones International News	Platts Oilgram News
Financial Times (London)	PTI (India)
Frontier Star	Radio Pakistan
Global Banking News	Reuters News
Global Insight Daily Analysis	St. Petersburg Times (Florida)
Global Power Report	The Advertiser (Australia)
Gulf News	The Asian Banker Interactive
Herald Sun (Australia)	The Australian
Hewad	The Baluchistan Times
Indo-Asian News Service	The Business
Inter Press News Service	The Business Times - Singapore
International Herald Tribune	The Daily Telegraph
Iranian Fars News Agency	The Daily Times

The Dominion Post (NZ)	The Sunday Telegraph (London)
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The Hindustan Times	Toronto Star (Canada)
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