

**D R A F T**

**DEMOCRATIC DEVELOPMENT  
REGIONAL STRATEGY  
FRAMEWORK  
FOR LATIN AMERICA**

**May 1991**

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## Executive Summary

### Introduction and Rationale

Latin America has experienced a strong swing toward democracy in the past decade, but the newly elected democratic regimes face enormous economic and other obstacles as they struggle for the political space to govern in fact as well as in name. Continued progress toward stable democracy is far from assured, and will take decades of effort and assistance. However, as the Cold War wanes, the U.S. Government and A.I.D. are giving the highest priority to helping consolidate the recent gains, for three reasons: because it is in our economic interest, since democracies are more stable and reliable business partners; because it accords with our deepest values to extend the blessings of living in freedom; and to a lesser degree because we feel that democratic and economic development are mutually re-enforcing, although there is no conclusive empirical evidence to suggest that democracy is a precondition for growth.

### A Definition of Democracy

Political democracy is defined as a system of government that provides meaningful and extensive competition for all effective positions of power, including regular free elections; a highly inclusive level of political participation in elections and policy formulation; a level of civil and political liberties sufficient to ensure the integrity of their political competition and participation; and freedom of elected leaders from systematic veto or control by non-elected individuals or institutions, domestic and foreign. This narrow definition excludes egalitarian and socio-economic concepts of justice often associated with democracy not because they are unimportant, but in order to focus this strategy on the core requirements for democracy, and in the expectation that other components of A.I.D.'s program will continue to address the broader concerns.

### Requisites for Democracy

The following factors are associated with stable democracy: prevalence of democratic attitudes and values among the elite and general citizenry (political culture); a history of experience with democracy; an adequate level of education for leaders and citizens; government that is perceived as reasonably honest, competent, and successful in improving economic and social conditions; political and government institutions that provide for law and order, including freedom from fear in exercising civil and political rights; checks on unrestrained executive power, including strong and independent judiciaries and justice

systems, legislatures, electoral tribunals, and political party systems; decentralization of state power to regional and municipal governments; civilian control of the military; a vigorous, pluralistic civil society, including autonomous private groups that can effectively articulate members' interests to government, and a strong, independent, and credible free press and broadcast media; a threshold level of prosperity and a reasonable degree of socio-economic equality (including a strong middle class and independent peasantry); competent political leadership; and absence of heavily negative international factors.

### Constraints and Positive Factors in LAC

Much of Latin America has had long intermittent experience with democracy, but LAC history and political culture have generally been more authoritarian than democratic. Literacy and education levels have steadily improved, but major deficiencies remain. The physical quality of life index has achieved threshold requirement levels in most countries, but widespread poverty persists, conditions have deteriorated during the past decade, and the maldistribution of wealth and income in Latin America is the most severe in the world. An enormous debt problem inhibits prospects for broad-based socio-economic progress, and central governments are widely perceived as corrupt and incompetent, although reforms are beginning. Most LAC governments are over-centralized, and civilian control of the military remains problematic. Respect for the rule of law and justice systems are weak, as are legislatures. Electoral processes and systems have been strengthened considerably, but political parties are still overly personalized. The texture of civil society is generally thin, although improving rapidly under newly democratic regimes; the press and media vary greatly in quality. Political leadership is slowly becoming more oriented toward democratic coalition and consensus building and away from the charismatic, populist, or authoritarian models of the past, but it faces enormous problems dealing with the impacts of economic restructuring, the strain of drug production and trafficking, entrenched elites, and resurgent violence from the left and right in some countries. Although there are hopeful trends, continued progress is far from assured.

### The Proposed Strategy and Program

Some of the factors noted above cannot be addressed directly or decisively by A.I.D., but many can be. LAC proposes continuation and broadening of an eleven-point program, addressing three sub-goals:

A. Strengthen the Competence of Political and Government Institutions

1. Strengthen the rule of law via a three-pronged program to: (a) improve the administration of justice (modernizing court systems and criminal investigation processes); (b) strengthen awareness of and adherence to internationally recognized human rights, through continued support to the Inter-American Institute of Human Rights; and (c) implement a new initiative to strengthen property rights focussed on improving the legal/regulatory/judicial climate for business, and titling of land and property.

2. Strengthen electoral processes by providing technical assistance to the creation of efficient electoral commissions, voter registration programs, and international observer teams. A.I.D. works through established regional organizations to avoid too strong a U.S. presence in electoral activities.

3. Improve the honesty and competence of executive branches, through continuation and expansion of a financial management project, and initiation of a program to improve generally the efficiency and effectiveness of government in key areas (reform of administrative culture).

4. Strengthen decentralization and devolution of power through expanded assistance to local and municipal governments.

5. Strengthen civilian control of the military through continued support of dialogue to improve civilian and military agreement on appropriate roles for the military, and new measures to reduce military autonomy.

6. Strengthen legislatures through continued technical assistance and training in analytic and oversight capabilities.

7. Strengthen political parties, primarily by augmenting programs of the National Endowment for Democracy where needed.

B. Help create a vigorous, pluralistic, autonomous civil society

8. Strengthen alternative opinion and information sources, including continued support for a journalism/media project and distribution of textbooks, and a new initiative to strengthen think tanks.

9. Strengthen civic, professional, and community organizations, and continuing support for free, democratically oriented labor unions.

C. Strengthen Democratic Values and Leadership

10. Expand support for formal and non-formal civic education programs.

11. Continue support for leadership training programs through CLASP, AIFLD, and other organizations that strengthen democratic values and skills.

-- Other innovative approaches to strengthening democratic values also will be explored, tested, and replicated when found effective.

Resource Requirements

The annual cost of the proposed program is estimated to rise from \$117.5 million in FY 93 to \$225 million in FY 97, for a total cost during the strategy period of \$858 million. This includes 50% of the CLASP program. This total is estimated at 10.8% of LAC's DA/ESF budget in FY 93, rising to 19.5% in FY 97.

A direct-hire ceiling increase for Missions from 8 to 36 is needed to implement this strategy. LAC/DI's ceiling would increase from 9 to 11 USDH. Maximum feasible use is proposed of PASAs, IPAs, PSCs, and secondment from other Agencies, but the program's priority requires adequate DH staff levels, even if they must be taken from existing programs. Training programs must be developed for existing staff, and new staff with appropriate qualifications must be recruited.

Evaluations and Performance Indicators

An Agency effort is under way to determine whether A.I.D. will use Freedom House's existing system for measuring country democratic performance or develop its own system. LAC favors the former.

A contractor's report was delivered in January 1991 that provides program performance indicators. LAC/DI will work during the coming year to refine this initial effort.

## Foreword

Raymond Gastil came to realize only several years after conducting his survey of freedom around the world that freedom and democracy were in fact synonymous.<sup>1</sup> This insight underscores the very personal dimension of the strategy proposed in this paper for strengthening democracy throughout Latin America. As Larry Diamond has written,

Democracy does not generally come these days via the kind of bloody revolution that brought it forth in the United States, but the changes that give it birth often amount to a revolution, and rarely are they made without a great many people risking their comfort, security, wealth, livelihoods, and--too often--their lives.... Democracy is not achieved simply by the hidden process of socio-economic development bringing a country to a point where it has the necessary "prerequisites" for it. It is not delivered by the grace of some sociological deus ex machina.<sup>2</sup>

Rather, it is delivered through political crafting and through struggle against often corrupt, autocratic, and authoritarian forces accustomed to resolving disagreements with bullets rather than ballots. It is a struggle that produces many martyrs. Latin America in particular has struggled for freedom throughout most of the 400 years since the first Spanish conquistadores arrived to exploit a continent and enslave a population. A symbol of this history is the river in García Marquez's novel, Love in the Time of Cholera, down which corpses periodically float from some unknown upcountry civil war, insurrection, or political vendetta. Who knows how many thousands or millions of Latin Americans have met their deaths during these long centuries of struggle? The ghosts of the "disappeared," and the many more who simply became silent, submissive, and apolitical in the face of oppression, still live in the memories of innumerable living survivors. Even today there are too many people tortured and incarcerated for long periods without trials; investigative journalists and activists whose offices and homes are bombed; and citizens unwilling to participate in the political process for fear of reprisal. And yet, there are also winds of hope and movement toward greater freedom blowing throughout the region.

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<sup>1</sup> Gastil, Raymond; "The Comparative Survey of Freedom: Experiences and Suggestions," Studies in Comparative International Development; Spring 1990, Vol. 25, no. 1; p. 25.

<sup>2</sup> Diamond, Lawrence; from "Introduction: Civil Society and the Struggle for Democracy," p. 6; part of forthcoming book, The Democratic Revolution: Struggles for Freedom and Pluralism in the Developing World.

So although this paper attempts to define the requisites for stable democracy and the constraints to achieving this in Latin America, and proposes a set of activities to address these constraints, this is not just another rationalistic analysis common to A.I.D. sector assessments and strategies. This is, in fact, one of the first papers in A.I.D.'s history to present a strategy aimed explicitly at political development, a strategy whose success will be measured not in GNP growth and agricultural production increases, (worthy as these objectives are), but in terms of people who have not "disappeared" and are exercising democratic freedoms. This is something new. A.I.D. is still primarily an Agency concerned with the broad-based growth and social progress for "the poor majority" that vitally undergird democratic as well as socio-economic development. But if A.I.D. has often in the past tended to shy away from the "political" -- the province, after all, of our State Department colleagues -- and tended to feel more comfortable with technocratic solutions, that tendency is now disavowed. Most A.I.D. professionals learn early in their careers that no interventions are ever apolitical in any case. And many A.I.D. professionals have been disturbed over the years that we have only nibbled at the margins of meaningful socio-economic change, and at the extent to which program benefits have been captured by the elite and dissipated by corrupt and ineffective host governments. We now have a strategy aimed squarely at changing this.

Having said this, it is also important to say that A.I.D. intends, in carrying out this program, to avoid any partisanship that would represent interference in the internal affairs of sovereign host countries. We will not support a particular political party or other organization without making such support equally available to all such entities across the democratic spectrum. Our only partisanship is for democracy.

Similarly, we will try not to simply export the U.S. model of democracy, although this is more difficult since we are products of our own system. We have tried, probably not very successfully, to design a democracy strategy that is not Americo-centric; we recognize that there are other successful democratic models that are different from ours. We will intensify efforts to encourage other donors to bring their expertise and knowledge of these systems for consideration by Latin American governments and people.

This is an exciting new venture on which we are embarked. If the resources for the proposed strategy can be obtained, we hope to report five years from now that democracy is stronger in Latin America--that there are fewer corpses floating down the rivers, and many more people exercising the rights and responsibilities of freedom.

## LAC DEMOCRATIC INITIATIVES REGIONAL STRATEGY

I. Introduction

Latin America is again experiencing a swing toward democracy. More than 97% of the hemisphere's population is now governed by democratically elected leaders. Ten years ago, only two South American countries were governed democratically. In April 1990, the last country to have been ruled by a military dictatorship -- Chile -- transferred power to a civilian government. In Central America, democracy has been restored to Panama and Nicaragua. In the Caribbean, Haiti held a free and fair election in January 1991; only Cuba remains authoritarian.

The task is to help consolidate these democracies, which are struggling against enormous odds, so that this latest swing of the democratic-authoritarian pendulum may prove more lasting than those of the past. Economic downturns, heavy foreign debt obligations, political pressures from powerful entrenched elites vying for their share of the pie, terrorism, drug trafficking, and the shallowness of democratic values continue to undermine democratic consolidation. The possibility still exists that commitment to democracy will prove fleeting, and that democracy will be discarded if socio-economic progress is too slow. As Robert Pastor has observed,

The playing field of politics [in Latin America] has shifted from the barracks to the ballot box, but the rules of the game are still being negotiated. In name, the new civilian presidents govern, but in fact, they negotiate almost daily their authority with the generals, the bankers, opposition politicians and, in some cases, revolutionary terrorists and drug lords.... The period of the 1980s may well be remembered not as a period of transition toward democracy but as a complicated, sometimes coercive negotiation in which newly elected leaders struggled for the political space to govern in fact as well as in name. One should therefore proceed with caution in predicting where and when the pendulum will finally come to rest.<sup>2</sup>

The purpose of this paper is to provide a regional strategy framework for Latin America and the Caribbean within which individual country strategies and programs can be designed and pursued, with the objective of achieving measurable progress over the next five years in strengthening democracy throughout Latin America.

A.I.D. can play an important if only a limited role in strengthening democracy. Other agencies of the U.S. Government--notably State, Defense, Treasury, and USIA--must also play important roles if a U.S. Government strategy is to be fully effective. Organizations such as the National Endowment for Democracy, and certain private organizations also have important roles to play. This document seeks to discuss these organizations' roles as well as A.I.D.'s, so that A.I.D.'s role within a comprehensive strategy will be understood.

#### A. Why Strengthen Democracy?

Strengthening democracy has become in the past year one of the U.S. Government's highest foreign-policy priorities. In early 1990 the Secretary of State said in his statement before the Senate Foreign Relations Committee that "... our task is to consolidate the democratic revolution transforming the world.... Our first and preeminent challenge [of the five key foreign policy challenges we will be facing in the coming decade] is consolidating democracy." Similarly, the A.I.D. Mission Statement puts strengthening democracy on an equal level with broad-based growth as a primary A.I.D. objective, as does the LAC Bureau Statement of Objectives. The Administrator's Democracy Initiative, issued in December 1990, reinforces this priority.

This elevation of strengthening democracy as a preeminent U.S. Government foreign policy and A.I.D. program objective results from several considerations. First, as the Cold War wanes and security concerns diminish, U.S. economic interests become correspondingly more important. Democratic countries are more stable and reliable business partners than authoritarian regimes. After freedom, the business of democracy is business. Democratic governments are more reliable as signatories to agreements because they have popular legitimacy and are less susceptible to violent or sudden upheavals. Foreign investments are less subject to arbitrary expropriation, particularly if the host democratic country has successfully secured the rights of property as part of its overall rule of law. Democratic governments, if they extend their liberal doctrines to the market place, tend to expand the possibilities for greater local and foreign participation in their economies. This translates into a better climate for foreign investment and trade--a clear goal of the present administration.

Politically as well as economically, stable and peaceful relationships are more likely with democratic regimes. They are slower than other types of government to initiate war, and do not fight each other. "Among democracies, ... a zone of peace appears to exist with a strong assumption that differences that might lead to conflict will be resolved peacefully."<sup>1</sup> Democratic regimes are accountable to the people and must weigh

this against the high costs of war. Democracies that do not live under a constant security threat from non-democratic neighbors tend to focus on the internal domestic needs its people. Democratic regimes spend considerably less of their GNP on the military than do non-democratic regimes.<sup>4</sup> These factors combine to ensure that, in general, democracies are less prone to the military adventurism exhibited by many authoritarian regimes. A democratic community of nations reduces the threat of war; and, of course, political stability is good for business.

Although, as discussed below, there is no empirical evidence that democracy is a pre-condition for economic growth, many development practitioners feel intuitively that political and economic stability are mutually reinforcing. Economic growth, if not too inequitably distributed, helps create political stability and the conditions for democracy, which in turn improves possibilities for further economic growth, especially under the export-led growth strategies currently in favor which are seeking to reduce protectionism and statism and open economies both to non-traditional exports and non-traditional participants. Under these circumstances, political opening can lead to economic opening and vice versa. However, "democracy is not the inevitable outcome of economic growth,"<sup>5</sup> so we need to concern ourselves with democratic as well as economic and social development.

As important as economic interests, helping to strengthen democracy is also in accord with our core values. As Secretary of State Baker has put it, "we seek to promote democratic values abroad because they reflect the best that is in ourselves."<sup>6</sup> Freedom is an inalienable human right and a basic human desire, closely following in importance the needs for minimally adequate nutrition, income, health, and shelter. "When people are free to choose, they choose freedom." With the security concerns abating that have at times led the United States to subordinate its democratic principles in the conduct of foreign policy in the hemisphere, the U.S. can now more consistently give first priority to helping extend democratic principles and practices to the unstable democracies of Latin America. In so doing, the U.S. fulfills a moral obligation to extend freedom while also acting in its own self interest politically and economically.

Finally, A.I.D. and the U.S. Government, with other donors, should proceed in this area because they have a comparative advantage in providing assistance. The Caribbean countries are, except for Haiti and the Dominican Republic, mainly solid democracies modeled on the British Parliamentary system; but most Central and South American countries have adopted constitutions and systems heavily influenced by the U.S. model.<sup>7</sup>

Since A.I.D. itself is mostly staffed with economists and technicians rather than with political scientists, adjustments will have to be made to take on political development as a major endeavor. However, the adjustments can readily be made, and the U.S. Government as a whole, with the private sector, is well equipped to provide the needed assistance.

#### B. A Definition of Democracy

Democracy in a broad sense includes concepts of social and economic as well as political egalitarianism. For our purposes, however, it will be more useful to adhere to a relatively narrow political definition. This is for two reasons: 1) because it enables us to look at economic, social, and political variables separately, which improves our ability to understand their interrelationships; and 2) because it helps to define and form a democratic development strategy that would otherwise be unmanageably broad. Although socio-economic concerns are centrally important both in their own right and to the continued survival of democracies, especially fragile ones, other elements of A.I.D.'s program already address these concerns. We will try to touch on the key interrelationships between socio-economic and democratization strategies and programs, but will keep the focus of this strategy on what A.I.D. and the U.S. Government can and should do to strengthen political democracy.

Democracy, as understood by most North Americans, rests mainly on respect for the rights of the individual, especially as reflected in the Bill of Rights: freedom of speech, of religion, of the press, of peaceable assembly; right to petition the government for redress of grievances; security of persons, houses, papers, and effects against unreasonable search or seizure; due process of law; just compensation for taking of property; right to a speedy and public trial by an impartial jury; and retention of all rights by the people or the States not expressly granted to the federal government by the Constitution. The U.S. system of checks and balances--the distribution of power among the executive, legislative, and judicial branches of government at the federal level and the separation of power between states and the federal government--was designed above all to protect these individual rights against state tyranny. "The safeguard of liberty is the most distinctive consequence of democratic government and what distinguishes it most sharply from all other systems."<sup>8</sup>

Under democratic theory, the preservation of these rights can best be accomplished by ensuring that government is accountable to the people through regular elections in which all competent adults can participate ("government of, by, and for the people"). Accordingly, political scientists currently favor

a definition of democracy that focuses on this key institution of democracy--free and fair elections--as opposed to classical theories that defined democracy in terms of sources of authority ("the people," but which people?), or the goals democracy serves, which are uniformly noble but also as diverse as the authors writing on the subject.<sup>9</sup> Diamond, Linz, and Lipset use the following definition in their recent comparative study of democracy in twenty-six developing countries (henceforth referred to as the DLL study):

... democracy denotes a system of government that meets three essential conditions: meaningful and extensive competition among individuals and organized groups (especially political parties) for all effective positions of government power, at regular intervals and excluding the use of force; a highly inclusive level of political participation in the selection of leaders and policies, at least through regular and fair elections, such that no major (adult) social group is excluded; and a level of civil and political liberties--freedom of expression, freedom of the press, freedom to form and join organizations--sufficient to ensure the integrity of political competition and participation.<sup>10</sup>

To this we should add that governments cannot be systematically subject to the veto or control of non-elected individuals or institutions (e.g. the military), domestic or foreign. Neither elections nor the existence of a written constitution will guarantee that elites will act democratically once in power.

Not the least of an individual's rights in a democracy, as envisioned by the Founding Fathers and to this day, is the right to hold and acquire property. The rule of law is critical in a well-functioning democracy not only to protect individual and civil rights, but also to regulate contracts and other business arrangements. Although democratic governments often play major roles in the economies of their societies, through ownership and control of some productive facilities as well as through regulation, the provision of welfare benefits and other programs,

in all democracies ... private ownership of property remains the basic norm in theory and in fact, and the basic mechanism for economic allocation is the market rather than government command.... The existence of such private power ... is essential to the existence of democracy in order both to reduce the incentives of political leaders to maintain themselves in power through undemocratic means and to limit their ability to do so. Democracy, in short, is incompatible with a sustained, centrally controlled command economy.<sup>11</sup>

Although rich countries are generally democracies and vice versa, there is no conclusive evidence that growth depends on democracy. As Samuel Huntington observes,

The conventional wisdom is that economic wealth creates the conditions for democracy rather than vice versa, and the conventional wisdom is in this case probably correct.... When viewed against a wide spectrum of many different non-democratic regimes, the democratic regimes have generally compiled a middling record of economic growth.<sup>12</sup>

Huntington has examined a number of other economic, military, and political characteristics (or consequences, as he calls them) of democracy, and comes to the following summary conclusion:

Democracies do not provide for the most rapid expansion of economic wealth and do not necessarily ensure an equitable distribution of material resources among their citizens. Political democracy seems to be incompatible with high levels of either economic equality or economic inequality. Democracies do impose fewer military burdens on their people than do other systems, but the price for this may be greater insecurity in the face of foreign danger. Democratic governments do not seem to be more or less warlike than other governments, although they also do not fight each other. Political democracy does not necessarily bring efficient government, honest politics, or social justice. It does, however, promote political order, permit moderate but not sweeping changes, and promote an almost sure-fire guarantee against major revolutionary upheaval. Most distinctly and importantly, democracies alone among political regimes have the institutional mechanisms necessary to guarantee the basic rights and liberties of their citizens. Apart from politics, the meaning of democracy is modest. Politically its meaning for liberty is momentous.<sup>13</sup>

## II. Requisites For Democracy

There is a vast literature on the conditions for democracy, dating back at least to the classical Greek thinkers. Since the birth of many new democracies in the two decades following World War II, and with the parallel flowering of empirical political science, a number of contemporary authors have addressed the subject.<sup>14</sup> The most recent major empirical study is the DLL study,<sup>15</sup> on which this section draws heavily.

### A. Political Culture: Attitudes and Values

Democratic institutions cannot take hold in a society hostile to democratic values. Democracy, as Aristotle argued, is a way of life, not just a form of government. For democracy to become established it must be supported by the political culture--"essentially a distillation of the country's history into those characteristic political attitudes, beliefs, values, and information that support or impede democratic pluralism."<sup>16</sup> There must be a commitment to the democratic system on the part of both the elites and the general citizenry. Democracy cannot be seen as just another form of government to be experimented with and then discarded when popular expectations for material gains are too slowly realized. Democracy must be viewed as the only legitimate political system in the modern world. Moreover, elites must stop seeing government as means to rule over the people for personal or interest-group profit. Those who govern by a democratic mandate must view themselves as servants of the people and subject to the same laws. They must respect the vote and reject the illegitimate use of power and the dangers of extra-constitutional prerogative.<sup>17</sup> Finally, both rulers and ruled must have the capacity to differentiate between the source and the agent of authority--i.e. to understand that one incompetent democratic administration does not mean that democracy as a system of government is invalid.<sup>18</sup>

A democratic society, in addition, accepts and tolerates a wide variety of opinions, and different religious and ethnic groups. "It requires compromise, flexibility, ... conciliation, moderation, and restraint ...,"<sup>19</sup> and the ability to trust those with different views to operate within the rules of the game.

Such a democratic political culture is not always present or deeply rooted at the start of a democratic regime. Often it develops as a result of an agreement, pact, or settlement among conflicting political elites to resolve their differences through peaceful electoral competition and the rule of law. In this way, elites may "back into democracy." Both elites and citizens may gradually internalize these values over time as "the successful practice of democracy demonstrates the value of participation, tolerance, and compromise--indeed, the efficacy and desirability of democracy itself."<sup>20</sup>

### B. History

A country's political culture is a product of its history and cultural traditions. Countries with an extensive democratic history have a more developed democratic political culture than those with authoritarian histories.

Raymond Gastil asserts that "two critical aspects of the host country's history are the number of years, if any, that it

has experienced a working democratic system and the length and intensity of contact between the country and democratic countries--particularly the extent to which it has been geographically or culturally enveloped by a democratic environment." Thus, "when communism was overcome with outside intervention Grenada was able easily to restore, or perhaps achieve, full democracy because it had a population used to democratic political activity. The ending of dictatorship in Haiti, on the other hand, found the country totally unprepared for democracy [because] the history of Haiti has been a history of despotism."<sup>21</sup>

In addition, Robert Dahl has noted that the development of democracy is more likely where political party activity and competition precedes a democratic opening. In recent times, Spain and a number of Latin American countries (most recently Chile) have followed a variant of the first route by allowing political parties to operate de facto in the final years of authoritarian rule.<sup>22</sup>

#### C. Level of Literacy and Education

Clearly, a corollary to political culture is the importance of literacy and education to the foundations of democracy. Although the spreading prevalence of radio and television may make mass literacy less important than in the past to supporting democratic concepts, education is still essential to train the leaders and other elites upon which a successfully functioning democracy depends, and to extend and reinforce throughout society the concepts on which democratic legitimacy depend. Education also makes people aware of the world beyond their immediate community, including worlds that may have greater political equality than their own and toward which they can then aspire.

Cross-national survey research has shown that the level of education is highly correlated with important features of a democratic political culture, such as the citizen's level of information and knowledge about politics, political efficacy or sense of civic competence, political participation, organizational membership, and tolerance of other points of view.<sup>23</sup>

#### D. Performance of Government, Political and Socio-Economic

Broad-based commitment to a democratic system will only come about when the individual citizen begins to feel that he has a stake in that system and that the government involved exists to serve him (the people) and not just certain privileged elites. Democratic legitimacy will be squandered if governments do not rule and are not perceived as ruling reasonably competently and honestly. Democratic governments must be able to demonstrate the ability to maintain order, personal security, and provide

justice to all citizens. Legitimacy in the democratic process accrues as confidence grows in the system's ability to provide laws and regulations in a systematic and predictable fashion.<sup>24</sup>

A paradox of democracy is that while it must perform effectively to retain legitimacy, it is by nature a slow and sometimes inefficient system. Because it is a participatory system, policy decisions, lawmaking, and regulatory processes must be approved by a host of groups, ministries, agencies, etc. Because the process is slow it may appear ineffectual, particularly when compared to the speed and decisiveness of a dictatorial decree. Popular expectations for rapid change and improvements in the overall quality of life may put unreasonable pressures on a system that cannot by its very nature work fast. This is another reason why a strong commitment to democratic values is essential to democracy's survival in difficult adjustment periods.

Similarly, governments' ability to provide socio-economic benefits and an overall sense of "popular well-being" affects its prospects for consolidation and permanence.<sup>25</sup> Sustained growth and high rates of social mobility have been shown to foster broad based support for the democratic order.<sup>26</sup> Steady and relatively equitable improvements in the quality of life in Venezuela and Costa Rica under democratic rule contributed significantly to the consolidation of democracy in those countries. Recent survey evidence shows that Costa Rican democracy successfully endured the economic crisis of the 1980s precisely because its performance over previous decades had built up a deep reservoir of popular political legitimacy.<sup>27</sup> Conversely, popular perceptions that a government dissipates its tax revenues through corruption and inefficiency reduces the willingness to be taxed, which in turn reduces the government's capacity to perform efficiently and effectively: a vicious spiral that erodes legitimacy.

Strong economic performance has an important derivative effect in allowing the state to provide better quality education, housing, and health benefits, all which help strengthen popular attachment to the system. To the degree that economic power is distributed throughout society and not concentrated in the state, the system will be reinforced by a strong independent middle class, and a pluralistic network of private associations and organizations that can provide channels for popular influence on the government. For all these reasons, economic performance appears to be a critical variable in facilitating democracy.<sup>28</sup>

Linz and Stepan, on the other hand, argue that "perceptions of a regime's socioeconomic efficacy are less tightly coupled to perceptions of a regime's democratic legitimacy than is commonly supposed." They cite a number of cases in both advanced and

developing country democracies (including the U.S. during the Great Depression) where democracy survived and even became stronger during periods of poor performance, and they also cite a variety of "insulating factors," including fear of "state terrorism" if democracy breaks down, particularly in countries that have experienced "massive and unprecedented abuses of state power by... bureaucratic-authoritarian regimes," as in Brazil, Uruguay, and Argentina. They feel the most important variable in this outcome is "political crafting," or "the ability of group leaders to come together, form new coalitions, sometimes on the basis of reaffirming old ones... and then to settle on how to steer the economy." They do believe, however, "that in the long run it erodes the accrued political capital of the regime if it is seen as completely incapable of solving major socioeconomic problems--and thus we are very supportive of efforts to solve the debt crises with growth."<sup>29</sup>

#### E. Honesty In Government

Ethical behavior in government, and public perception of same, is another strong factor affecting democratic legitimacy. The effect of corruption on the legitimacy of democratic regimes is even more corrosive than for authoritarian ones, in part because it is more visible under conditions of freedom (free elections, an independent judiciary, free press and legislative branch, etc.). If significant enough in scale, corruption delegitimizes the whole political system rather than just a particular politician or party; and the prevalence of corruption as the primary motive for the pursuit of power, if the state dominates economic life, reduces the political process to a struggle for power rather than a debate over policies and programs, and engenders cynicism and apathy among the electorate. Such widespread corruption also undermines economic development and is often a major argument used by the military to justify its overthrow of elected governments, even though its own corruption will likely be as great or greater in time.<sup>30</sup>

#### F. Political and Governmental Institutions

A major feature of democratic government is the existence of institutional restraints on power. How these are designed varies with each democracy.

A strong and independent judiciary provides one of the most effective checks on governmental power and, if effective and impartial in its administration, serves to guarantee the rule of law and accountability of rulers to those ruled.<sup>31</sup> Not just the judiciary, but also the entire administration of justice system, including effective police and investigative work, is important to ensure the timely and fair administration of justice.

Strong legislatures are also necessary to balance the power of the executive and judiciary, and to oversee and monitor expanding and modernizing bureaucracies. To be effective, they must not cede law-making authority to the executive branch through presidential decrees.

Free and fair elections are at the core of a functioning democracy. Independent electoral tribunals are needed, with adequate financing from central government budgets.

Political parties and party systems are critical to stable democracy. A strong party system is an important way to moderate and channel popular demands and provide the electorate with a coherent program that reflects their beliefs and interests. A strong political party system discourages open popular appeals, controls demagoguery, and provides a consensus-building framework for selecting candidates and a national program.

A system of two or a few parties with broad social and ideological bases is considered conducive to democratic stability.<sup>32</sup> Also critical is the overall institutional strength of individual parties. Democracy is strengthened by the emergence of political parties that are not only responsive to constituent's needs but also show organizational strength, policy and program coherence, and independence from individual leaders or state or social interests.

#### G. Decentralization and Devolution of Power

One of the stronger generalizations emerging from the DLL study is the danger for democracy of excessive centralization of state power. Centralization in LAC has tended to be at the expense of local autonomous groups, civic organizations, labor and ethnic interests. In general, the democratic process in Latin America and elsewhere has been linked with the process of decentralization.

Concentration of economic and political power at the center, (in the U.S. this would be the issue of states' rights) feed insecurity, violent conflict, and even secessionist pressures. Peru's Sendero Luminoso's success so far has to do largely with its ability to exploit deep-seated resentment over the loss of political rights and lands to the elites in Lima.

The cleavage between the highlands and the much more developed coastal areas of Peru, and the regional inequalities more generally throughout Guatemala and the Andean countries of South American, should be viewed in light of this conclusion from the DLL study: "When ethnic leaders are allowed to share power, they generally act according to the rules of the regime, but when the state responds to ethnic mobilization with exclusion and repression, violence festers."<sup>33</sup>

A democratic state does not necessarily mean a weak state, but rather one that allows for as much freedom as possible while maintaining the laws and providing key social services. In a democratic state, the bureaucracy as well as the elected leadership must be subjected to democratic controls.

Centralization of economic and political power and the absence of accountability allows for considerable corruption, as well as mismanagement and inefficiency. Extensive state control over production, employment, and trade creates opportunities for the collection of "rents" by state agents or bureaucrats. In addition, the existence of a special relationship between the state and their clients--special interest groups, business, and the military--creates a framework in which economic benefits are distributed according to considerations other than democratic equity. This bureaucratic-clientelistic structure undercuts the predisposition of elite groups and their patrons in the government to give primacy to democratic modes of rule. Strong regional and local governments can offset this tendency, although the danger does exist that they too can be captured by local elites.

#### H. Structure and Role of the Military

Subordination of the military to civilian rule is a critical and obvious requisite for democracy. This issue is more fully discussed in Chapter three.

#### I. Civil Society: Pluralistic Diversity and Alternative Information and Opinion Sources

It has been argued ever since Edmund Burke and Alexis de Tocqueville that intermediate and autonomous private institutions are essential if democracy is not to degenerate into tyranny. Popular participation in democratic society takes place at the social as well as the political level through a variety of interest groups, labor unions, occupational groups, and voluntary associations created for all sorts of local or regional purposes. These institutions stand between the individual and the state, providing channels for the articulation and practice of democratic interests.

Similarly, a free and vigorous press is a critical requirement for democracy for at least three reasons: first, to enable citizens to freely articulate opinion and policy preferences<sup>34</sup>; second, to support free and fair electoral competition by making information about parties and candidates widely available; and third, to provide a watchdog over government behavior.

Along with a free press is the requirement of freedom to publish and disseminate material that does not exceed any democratically agreed-to limits ( i.e. national security, pornography, etc.)

J. Socio-economic Development Levels and Income/Wealth Distribution

Democracy is fostered and sustained not only by dynamic economic performance but by a relatively advanced level of socioeconomic development. The DLL study asserts that "the most powerful predictor of political and civil liberties is not any of the conventional measures of national wealth or industrialization, but rather the physical quality of life, as measured by adult literacy. This finding, particularly striking among the less developed countries of the world, implies that economic development improves the prospects for democracy most significantly to the extent that it yields broad improvements in popular well-being."<sup>35</sup> The effects of increased education and literacy on individual political participation and values hold more broadly for advanced levels of socioeconomic development, also encompassing increased levels of income, mass communications, industrialization, and urbanization. As Samuel Huntington has noted, these processes of modernization, both individually and collectively, "extend political consciousness, multiply political demands, broaden political participation."<sup>36</sup> However, this does not ensure democratization, since political institutions must then develop and adapt to incorporate this increasing participation through legitimate, peaceful processes. But it does create the possibility and momentum for democratic change.<sup>37</sup>

The latter problem points to the relationship between development and income/wealth distribution as an important factor shaping the democratic prospect. A major reason why socioeconomic development tends, in the long run, to favor democratization is because it creates a strong and relatively prosperous middle class, reducing the number of groups in society who feel oppressed or economically deprived. These middle sectors tend to be more secure and politically moderate.

With regard to inequality, the DLL and other recent studies strongly support the longstanding theory that democracy is served by greater socioeconomic equality. Edward Muller's recent study of 55 countries finds that "all democracies with high income inequality (an upper-quintile share of more than 55 percent) were unstable. These very inegalitarian democracies were highly susceptible to military coups.... By contrast, 70 percent of the democracies with an intermediate level of inequality (an upper-quintile share between 45 percent and 55 percent) maintained stability, and all of those with relatively low inequality (an upper-quintile share of less than 45 percent)

were stable." Muller notes that, "democracies as of 1961 with extremely inegalitarian distributions of income during 1960-1980 all experienced a breakdown of democracy..., while a breakdown... occurred in only 30 percent of those with intermediate income inequality. It did not occur at all among democracies with relatively egalitarian distributions of income. This negative effect of income inequality on democratic stability is independent of a country's level of economic development..."<sup>38</sup>

#### K. International Factors

While Latin American swings toward democracy came about due to internal political and economic developments primarily, the international trend towards democracy has no doubt played an important supporting role. In addition, diffusion of democratic norms and models from successful democracies can be useful to countries attempting to consolidate democratic gains.

Direct international assistance to strengthen democratic institutions and formal and informal organizations is to some extent a newer phenomenon and more difficult to assess, but Western assistance to democratic movements in Eastern Europe, especially to Poland, and more recently to democratic forces and in support of free elections in Nicaragua, are believed to have had important positive impacts.<sup>39</sup> The recent trend toward increasingly systematic international observation of potentially troublesome elections appears to have helped ensure free and fair elections and expose problems in several developing countries like Nicaragua, Namibia, and Pakistan.

At the current time, however, with new Latin American democracies in deep economic recessions, the most important international influences on the democratic prospect appear to be economic. The DLL study concludes:

We cannot ignore the degree to which international economic constraints--severe indebtedness, weak or obstructed export markets, sluggish growth and demand in the industrialized countries, and steep balance of payments crises--may severely limit the maneuverability and damage the legitimacy of democratic regimes, especially relatively new ones, in developing countries....<sup>40</sup>

#### L. Political Leadership

All three of the large, multi-country comparative studies of democracy in recent years<sup>41</sup> give substantial emphasis to the impact of political leadership on democratic transition and maintenance. Socio-economic and political structures constrain but do not determine the actions of political elites. Regime performance is to a great extent a consequence of the policies

elites choose and the skill with which they implement them and mobilize supportive political coalitions.

Two factors are especially salient with regard to the impact of political leadership on democracy. First, the norms and values of leaders affect the choices they make and the style of their behavior. Militant, uncompromising, polarizing, and self-aggrandizing stances on the part of political leaders are prominently associated with the collapse of democracy throughout the developing world. Ultimately, the survival of democracy will depend on the will and capacity of the political leadership to make democracy work even in the most difficult of circumstances.

A second factor in political leadership concerns innate leadership abilities and political skill. Some leaders are intrinsically more skillful, forceful, conscientious, humane, articulate, charismatic, and persuasive than others. This involves both understanding of complex issues, so that wise and intelligent policies can be crafted, and techniques of effective campaigning and governance, including use of rhetoric and the media, so that dramatically committed and able elites can become successful democratic leaders.

#### M. Conclusion

To summarize this chapter, perhaps the single most important factor, in the long run, determining whether the fragile democracies of the region will survive or fall will be the socio-economic performance of the new democratic regimes. But other dimensions of performance including the maintenance of law and order are also very important, and these require the presence of effective political and legal institutions. Even the regeneration of economic growth with equitable distribution will require not only intelligent policies and a favorable international climate, but also political leadership and societal organizations capable of producing coherent, sustainable, broadly acceptable policies. This in turn depends on a more organized and resourceful civil society, a better and more pluralistically informed population, and stronger democratic values among both the masses and the elites.

### III. Assets and Constraints to Democratic Consolidation in LAC

This chapter discusses the constraints to and positive factors for democratic development in LAC, with reference to the requisites identified in the preceding chapter.

### A. History and Political Culture

Latin America has a long experience with authoritarianism, and to a lesser extent with democracy. The authoritarian administration of the Latin American colonies by monarchical Spain and Portugal for over three centuries established the basis for highly centralized governance and helped legitimize nationalist absolutist regimes after the break with Spain. Liberal efforts after Independence to establish constitutionally checked governments succeeded in only a very few cases (Chile, Argentina). Constitutional movements in Mexico, Brazil, Peru, Colombia, and most of the region eventually lost out to authoritarian, oligarchical, or one-party systems.

As noted by the DLL study, "few issues in the study of Latin American political development are more contentious than the role of political culture. Some scholars have insisted, as does Howard Wiarda..., that the 'political culture, inherited from Spain, has been absolutist, elitist, hierarchical, corporatist, and authoritarian,' and that this enduring cultural legacy inevitably shapes and constrains the possibilities for democratic development."<sup>42</sup> Lawrence Harrison asserts that "in the case of Latin America, we see a cultural pattern, derivative of traditional Hispanic culture, that is anti-democratic, anti-social, anti-progress, anti-entrepreneurial, and, at least among the elite, anti-work."<sup>43</sup> Harrison cites characteristics of the Latin American "national character" that foster exploitative individualism, caudillismo/machismo, personalismo versus respect for law; social rigidity; and negative attitudes toward democratic development throughout most of the region.<sup>44</sup> Such observers point to the mercantilist and exploitative orientation of the conquistadores as reinforcing the fundamental value premises of the Hispanic world: "fatalism ... hierarchy ... dignity (the person has intrinsic worth or integrity, but this has nothing to do with rights, initiative, enterprise, or equality of opportunity), and male superiority (from which flow authoritarianism, paternalism, and machismo)."<sup>45</sup> These characteristics, largely untouched in the 19th century by French Enlightenment thinking, were reinforced until relatively recently by the Catholic Church's teachings and by the encomienda and hacienda systems of agriculture that virtually enslaved their workers and engendered dependency relationships, reflected today not only in rural areas but also in urban patron-client arrangements.

In addition to these factors, the DLL study points to the impact of the wars of independence and the subsequent long history of wars between the emerging states in destroying the continuity of most political and administrative institutions during the nineteenth century. This, compounded by the size, artificial boundaries, rugged mountainous terrain in some countries, and geographic dispersion of the territories, gave

rise to long periods of civil war and instability, thus making continuous progress toward constitutional, stable, democratic government and the establishment of even a weak central authority very difficult to achieve. This "destruction of the center of authority and ... constant conflicts between centers and peripheries ... complicated the process of state building for decades," legitimized the importance of the army in state building, intensified the military's real concern about the security of their borders, and created potent nationalistic sentiments. The nationalism bred by this legacy of insecure statehood and interstate conflict has facilitated some of the populist mobilization linked today with anti-imperialism and anti-United States leftism. "The belief in a strong state--when actually its resources are limited and its institutions weak--leads to a fundamental tension in many Latin American countries."<sup>46</sup>

Despite these undoubtedly potent historical and cultural factors, the DLL study finds that most scholars of Latin American democracy reject "the cultural thesis" described above, both on theoretical grounds and because of recent empirical analyses that do not find evidence of predominantly authoritarian political cultures even in such countries as Mexico and Argentina, which have known stable or recurrent authoritarian rule.<sup>47</sup> Peruvian Hernando de Soto's groundbreaking studies have also demonstrated that semi-literate indigenous peoples are as democratically spirited as any North American. Despite huge odds and an unsupportive government, these groups have developed functioning democratic alternatives to the official statist sector.

In addition, the recent failure of statist regimes has reinvigorated support for the idea of democratic government among Latin Americans.

Nevertheless, there exists in Latin American society today a profound cultural conflict that undermines the more visible democratic developments. This division is between those who assert the rights of individuals and thus a more limited role of government, and those who favor a more collective or corporatist view of political participation. The collective view requires a strong centralized state with few restraints on its political and economic powers. This view also sets up the patron-client framework wherein economic rewards and political rights are predicated on a privileged relationship with the state. The idea of political rights and liberties as universally imparted to all citizens is essential to democracy. But within the corporatist statist structure only a privileged few enjoy these rights.

Despite the recognized failure of statist political and economic structures to bring growth and political stability to

the region, statism as a mind-set continues to prevail among LA policy makers. Governments in Latin America thus may have a democratic form, but the regime, that is, the permanent state, may continue in its statist form. The liberal democratic tradition, always an element of popular aspirations in Latin America, has never succeeded in overcoming authoritarian structures and tendencies. The idea that power is vested in the people has never actually been translated into practice. Instead, the operating principle of government, even in the new democracies, continues to be "ruler versus ruled." This means that decisions are made at the top, without public knowledge or participation, and even those decisions made at a local and democratic level are often annulled by executive decree or undermined by manipulations of a judicial system that continues to serve elites. Thus the main requirement of democratic government--participation by the people, either directly or through their representatives, in the making of laws--is still very weak in Latin America, and the will of the elites to transform their regimes into genuine democratic systems is still an important missing ingredient to successful democratization.

#### B. Literacy and Education

Although it is increasingly apparent that the lower classes, including indigenous groups, are fully capable of adapting to the idea of democratic participation, the need for educational and training opportunities is critical in most LAC countries. Literacy rates have generally improved throughout the 20th century and are well above those in the poorest third-world regions. However, the World Bank's World Development Report 1990 figures indicate that education opportunities for the lower classes have contracted during the 1980s. Tighter budgets have reduced spending on primary education. Lower enrollment rates accompanied by high dropout rates add up to an increase in illiteracy. Even where efforts were made to increase the number of primary schools, the quality of these schools has been poor. There are fewer trained teachers and a scarcity of textbooks and other basic resources. In Brazil only 23 percent of all schools had received first grade textbooks by the early eighties. In the Dominican Republic fewer than 20 percent of eighth grade students in public schools had math textbooks. Governments tend, moreover, to concentrate their spending on higher level training and education over services that benefit the lower, most populous classes. In Chile, Costa Rica, the Dominican Republic, and Uruguay, people in the top one-fifth of the income distribution receive more than 50 percent of the subsidies for higher education; the poorest one-fifth receives less than 10 percent. Civic education programs are deficient at all levels in most Latin American countries. Much remains to be done through both formal and non-formal education programs to create the well-informed citizenry that undergirds stable democracies.

### C. Physical Quality of Life

Many of the nations of Latin America have moved well through the demographic and rural-urban transition during the 20th century, so that their populations are relatively urban and have markedly better levels of literacy, access to health care, and longevity than was the case in previous decades. Until 1980, with each succeeding decade of the twentieth century, a smaller proportion (but a larger number) of Latin America's population has lived in poverty. However, the data on the cumulative impact of the 1980s' regional economic crises is not yet in. While economic indicators have clearly fallen, data remains to be analyzed for more-difficult-to-measure health measures. Current estimates are that the economic downturn experienced throughout the region constrained government spending on health care needs. This is reflected in World Bank figures showing a very slow and sometimes flat rate of improvement in health care indicators. Indications are that this slowdown has contributed to migration, disaffection of youth, social alienation, and privation.

Even where government spending remained steady or increased, it was inefficient. The concentration of spending was in the urban areas, and tended to emphasize higher salaries for doctors and other health care specialists to the detriment of such basic needs as hospital beds and badly needed rural clinics. In Peru for example, two thirds of the doctors live in Lima, providing care for just 27 percent of the total population.

People have returned to the polls in the hopes of electing governments more responsive to their basic needs. The economic crises has made it difficult for democratic governments to find the resources to carry out badly needed social programs. If progress is not made on this front, segments of the region's population could be, at best, disaffected from politics and, at worst, easy targets for anti-democratic populist solutions.

### D. Economic Growth and Income/Wealth Distribution

During the 1980s economic growth in the region slowed and income and wealth became more inequitably distributed, exacerbating a pattern of income and wealth distribution that is among the worst in the world. World Bank figures indicate that real gross domestic product per capita in LA averaged a negative .6 percent during the 1980s. Based on partial data for the region, the World Bank estimates that 20 percent of the population in some of the largest Latin American countries receive over fifty percent of all income.

The DLL study notes that, "deep, cumulative social inequalities [have] been a contributing factor to the instability of democracy in much of Latin America, including the

Dominican Republic and Peru, and most of Central America."<sup>48</sup> It also poses an acute challenge now to democratic consolidation in Brazil, which has one of the worst income distributions of any country in the world for which data is available. Bolivar Lamounier, one of Brazil's leading political scientists and democratic thinkers, has shown that the marked failure to reduce inequality was an important structural factor undermining the previous democratic republic and contributing to its breakdown in 1964.<sup>49</sup> However, countries like Brazil, Peru, El Salvador, and Guatemala face a difficult political situation in this regard, because "policies to reduce inequality, such as land reform, carry serious short-term political risks, while reducing absolute poverty requires long-term policy commitments that may be politically difficult to sustain."<sup>50</sup>

If, on the other hand, there is economic progress during civilian democratic rule, democratic political legitimacy will be enhanced and prospects for democracy strengthened. The worst outcome for democracy would be economic recovery with increased concentration of wealth and income. This is a possibility only if democratically elected governments fail to open the economy to greater participation from below, opting instead to continue with the mercantilist, oligarchic policies of the past. As Hernando de Soto concludes:

The evidence gathered so suggests that stable development will be possible only when mercantilist institutions are changed for those of a modern market economy and participatory democracy ... Sustained and equitable development is most certain to occur when the energies and aspirations of individuals find expression in an atmosphere of economic and political freedom.<sup>51</sup>

#### E. Honesty and Competence of Government

One of the truisms of unaccountable, overly centralized governments is that they institutionalize corruption. Corruption attained unprecedented levels among LA governments in recent decades due to the new levels of borrowing to expand the state's economic involvement. The absence of institutional restraints on official behavior coupled with the new rationale for expanding state regulation over the economy ensured endemic corruption. Argentina's President Carlos Menem stated recently that Argentina is a monument to corruption. Argentina is no exception. Corruption at the official level continues to constrain the opening of political and economic channels to greater participation. Mercantilism is alive and well in Argentina, Peru, and Brazil, to name a few democracies, as economic elites are protected from the competition of rising entrepreneurs. If this does not change, the majority may well conclude that democratic elections have achieved for them few tangible benefits.

It is significant that characterizations of the state and politicians in power as corrupt and self-serving preceded a number of the breakdowns of democracy of the 1960s and '70s. Despite the election of civilian leaders, Latin American governmental institutions are widely seen not only as corrupt but also as inefficient, ineffective and ill-designed to serve current needs. Paralleling the political culture, the administrative culture of most Latin American governments is characterized by low levels of productivity and effectiveness.

"In the LAC region this administrative culture is characterized by:

- Organizational hierarchy and levels of communication that discourage initiative;
- Work attitudes and values that do not reward performance;
- Personnel management that does not encourage human resource development;
- Low pay that often requires moonlighting, (and thus poor job attendance) and encourages corruption;
- Inadequate budgets and training for computer and other technological tools, and for operating costs; and
- Overly political civil service systems, where jobs are awarded as political patronage and concepts of merit and continuity are lacking.<sup>52</sup>

These factors all combine to produce an atmosphere of cynicism, passivity, helplessness, and frustration rather than a positive, "can-do," mission-oriented outlook.

On the positive side, the momentum for political change in the region has created opportunities for establishing new governmental standards of performance and honesty. There has been a surprisingly positive response to A.I.D.'s recent anti-corruption financial management project, discussed in chapter four. But these efforts will only be effective if institutional restraints are built into the system. These include a functioning and independent judiciary and an independent legislature with powers to check executive prerogative (discussed below). The general failure of so many governments to check corruption is rooted in the lack of these critical institutional restraints, as well as the cultural and historical factors described above.

## F. Political and Governmental Institutions

The lack of institutional restraints on government power continues to be a major obstacle to lasting democratic change in Latin America. Most critical, at the governmental level, is the lack of a strong and independent judiciary and legislatures capable of checking executive power.

### 1. Administration of Justice

One of the most serious constraints to democracy in Latin America is the weakness of the judicial system. This is due to the historical persistence of the authoritarian tradition, the expansion of the state, a too-powerful presidential system, and the rise of military regimes throughout the hemisphere. All of these forces have undermined the independence of the judiciary, ensuring that it became a creature of the ruling elites. For democracy to flourish and retain the support of the people, it must guarantee that all are equal before the laws. It must also be able to guarantee that governments and public servants are subject to the laws and accountable to the people. The new democracies in Latin America have yet to establish this kind of rule of law. Again, the persistence of the statist mentality prevents the establishment of an independent and impartial judiciary. Privileged groups continue to exert their influence over governments and governments continue to bend the laws to serve particular interests.

The failure to establish an across-the-board system of justice is a major constraint to the development of a democratic society. Without legal guarantees of personal property rights and contracts, and impartial and efficient prosecution of civil and criminal cases, popular confidence in the democratic system will not develop. Individual economic initiatives and crucial local investments are discouraged by this lack of basic governmental protection. Human rights violations are not only not prosecuted, they are encouraged by the knowledge that violators belong to privileged groups and are therefore immune to the law.

Progress toward developing the technical expertise needed for an effective judicial system has been notable. Projects to train judicial personnel, improve court administration, revise and reform laws, bolster local institutional support, and improve criminal and investigative capabilities of governments are beginning to have a positive effect on local judiciaries. But without the determination of the ruling elites to subject all citizens to the rule of law, better training and reforms will be meaningless.

## 2. Legislatures

One of the major institutional components of an effective democracy is an independent legislature with adequate powers to check the executive. The political configuration of power in Latin America has always served the almost-unchecked power of the president. The president is only restrained by a limited, usually six-year term, by popular opinion, and ultimately by the military. Neither the legislature nor the judiciary have developed as independent constitutional powers capable of restraining the executive. Even in recently established democracies, the problem of an all-powerful executive still exists. Constitutional reform is required in almost every case. But legal and programmatic efforts to enhance the role of the legislature will be fruitless if a commitment at the top to act within constitutional limits is lacking.

Fortunately, a constitutional foundation for an independent legislature exists in many countries with past democratic histories. The idea of an independent legislature and the theory of separation of powers is reflected in almost every Latin American constitution. In practice, this idea has been subverted by the oligarchic state system that has dominated political development. Efforts to revive a system of checks and balances also runs against a deeply ingrained tradition of presidential prerogative. There is still considerable legitimacy for strong extra-constitutional presidential leadership in Latin America. And given the enormity of the social and economic problems facing so many democratic states, the temptation to fall back on extraordinary executive powers will remain strong.

Legislatures in Latin America need greater institutional capacity to perform their functions. This requires larger, better trained, more specialized staff to be attached in part to more effective and resourceful legislative committees, and better channels of communication between legislators and the public, including reasonable means of access for popular interest groups.

Significant progress has been made in recent years to begin improving legislative effectiveness. Reaction by Latin American legislatures to U.S. programs providing technical assistance for various legislative activities has been very positive. These programs focus on improving the capabilities to draft legislation, improving the analytical and management capacity through training, promotion of research, and consensus building on major legislative initiatives. Significantly, there has also been programmatic support for the development of effective oversight systems in the form of a professional auditor general who can provide legislatures with independent information on government programs. Such oversight capabilities are important to the strengthening of the institutional powers and independence of

this branch of government. Moreover, greater overall effectiveness of the legislative branch will improve its political standing before the public and the other governmental branches. This in turn will help revive and legitimize the idea of institutional legislative restraints on government power.

A second major constraint to the functioning of legislatures is political fragmentation. In a number of countries, especially those with little legislative history, no single party approaches a legislative majority and needed legislation can become deadlocked. Thus, prospects for legislatures becoming stronger assets for democracy are closely linked to the evolution of national political party systems.

### 3. Electoral Processes and Systems

The fact that since 1989 open elections have been held in virtually every Latin American nation shows the degree to which the liberal democratic idea of free, fair, and regular elections has taken hold. Increasingly, elections have become the basis for regime legitimacy in Latin America. No longer can a government or a one-party state assert with any credibility its authority over the people in the absence of elections. This fundamental fact has put pressure on every government in Latin America to open its political system to democratic participation.

However, not all recent elections were completely free and fair. In some countries some political interests were either unable to participate or faced discriminatory electoral practices. Improving electoral regularity and fairness has received widespread support in Latin American societies. For this reason technical assistance programs have been successful. Civic action groups, members of political parties, trade and labor associations, student groups, municipal governments, church and family associations have worked enthusiastically with a wide range of foreign experts to modernize and clean up the electoral process. Updating and computerizing voter registration lists, poll watching, civic education programs, and modern methods of vote counting are just some of the areas where significant progress has been made.

The overwhelming response of the Latin people to this kind of help testifies to the popular will to make democracy work in their countries. Moreover, as the electoral process is modernized and closely guarded by the people (with the help of the international press and international election observers), governments and anti-democratic elements will be less tempted to manipulate the system to their advantage. Although elections do not necessarily guarantee the good behavior of elected officials, they do provide another institutional device to hold governments accountable to the people that elect them.

#### 4. Political Parties and Party Systems

The decline of utopian political ideology in contemporary Latin America is an asset which has increased prospects for a less polarized political arena. Nevertheless, political parties remain factionalized and dominated by personalistic leaders.

In many Latin American countries there is a strong foundation for a political party system. However, the moderating and consensus-building capabilities of political parties have been undermined by the personal ambitions of their members. While it is true that the extreme political position of parties during the sixties and seventies have eased considerably and more moderate candidates and platforms are being fielded, the system is still dominated by personal power and the charismatic appeal of the candidate to the detriment of the political party. When in power, most candidates tend to act independently of their party as they consolidate the enormous executive powers available to them. Thus while the Peronists astound the world by their moderation and successful fielding of a pragmatic and conciliatory presidential candidate, they are still unable to control and moderate national policy.

Thus a major institutional device for controlling presidential power is not yet working. Nevertheless, the apparent development in most LA democracies of a two- or three-party system improves the chances that political polarization will not recur, and offers the hope that Latin American leaders will reflect the broadest range of interests rather than personalistic concerns and ambition.

#### 5. Structure and Role of the Military

The large political role played by the military in Latin America in recent decades establishes a dangerous precedent for military intervention should the new democracies perform badly in maintaining civil order and encouraging broad-based growth. Military interventions have in almost every case come about in the wake of major political and economic crises and the failure of democratic governments to create a stable political and economic order.

This history is reinforced by the military's size, autonomy, professional doctrine, and role conception. Significantly, once military role expansion occurs it tends to endure and even increase. Thus in certain cases where the military has handed over political power to a democratically elected government, it continues to rule behind the scenes.

Military involvement and influence in Latin American politics continues to be a serious constraint to the deepening of democracy. Not until the military subscribes to the democ-

ratic idea of rule by elected civilian rulers will democracy be safe from their continued powerful influence. In countries such as El Salvador and Guatemala the military influence is very powerful, undermining the very idea of democracy as a rule of law. In other countries, prospects for a diminished military role in politics seem more hopeful. Argentina, Uruguay and Chile offer genuine opportunities for constitutionally restraining the role of the military.

Historically, the military and the oligarchy together dominated many national political systems. Military-oligarchy relations changed in many contemporary Latin American countries when the military began to rule directly instead of behind the scenes. In power, the militaries produced their own oligarchical systems, sometimes in close alliance with key economic groups in the private sector. The military in most LAC countries continues to see itself as one of several elite interest groups whose loyalty to the government is based on self-interest. Should the democracies be unable to produce benefits for them, and if the economy is mismanaged and there is increasing social unrest, then the military may switch its support to a potentially better patron.

The rise of military regimes during the 1970s cannot be seen as a break with the traditional oligarchical forms of government. The players changed but not the system. Thus, despite the political retreat of the military because of popular democratic demands, the danger remains that the military, like other elites, continues to subscribe to the old rules of the game. In this game issues are settled by bargaining among powerful elites and special interests rather than by democracy.

In the last decade the military handed over power to democratically elected governments in most of LAC. This does not mean that the old oligarchic-military relationship has finally ended. In many countries this relationship has been simply rearranged: the military no longer directly runs the government but continues to demand and receive special privileges and immunities. In countries such as El Salvador and Guatemala the military remains a dominant political force but exerts this power indirectly and out of public view.

Full military retreat to the barracks is also hampered by the creation of conditions and national structures that prevent full subordination of the military to civilian authority. These range from constitutionally mandated "National Security" arrangements in Chile and Uruguay, giving the military veto power over key decisions, to similar but less formally instituted structures in Brazil and Peru, to the financial autonomy accorded military officers in El Salvador and Guatemala through the establishment of large, unregulated military banks.

The enormous failure of the ruling military governments in the 1970s to solve their country's desperate problems has made Latin American society more distrustful of military takeover than they might have been in the past. Democracies in the current cycle are therefore much more likely to be tenacious in their grip on power and much less likely to seek military help when a national crisis occurs.

Finally, progress has been made in the direction of improving relations between civilian sectors and the military through informal and formal meetings sponsored by third parties such as A.I.D. (see Chapter IV). This may be a positive step toward guiding the military into a genuinely pro-democratic position and a legitimate constitutional role. Much remains to be done, however, to assert full civilian control over the military in most Latin American countries.

#### G. Civil Society

Independent groups in Latin American civil society have been largely suppressed by authoritarian statist rule. Local as well as national organizations and associations have tended to be dominated by the state. Autonomous unions and civic organizations, for example, are considered a threat to the political and social control of an authoritarian state. One of the most striking developments in Latin America in the wake of the democratic movement has been the burgeoning of these autonomous groups. Even in Mexico, where democratic constraints are severe, local grass-roots level movements and organizations have sprung to life in response to a limited political opening at the top.

Latin America has a long if beleaguered history of neighborhood and other voluntary organizations. Many of these have been fostered and supported by the Church. Since the late nineteenth century the Church has been an important source of civic and social action movements maintaining the rights of free labor and trade organizations against the steady encroachments of the authoritarian state. The Church should be viewed as an important asset to the building of a democratically oriented civil society.

Two other important members of civil society are the media and labor.

The media has a very mixed history in Latin America. In countries like Argentina and Chile the media has enjoyed considerable independence, a high degree of professionalism, and a literate and critical readership. In other countries an independent press has struggled for even the most minimal conditions to survive. In addition, professional standards for accurate and unbiased reporting are lacking, which reduces

credibility with the public in attempting to function as the crucial "fourth estate" of democratic society. Most countries need improvements in technical proficiency, research capability, and education and training programs for aspiring journalists. In response to political liberalization, members of the Latin American press and media have sought and received assistance in organizing professional associations that have international and regional ties. These organizations are particularly important in restraining governmental interference, since governments are more reluctant to attack a newspaper that has an international support system.

As with most civic groups, the media has been quick to respond to the opportunities presented by democratic political openings. Its role as watchdog and critic of government behavior is a potentially important asset to developing democratic credibility.

The politicized nature of labor organizations has resulted in considerable repression of the free labor movement in Latin America. Nevertheless, this movement is an integral element of a free society. This does not mean that democratic governments cannot legitimately impose limits on labor, particularly in those countries where labor's antidemocratic tendencies are most known. In many countries labor has been a beneficiary of the state. This means that one or two labor organizations enjoy a monopoly over workers. "Free" labor, that is, the right to collectively organize and strike, has been subverted by co-optation by the state or by repression. Labor organizations that are tied to the state therefore view themselves as privileged interest groups. As with the military in many cases, labor has a stake in the perpetuation of an oligarchic style of government which gives them privileges and benefits in exchange for loyalty. The intransigent anti-democratic posture of Mexico's dominant labor confederation, CTM, is one such example. Democracy is served by truly free labor but it is endangered by labor that has too long enjoyed the benefits of a statist authoritarian state.

#### H. International Factors

While the nature of a country's political system is most affected by internal domestic forces, international factors also make a difference, sometimes a decisive one. The demise of communism as a viable political and socio-economic systems has had momentous impact on legitimizing democracy as a political system for all countries. Increasingly, democracy is being accepted as the best means of guaranteeing liberty for all peoples and cultures. This helps bolster democratic regime transition and the difficult process of consolidation.

International actors have an impact on the process mainly by closing or opening options to domestic policy makers. This is particularly true of the economic crises being experienced by most of these democracies. The overall international policy towards the debt problem, solidly backed by the U.S. government, is a serious constraint to democratic transition. The debt crisis has brought new international pressures on democratic governments and their fragile societies. Under imperatives from the IMF, the World Bank, and the U.S. Treasury, these governments must adopt austerity measures that force terrible economic hardships on their people. New credits, which merely cover debt service needs, are conditioned on politically risky structural reforms. Some of the reforms are needed and may in fact contribute to long term economic growth. But in general, the purpose of these reforms and austerity measures is to ensure steady payments to creditor banks. The net effect is to dry up national capital markets, discourage small business and other forms of individual economic development, and make life harder for the majority, especially the poor.

A fourth important international factor is economic cooperation. The "Enterprise for the Americas Initiative" (EAI) was avidly discussed on President Bush's recent region-wide trip. This proposal for hemisphere-wide cooperation in trade is the most comprehensive example of an arrangement which may both help create socio-economic contexts favorable for democracy and create a "carrot" for the reinforcing of democratic institutions. In many quarters it is seen as a contrast to developed nations' inattention to regional international indebtedness problems. Whether or not timely progress is made on the EAI, the possible creation of a "North American Common Market" involving the United States, Canada, and Mexico would be an important asset affecting the Latin American country geographically closest to the United States, and whichever other countries may join.

Finally, the escalation and internationalization of narcotics trafficking threatens democratic stability by undermining the rule of law, increasing levels of social violence, and introducing drug use among the country's young. Bilateral military solutions to this problem may undermine both international and civil-military relations important for strengthening democratic government. Multilateral cooperation stressing the use of national police and judicial systems, if successful, could prove to be a powerful asset in the consolidation of democratic politics in the hemisphere.

#### I. Political Leadership

One of the major obstacles to democratic consolidation is the time honored tradition of the all-powerful executive. Personalismo, presidencialismo, caudillismo are just some of the

half-admiring, half-disdaining adjectives used to describe this indisputable feature of Latin politics. Overcoming this obstacle, paradoxically, requires a strong leader who is able to rise above particular vested interests and rule in the broader national interest. Paz Estensorro in Bolivia, for example, succeeded in rising above the demands of vested interests and carrying through with a successful free market and democratic reform program during his administration. Overcoming sectoral and interest-group divisiveness also requires the engineering of explicit pro-democratic political pacts among political groups and elites. Such coalition building requires enormous political skill and experience. While skillfulness is certainly evident, the lack of experience and the sheer enormity of the task poses constraints to democratic leaders in the region.

In recent years it has been difficult to sustain strong, clear-sighted national leadership in Latin America. Divisive national politics, crushing national and international economic problems, and inadequate national institutions have placed tremendous pressures on Latin American politicians. Even with well-formulated plans, leaders bending to pressures for price or wage demands or special political favor have undermined policies and governments in the region. It has been all too easy, especially after the euphoric honeymoon of a government's initial months or during a government's final lame-duck months, for leaders to bend to pressures or to revert to historic panaceas of populism or caudillo-type leadership.

Leadership is also important on the international level. The leadership of the United States will be an asset for the consolidation of democracy in Latin America if it gives clear signals about its commitment to democracy and if it encourages policies consistent with that commitment. Its own policies must also be consistent with this overall objective. Thus newly envisioned economic partnerships with the regional states, debt-reduction schemes, reduction of narco-terrorism, military and police cooperation, and developmental support, should be seen as tactics in the overall strategy of strengthening the democratic regime. In addition, as part of this overall strategy, it will be vital for United States policy to support nations' political party systems, and not favor particular political parties; consistently support civilian control of the region's armed forces; and encourage the development of strong, independent judicial systems and legislatures. A strategic doctrine for democracy requires for its success strong bipartisanship and coherence--elements that have often been lacking in the past.

#### J. Conclusion

While elections and certain reforms have registered genuine gains for democracy, it would be premature to celebrate the creation of self-sustaining pluralistic democracy in the region.

In most Latin American nations, effective accountability of political leaders to a broad citizenry, and genuine subordination of the military to civilian authority are still distant goals. The persistence of an oligarchic or statist mentality among the rulers and their powerful interest groups such as the military, labor, and the host of mercantilistically oriented business clients of the state, has kept genuine democratic restructuring from taking place. Despite this, the people have shown a consistent support for democratic processes, responding enthusiastically to the promise of a more open and free political and economic system. This response is evident not just at the polls, but in the growth of civic action groups, social and environmental groups, human rights organizations, and trade and artisanry associations that reflect a broad-based belief in the value of democratic participation and expression. The old beliefs that Latin Americans are not capable of participating in a democracy because of their authoritarian culture and economic backwardness are being discredited.

Some nations have stronger democratic institutions and more supportive political culture and traditions than others. These include Costa Rica, Chile, Uruguay, Venezuela, and nations in the English-speaking Caribbean. These nations can provide models and guidance to those states lacking a democratic tradition. Costa Rica, for example, has taken the lead on a number of occasions providing support and guidance to emerging democracies in Central America. In South America, tiny Uruguay has set precedents for democratic consensus-building that have been followed by Argentina and Chile.

#### IV. The Proposed Strategy and Program

##### A. The Broader Context

A number of the foregoing constraints cannot be addressed directly by A.I.D.'s democratic development program, or in some cases even by A.I.D. Economic growth and development will depend heavily, for example, on reducing debt and international trade barriers. In these areas A.I.D. can only try to influence the primary policy-making agencies--the State Department, Treasury, USTR, NSC--by reminding them wherever and whenever possible of the paramount importance of advances in these areas for democratic progress, and in supporting their efforts to seek Congressional support for those liberalizing proposals that are made.

The efficacy of host-country growth and social programs, together with A.I.D. and other-donor efforts, will determine whether all-important progress is made in broad-based development (growth and improved social welfare). These programs are outside the purview of this strategy for the most part.

In other areas, such as asserting civilian control over the military, the State Department and the relevant U.S. Ambassador will be crucial in determining whether, when, and how to engage in policy dialogue, and how much leverage to seek to apply in this most sensitive area.

There are certain implications of the analysis in preceding sections for LAC program priorities, beyond the specific activities to be proposed for a democratic development program. Clearly, for example, the importance of basic education, and of certain kinds of education at higher levels (civics, economic and political analysis, participatory management training) is underscored. The need for greater attention to women-in-development considerations and activities is suggested by the need to alter authoritarian attitudes and behavior throughout LAC society, which in part means altering male-oriented attitudes and behavior. And clearly, given the very strong correlation between equity and democracy, LAC should give more serious attention to distributional issues in both policy dialogue and program/project design.

#### B. Geographic Priorities

LAC will focus its efforts on the political systems of Latin America most likely to benefit from its assistance--the middle-range countries as ranked by Freedom House. It is A.I.D.'s belief that the "free" countries do not need much assistance and that the "not free" countries (now only Cuba) can be assisted only in limited fashion if at all. However, opportunities that arise for key assistance to certain "free" and "not free" countries will be responded to with limited funds, especially in marginally "free" countries that show signs of deterioration.

The attached table (Annex I) arranging Latin American and Caribbean countries by population size and showing their current Freedom House rankings as democracies (with changes during the past year) is suggestive regarding desirable resource allocation trends. If this paper's thesis that the rationale for the democracy program is based primarily on U.S. economic interests and the "humanitarian" objective of extending freedom because it is in keeping with our core values to do so, then it follows that efforts should be focussed on those middle-range countries with the most people and the largest economies. This argues for considerably increased support for certain Advanced Developing Countries (ADCs) where feasible, notably Mexico and Colombia, and to a lesser extent Paraguay. Other priority countries would be Peru, Chile, Guatemala, Haiti, El Salvador, and Nicaragua, where significant assistance is already ongoing or planned.

It must be acknowledged that this paper focusses primarily on the problems of Central and South America, not the stronger democracies of the small- to mini-sized countries that are

primarily Caribbean and primarily former English colonies. Within this group, which contains less than 2% of the region's population, only Guyana and Suriname have problems serious enough to be ranked less than "free." The Caribbean mini-states will require separate analysis if programs there are felt to be justified, beyond the limited ongoing regional AOJ activity and planned elections support for Suriname and Guyana.

### C. Proposed Program Areas

Beyond the above-described broad program considerations, the following are the specific areas that appear to warrant A.I.D. investment. They fall into three broad categories:

- 1) government competence, accountability and responsiveness;
- 2) pluralism and autonomy in civil society to balance and limit state power while providing channels for democratic participation; and
- 3) strengthening the democratic culture--values, attitudes, beliefs, and information that support democratic pluralism and are required for effective leadership.

In most respects the proposed programs represent a continuation of initiatives that have already begun, with a consolidation and restructuring of efforts in some areas and a broader, more comprehensive approach in others. The primary new areas of initiative are those to improve the competence and responsiveness of government through increased attention to public sector management reform and strengthening of local/municipal government.

#### Strengthening the Competence of Government Institutions

##### 1. Strengthening the Rule of Law

Continued programs are proposed in two main areas: the administration of justice, and adherence to human rights.

##### a. Administration of Justice (AOJ)

The AOJ program has been a major element of LAC's DI program, due in large part to Congressional earmarks. This program seeks to increase the independence and competence of justice systems in Latin American countries through a broad-based assistance program. Activities are designed to train judicial personnel, improve court administration, revise and reform laws, bolster local institutional support, upgrade local law libraries, upgrade judicial qualifications, assist local and regional bar associations, improve criminal investigative capacities of governments, establish and expand public defender systems, conduct public education programs and continuing legal education, and publish case reports and textbooks.

The program includes waivers of the general prohibition on police assistance for purposes of enhancing police investigative and forensic capabilities, management training, and academy curriculum development. Unlike A.I.D.'s earlier public safety program, which was terminated amid allegations of the use of torture by U.S.-trained police, this program does not provide general law enforcement training. The U.S. Department of Justice administers the investigative assistance component in such a way that promotes coordination among police investigators, prosecutors, and judges.

The major constraint to the program's effectiveness is the lack of high level commitment to genuine reform. Pressures from powerful vested interests and the manipulation of the legal system to favor certain groups, continues to block real progress.<sup>53</sup> Nevertheless, there is a great interest in the program throughout the region, and a surprising lack of resentment at American involvement.

LAC's principal objective remains authentic judicial reform--that is, the identification and correction of fundamental deficiencies in the justice systems, not mere cosmetic improvements. The delivery of commodities and training, or the hiring of additional public defenders or prosecutors, are not indicators of success, though they may be desirable in themselves and necessary for project implementation. LAC aims instead to facilitate the development of dynamic national processes for the rejuvenation of justice systems that will become self-sustaining. Success will depend on the talent and commitment of individuals and the political climate which may favor or disfavor necessary decisions.

This ultimate objective places a premium on the involvement of locals in the analysis of their own country's problems and the establishment of a framework within which they--not outside experts--take responsibility and credit for the development of corrective measures. Project design should thus give priority to the identification of local resources in each country and their potential contribution to the process of judicial reform. Local experts should be tapped or cultivated for every possible project task. U.S. contractors should be brought in only to fill specific gaps and where their expertise can begin to be assimilated by local institutions.

As the best analysts are likely to be found outside the justice system--be they private practitioners, researchers, management consultants or systems engineers--projects should forge private/public partnerships for analysis and implementation. The elements of this relationship will vary from country to country. Projects that have begun by focussing directly on public entities and working within their priorities should incorporate other voices and broaden the base for discussion and

participation in judicial reform. Inclusion of the private sector, moreover, offers the possibility of continuity of efforts beyond terms in office.

Projects should be designed within and not ahead of the political will and technical capacity of the countries. They must address local priorities. If those priorities do not include issues that are essential from LAC's standpoint, LAC must resist the temptation to impose them through a project. LAC should consider instead whether a project directed at other issues is worth pursuing and could eventually develop to address our priorities with the help of a carefully orchestrated policy dialogue. If LAC sees no such promise, no assistance should be offered. Similarly, if a key institution is not seriously interested in correcting generally recognized deficiencies in its operations, it should not be offered major assistance. It might participate instead in activities involving a broader group where its will to address such issues could be tested and strengthened over time.

During the planning period, LAC envisions continued support at the \$20-25 million level annually for programs already initiated or planned in many LAC countries, and continued regional support at the \$8-9 million level for programs of ILANUD, ICITAP, and other private organizations (e.g. ABA, IABF). See attached Table II of Annex III for country details.

#### b. Strengthening Human Rights

LAC's objective is to strengthen respect for and observance of internationally recognized human rights. There is a well-established system for the protection of human rights in the Americas. LAC's support has primarily been through the Inter-American Institute of Human Rights (IIDH), created in 1980 with LAC funding. The IIDH, located in San Jose, is a non-governmental, non-political, international academic institution dedicated to human rights education, research and promotion. Its approach is inter-disciplinary and assures ideological pluralism. Its work is directed towards the analysis and study of human rights, and it offers training for individuals and organizations engaged in the protection of human rights. The Institute's mandate prohibits it from investigating cases of alleged violations, evaluating the conduct of individual states or other organizations, or attributing responsibility for such violations to individual bodies or groups.

LAC currently supports the education and research activities of the IIHR. Areas of special focus are human rights education in schools at all grade levels; rights of women, indigenous peoples, refugees and displaced persons; and training for human rights lawyers and activists.

During the FY 93-97 period, LAC proposes support for a series of IIDH courses aimed at judges and magistrates, legislators, police and security forces, the media, and grassroots organizations such as unions, community associations, and cooperatives. LAC also proposes to support IIDH's assistance to human rights non-governmental organizations (NGOs) in Central America, Belize, and Panama. IIDH will provide training and mechanisms for dialogue to resolve ongoing problems in these countries; it will also conduct its usual research and reporting activities.

Continued core support is also proposed for IIDH's publications, research, and library/documentation center units.

LAC will develop with IIDH a plan for reducing its core support as a percentage of total funding. This has been made feasible by the considerable support received by IIDH from other countries, from private foundations and the Spanish Red Cross.

### c. Property Rights

In recognition of the need for legally protected property rights, LAC/DI proposes a two-pronged program: an effort to improve the legal, regulatory, and judicial climate for the efficient allocation of resources in a competitive market economy; and support of efforts to secure title to lands and property for low-income citizens in urban and rural areas. LAC plans to work through such organizations as the Institute for Liberty and Democracy in Peru, but primarily this work will be done through bilateral programs and add-ons to existing activities and those that may emerge from ongoing research being sponsored by PPC, in which LAC is participating. A Bureau Working Group under DAA/LAC chairmanship is currently considering ways to formulate a strategy and program in this area.

## 2. Strengthening Electoral Processes and Institutions

LAC's objective is to support and strengthen independent and non-partisan electoral tribunals to ensure free, fair, and open elections with diminishing need for external observers and support.

In 1983, at the urging of Latin American leaders, the IIHR created the Center for Electoral Promotion and Assistance (CAPEL) to encourage the practice of regular, free elections in the LAC region. CAPEL has since established itself as the premier provider of technical assistance and training to Latin American electoral commissions. CAPEL conducts research, widely distributes scholarly articles and other information in Spanish about the electoral process, and provides technical advice and assistance to electoral courts and other institutions. CAPEL has helped create two associations of electoral bodies, one for

Central America and the Caribbean, and another for South America, through which electoral officials of member countries advise and reinforce one another in building and sustaining capable, independent electoral bodies. Two highly successful training programs--the training of local level electoral officials and party poll watchers in Guatemala (1985 and 1988) and a voter education/registration program in Chile (1988)--are looked upon as models for programs in other Latin American and Caribbean countries.

The electoral processes in LAC countries are being strengthened principally through LAC support in the training, technical assistance, research, and networking activities of CAPEL. Bilateral funds are also used to support commodity assistance to electoral courts or start-up costs for institutional development projects. LAC has also provided both regional and bilateral support for election-observer teams from a variety of sources: NDI/NRI, the International Foundation for Electoral Systems (IFES), the Carter Center, and the O.A.S. Most recently, LAC committed \$10 million to observing the Nicaraguan Presidential election and \$6.5 million for activities during the Haiti Presidential election. International election observers have effectively discouraged intimidation and corruption, and enhanced the credibility of the electoral process.

A.I.D. has learned that to be effective, election assistance must be provided on a technical, strictly non-partisan basis to avoid accusations of partisanship.

Ideally, assistance to electoral courts or commissions should focus on building institutional capacity and be provided during periods between elections when officials and staff are not facing the pressures of political rivalries and the demands of election administration.

LAC/DI proposes continued modest support (\$.5 million per year regionally and \$1.5 million per year bilaterally) for election observer teams from the above-cited organizations during this period. (See Annex II for a preliminary schedule of elections planned during the strategy period.) Costs should be less during this period than during the past few years as the need for training decreases. Funding will continue to be provided through the umbrella Human Rights Initiatives project (598-0591), and through a project being developed by PPC for IFES, which is presently used primarily for commodity procurement.

LAC/DI also plans to support CAPEL's election-related technical assistance and research activities, including support for its role as secretariat for sub-regional electoral associations. Through these associations, the IIDH has been able to

evaluate, design, and implement technical assistance programs and electoral observation missions at an executive level, and to encourage communication, regional relationships and cooperation through annual meetings.

In providing further support, LAC/DI will develop with CAPEL a plan for progressively reducing A.I.D. support as a percent of total budget, with a strategy for increased support from other donors.

### 3. Improving the Honesty and Competence of Government

#### a. Financial Management

Accountability is critical to reducing corruption, theft and waste. In recognition of this fact, and in response to growing Latin American interest in this area, LAC has recently issued financial management guidelines in a booklet "Your Role in the Accountability Process"; has sponsored the organization and functioning of the Donor Working Group on Improving Public Sector Financial Management in Latin America and Caribbean, which has held five quarterly meetings to date; and has designed for Panama an integrated financial management system and a comprehensive audit system. In addition, LAC initiated in FY 1989 a pilot regional project focussed on improving the financial management and auditing systems of interested host governments. A broader follow-on project is now being designed to expand this support over the next five years. It will assist cooperating governments to become more accountable by designing and implementing integrated financial management systems to strengthen the quality, reliability, timeliness, and credibility of information used in the managerial decision-making process and of reports to the executive and legislative branches; and by strengthening or establishing a fully independent legislative audit function headed and staffed by professionally qualified auditors.

The project will provide for financial and technical support to regional and national professional organizations in the financial management and auditing fields to assist them in becoming effective aids to governments working toward effective accountability.

Improvements must be simultaneous and coordinated in all areas of financial management, including budgeting, accounting, treasury and credit management, and auditing. Piecemeal, fragmented project efforts have not produced lasting results. And donor organization efforts must be coordinated to avoid providing conflicting advice to recipient governments and assure uniformity of criteria.

Estimated annual funding requirements are \$2 million regionally and \$5 million bilaterally throughout the region.

b. Public Sector Management

If government effectiveness and efficiency in delivering services is a requisite to democratic legitimacy, then inevitably LAC must consider offering assistance in key areas of public sector management, above and beyond the institutional development assistance built into most technical-sector projects. Clearly the latter has not been sufficient in many countries to achieve broad improvement in government effectiveness, nor has it been intended to since A.I.D. largely abandoned its broad public administration program of the 1950s and 1960s and adopted a strategy (apart from general participant training) of focussing primarily on strengthening of assisted technical sectors.

Before re-embarking on public sector management programs, however, one must ask why A.I.D. left this field and whether and how LAC could re-enter it without repeating the mistakes of the past, if the conventional wisdom is true that past programs were largely ineffective. LAC must also address the problem that it has only one public administration specialist on its staff (whose orientation and responsibilities are primarily in financial management/accountability), and A.I.D. central bureaus have only one part-time specialist (in S&T's Office of Rural Development).

See Annex IV for a summary of A.I.D. assistance in public administration from the 1950s through the 1980s. In brief, A.I.D.'s considerable investments during the 1950s and 1960s were terminated in the early 1970s in the belief that the results did not justify the expenditures, and that programs were too academic and insufficiently adapted to and institutionalized in local settings. Some observers, however, point to considerable accomplishments resulting from that era. In the 1970s and 1980s, a new theory of public administration has emerged that emphasized a coalition-building management style and technique; a results orientation; personnel practices rewarding dedication and success; accountability; local participation; flexibility, delegation, and decentralization; and processes for continuous learning and adaptation. These, interestingly, are very democratic in style; but A.I.D. has found it difficult to operationalize them either itself or in its assistance programs.

The issue, therefore, is whether LAC should attempt to revive its expertise and activity in this field, and if so how and on what scale. Other donors have moved into the breach; the IDB has taken a lead in financing improvement activities in tax policy and administration. The execution and technical assistance on many of these projects has been provided by the

Organization of American States (OAS). The World Bank has recently re-established a Public Sector Management Division for Latin America in recognition of the need for expanded "governance" programs, and is active in some countries. The United Nations Development Project (UNDP) is financing and executing a \$50 million worldwide Management Development Program to improve public sector administration.<sup>54</sup> However, the UNDP project only provides \$8 million for Latin America, which barely scratches the surface of identified needs; and the IBRD, upon learning of LAC's possible revived interest in this sector, has solicited its involvement and proposed collaboration in order to more adequately meet the needs identified.

An additional issue is the growing realization that no amount of development management training or assistance to IPAs may be successful unless broad systemic changes can be achieved that probably require policy dialogue and a change in host countries' institutional or administrative culture. Training and assistance to IPAs are almost certainly a necessary but not a sufficient condition to change this culture unless broad, thorough-going, and expensive reforms are undertaken at the same time. (To some extent reforms can be partially paid for in those situations when bloated bureaucracies exist and can be pared back, including privatization of state-owned enterprises, as part of an overall reform.)

S&T/RD recently staged for LAC a workshop that brought together respected current theoreticians and practitioners of the craft of public sector management to develop recommendations for a strategy. One item of particular interest was a proposal from the UNDP for parallel financing of its well-respected Management Development Program, which has been favorably evaluated and which needs bilateral donor support. Country needs assessments have been carried out for most countries in the region, and on this basis projects have been designed for several countries.

Certain criteria for assistance emerged from the workshop:

- ensuring that assistance is practical, selective, and targeted on key system-wide problems;
- responding to situations that seem ripe for reform;
- encouraging replication of successful pilot programs such as ILD's administrative simplification program;
- building popular demand for reform as well as supplying inputs to achieve it;
- professionalizing the public service by such means as revitalizing national societies and professional networks

that have collapsed, introducing mission/results-oriented management techniques and reward systems based on them; and

- emphasizing complementarity with Mission programs in technical sectors.

LAC/DI will develop these initial investigations into a regional proposal for rapid response to Mission/country needs and assistance in designing bilateral projects. In doing so, LAC/DI will organize a workshop in Latin America bringing in LAC experts and Mission personnel. In addition, S&T/RD is developing an IQC and has its Implementing Policy Change project, announced in January 1991 (see State 028364), available for interested Missions.

Meanwhile, USAIDs are encouraged to develop their own analyses and proposals. A tentative budget is proposed of \$2 million annually for regional activities starting in FY 93, and a bilateral budget increasing from \$10 million in FY 93 to \$40 million in FY 97, recognizing that this is an area that in all likelihood will require significant resource levels given the magnitude of the problem, and one in which significant policy reform may be achieved if adequate resources are brought to bear.

#### 4. Strengthening Local and Municipal Government

LAC has renewed and expanded efforts to strengthen local government. LAC has recently approved a major municipal development project in Honduras, and has been supporting for several years a "municipalities in action" program in El Salvador that has proved very popular and successful in empowering local officials and communities and delivering development services. In Nicaragua and Ecuador, LAC is training mayors and members of city councils.

LAC intends to re-enter this area mindful of its considerable experience with municipal development programs during the 1950s, '60s, and '70s. Assistance during this era was not particularly effective in giving greater autonomy and decision-making power to local governments, probably because of an excessively technocratic approach to the subject that sought to avoid issues of political power sharing and reflected A.I.D.'s greater comfort in working with central rather than local government.<sup>55</sup>

Among the areas in which LAC proposes to expand its support are: strengthening local election and government decision-making processes; decentralizing urban development finance and management; assisting in program/project planning and evaluation; and strengthening service delivery capabilities.

LAC proposes a new regional initiative, to be implemented through the Regional Housing and Urban Development Officers (RHUDOs) in Quito and Kingston. ROCAP is developing a companion project for Central America. This will be a coordinated program of technical assistance and training activities involving organizations such as the International City Management Association (ICMA), INCAE, the Latin American Chapter of the International Union of Local Authorities (IULA), the National League of Cities, etc. Program activities would include design and analysis assistance to Missions, networking and information sharing through existing regional institutions such as INCAE and national-level institutions where they are viable (e.g., IFAM in Costa Rica, IBAM in Brazil).

The following priority areas should be addressed through Mission bilateral programs:

1. Establish and strengthen local election processes through policy dialogue to allow direct election of local leaders, through TA and training to improve the efficiency and legitimacy of the local election process and to increase voter participation.
2. Strengthen municipal participation in the national decentralization dialogue and decision-making process. Support and conduct research and analysis to assess municipal capabilities to handle decentralization and to determine its impact and human resource implications; develop TA and training plans to address municipal weaknesses, fostering local/regional institutional capacity to address these needs; foster and support formation of municipal associations to support and represent local governments in national policy dialogue.
3. Support development and enhancement of a legal and administrative system which protects and facilitates individual property rights. Provide legal support and administrative autonomy to existing informal sectors. Focus on reform of land tenure laws, streamlining titling processes, regularizing informal settlements to provide legal tenure to the residents, and organizational support for channeling local demands through the formal sector.
4. Strengthen municipal management, finance, and service-delivery capacities. Encourage promotion of public/private partnerships in land development and provision of basic services; provide TA and training in budget development, municipal finance, cost recovery, project management, etc.; include in policy dialogue issues regarding increased autonomy and fiscal responsibility for local-level government to allow mobilization of local resources;

and work with citizen groups to enhance awareness of the need to pay for implementing local decisions.

5. Democratize municipal government decision-making processes. Ensure a participatory decision-making process; support community-led planning efforts; provide training for newly elected municipal officials with an emphasis on participatory management styles and their roles and responsibilities in the decentralization process; and foster and support community groups, cooperatives, chambers of commerce, and a dialogue between groups.

See Table 1, Annex VII for the estimated budget breakdown for this program. Specific program emphasis would be determined in cooperation with the Missions and the Bureau.

In addition to this "core program," budget, it is estimated that individual USAIDs will launch larger projects/programs supporting major host country decentralization initiatives.

##### 5. Strengthening Civilian Control of the Military

Through a LAC-funded study project, The American University's School of International Service and a private Uruguayan organization have developed new information on civil-military relations in Latin America, and have also significantly increased dialogue among military and civilian leaders in the region. A May 1988 conference in Washington, attended by more than a hundred internationally recognized scholars, civilian and defense experts, and military leaders from North and South America, created a new network among the participants. In addition, an important regional conference was held in June, 1989 in Guatemala, hosted by the Defense Minister, which brought together Central American military and civilian leaders and academics to discuss their respective roles in transition to democracy. A second regional conference focussed on South America was held in Uruguay in March of 1991.

In the FY 1993-97 period, LAC plans to utilize both policy dialogue and project assistance to build on and move well beyond these initial efforts. Areas planned for support include: helping civilian scholars and policy specialists to acquire credible expertise in military and intelligence affairs; helping civilian executive and legislative branches of government develop the institutional capacity to monitor military and intelligence systems effectively and routinely (e.g. establishing force structure levels and budget oversight; ensuring the appropriate divisions between civilian and military court systems; and helping civilian leaders design and implement strategies and programs to narrow military involvement in conflict resolution and economic activities, to enhance military professional capacities, to build effective procedures for

civilian control, and to continue to improve consensus on appropriate civilian-military roles.

Regional activities will be continued and initiated to train civilian personnel in key ministries and legislatures, to continue relevant research and conferences, to provide technical assistance to host governments in devising necessary legislation and programs, and to train Latin military personnel in democratic values (in collaboration with DOD). Bilateral programs will be encouraged and developed wherever possible and necessary, either discretely or as a component of other programs (e.g. legislative strengthening, public sector management, or think-tank support).

#### 6. Strengthening Legislatures

Although in the 1960s and 1970s A.I.D. studied the issue of weak legislative institutions in LAC under Title IX programs, little was actually done to strengthen host country legislatures.

LAC now seeks to strengthen legislative capacity by providing technical assistance directly to host-country legislatures. The initial focus is on enhancing legislatures' institutional capabilities to draft legislation and improve their analytical and management capacity through training and promotion of research and dialogue on major policy issues. In addition, recognizing that an independent, professional legislative auditor general is important to ensure that legislators have the necessary information on government programs, A.I.D. is also training and strengthening the Offices of the Comptrollers General of Costa Rica, Honduras and Panama. Auditing courses developed for them will become available to all legislative audit offices in Latin America.

A three-year regional project in legislative development commenced in September 1990, with \$3 million in regional funding and up to \$4.25 million in Mission buy-ins authorized. The project has five interrelated components: 1) collaboration with Latin American legislators and staffs to diagnose training, technical assistance, and equipment needs of each legislature; 2) regional seminars that will address legislative operations and common public policy issues; 3) providing technical assistance at the request of individual legislatures; 4) design and installation of legislative and management information systems; and 5) professional staff development through graduate training in legislative administration at the State University of New York/Albany (SUNY/A), or six- to twelve-month internships at a state legislature in the U.S. The project is being implemented by a Consortium for Legislative Development (CLD) consisting of the Center for Democracy, SUNY/A, and Florida International University (FIU).

Training programs in this area must be offered to all members of Congress regardless of party affiliation, to avoid the appearance of partisanship.

A follow-on project will be required upon completion of the current project in FY 92, to carry the effort through FY 97 and probably beyond. Continued regional support will be needed for CLD's networking and common problem-solving activities, and probably for additional work with sub-regional organizations such as the Central American and Andean Parliaments, the Indian Parliament of the Americas, and expansion of ATELCA (the Central American Association of Clerks and Legislative Staff) beyond Central America. NDI and IIDH have also requested modest levels of support for legislative strengthening activities. IIDH proposes \$125,000 per year for support of electoral reform-related assistance: a five-member team of legal experts; an annual seminar to study existing electoral laws and reform models; and a comparative electoral legislation research project which annually updates and systematizes electoral legislation from throughout the hemisphere. NDI seeks \$300,000 a year in support for seminars that can offer models of parliamentary procedure and organization to assist the process of legislative reform, focussing on "nuts and bolts" issues such as committee systems, selection and functions of parliamentary leadership, executive-legislative relations, constituency services, staff recruitment, and office management.

Mission projects (including ROCAP support for Central American regional institutions) will expand: the needs assessments currently being conducted are stimulating demand (e.g. in Costa Rica, Nicaragua, Panama, Guatemala, Haiti, Paraguay); Mission buy-ins for FY 90-92 are already estimated at \$12 million versus the \$4.25 million authorized. Consequently, funding requirements are estimated at \$1 million annually for regional activities and an ascending level of bilateral funding, from \$3 million to \$10 million, during FY 93-97.

#### 7. Strengthening Political Parties

LAC leaves support of political party strengthening primarily to the National Democratic and Republican Institutes, with support from the National Endowment for Democracy (NED). A.I.D. did, however, provide in FY 1990 a \$100,000 grant, through the National Democratic Institute, to strengthen the three major political parties in Bolivia after the May 7 elections. The technical assistance and training was focused on institution-building and technical problems, such as organization, use of the media, and fund-raising. It is anticipated that similar assistance to political party development may be provided in Haiti and other selected cases, when needed, to

augment the assistance provided by NED. Such assistance will include organizational development, fundraising, issues research, candidate education, and campaign techniques.

LAC/DI has also supported since 1986 a project with the American University to study the role of political parties in democratic development in Central America (including Belize and Panama). This activity has generated useful networking and information, including a book being published on the subject.

LAC also reaches political leaders through legislative and electoral assistance programs, given their very active involvement in these processes, through AIFLD's labor leader education programs, and through the training programs described under the "Strengthening Democratic Values" section below.

It is critical to ensure that assistance to parties, if government-funded, is provided to and is perceived as being provided on a non-partisan basis to all democratic parties. Otherwise the assistance will legitimately be viewed as interfering in the internal affairs of another sovereign country.

NDI and IIDH have requested assistance during the FY 93-97 period for party building and political training. Both organizations note that further democratization and institutional development is needed of parties that often lack ideological focus, remain largely personally followings, and are comprised of elites. IIDH proposes support for an annual meeting of party members to diagnose the issues confronting these parties and develop programs, and for continued research. NDI proposes training assistance focussed on developing grassroots organizing skills, issues development, communication, research and public opinion surveys, and resource development. LAC/DI proposes \$500,000 annually in regional funding for such activities. Bilateral funding is not envisioned, given the sensitivity of the area and hence the preference for working through regional instruments.

### Helping Create a Vigorous, Pluralistic, Autonomous Civil Society

#### 8. Promoting and Strengthening Alternative Information and Opinion Sources

LAC initiated in FY 1988 a grant to Florida International University (FIU) to strengthen journalistic professionalism and improve mass media education and research capacities in Central America. This is being done through training, creation of regional associations of media professionals and owners, strengthened and more appropriate university journalism education programs, and the establishment of self-sustaining centers for mass media training in Central and South America. LAC is also

supporting improved journalism education, with adaptation of U.S. textbooks to the Latin environment, and long-term training in the United States in specially adapted journalism courses. Rural radio journalists are being trained to broadcast news programs that focus on local issues and impart information of practical use to farmers and other rural residents.

In addition, through the Regional Technical Activities Center (RTAC) in Mexico, IAC is supporting the translation of a wide range of inexpensive U.S. academic and technical texts into Spanish for university students, to counter the Marxist orientation so prevalent in Latin American universities. This program has proved extremely popular, with demands for texts far outstripping original estimates.

LAC has provided support to the Institute for Liberty and Development, Hernando de Soto's research institute in Peru, and plans to expand this pilot program for support of policy-oriented, indigenous think tanks with a practical orientation.

Finally, LAC is supporting an economic policy research and education project to train competent economists in Central America and to raise the level of public understanding of economic issues.

These activities are all proceeding successfully. Similar and follow-on activities will be supported during the FY 93-97 period. Specifically, FIU has proposed and LAC will consider expanding the Central American Journalism Project to include the Andean countries and perhaps Haiti.

#### 9. Strengthening Private Groups and Citizen Participation

To date, LAC has sought to promote pluralism primarily through civic participation and labor programs.

##### a. Civic Participation

Two current programs have been operating in Central America since 1985. The Education for Participation (PEP) training program in Honduras, Guatemala and Costa Rica helps citizens learn and use leadership and organizational skills to address local problems. Training manuals, videos and other materials have been developed and used to train more than 350 trainers in their own communities and civic associations. The training has reached more than 160 community-based organizations. The project staff has created a new organization, Fundacion ANDAR, with legal status in each of the three countries, through which they will continue to provide training and advisory services after termination of A.I.D. funding in September 1990.

A grant to the Partners of the Americas provided support for Central American Partner Committees to carry out activities aimed at strengthening the democratic leadership of public and private institutions, including their own. A recent evaluation concluded that the capacity of the partnerships to plan and conduct programs, to function democratically, to obtain and administer project resources and to collaborate with other NGO's had been strengthened considerably. An emphasis on leadership development has resulted in more training activities, development of more youth leaders and expansion of the Partner Cities concept that extends Partners programs to small towns and rural communities in each country. In addition, members of community organizations and of public institutions (e.g., fire departments, town councils) were given training and access to valuable materials and professional resources.

Another area of support is non-partisan voter education, as illustrated by the highly effective programs carried out by local organizations in Chile and Nicaragua in preparation for their last elections. Both programs heightened voter confidence in the electoral process and significantly increased participation at the polls. The Chilean organization, Participa, has taken steps to become a permanent, non-partisan citizens' organization to continue educating citizens about their rights and responsibilities and to reinforce restoration of a democratic culture. A.I.D. will continue to help Participa strengthen its institutional capacity.

A new regional project, Civic Education and Citizen Participation, is being designed for a FY 93 start to focus on citizen participation and civic education in urban and rural communities. Participants from all economic levels will be prepared for leadership roles in politics and government, business, cooperatives, civic and community groups and other voluntary associations. The project will also offer workshops in the practice of democratic decision making. One component of the project will build upon a successful pilot civic education program in Guatemala that teaches democratic values and practices to primary school children and, indirectly, members of the adult community surrounding the schools. Another will work to continue strengthening grassroots groups and organizations.

LAC will also assist the Partners of the Americas to expand its Partner Cities concept, through which people outside the capital receive training and assistance to form and operate local democratic committees. It is hoped this program will encourage other volunteer organizations to increase their services and activities in rural communities. The program will also increase the level of training and technical assistance Partners provides to municipal-level public officials in Central America.

b. Labor Development

Strong democratic free labor unions contribute to a pluralistic society by helping workers and peasants to resist repressive governments, by providing a mechanism by which workers' grievances can be addressed, and by combatting the use of organized labor to achieve undemocratic political objectives. For these reasons, LAC for many years has supported the programs of the American Institute for Free Labor Development (AIFLD), one of the overseas arms of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO).

AIFLD provides assistance to Latin America and Caribbean labor movements in their educational activities, social programs, and union organizing campaigns. Educational activities are varied and depend on the specific needs of each country and the level (national, regional, or hemispheric) at which the courses are being taught. Special emphasis has traditionally been placed on collective bargaining, labor-management relations, organizing techniques, and other such trade union themes. AIFLD support of worker representation through the political process and worker ownership as a response to structural economic change has in recent years become an important contribution to union development, to the social and political status of workers in Latin America and the Caribbean, and to the development of democracy in the hemisphere. LAC also supports union-to-union programs, coordinated by AIFLD, which provide similar assistance and direct linkages between Latin American and U.S. unions. LAC support for AIFLD programs is both regional and bilateral; AIFLD also receives support from the National Endowment for Democracy (NED).

Past evaluations indicate that AIFLD has made effective use of its resources to support and strengthen free democratic labor movements, and that its efforts have increased worker well-being in the areas of wages, working conditions, security and dignity of workers, and ancillary development benefits. Inadequate coordination has been noted in some cases between AIFLD and USAID Missions, and between the union-to-union and other AIFLD programs.

LAC plans to continue support for AIFLD programs during the strategy period and support AIFLD's efforts to tailor their programs to the changing needs of the labor movements of Latin America and the Caribbean. An effort is planned to help AIFLD articulate its objectives more precisely, improve its system for measuring progress toward achieving them, and reduce its dependence on LAC support.

c. Associations and Networks

To encourage the growth of a strong and independent civil society LAC plans to support grass roots, civic, professional, family based, and other associations that democratically influence government policy and provide additional means for democratic participation and expression. It will also seek to support those neglected segments of society attempting organize into associations that would be capable of making their demands heard at the municipal or national level. NDI has proposed support for the Center for Democratic Studies in Paraguay and PARTICIPA in Chile; support is planned for the establishment of an Andean Bar Association; and proposals have been received from ANDAR and a number of other indigenous organizations.

Making the Political Culture More Democratic

10. Strengthening Democratic Values and Leadership

a. Leadership Training

Numerous leadership training projects were generated by LAC in the 1960s and 1970s. The Loyola University program, funded from 1964 through 1971, was in some respects a precursor to the current CLASP program. The Rafael Landivar University's Rural Community Leadership and Modernization Center for Training Social Promoters, an in-country Guatemalan outgrowth of the Loyola program, was funded from 1964 through 1974, and the OEF project described above trained leaders from 1963 until 1972.

To help instill democratic values in, as well as technical training for, the present and prospective leadership of assisted countries, A.I.D. launched in 1985 a Caribbean and Latin American Scholarship Program (CLASP) that will provide training in the U.S. to over 15,000 individuals between 1985 and 1993 (12,200 from Central America plus another 3,000 funded by USIA, 1,785 from the Caribbean, and 1,740 from South America). Most of this training (about 75%) is short-term (i.e. no more than nine months), focussed on the socio-economically disadvantaged (80%), on women (over 40%), on rural areas (over 70%), and on present or prospective leaders (about 90%).

Evaluation of the program to date indicates that it is very popular; more effective where clear policies and procedures exist for recruiting, selecting, programming, placing, and monitoring trainees; and in need of more intensive follow-on activities as trainees return.

LAC will certainly continue this type of training, albeit at a reduced level, after the present project ends in 1993. However, given the expense of training in the U.S., the culture shock many trainees experience, and the English language

problem, LAC will consider whether some or all of the objectives of the program might be as well accomplished using facilities within the LAC region. LAC will also do proportionately more training for Mexico and South America and less for Central America.

b. Civic Education and Other Innovative Activities

In addition to leadership training, LAC will expand support for civic education programs, formal and non-formal, that will enlarge democratic values and knowledge and, in cooperation with USIA, for use of the media to reach mass audiences with programs on democratic values and practices. LAC will also support and encourage innovative and cross-disciplinary educational and other activities that promote democratic values, tolerance of others' opinions, willingness to compromise, respect for the rule of law, etc. Such activities might include: participatory, interactive learning and socialization experiences in elementary and secondary schools; introduction into health programs of non-authoritarian child-rearing and family life techniques; and greater attention in management training to team- and consensus-building techniques.

Ideas for incorporating civic education into school curricula at the elementary, secondary, and university levels include: assisting PVOs to sponsor mock parliaments and stimulate debate and public speaking in high schools on civic topics, with televised regional contests; developing pamphlets for use in school on civic responsibilities in school, home, and community; and training teachers to introduce role-playing activities involving being teachers' helpers, voting on alternative school-related activities, and creating teams to carry out school and community projects. IIDH proposes support for civic education projects in the Dominican Republic, El Salvador, Guatemala, Panama, Nicaragua, and Paraguay that educate people about the new political process and reenforce the transition to democracy.

A variety of indigenous and U.S. private organizations can be tapped for involvement in this area if resources are made available. LAC/DI will provide pump-priming funding for pilot activities and seek to ensure replication of successful ones to other countries. The Civic Education and Citizen Participation project planned for FY 93 start-up will provide the vehicle for such support. However, most the activities would be funded and managed in-country through existing indigenous organizations.

c. Overcoming Ethnic and Regional Divisions

In an effort to help countries overcome destabilizing ethnic and regional divisions, LAC will look at such options as:

sponsoring research on the application of federalism to problems in LAC; sponsoring regional and sub-regional exchange programs for tribal/ethnic leaders; and supporting the use of national and regional organizations as fora for dialogue and dispute resolution among opposing factions. The planned DI Technical Support project will provide the funding vehicle.

d. Suffusing Democratic Approaches Throughout the Portfolio

The Administrator's Democracy Initiative urges regional bureaus to increase emphasis on integrating popular participation and democratic practices into the full range of their development programs. This paper has already proposed introducing certain innovative techniques for civic education and participation into our formal education programs. Another area ripe for consideration is the introduction of consensus-building management training techniques (team-building, organizational development, mediation and conciliation techniques, etc.) into existing public and private sector programs (e.g. cooperatives, business associations, agribusiness activities). Missions are encouraged to explore these possibilities; LAC/DI and DR/EHR will help identify sources of expertise.

e. Research and Analysis

Democratic development is an area relatively new to A.I.D., in which we still have much to learn. It is appropriate and necessary, in conjunction with a program that is now of high priority, that we build into it a modest applied research component. Illustrative topics include: further work on country and program performance indicators and systems of measurement; analysis of federalist, confederalist, and consociationalist approaches to problems of ethnic and regional divisions; study of parliamentary versus presidential systems; how patterns of growth can be encouraged that promote political as well as economic democracy, and their relationships; and the cost-effectiveness of various kinds of public sector management interventions. Other topics of importance will doubtless suggest themselves as LAC moves further into this program. LAC/DI will develop agendas in collaboration with the Missions, and with PPC and the other Bureaus through the "Tuesday Group" coordinating mechanism to avoid duplication of effort, with approximately \$500,000 per year in funding under the Technical Support Project.

## V. Organizational and Management Considerations

### A. A.I.D.'s Role vis-a-vis NED and Other USG Agencies

#### 1. NED and A.I.D.

NED works with NGOs abroad, chiefly in Latin America and Eastern Europe, and responds to initiatives arising from groups in those regions. As an NGO, albeit supported with U.S. Government funds, NED is able to support projects for which direct U.S. government funding may not be appropriate, or projects that reflect more immediately the concerns of NED's constituent organizations. NED has only a small Washington office and no field staff. (Its labor affiliate, the Free Trade Union Institute, does have field staff.)

NED grants in Latin America are generally in the \$50,000 to \$150,000 range. NED can respond to emergency situations quickly. While many NED projects are of limited duration, or targeted to take advantage of specific circumstances (e.g. the plebiscite in Chile), NED maintains continuing relationships with nongovernmental groups with the long-range goals of promoting democratic culture and fostering "bonds of cooperation and solidarity" among democratic groups throughout the world.

A.I.D., as a government agency, has an approach to democratic development more heavily focussed on long-term institution building, although there are areas of overlap. Nevertheless, A.I.D. and NED have on occasion worked together. LAC provided \$140,000 to support international election observer programs in Haiti and Chile through the National Democratic Institute. In FY 1989, A.I.D. reprogrammed \$750,000 for NED activities from a DI budget of \$12.9 million.

Other organizations with which A.I.D. and NED work jointly include civic action groups such as the Dominican Association of Women Voters in Dominica, regional organizations such as the IIHR, and the foundations of European political parties such as the Konrad Adenauer Foundation. The mutual support and cooperation among these groups--and between A.I.D. and the NED--were evident in the Chilean plebiscite in October of 1988 (\$1 million of ESF funds to NED for plebiscite-related activities); and in Paraguay (\$500,000 in A.I.D. funds to NED for election-related projects).

Depending on the circumstance, LAC can supplement NED/USIA funding with short-term grants for strictly nonpartisan, technical support to actively pro-democratic NGOs, and for political party development, the latter preferably during non-election years. However, the percentage of resources allocated to such support will be limited during the strategy period.

## 2. Coordination Between A.I.D. and Other USG Agencies

In the field, close coordination is required between the Embassy, A.I.D., USIA, and any other USG agencies involved in the democracy sector. A Country Team approach is essential in politically sensitive areas. For some countries, an inter-agency working group for democratic activities has been established, chaired by the DCM, the A.I.D. Director, or other designee of the Ambassador. This model is commended to all Missions.

In Washington, recent augmentation of LAC/DI staff is permitting closer coordination with State, USIA, the Justice Department, and other agencies. There is still a need for closer coordination of the AOJ program with the investigative training activities of the ICITAP program managed by State.

### B. Donor Coordination

One of LAC/DI's objectives during the strategy period will be to attract increased donor support to the democracy sector. Considerable other-donor activity now exists. IIDH, for example, gets support from Belgium, Norway, Germany, the Netherlands, and others. However, more can and should be done to involve other donors. LAC prepared a paper describing its program, plans, and lessons learned to date, to inform and hopefully attract other donors at a DAC review of Latin America in November, 1990. LAC/DI will follow up on this initial effort, and in collaboration with Missions will focus on trying to identify specific program opportunities for investment by other donors. Potential collaboration on public sector management projects has already been discussed. In addition, development of co-financing arrangements between A.I.D. and the IDB in municipal development has the potential of linking a rich source of experience and technical expertise through U.S. state and local governments with the substantial capital resources presently available to the IDB. Such cooperation could serve as a model for other donors such as Canada and member countries of the EEC, which also have well-established traditions of local governance.

### C. LAC/DI-Field Relationships

In Washington, LAC/DI will continue its general coordinating and program oversight role, and its role as conceptualizer and advocate of the program and the resources (money and staff) needed to implement it.

With respect to project activity, LAC/DI will continue its lead role in developing and managing regional projects. In consultation with Missions, LAC/DI will launch new initiatives and implement those activities more appropriate for regional rather than bilateral intervention. LAC/DI is also developing a

quick response capability through a DI Technical Support project to support Missions when new circumstances and opportunities arise, and where funding may not be immediately available.

It is expected, however, that as the DI program continues to mature, a progressively higher percentage of the total program will be designed and managed in the field. See the resource requirements table (Annex III, Table 1) for a projection of this trend.

ROCAP plans to enter the DI sector in legislative and municipal development. LAC/DI has participated in developing ROCAP's DI strategy and will continue to coordinate closely with ROCAP.

#### D. Country-Specific Needs Assessments and DI Strategies

Most LAC Missions either have prepared or are preparing needs assessments and/or DI Strategies. In some cases these are rather narrowly focussed and need to be made more comprehensive in light of the new Agency and Bureau priority being given to this sector, and in light of the analysis and recommendations in this paper. During the past year, LAC/DI has supported the preparation of DI country strategies/programs in Peru, Haiti, Nicaragua, the Dominican Republic, and ROCAP. LAC/DI will continue to provide assistance to Missions in defining the scopes of and carrying out new or updated assessments, which are basically similar to any other sector assessment/strategy paper. Missions that have not already done so will be expected to complete these within the next year.

### VI. Resource Requirements

#### A. Program

Tables in Annex III summarize funding requirements for the FY 93-97 period. Table 1 depicts requirements by each of the eleven program areas; Table 2 itemizes AOJ requirements. The total cost of the program from FY 1993 through 1997 is estimated at \$858 million.

Table III lists currently active and planned DI projects during FY 90-92. Expanded programs not yet reflected in the table are being designed in the Dominican Republic, Ecuador, and ROCAP.

The total DI program is projected to increase from 13% of the total LAC Bureau budget in FY 92 to 19.6% in FY 1997. Although strengthening democracy is one of two Bureau goals and equal in importance to achieving broad-based economic growth, this small percentage of total estimated available resources should be adequate, since most program components are not

"big-ticket" programs. Certain major components of the program (e.g. public sector management and local/municipal government) will also contribute significantly to economic and social as well as democratic development.

## B. Workforce

### 1. Direct-Hire Levels

Direct-hire field staffing will have to more than quadruple, from approximately 8 to 36 positions, to carry out the proposed program. DI programs generally do not cost a lot but are considerably more staff-intensive than ordinary A.I.D. programs. Most Missions are inadequately staffed to manage expanded or even their current DI programs. The attached table (Annex VII, Table 2) projects estimated direct-hire (DH) ceiling requirements when DI programs are fully developed, as compared with current levels. The average Mission will require an Office of Democratic Initiatives staffed with two to three DH staff, and program- or OE-funded PSCs. Programs are too important and sensitive to rely on PSCs entirely.

If the LAC Bureau cannot anticipate increased DH ceiling despite the importance and high Administration priority being given to this program, these positions will have to be carved out of existing ceilings by reducing certain Missions and/or the level of current activity in other sectors of involvement. LAC/DI believes that lower-priority areas can be identified to cover part of the requirements.

For implementation of the local/municipal government component of the program, LAC expects support from existing RHUDO staff and APRE/HUD.

### 2. Secondment/Collaboration and PASAs with Other USG Agencies

A potential supplement to DH/FTEs is other USG agencies interested in democratic initiatives, through secondment or PASA arrangements. This can be done both at the country level and in Washington. Staff from the State and Justice Departments, USIA, and Congressional Committees could be detailed to work in LAC/DI for periods of up to two years. At the country level, the part-time secondment of Embassy Political Officers and USIS Public Affairs might be considered.

### 3. Personal Services Contractors: Use of Program Funding

Another possible supplement to direct-hire resources is the use of personal services contractors and IPAs. The major constraint to this approach is likely to be OE budget limitations,

where PSCs cannot be project funded. Given the importance of the democracy initiative, the Agency should seek a provision permitting the use of program funding for DI staff, as was recently done for environment/natural resources staff.

Although all these options should be fully explored, there is no substitute for a permanent cadre of professionals with both the requisite academic background and operational A.I.D. experience. LAC/DI believes that the priority given to an expanded DI program by the present Administration warrants prompt assignment of adequate ceiling, in the field and in Washington, to implement the strategy and program proposed herein.

#### 4. LAC/DI Staffing

LAC/DI's role is essentially two-fold in implementing the proposed strategy and program: it has a catalytic, pump-priming role in identifying needs and developing regional instruments as required; and a support role in providing assistance to Missions in designing, implementing, and evaluating strategies and programs. Both roles are unusually staff-intensive because of the gamut of Missions being assisted, especially the thinly staffed ADCs, and because of the newness and the broad range of activities into which the strategy is necessarily moving. Field expertise is slowly building but is still very limited in most of the areas targeted. LAC/DI has developed some expertise in several of these areas, but lacks it in others, notably public sector management and local/ municipal government. Much of the expertise in working on human rights, political parties, legislatures, civil-military relations, and civic participation, and much of the project management workload involved in these areas has resided with one employee, now a re-employed annuitant whose contract expires May 31, 1991.

For LAC/DI's current staff and project/program workload distribution see Annex VII, Table 3.

LAC/DI's current staff also includes one Program Operations Assistant who spends half-time providing clerical support to three officers and half time assisting the Program Officer, and one clerical support person for the four remaining officers. The current clerical/officer ratio (1.5/7.5) is inadequate.

A recent consultant's report recommends adding to the LAC/DI staff: a municipal development/local government specialist, a full-time AIFLD project manager, and a part-time elections officer.<sup>56</sup> (The report did not address clerical requirements). LAC/DI does not agree fully with these recommendations but does believe that to develop and implement the strategy adequately, it will need a full-time public sector management officer with experience in local/municipal government, and an additional

clerical position, which will free the Program Operations Assistant from clerical duties and enable him/her to handle some of the project workload. Even this augmented staffing, an increase from 9 to 11 FTEs, will only prove adequate if Mission and especially ADC staffs are increased to more adequate levels; and LAC/DI's clerical/officer ratio will still only improve slightly (from 1/5 to 1/4.5). These levels should, however, provide minimally adequate staffing to carry out the expanded program.

#### 5. Overcoming Technical Shortcomings

The LAC Bureau faces technical/qualitative as well as quantitative shortcomings in staffing. There is no AOSC code for democratic development officers, and with rare exceptions all those who now perform this role were originally hired on the basis of qualifications other than those required for their present positions. In particular, political science and public-sector management background is lacking, as well as familiarity with the technical specifics of many program areas. Although legal and institution-building expertise, and work with PVOs on local-level programs, is readily transferrable background possessed by many A.I.D. officers, there are gaps that must be remedied through training; and new hires with background in political science and public sector management need to be brought in. A democratic development AOSC code should be established to provide a career path for officers in this field, and long-term as well as short-term training for on-board officers needs to be developed and funded. (LAC/DI has worked with PM/Training on the design of a short-term course, the first of which will be held in May 1991). These are Agency concerns that must be addressed to ensure success of the Agency's democracy initiative.

### VII. Evaluation and Measurement of Results: Performance Indicators

#### A. Country Performance

The Agency is currently debating how to measure democratic performance, and how to translate such ratings into an overall Agency system for rating country performance for resource allocation purposes. Currently, LAC is the only Bureau that has already incorporated democratic performance into its overall country performance rating system. Although PPC and Bureaus are considering developing in-house systems for measurement, LAC has opted, for the current year at least, simply to use Freedom House's ratings. Although some methodological issues exist with their system, as would be the case with any system, LAC sees advantages in using an independent observer, believes that the reputable Freedom House's system is far superior to any present

operational alternative, and believes that Freedom House's ratings will prove at least as accurate as any alternative that could be developed in-house with expenditures of scarce funds and staff time. A PPC-organized workshop will be held shortly under NAS auspices to consider these measurement issues. Over the coming year LAC will be able to gauge whether field Missions (Embassy and A.I.D.) have serious issues with Freedom House's ratings, and to assess any alternatives that may be created within the Agency.

B. Program Performance

In June of 1990, LAC/DI contracted with Management Systems International (MSI) to assist in developing indicators for measuring achievement of the strategic/program objectives outlined in this paper. The MSI team visited six Missions with ongoing DI activities in the course of completing their report, which was submitted to LAC/DI in January 1991. This is the first systematic effort, to our knowledge, to develop such indicators. Given the difficulty of identifying suitable indicators for which data is available or can be obtained at reasonable expense, there will undoubtedly be follow-on work required to improve and refine this initial effort. However, it is hoped that the indicators developed by MSI will be useful to Missions and to LAC/DI in measuring program progress. They are attached at Annex V. LAC/DI plans follow-on work to conform these more closely to the strategy and improve their utility to Missions.

LAC COUNTRIES ARRANGED BY SIZE OF POPULATION WITH FREEDOM HOUSE RANKINGS 1989-90 AND 1990-91				
COUNTRY	POPULATION (000s)	RANKINGS* 89-90, 90-91	CHANGE	% OF POP IN LAC
BRAZIL **	145,930	4,5	-1	
MEXICO **	85,300	7,8	-1	
ARGENTINA **	32,205	3,4	-1	
COLOMBIA **	30,465	7,7	--	
PERU	21,535	6,7	-1	
VENEZUELA	19,010	4,4	--	
#1 GROUP TOTALS	334,445			78.1%
GROUP AVERAGES		5.17,5.83	-.67	
CHILE **	12,925	7,4	+3	
CUBA	10,440	14,14	--	
ECUADOR	10,345	4,4	--	
GUATEMALA	8,818	6,7	-1	
BOLIVIA	7,184	5,5	--	
DOMINICAN REP.	7,069	4,5	-1	
HAITI	6,346	12,8	+4	
EL SALVADOR	5,122	7,7	--	
HONDURAS	5,047	5,5	--	
PARAGUAY **	4,210	7,7	--	
NICARAGUA	3,689	10,6	+4	
URUGUAY **	3,184	3,3	--	
COSTA RICA	2,990	2,2	--	
JAMAICA	2,470	4,4	--	
PANAMA	2,400	7,6	+1	
#2 GROUP TOTALS	92,239			21.0%
GROUP AVERAGES		6.47,5.8	+.67	
TOTAL GRPS 1+2	426,684			99.1%
AVERAGE		6.1,5.81	+.29	
TRINIDAD/TOBAGO	1,295	2,2	--	
GUYANA	765	9,9	--	
SURINAME	398	6,7	-1	
BARBADOS	255	2,2	--	
BAHAMAS	243	5,5	--	
BELIZE	184	3,3	--	
ST. LUCIA	148	3,3	--	
ST. VINCENT/ GRENADINES	125	3,3	--	
DOMINICA	100	3,3	--	
GRENADA	95	4,4	--	
ANTIGUA/BARBUDA	84	5,5	--	
ST. KITTS/NEVIS	47	2,2	--	
#3 GROUP TOTALS	3,739			0.9%
GROUP AVERAGES		3.92,4.0	-.08	
GRAND TOTALS	430,423			100%
TOTAL AVERAGE		5.3,5.15	+.15	
* NOTE: Ranking scale runs from 2 - 14. Within this spectrum, countries ranked 2-5 are considered "free," countries ranked 6-11 are considered "partly free," and 11-14 countries are considered "not free." See attached checklists of political rights and liberties that are used in determining countries' rankings. These were developed by Dr. Raymond Gastil and have been modified somewhat by current Freedom House staff.				
** ADCs				

FREEDOM HOUSE  
CHECKLIST FOR POLITICAL RIGHTS

1. Chief authority recently elected by a meaningful process
2. Legislature recently elected by a meaningful process
  - Alternatives for (1) and (2):
    - a. no choice and possibility of rejection
    - b. no choice but some possibility of rejection
    - c. government or single-party selected candidates
    - d. choice possible only among government-approved candidates
    - e. relatively open choices possible only in local elections
    - f. open choice possible within a restricted range
    - g. relatively open choices possible in all elections
3. Fair election laws, campaigning opportunity, polling and tabulation
4. Fair reflection of voter preference in distribution of power
  - parliament, for example, has effective power
5. Multiple political parties
  - only dominant party allowed effective opportunity
  - open to rise and fall of competing parties
6. Recent shifts in power through elections
7. Significant opposition vote
8. Free of military or foreign control
9. Major group or groups denied reasonable self-determination
10. Decentralized political power
11. Informal consensus; de facto opposition power

FREEDOM HOUSE  
CHECKLIST FOR CIVIL LIBERTIES

12. Media/literature free of political censorship
    - a. Press independent of government
    - b. Broadcasting independent of government
  13. Open public discussion
  14. Freedom of assembly and demonstration
  15. Freedom of political or quasi-political organization
  16. Nondiscriminatory rule of law in politically relevant cases
    - a. independent judiciary
    - b. security forces respect individuals
  17. Free from unjustified political terror or imprisonment
    - a. free from imprisonment or exile for reasons of conscience
    - b. free from torture
    - c. free from terror by groups not opposed to the system
    - d. free from government-organized terror
  18. Free trade unions, peasant organizations, or equivalents
  19. Free businesses or cooperatives
  20. Free professional or other private organizations
  21. Free religious institutions
  22. Personal social rights: including those to property, internal and external travel, choice of residence, marriage and family
  23. Socioeconomic rights: including freedom from dependency on landlords, bosses, union leaders, or bureaucrats
  24. Freedom from gross socioeconomic inequality
  25. Freedom from gross government indifference or corruption
- 

**Partial List of Elections  
Scheduled in LAC During 1992-1996**

During the FY 92-96 period, there are 31 elections tentatively scheduled to be held in Latin America:

- Argentina: General elections, 1995.
- Bolivia: Presidential and parliamentary elections, 1993; municipal elections, ?.
- Brazil: Municipal elections, 1992; general plebiscite, 1993; presidential, governor, and legislative (first and second rounds), 1993; municipal and governor, ?.
- Chile: Presidential and legislative elections, 1993; municipal elections, ?.
- Colombia: Municipal, legislative, and departmental elections, 1992; presidential, parliamentary, and municipal elections, 1994; municipal elections, 1996.
- Costa Rica: General elections, 1994.
- Dominican Republic: General elections, 1994.
- Ecuador: Presidential (first and second rounds), legislative, provincial, and municipal elections, 1992; legislative elections, ?.
- El Salvador: Presidential, legislative, and municipal elections, 1994; legislative and municipal elections, ?.
- Guatemala: Municipal elections, 1993.
- Honduras: General elections, 1993.
- Panama: General elections, 1994.
- Paraguay: Presidential elections, 1994; municipal elections, ?.
- Peru: Municipal elections, 1994; presidential elections, 1995.
- Uruguay: Presidential, legislative, departmental, and municipal elections, 1994.
- Venezuela: Municipal elections, 1992; presidential and legislative elections, 1993.

## RESOURCE REQUIREMENTS, FY 1993 - 1997

(\$000,000s)

PROJECT	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	TOTAL
1a. ADMINISTRATION OF JUSTICE	<u>45.4</u>	<u>32.3</u>	<u>36.8</u>	<u>33.0</u>	<u>33.5</u>	<u>181.0</u>
REGIONAL	9.0	8.0	9.0	9.0	9.0	44.0
BILATERAL (& CONTINGENCY)	36.4	24.3	27.8	24.0	24.5	137.0
1b. HUMAN RIGHTS	<u>1.1</u>	<u>1.1</u>	<u>1.0</u>	<u>0.9</u>	<u>0.9</u>	<u>5.0</u>
REGIONAL	0.6	0.6	0.5	0.4	0.4	2.5
BILATERAL	0.5	0.5	0.5	0.5	0.5	2.5
2. ELECTIONS	<u>2.6</u>	<u>3.1</u>	<u>2.9</u>	<u>2.7</u>	<u>2.5</u>	<u>13.8</u>
REGIONAL	1.8	1.6	1.4	1.2	1.0	7.0
- OBSERVER MISSIONS	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(2.5)
- T.A. & TRAINING (CAPEL)	(1.3)	(1.1)	(0.9)	(0.7)	(0.5)	(4.5)
BILATERAL						
- OBSERVER MISSIONS (.2/election)	0.8	1.5	1.5	1.5	1.5	6.8
3. POLITICAL PARTIES	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>2.5</u>
REGIONAL	0.5	0.5	0.5	0.5	0.5	2.5
BILATERAL	---	---	---	---	---	---
4. LEGISLATIVE	<u>4.0</u>	<u>6.0</u>	<u>8.0</u>	<u>11.0</u>	<u>11.0</u>	<u>40.0</u>
REGIONAL	1.0	1.0	1.0	1.0	1.0	5.0
BILATERAL	3.0	5.0	7.0	10.0	10.0	35.0
5a. FINANCIAL ACCOUNTABILITY-GOV'T	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>35.0</u>
REGIONAL	2.0	2.0	2.0	2.0	2.0	10.0
BILATERAL	5.0	5.0	5.0	5.0	5.0	25.0
5b. PUBLIC SECTOR MANAGEMENT*	<u>0.0</u>	<u>3.3</u>	<u>6.7</u>	<u>10.0</u>	<u>13.3</u>	<u>33.3</u>
REGIONAL	---	---	---	---	---	---
BILATERAL	---	3.3	6.7	10.0	13.3	33.3
6. STRENGTH. LOCAL/MUNICIP GOV'T*	<u>0.1</u>	<u>3.7</u>	<u>5.3</u>	<u>7.0</u>	<u>8.7</u>	<u>24.8</u>
REGIONAL	0.1	0.3	0.3	0.3	0.3	1.4
BILATERAL	---	3.3	5.0	6.7	8.3	23.3
7. CIVILIAN CONTROL OF MILITARY	<u>2.0</u>	<u>7.0</u>	<u>9.5</u>	<u>12.0</u>	<u>14.5</u>	<u>45.0</u>
REGIONAL	2.0	2.0	2.0	2.0	2.0	10.0
BILATERAL	---	5.0	7.5	10.0	12.5	35.0
8. ALTERNATIVE INFORMATION SRCS	<u>3.0</u>	<u>9.0</u>	<u>13.0</u>	<u>17.0</u>	<u>18.5</u>	<u>60.5</u>
REGIONAL	3.0	5.0	5.0	5.0	3.5	21.5
- RTAC	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(7.5)
- JOURNALISM (C.A.)	(1.5)	(1.5)	(1.5)	(1.5)	---	(6.0)
- JOURNALISM (EXPANDED)	---	(2.0)	(2.0)	(2.0)	(2.0)	(8.0)

\* Represents 1/3 of estimated costs, with other 2/3 attributed to growth and social development objectives.

## RESOURCE REQUIREMENTS, FY 1993 - 1997

(\$000,000s)

PROJECT	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	TOTAL
8. ALTERNATIVE INFO (CONTINUED) BILATERAL (THINK TANKS, MEDIA SUPPORT)	---	4.0	8.0	12.0	15.0	39.0
9. PLURALISM & CIVIC PARTICIPATION	<u>19.9</u>	<u>20.0</u>	<u>20.1</u>	<u>19.7</u>	<u>19.3</u>	<u>99.0</u>
REGIONAL	9.4	9.5	9.6	9.2	8.8	46.5
- CIVIC PARTICIPATION, OTHER ASSOC'S/NETWORKS	(1.0)	(1.5)	(2.0)	(2.0)	(2.0)	(8.5)
- LABOR DEVELOPMENT	(8.4)	(8.0)	(7.6)	(7.2)	(6.8)	(38.0)
BILATERAL	10.5	10.5	10.5	10.5	10.5	52.5
- CIVIC PARTICIPATION, OTHER ASSOC'S/NETWORKS	(2.0)	(3.0)	(4.0)	(5.0)	(6.0)	(20.0)
- LABOR DEVELOPMENT	(8.5)	(7.5)	(6.5)	(5.5)	(4.5)	(32.5)
10. DEMOC VALUES & LEADERSHIP TRN	<u>17.9</u>	<u>19.3</u>	<u>20.5</u>	<u>22.8</u>	<u>27.0</u>	<u>107.5</u>
REGIONAL	5.5	5.3	5.0	4.8	4.5	25.1
- CLASP (25% - DR/EHR)	(4.5)	(4.3)	(4.0)	(3.8)	(3.5)	(20.1)
- CIVIC ED & INNOV APP'S	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(5.0)
BILATERAL	12.4	14.0	15.5	18.0	22.5	82.4
- CLASP (25% TOTAL PRM)	(9.4)	(9.0)	(8.5)	(8.0)	(7.5)	(42.4)
- CIVIC ED & INNOV APP'S	(3.0)	(5.0)	(7.0)	(10.0)	(15.0)	(40.0)
11. TECHNICAL SUPPORT & RESEARCH - REGIONAL ONLY	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>5.0</u>
<b>GRAND TOTALS</b>						
REGIONAL	<b>34.9</b>	<b>35.8</b>	<b>36.3</b>	<b>35.4</b>	<b>33.0</b>	<b>175.5</b>
BILATERAL	<b>68.6</b>	<b>76.5</b>	<b>95.0</b>	<b>108.2</b>	<b>123.7</b>	<b>471.9</b>
TOTAL	<b>103.5</b>	<b>112.3</b>	<b>131.3</b>	<b>143.6</b>	<b>156.7</b>	<b>647.4</b>
ESTIMATED LAC AAPLS (DA & ESF)	1,087.0	1,103.0	1,118.0	1,134.0	1,150.0	5,592.0
- DI AS % OF BUREAU TOTAL	9.52%	10.18%	11.74%	12.66%	13.63%	11.58%
- LAC REGIONAL AS % OF TOTAL PRM	33.72%	31.91%	27.67%	24.67%	21.08%	27.11%
- AOJ AS % OF TOTAL PRM	43.86%	28.76%	28.03%	22.98%	21.38%	27.96%
- CLASP AS % OF TOTAL PRM	13.43%	11.84%	9.52%	8.22%	7.02%	9.65%
- AIFLD AS % OF TOTAL PRM	16.33%	13.80%	10.74%	8.84%	7.21%	10.89%

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ADMINISTRATION OF JUSTICE  
RESOURCE REQUIREMENTS, FY 1993 - 1997

PROGRAM	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
<b>1. BILATERAL</b>					
ARGENTINA	0.5	0.8	1.0	1.0	1.0
BOLIVIA					
- AID	1.0	1.0	1.0	1.0	1.0
- ICITAP	0.5	1.0	1.0	1.0	1.0
BRAZIL	0.4	0.5	0.8	1.0	1.0
CHILE	1.5	1.0	1.0	1.0	1.0
COLOMBIA (INCL. ICITAP)	5.0	5.0	4.0	3.0	3.0
COSTA RICA	---	---	---	---	---
EL SALVADOR	3.1	---	---	---	---
GUATEMALA	2.5	---	2.0	2.0	2.0
HAITI	1.0	---	1.5	---	1.5
HONDURAS	1.0	---	1.0	1.0	1.0
JAMAICA	---	---	---	---	---
MEXICO	0.5	0.5	1.0	1.0	1.0
NICARAGUA	2.0	1.5	1.5	1.5	1.5
PANAMA					
- AID	5.0	2.0	2.0	2.0	2.0
- ICITAP	10.0	5.0	5.0	2.0	2.0
PARAGUAY	0.3	0.5	0.5	1.0	1.0
PERU					
- AID	1.0	1.0	1.0	1.0	1.0
- ICITAP	0.5	1.0	1.0	1.0	1.0
RDO/C	---	1.0	---	1.0	---
<u>URUGUAY</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
SUB-TOTAL BILATERAL AOJ	36.3	22.3	25.8	22.0	22.5
<b>2. REGIONAL</b>					
ICITAP	5.0	6.5	6.5	6.5	6.5
ILANUD	3.0	1.0	2.0	2.0	2.0
TECHNICAL SUPPORT	0.5	0.5	0.5	0.5	0.5
<u>PRIVATE SECTOR GRANTS</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
SUB-TOTAL REGIONAL PROGRAM	9.0	8.5	9.5	9.5	9.5
<b>3. CONTINGENCY</b>					
	---	2.0	2.0	2.0	2.0
<b>GRAND TOTAL AOJ</b>	<b>45.3</b>	<b>32.8</b>	<b>37.3</b>	<b>33.5</b>	<b>34.0</b>

**LAC FY 90-92 OBLIGATIONS FOR  
DEMOCRACY STRENGTHENING PROJECTS**

PROJECT NUMBER	PROJECTS	ACTUAL	OYB	CP	ACSI % DI (IF <100%)
		FY 90	FY 91	FY 92	
598-0591	HUMAN RIGHTS INITIATIVES	<u>2,644</u>	<u>2,190</u>	<u>2,750</u>	
	IIDH	600	450	550	
	IIDH/CAPEL	0	700	550	
	IIDH/CAPEL EVAL. (CREATIVE ASSOC.)	--	80	--	
	NDI-ELECTION OBSERVERS	300	200	300	
	AU-CIVIL/MILITARY REL'S	270	372	500	
	ARGENTINA	--	--	150	
	PARAGUAY	100	90	300	
	URUGUAY	0	--	100	
	OTHER	--	299	300	
	CHILE-PART (IIDH/CAPEL)	430	--	--	
	TASK ORDER/DEVEL ASSOC	47	--	--	
	INDICATOR STUDY	125	--	--	
	NDI/CHILE OBSERVERS	142	--	--	
	OEF	630	--	--	
597-0033	SDI - HONDURAS ELECTION OBSERV.	70	--	--	
598-0658	FINANCIAL MGMT IMPROVEMENT	860	1,359	--	
598-0777	CHILE LEGIS ASSIST CENTER (CEAL)	300	500	500	
598-0770	REGIONAL LEGISLATIVE MGMT	773	1,000	2,000	
597-0031	CENTRAL AMER. JOURNALISM	1,300	2,100	2,200	
598-0101	AIFLD COOPERATIVE AGREEMENT	2,051	--	--	
598-0789	AIFLD UNION-TO-UNION	715	953	1,000	
598-0790	AIFLD CORE GRANT	6,174	7,487	7,440	
598-0796	CHILE-PARTICIPA (FY 91 START)	--	600	800	
598-0798	DI TECHNICAL SUPPORT (FY 92 START)	--	--	500	
598-0800	ACCOUNTABILITY & FIN. MGMT. (FY 92)	--	--	1,500	
598-0669	ADMINISTRATION OF JUSTICE SUPPORT	--	450	700	
598-0644	ICITAP	6,970	4,000	5,000	
598-0642	REGIONAL AOJ (TOTAL)	<u>3,256</u>	<u>3,443</u>	<u>4,750</u>	
	ILANUD	1,350	2,000	1,850	
	FIU	450	200	200	
	PRIVATE SECTOR GRANTS	0	129	500	
	ARGENTINA	0	250	400	
	BRAZIL	0	0	100	
	CHILE	0	509	1,000	
	COLOMBIA - FES	100	0	0	
	COLOMBIA - AOJ	1,140	0	0	
	ECUADOR	116	0	0	
	MEXICO	--	55	100	
	PARAGUAY	0	150	200	
	<u>URUGUAY</u>	<u>100</u>	<u>150</u>	<u>400</u>	
	<b>TOTAL LAC/DI OBLIGATIONS</b>	<b>25,113</b>	<b>24,082</b>	<b>29,140</b>	
	-- OTHER REGIONAL DI PROGRAMS --				
	CLASP - LAC REGIONAL	4,833	4,500	4,500	(25%)
	PARTNERS OF THE AMERICAS	359	--	--	(50%)
	<b>TOTAL REGIONAL DI PROGRAM</b>	<b>30,305</b>	<b>28,582</b>	<b>33,640</b>	

**LAC FY 90-92 OBLIGATIONS FOR  
DEMOCRACY STRENGTHENING PROJECTS**

PROJECT NUMBER	PROJECTS	ACTUAL FY 90	OYB FY 91	CP FY 92	ACSI % DI (IF <100%)
	-- MISSION DI PROGRAMS --				
	<u>BELIZE</u>				
505-0047	CLASP II	57	90	90	(25%)
	<u>BOLIVIA</u>				
511-0587	STRENGTHENING DEMOCRACY	--	--	2,000	
511-0603	ANDEAN PEACE SCHOLARSHIPS	202	45	--	(25%)
511-0609	JUSTICE SECTOR	1,038	500	--	
511-0610	DEMOC INSTITUTIONS GRANT	--	500	--	
	ANDEAN AOJ ACTIVITIES	1,000	500	--	
	<u>CARIBBEAN REGIONAL</u>				
538-0165	CARIBBEAN LAW INSTITUTE	736	750	--	(50%)
538-0173	LEADERSHIP DEVELOPMENT TRAINING	480	485	1,223	(25%)
538-0645	CARIBBEAN JUSTICE IMPROVEMENT	--	900	1,200	
	<u>COLOMBIA</u>				
514-9000	JUDICIAL PROTECTION	2,107	26	--	
514-9002	ADMINISTRATION OF JUSTICE	--	--	--	
	ANDEAN AOJ ACTIVITIES	1,300	7,000	5,500	
	<u>COSTA RICA</u>				
515-0254	CLASP II	1,000	250	500	(25%)
	<u>ECUADOR</u>				
518-0085	MUNICIPAL GOV'T STRENGTHENING	--	--	857	
518-0091	CLASP II	--	171	175	(25%)
	<u>EL SALVADOR</u>				
519-0296	JUDICIAL REFORM	3,000	--	--	
519-0360	LEGISLATIVE ASSEMBLY STRENGTH.	490	260	--	
519-0361	CLASP	1,250	1,000	1,750	(25%)
519-0368	AIFLD	8,312	4,500	1,555	
519-0373	JUDICIAL INFO. SERVICES - OPG	500	--	--	
519-0375	STRENGTHEN DEMOCRATIC PROCESS	600	1,000	900	
519-0376	JUDICIAL SECTOR STRENGTHENING	--	--	2,600	
519-0383	SPECIAL INVESTIGATIVE UNIT (SIU)	--	1,500	--	
519-0384	POLICE TRAINING	--	3,600	--	
519-0388	MUNICIPAL LEVEL DEMOC. DEVELOP.	--	--	2,000	(33%)
519-0794	ELECTIONS ASSISTANCE	--	3,400	--	
	<u>GUATEMALA</u>				
520-0369	ADMIN. OF JUSTICE IMPROVEMENT	--	1,600	--	
520-0376	JUDICIAL DEVELOPMENT	600	--	--	
520-0386	STRENGTHENING DEMOCRACY	500	--	--	
520-0393	PEACE SCHOLARSHIPS II	1,021	875	875	(25%)
520-0398	STRENGTH. DEMOC. INSTITUTIONS	600	2,000	2,700	
	<u>GUYANA</u>				
504-0100	ELECTIONS ASSISTANCE	691	302	--	
	<u>HAITI</u>				
521-0227	CLASP II	181	164	125	(25%)
521-0232	ELECTION SUPPORT	5,500	600	--	
521-0236	DEMOCRATIC ENHANCEMENT	--	2,845	2,200	
521-0640	PTIIC	226	49	5	(50%)

V.S.

LAC FY 90-92 OBLIGATIONS FOR DEMOCRACY STRENGTHENING PROJECTS					
PROJECT NUMBER	PROJECTS	ACTUAL	OY2	CP	ACSI % DI
		FY 90	FY 91	FY 92	(IF <100%)
	<u>HONDURAS</u>				
522-0296	STRENGTH. DEMOC. INSTITUTIONS	5,000	500	3,000	
522-0329	PEACE SCHOLARSHIPS	950	--	--	(25%)
522-0340	MUNICIPAL DEVELOPMENT	167	383	333	(33%)
522-0364	PEACE SCHOLARSHIPS II	304	500	500	(25%)
	<u>JAMAICA</u>				
532-0162	CARIBBEAN JUSTICE IMPROVEMENT	--	50	--	
532-0169	CLASP II	275	342	266	(25%)
	<u>NICARAGUA</u>				
524-0308	AIFLD	700	--	--	
524-0309	NAT'L ENDOWMENT FOR DEMOC. (NED)	235	--	--	
524-0330	PUBLIC SECTOR FIN. MGMT.	--	--	1,000	(50%)
524-0316	STRENGTH. DEMOC. INSTITUTIONS	--	3,000	3,000	
	<u>PANAMA</u>				
525-0305	IMPROVING POLICE SERVICES	6,630	6,570	10,000	
525-0306	FINANCIAL MANAGEMENT REFORM	--	2,250	900	(50%)
525-0307	DEMOCRATIC INITIATIVES	--	2,100	--	
525-0312	JUDICIAL REFORM	--	6,900	3,000	
525-0315	IMPROVING LOCAL DEMOCRACY	--	--	1,500	
525-1000	PEACE SCHOLARSHIPS	1,363	138	550	(25%)
	<u>PERU</u>				
527-0313	ANDEAN PEACE SCHOLARSHIPS	272	--	--	(25%)
527-0340	ANDEAN PEACE SCHOLARSHIPS II	--	118	--	(25%)
527-0356	DEMOCRATIC INITIATIVES	--	--	1,155	
	ANDEAN AOJ ACTIVITIES	--	500	1,000	
	<u>ROCAP</u>				
596-0162	REGIONAL DEVELOPMENT SUPPORT	117	348	325	(25%)
596-0167	LEADERSHIP TRAINING	--	400	800	(80%)
	<b>TOTAL MISSION DI PROGRAMS</b>	<b>47,401</b>	<b>59,010</b>	<b>53,584</b>	
	<b>TOTAL REGIONAL DI PROGRAM</b>	<b>30,305</b>	<b>28,582</b>	<b>33,640</b>	
	<b>GRAND TOTAL</b>	<b>77,706</b>	<b>87,592</b>	<b>87,224</b>	
	<b>TOTAL EXCLUDING CLASP</b>	<b>65,518</b>	<b>76,973</b>	<b>75,870</b>	

A SHORT HISTORY OF  
A.I.D.'S EXPERIENCE WITH  
PUBLIC ADMINISTRATION

A.I.D. spent large sums of money in the 1950s and '60s on public administration, to help governments in developing countries create the managerial and institutional capacity to formulate and implement their development strategies and programs. During the 1950s, assistance was "focussed primarily on transferring managerial techniques and organizational structures that seemed to be successful in the United States... The aim was to create rational, politically impartial, and efficient national bureaucracies.... U.S. foreign aid was invested heavily in establishing institutes of public administration... that would teach "modern" methods of management and through which the techniques and tools of western administration would be disseminated. During the 1960s, the emphasis shifted from merely transferring the tools of U.S. public administration to promoting fundamental political modernization and administrative reform.... A.I.D... spent large amounts of money to bring people from developing countries to the United States for professional education in schools of public administration and political science, and to strengthen the capability of foreign schools of public administration."<sup>57</sup> However, these approaches "came under increasing criticism during the late 1960s and early 1970s for being ethnocentric and for attempting to transplant western concepts of administration that were often irrelevant or inappropriate in developing countries." Evaluations by A.I.D. and the Ford Foundation, also heavily engaged in public administration improvement, found that the methods used were too academic, abstract, and theoretical to be operationally useful, and that the universities providing the assistance had "spotty recruitment records in terms of continuity and quality."

The universities usually "created a separate U.S. contract team presence, with excessive reliance upon expatriate heads of assisted institutions. Inadequate attention was given to expanding the pool of trained manpower and their approach to institution building did not effectively strengthen the linkages of the assisted organizations to leadership, support, and the political environment." The "training institutions, created at high cost, were able to provide services only to a small percentage of the civil servants needing training and... few were able to carry out research effectively or to provide consulting services to the government. By the end of the 1960s, little evidence existed to document their impact on improving administrative capacities or performance in the governments of countries in which they were established."

Consequently, A.I.D. "decided at the beginning of the 1970s to cut back both its funding for public administration training and for research and technical assistance in administrative reform and institution building."<sup>58</sup>

This is the basis for the conventional wisdom within A.I.D. today that the early public administration programs failed. At the same time, Rondinelli notes that "few systematic evaluations have been made of the results of these investments on administrative performance in developing countries, and observers... disagree on their effectiveness. Some argue that in many developing countries, public administration is more effective and efficient than in the past and better than it would have been in the absence of aid."<sup>59</sup> Though a number of the assisted IPAs have deteriorated into lower-level training schools over time, some claim that they were nevertheless invaluable to early civil services, especially in newly independent countries. It is asserted that much was accomplished despite the above-cited criticisms; in Latin America, "the best showcase is Brazil, where major achievements were recorded in civil service development, financial management, and municipal administration. In addition, national, state, and local institutions were created through technical assistance that over the years have had a most pervasive influence on governmental performance. Two in particular [are] the Vargas Foundation Brazilian School of Public Administration (FBAP), and the Brazilian Institute of Municipal Administration (IBAM). Administrators trained in FBAP are to be found in key government positions all over Brazil, and the influence of IBAM on municipal performance has been outstanding." In addition, "vast improvements were achieved in the administrative systems of other Latin American countries through technical assistance in public administration. Notable examples include Chile, Costa Rica, Venezuela, and El Salvador.... In each of these countries there is an administrative culture: a set of people throughout the government who understand the language of administration and who know what good administrative practice is." Although "they are not always able to utilize their knowledge or put good management into practice for reasons beyond their control, a generation ago no such culture was to be found in most of these countries."<sup>60</sup> If accurate, these observations could lead to the conclusion that A.I.D. may have, as it has done in other areas, abandoned its efforts prematurely for lack of easily measurable results and/or because its evaluative time frame was not sufficiently long term.

During the 1970s and 1980s A.I.D. continued some development management activities and research, largely through S&T. The focus shifted to improving systems management in the technical sectors and, with the advent of the "New Directives" legislation in 1974, to "bottom-up" management assistance intended to bring about more equitable distribution of benefits as well as the capacity of organizations to manage more efficiently and effectively. "The focus of training shifted from transferring 'objective knowledge' to promoting action-oriented, organizationally based skill building in which on-the-job instruction, problem solving, and behavioral changes were emphasized."<sup>61</sup> During the 1980s, "a learning process approach emerged as a major strategy for managing social development programs and reorienting bureaucracies toward implementing 'people-centered' development activities more effectively."<sup>62</sup> Through a contract with the National Association of Schools of Public Affairs and Administration (NASPAA) and work by David Korten, a NASPAA field staff member assigned to USAID/Manila and then Indonesia, a new management theory was developed, "based in part on the principles of community development, in part on theories of social learning, and in part on field assessments of successful local programs that were planned and managed in ways far different from A.I.D.'s usual projects.... At the heart of Korten's work was the concept of the learning process, in which programs are not planned in detail at the outset, but only the strategy for mobilizing, using, and sustaining local organizational capacity is pre-planned.... Korten insisted that leadership and teamwork, rather than blueprints, were the key elements.... An essential part of the learning process for managing social development... is coalition building. Change can be stimulated and sustained only when a coalition--which cuts across formal lines of organizational authority and is composed of individuals and groups who are directly affected by the project or program, or who have the resources to plan and implement it--can be formed to take responsibility for initiating and guiding action in innovative ways.... In order to adopt a learning-process approach, Korten and Uphoff argued, government agencies and international assistance organizations would have to undergo bureaucratic reorientation... changes in... structure to allow organizations to manage development programs through social learning and to increase their capacity for people-centered planning and innovation.... The elements of bureaucratic reorientation would include," inter alia: strategic management; a responsive reward structure in which incentives are provided on the basis of effectiveness in meeting strategic objectives; flexible and simplified planning systems; results-oriented monitoring and evaluation; participatory training that would teach organizing as well as technical skills, and use participatory methods to

strengthen problem-solving and interaction abilities; a well-defined doctrine that would promote a widely shared understanding of the organization's mission; and use of applied social science to improve the capacity to gather and use data crucial to increasing effectiveness.<sup>63</sup> Other research during the 1980s, similarly, sought to identify the factors that explained the success of those development projects that were successful, and identified such characteristics as: a results orientation; dedication on the part of staff, reinforced by personnel practices that rewarded them for actions resulting in success; arrangements that held all parties accountable for achieving intended results; a high degree of local participation in design and implementation; flexibility to redirect efforts as needed and delegate authority; processes developed for continuous learning; and maximum decentralization and improvement of local communities or organizations.<sup>64</sup> Many of these lessons learned were reflected in A.I.D.'s 1982 Development Administration Strategy Paper, and S&T's recently ended Performance Management Project (1983-1990). Rondinelli feels that this applied research has developed a strong, coherent new theory of development administration, "away from central-oriented approaches and toward adaptive learning, local action and assisted self-help," but that A.I.D. itself still represents a rigid, centralized, central-oriented type of management, and that one of the important challenges facing development administration theorists and practitioners is how to close the large gap that now exists between what is known about effective development management and current practice."<sup>65</sup> Rondinelli also notes, however, that "additional research on the conditions under which management systems and control techniques are effective is also needed for improving project and program performance and those under which the learning process, local action, and 'adaptive' forms of administration are more appropriate."<sup>66</sup>

Meanwhile, S&T's development administration portfolio has withered away to one "Implementing Policy Change" project, and staff has diminished as noted, although the occasional public sector management project is still developed in the field (e.g. the important fiscal administration project in Guatemala).

12

# Performance Indicators for Strategic Objectives

**STRATEGIC OBJECTIVE NO 1**  
**IMPROVE THE EFFECTIVENESS AND**  
**STRENGTHEN THE COUNTRY AN**  
**INDEPENDENT JUSTICE SYSTEM**

**STRATEGIC OBJECTIVE NO 2**  
**STRENGTHEN LOCAL AND MUNICIPAL**  
**GOVERNMENT IN THE COUNTRY**

## I. JUDICIAL INDEPENDENCE

- 1.1 Degree of control by the Judiciary of its budget
- 1.2 Judicial officers represent the broad cross section of partisan, ethnic religious and regional divisions found within the country
- 1.3 Implementation of a Judicial career law
- 1.4 Increase or decrease in the numbers of act of intimidation aimed at the judiciary
- 1.5 Judicial system's ability to reach decisions on all types of cases
- 1.6 Degree to which judicial decisions are enforced

## II. JUDICIAL PROFESSIONALIZATION

- 1.7 Establishment of merit selection procedures as part of judicial career law
- 1.8 Judicial salaries are established by law to be comparable to private sector positions of similar qualifications
- 1.9 Establishment of active professional organizations for judicial officers

## III. JUDICIAL EFFICIENCY

- 1.10 Establishment of a court administration office
- 1.11 Establishment of training programs for judges
- 1.12 Existence of training programs for non judicial court employees
- 1.13 Existence of documentation for all laws, decrees, legal codes and procedures

- 1.14 Establishment of case management and tracking systems

- 1.15 Establishment of a modern system of judicial statistics and records

## IV. JUDICIAL PROCEDURE

- 1.16 Establishment and use of a uniform set of legal procedures

- 1.17 Effective procedures for the supervision of investigations

- 1.18 Use of oral procedures

- 1.19 Reduction in time required for processing criminal cases

- 1.20 Establishment of a system of bail and pretrial release system

## V. ACCESS TO THE JUDICIARY

- 1.21 Local availability of courts throughout the country

- 1.22 Availability of legal representation through private attorneys and public defenders

- 1.23 Availability of legal education

- 1.24 Structure and fairness of court costs and fees

## VI. PUBLIC ACCOUNTABILITY

- 1.25 Increased public confidence in the justice system

- 1.26 An effective public education program on the justice system

- 1.27 Establishment of effective justice monitoring and policy research organizations

- 2.1 Selection process for selecting local leaders
- 2.2 Scheduling and holding of regular elections at the local level
- 2.3 Level of competition for leadership positions in local government
- 2.4 Responsiveness of local officials to public concerns
- 2.5 Amounts and sources of revenues available for local programs
- 2.6 Number and types of services provided by the local government
- 2.7 Percentage of population served by basic services provided by local government
- 2.8 Criteria used for determining priorities in service and resource allocation decisions
- 2.9 Improved institutional capabilities of local government

# Performance Indicators for Strategic Objectives (cont'd.)

ANNEX V-2

## STRATEGIC OBJECTIVE NO. 3 STRENGTHEN THE CONTROL OF CIVILIAN LEADERSHIP OVER THE MILITARY

- 3.1 Existence of governmental institutions controlled by the military that are unregulated by elected officials
- 3.2 Number of military officers, both active duty military officers serving as cabinet officers
- 3.3 Enactment of laws that prevent military officers from serving in key political positions to help avoid conflict of loyalty between military duty and political office
- 3.4 The degree to which elected civilians control the size of the military budgets and expenditures
- 3.5 The degree to which elected civilians control the size of the military forces
- 3.6 The degree of military control in areas other than international security
- 3.7 The ability of civilian authorities to access information on decisions of military officials
- 3.8 The ability of civilian authorities to investigate allegations of illegal or inappropriate behavior of military officers
- 3.9 A growth in public opinion that military power is increasingly under civilian control

## STRATEGIC OBJECTIVE NO. 4 IMPROVE THE EFFECTIVENESS AND STRENGTHEN THE CAPACITY IN THE COUNTRY OF THE LEGISLATIVE BRANCH OF GOVERNMENT

- 4.1 An electoral selection process that assures representation from the major cleavages of society
- 4.2 Degree of responsiveness to the problems, preferences and proposals of their constituents
- 4.3 Degree of legislative control over executive budgets
- 4.4 Legislature's role - to approve or disapprove - major executive decisions
- 4.5 Ability of a legislature to enact laws for the society
- 4.6 The degree of legislative oversight of governmental operations
- 4.7 Improved institutional capabilities of the legislature
  - policy and legal research
  - support and investigative staff
  - communication with constituents
  - publication of documents, reports & proceedings

## STRATEGIC OBJECTIVE NO. 6 STRENGTHEN THE DUAL THE MULTIPARTY SYSTEM

- 6.1 Level of party identification on the part of political activists
- 6.2 Level of party identification by the voting public
- 6.3 Party legal status
- 6.4 Ability of the party to maintain an institutional capacity to
  - research issues
  - manage mass communications
  - train workers
  - maintain election experts/pol workers
  - raise funds
  - assist candidates
- 6.5 Presence of political organizations (either clubs or precinct type organizations) in urban areas
- 6.6 Ability to bring to office skilled, competent officials

## Performance Indicators for Strategic Objectives (cont'd.)

**STRATEGIC OBJECTIVE NO 7**  
**IMPROVE THE EFFECTIVENESS AND**  
**STRENGTHEN THE INSTITUTIONAL**  
**CAPACITY OF THE COUNTRY TO**  
**ADMINISTER FREE, FAIR AND OPEN**  
**ELECTIONS**

- 7.1 Scheduling and holding of regular elections at the federal and local level
- 7.2 Percentage of the public believing that the elections were fair, open and free
- 7.3 Independent electoral tribunal, selected in a manner that either balances party representation or is non-partisan, with appropriate budget support, trained career staff, and logistical capabilities
- 7.4 The existence of a functioning impartial system to investigate and adjudicate charges of fraud in either the registration or voting process

**STRATEGIC OBJECTIVE NO 8**  
**STRENGTHEN CIVIC, PROFESSIONAL, AND**  
**COMMUNITY ORGANIZATIONS AS A MEANS**  
**TO INCREASE CITIZEN PARTICIPATION IN**  
**DEMOCRATIC DECISION MAKING IN THE**  
**COUNTRY**

- 8.1 An increase in the number of different civic, professional and community organizations
- 8.2 An increase in the membership of the civic, professional and community organizations
- 8.3 An expansion of the financial resources available to the civic, professional and community organizations
- 8.4 An increase in the number of meetings held by civic, professional and community organizations
- 8.5 An increase in the number of policy institutes associated with civic, professional or community groups
- 8.6 An increase in the institutional capabilities of the civic, professional and community organizations

## Performance Indicators for Strategic Objectives (cont'd.)

ANNEX V-4

**STRATEGIC OBJECTIVE NO. 9  
IMPROVE THE EFFECTIVE  
EXERCISE OF INTERNATIONALLY  
RECOGNIZED HUMAN RIGHTS IN  
THE COUNTRY**

- 9 1 Ratification of international human rights instruments
- 9 2 The establishment of an independent human rights commission
- 9 3 A government organized and funded human rights education program
- 9 4 The decrease in the number of abuses according to categories established by international human rights conventions
  - Torture
  - Incommunicado detention
  - Detention of persons solely for the non violent expression of their political views
  - Prolonged detention without a trial
- 9 5 The number of cases of human rights abuses--politically motivated crimes--brought before the justice system and the disposition of those cases
- 9 6 The number of government officers punished for violent criminal acts

**STRATEGIC OBJECTIVE NO. 10  
STRENGTHEN FREE,  
DEMOCRATICALLY ORIENTED  
TRADE UNIONS IN THE COUNTRY**

- 10 1 Number of unions affiliated with democratic confederations
- 10 2 Number of dues paying members
- 10 3 Quality of collective bargaining agreement
- 10 4 Increase the number of labor leaders

**STRATEGIC OBJECTIVE NO. 11  
STRENGTHEN THE FREE MEDIA IN  
THE COUNTRY (PRINT AND  
ELECTRONIC)**

- 11 1 Increased number of consumers of media products
- 11 2 Increased public confidence in media information
- 11 3 Increased journalistic, editorial and managerial skills in the media
- 11 4 Increased autonomy of the media from government control
- 11 5 Increase in media investigative reporting
- 11 6 Increased journalistic stature
- 11 7 Increased profitability of media outlets

Overall Lessons Learned

In addition to the specific lessons learned in connection with each of the above-described programs, there are overall or generic lessons learned since FY 1985 with the expanded democracy program. They are as follows:

1. The programs are working, despite their political sensitivity and, in particular, Latin American sensitivity regarding "Uncle Sam." But they work only if they are designed and implemented collaboratively, so the host country institution feels it has ownership of the activity. The programs must be conducted openly with all parties involved fully aware of the source of the funding (i.e., USG).
2. The program has been deliberately situational and opportunistic, supporting and building upon initiatives taken by Latin Americans and responding to their expressed needs. The current rather substantial program evolved from earlier A.I.D.-funded human rights activities that established relationships of cooperation and trust between A.I.D. and host country institutions. Thus smaller efforts laid the foundation for today's larger programs.
3. Because of their political sensitivity and high visibility, U.S.-funded programs are best implemented using a coordinated approach involving all interested agencies. Inter-agency committees at both the Washington and field levels are useful mechanisms for ensuring the necessary coordination in project design and implementation. In addition, it is important to be aware of similar or related activities supported by other donors, to assure adequate coordination.
4. Successful projects must be based on strong host-country commitment to strengthening democratic institutions. For example, the judiciary and related elements of the government or private sector must be actively working for judicial reform before substantial funding is provided for administration of justice projects.
5. Programs require a long-term commitment by both A.I.D. and host-country institutions. The strategic objective is almost always focused on institution-building and will not be achieved in a 2-4 year time frame. Supporting the evolution of democratic societies is a non-partisan, long-term effort.

6. Flexibility is key to effective assistance. It is important to be able to take advantage of opportunities as they arise, and to change direction or emphasis as circumstances dictate. A.I.D. developed and applied new internal mechanisms for the review and approval of democracy programs in order to increase flexibility and the capacity for rapid response. The program has also required exemptions from legislative restrictions on providing police assistance, the ability to work in countries where A.I.D. is otherwise prohibited (i.e. Nicaragua before the transition, Panama before May 1989 elections).

7. Because of the program's purpose, it is necessary for a donor agency to be reactive as well as proactive. The most successful and effective A.I.D.-funded projects originated from proposals received from Latin American institutions or from U.S. private organizations having established relationships and credibility with Latin American entities. Conversely, the projects that have missed the mark or face continuing implementation troubles were usually designed by A.I.D. staff or consultants, with less than adequate collaboration with host country institutions.

8. Care must be taken not to politicize the program by using it as a weapon to achieve short-term political objectives. Suspending project funding to demonstrate U.S. unhappiness on a given bilateral issue jeopardizes long-term efforts to support democracy-strengthening activities.

9. While it is true that democracy must be established and nurtured in each individual country by its own citizens, regional programs can help accelerate that growth by sharing and adapting ideas and experience, reducing feelings of isolation and hopelessness, raising the level of mutual acceptance of democratic values, and stimulating achievements through peer pressure. Regional programs can also offer training and technical assistance to a wider audience on an efficient, cost-effective basis. In addition, some institutions (legislatures, for example) are naturally drawn to associative relationships.

10. Small regional grants have proved useful as pilot efforts that laid the groundwork for more ambitious programs. Examples include support to the Inter-American Institute of Human Rights, CAPEL and ILANUD, as described above. Support for

issue-oriented conferences sometimes led to longer-range projects. These activities had specific, relatively limited, achievable objectives and expectations. The regionality of the activities allowed participants to share experiences, discover common goals and seek solutions to common problems. This, in turn, stimulated ideas for future collaboration and follow-on efforts on a larger scale.

11. Highly sensitive matters can be approached effectively in an academic environment. Scholarly institutions can provide neutral, non-threatening fora where expression of differing views is welcome and often constructive. The advances made by the IIHR and the civil-military project in a relatively short time demonstrate the value of an academic approach.

12. Prior to designing a full-scale program, a needs assessment should be carried out to develop the analytical basis for the program. This assessment should be developed jointly with appropriate counterparts with a view toward developing a national consensus on needed democracy-strengthening activities.

13. In the design of projects, it is important to aim at a single strategic objective rather than a multi-purpose project. Otherwise, measurement of impact and project management become too complex. It is also difficult to provide technical services from a single contractor covering multiple areas.

14. Consultants must be completely fluent in the local language and experienced in the workings of host country institutions. Whenever possible they should be natives of the region, not North Americans.

TABLE 1

<u>Budget (US\$)</u>	<u>Avg Per RHUDO</u>	<u>Total Per Year</u>	<u>Per 5 Years</u>
Training/Research/ Promotion/Publication	\$ 300,000 66,000	\$ 900,000 198,000	\$4,500,000 990,000
Analysis/Design	200,000	600,000	3,000,000
Staff/Visiting Experts	<u>266,000</u>	<u>798,000</u>	<u>3,990,000</u>
Subtotal:	\$ 832,000\$	\$2,500,000	\$12,500,000
Core Buy-in ICMA Contract		\$ 500,000	\$ 2,500,000
NDI Seminars		<u>100,000</u>	<u>500,000</u>
ANNUAL TOTAL:		\$3,100,000	
5-YEAR TOTAL:			\$15,500,000

TABLE 2  
Configuration of DH Staff Levels

<u>Country</u>	<u>Now</u>	<u>Needed</u>
<u>Central America</u>		
Costa Rica	1	1
El Salvador	2	3
Guatemala	2	3
Honduras	1	3
Nicaragua	0	3
Panama	.5	3
ROCAP	0	2
Mexico	0	1
<u>South America</u>		
Bolivia	1	2
Brazil	0	1
Chile/Argentina/ Uruguay	1	1
Colombia	0	1
Ecuador	1	2
Paraguay	0	1
Peru	.5	3
<u>Caribbean</u>		
Dominican Republic	0	2
Haiti	0	2
Jamaica	0	1
<u>RDO/C</u>	<u>0</u>	<u>1</u>
TOTAL	8	36

TABLE 3

## LAC/DI Staff Responsibilities

Director	
Deputy Director	- Electoral assistance; human rights; donor coordination.
Program Officer	(1) <u>Program</u> : strategic planning, budget management, evaluation, MIS, Action Plan, CP, etc.; keep current on literature and program performance. (2) <u>Projects</u> : labor, civil-military, other innovative approaches.
AOJ Officer	- AOJ (ILANUD, private sector grants, country activities); property rights.
AOJ/Project Officer #1	- AOJ level-of-effort contract, leadership training, press/think tanks.
Project Officer #2	- Political parties, legislative development, civic education and participation.
Project Officer #3	- Financial management.
Project Officer #4 (new position)	- Public sector management, local/municipal government (with PRE/H).
Assistant Program/ Projects Officer (convert half-time to full-time position)	- Support Program and Project Officers.
Secretary #1	- Support 4 officers
Secretary #2 (convert half-time to full- time position)	- Support 5 officers

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6. Statement of Secretary of State James Baker III before the Senate Foreign Relations Committee, Washington, D.C., February 1, 1990.
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10. Gastil, Raymond, "Appropriate Strategies for Promoting Democracy" (paper prepared for the A.I.D. Seminar on ANE's Democratic Pluralism Initiative, June 6, 1990), pp. 5-6.
11. Huntington, "The Modest Meaning of Democracy," p. 18.
12. Ibid., p. 19.
13. Ibid., p. 25. On whether democracy is a requisite for growth, see also Haggard, Stephen, "Democracy and Economic Growth," paper prepared for the U.S. Agency for International Development, Democratic Pluralism Initiative, June 15, 1990; and Perspectives on Democracy: A Review of the Literature, Chapter 4, report prepared by Ernst & Young (Melissa Wong), for AID/ANE, September 1990.
14. See Diamond, Lawrence, "Democracy in Paradox;" prepared for the conference on "Israeli Democracy Under Stress," Hoover Institution, June 28 - July 1, 1990; pp. 1-3, for a useful summary of some leading writers' views.

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26. Diamond, et al, Democracy in Developing Countries, Vol. 4, pp. 44-46.
27. Seligson, Mitchell and Edward Muller, "Democratic Stability and Economic Crisis: Costa Rica, 1978-83," International Studies Quarterly, Vol. 31, no. 3, September 1987.

28. Diamond et al also believe their cases demonstrate that "moderation, prudence, and consistency in economic policies contribute to democratic success." Colombia, for example,

"has achieved one of the highest economic growth rates in the region over the past two decades, with relatively low inflation ... by pursuing a moderate, stable mix of policies emphasizing simultaneously steady (but not spectacular) growth and the limitation of fiscal deficits and inflation. Countries following such a policy approach (including pre-oil boom Mexico and Venezuela) ... 'have generally avoided extreme populist policies--with high inflation, extreme protectionism, dramatic wage increases and extensive fiscal deficits--or radical neoliberal ones--brusquely eliminating state subsidies and fiscal deficits, imposing massive devaluations, sharply curtailing wage increases, clamping down on the money supply, and slashing tariffs.' Many of our cases--notably Argentina, Chile, Peru, Uruguay, and, recently, Brazil--show the high costs to long-term economic vitality and political stability of abrupt and repeated swings between such policy extremes. Populist and radical protectionist economic policies, by ignoring the imperatives of fiscal responsibility and economic competitiveness and by confronting rather quickly (given the small domestic markets in most Latin American countries) the limits and contradictions

of

import-substituting industrialization, eventually make inevitable a swing toward radical austerity and liberalization measures. To the extent that the latter policies are pursued single-mindedly, however, they may depress popular wage levels and welfare to a degree that builds up irresistible pressure for a new burst of economic populism. As Waisman shows, once competing sets of economic interests and political actors converge around these policy extremes, it may be very difficult to break the debilitating pattern of cyclical alternation between them.

"A related lesson of policy and strategy ... is the cost of excessive state expansion, employment, and regulation.... The tension between statism and democracy in Latin America derives not just from the intrinsically illiberal features of a domineering state but also from its economically stultifying consequences: inefficient use of capital and labor; unprofitable public enterprises; persistent fiscal deficits; corruption,

inflation, and massive indebtedness. The shift toward leaner, more efficient state sectors and more competitive, export-oriented economies thus seems to be an important dimension of the democratic project in Latin America.\*

\* Seligson, Mitchell and Edward Muller, "Democratic Stability and Economic Crisis: Costa Rica, 1978-83," International Studies Quarterly, Vol. 31, no. 3, September 1987, pp. 46-47.

29. Linz, Juan and Alfred Stepan, "Political Crafting of Democratic Consolidation or Destruction: European and South American Comparisons," in Robert Pastor, ed., Democracy in the Americas, pp. 41-61.
30. Diamond, et al, Politics in Developing Countries; Vol. 1, p. 15.
31. Diamond, et al, "Building and Sustaining Democratic Government...", pp. 33-34.
32. Political scientists have long debated the ideal number of parties. Lipset considers the two-party system most likely to produce moderation, accommodation, and aggregation of diverse interests.

However ... if the two-party cleavage coincides with other accumulated cleavages (such as ethnicity and religion), it might so further polarize conflict as to produce democratic breakdown and civil strife. Linz and Giovanni Sartori draw the distinction instead between moderate (with fewer than five relevant parties) and extreme, polarized multi-party systems, the latter increasing significantly the probability of democratic breakdown. Yet Powell argues, from empirical examination of twenty-nine democracies over time, that a "representational" party system, in which numerous parties exhibit strong linkages to distinct social groups, may contribute to democratic stability by facilitating the involvement of potentially disaffected groups in legitimate politics--provided that extremist parties are unable to gain significant support.\*c60E<sup>A</sup>

"It is difficult and probably inadvisable to derive a single, general rule about the ideal number of parties," since this depends importantly on country-specific circumstances. But:

because the party system is a crucial institutional device not only for representation but for conflict

management, what appears most important is that the party system suit the social and cultural conditions, and that it articulate in a coherent way with other political institutions. Thus, if the constitutional system is designed to induce a two-party system--as tends strongly to result from a presidential system with election of legislators from single-member districts, by simple plurality and single ballot--it makes sense to have in place other institutional inducements to cross-cutting cleavage, such as federalism... If the "representational" system is sought, proportional representation (in a parliamentary system) is its electoral means, and the encouragement of cross-cutting cleavages becomes a less pressing concern.<sup>b</sup>

#### The DLL 26-country study

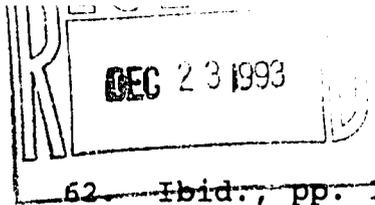
does offer some support for the proposition that a system of two or a few parties, with broad social and ideological bases, may be conducive to stable democracy.... Certainly, fragmentation into a large number of parties ... is associated with democratic instability and breakdown. This is not only because such party systems tend toward ... conditions of polarized pluralism ... but also because parties in such systems are poorly institutionalized.

A critical consideration for democracy is not just the number of political parties but their overall institutional strength, as indicated by Huntington's criteria of coherence, complexity, autonomy, and adaptability.<sup>c</sup> Among the 26 cases ... where at least one and eventually two or more parties were able to develop some substantive coherence about policy and program preferences, some organizational coherence and discipline, some complexity and depth of internal structure, some autonomy from dominance by individual leaders or state or societal interests, and some capacity to adapt to changing conditions--incorporating new generations and newly emergent groups--democracy has usually developed considerable durability and vitality.<sup>d</sup>

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- a. Diamond, et al, Politics in Developing Countries, Vol. 1, pp. 25, 26.
  - b. Ibid., p. 26.
  - c. Huntington, Samuel, Political Order in Changing Societies, Yale University Press, 1968, pp. 12-24.
  - d. Diamond, et al, op. cit., pp. 25-27.

33. Ibid., p. 36.
34. Dahl, op. cit., pp. 2-3.
35. Diamond, et al, "Building and Sustaining Democratic Government...", p. 19.
36. Huntington, Samuel P., Political Order in Changing Societies, New Haven: Yale University Press, 1968, p. 5.
37. Edward Muller, on the other hand, concludes that the level of economic development has no direct effect on democratic stability after controlling for income inequality. See Muller, Edward N., "Democracy, Economic Development, and Income Inequality," American Sociological Review, Vol. 53, 1988, pp. 50-66.
38. Muller, op. cit., pp. 50-66.
39. Two different but favorable assessments of the U.S. role in assisting the recent democratic transition in Nicaragua are Robert A. Pastor, "The Making of a Free Election," and Robert S. Leiken, "Old and New Politics in Managua," in the Journal of Democracy, Vol. 1, no. 3, Summer 1990.
40. Diamond, et al, Politics in Developing Countries, Vol. 1, p. 34.
41. Those edited by Linz and Stepan; O'Donnell, Schmitter, and Whitehead; and Diamond, Linz, and Lipset.
42. Diamond, et al, Democracy in Developing Countries, Vol. 4, p. 9.
43. Harrison, Lawrence; Under-Development is a State of Mind: The Latin American Case; Harvard Center for International Affairs and University Press of America; 1985; p. 165.
44. Ibid, pp. 146-147.
45. Ibid, p. 142.
46. Diamond, et al, op. cit., pp. 4-7.
47. Ibid, p. 10, which cites John A. Booth and Mitchell A. Seligson; "The Political Culture of Authoritarianism in Mexico: A Reexamination," Latin American Research Review; Vol. 19, no. 1 (1984); pp. 106-124. Also cited is Susan Tiano, "Authoritarianism and Political Culture in Argentina and Chile in the mid-1960s," Latin American Research Review; Vol. 21, no. 1 (1986); pp. 73-98.

48. Diamond, et al, Politics in Developing Countries, Vol. 1, p. 19.
49. Lamounier, Bolivar, "Brazil: Inequality Against Democracy," in Diamond, et al, Democracy in Developing Countries: Latin America, Vol. 4.
50. Diamond, et al, Politics in Developing Countries, Vol. 1, p. 20.
51. De Soto, Hernando; "Constraints on People: The Origins of Underground Economies and Limits to Their Growth," in Beyond the Informal Sector; Jerry Jenkins, ed.; ICS Press, San Francisco; 1988; p. 47.
52. For further details on this, as well as previous experience with strengthening legislative capacity, civic education, and leadership training programs, see "A Retrospective of A.I.D.'s Experience in Strengthening Democratic Institutions in Latin America, 1961 - 1981," September 1987 report prepared by Creative Associates, Inc. for AID/LAC/AJDD; p. IV.
53. Cable from USAID/San Salvador, "Experience with Democratic Initiatives," San Salvador 12111, 7 September 1990.
54. Draft U.S. AID LAC Bureau Regional Strategy for Improving Financial Management, 12/20/89, p. VI-31.
55. See footnote 52.
56. "Democratic Initiatives Performance Monitoring Study for the Latin America and Caribbean Bureau," study prepared for LAC/DI by Lawrence C. Heilman and Robert J. Kurz under contract no. PDC-0085-I-00-9059-00, Delivery Order no. 21, January 1991, Volume II, p. 19.
57. Rondinelli, Dennis A., Development Administration and U.S. Foreign Aid Policy, Lynne Rienner, Boulder & London, 1987, pp. 49-50, 143.
58. Ibid., p. 4.
59. Shaeffer, Wendell, "Public Administration Accomplishments through A.I.D. Technical Assistance," ms., January 1991, pp. 1-2.
60. Rondinelli, op. cit., p. 144.
61. Ibid., p. 145.



~~62. Ibid., pp. 116-120.~~

63. Ibid., pp. 119-122.

64. Ibid., p. 146.

65. Ibid., p. 156.

66. Draft U.S. AID LAC Bureau Regional Strategy for Improving Financial Management, 12/20/89, pp. II-7, 8.