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CENTER FOR DEMOCRACY AND GOVERNANCE

"...promoting the transition to and consolidation of democratic regimes throughout the world."

WORKSHOP ON DEMOCRATIZATION THEORY AND PRACTICE

Workshop Materials

INFORMATION RESOURCE CENTER
OFFICE OF WOMAN IN DEVELOPMENT
USAID

Washington, D.C.

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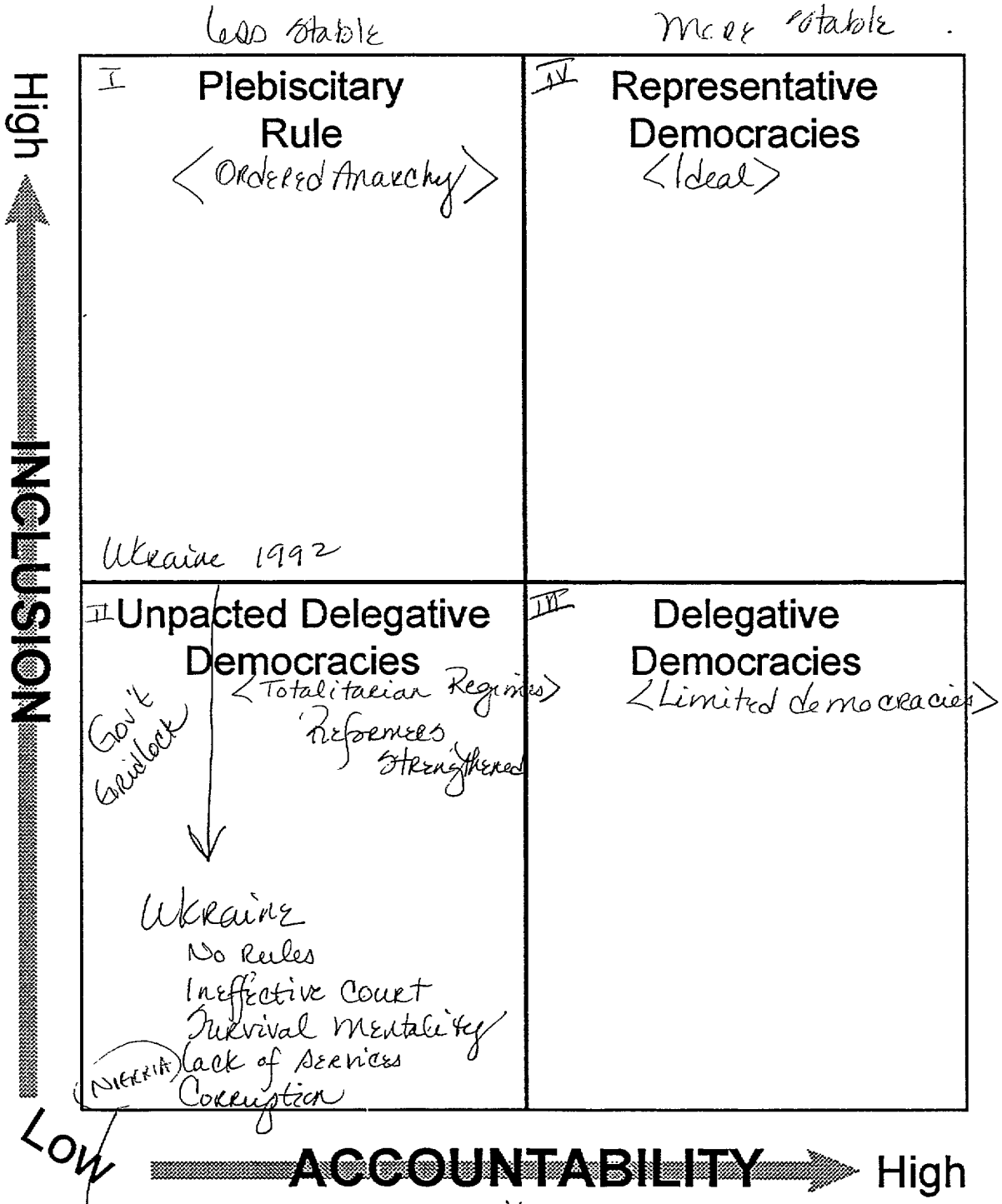
Ukraine Approach
① Where are you?
② What is the problem to overcome?
③ Strategy
④ Resources to bear -

A Framework for Analysis



If a country is this low - a "strategy" (= results) may be impossible
(leaders may eliminate about further, etc)
best may be to put a transition agenda in place.

Table 2a: Filling in the Framework
Where Did Russia Go?

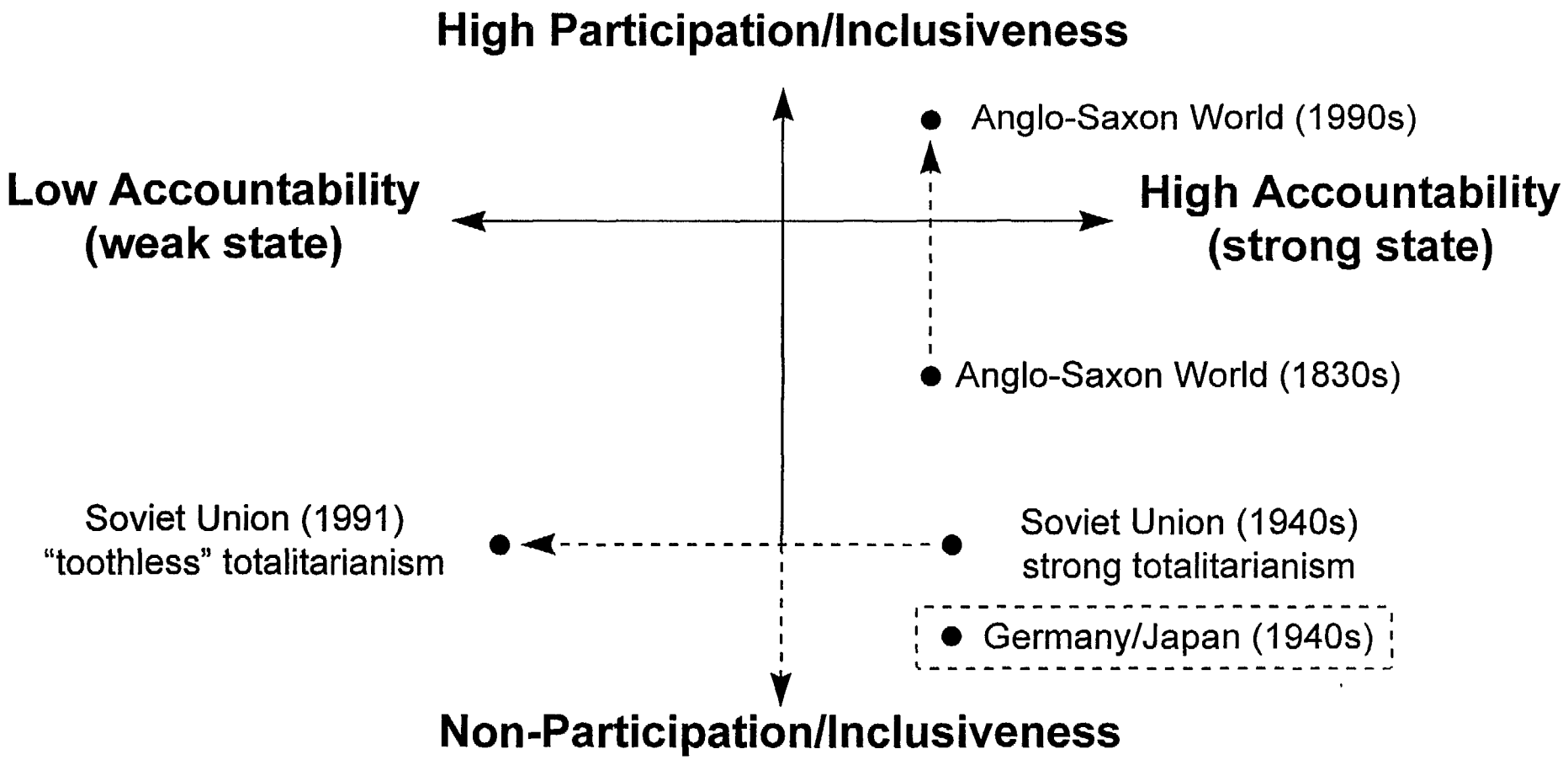


Table 2b
Post-Communist Russia Since 1991

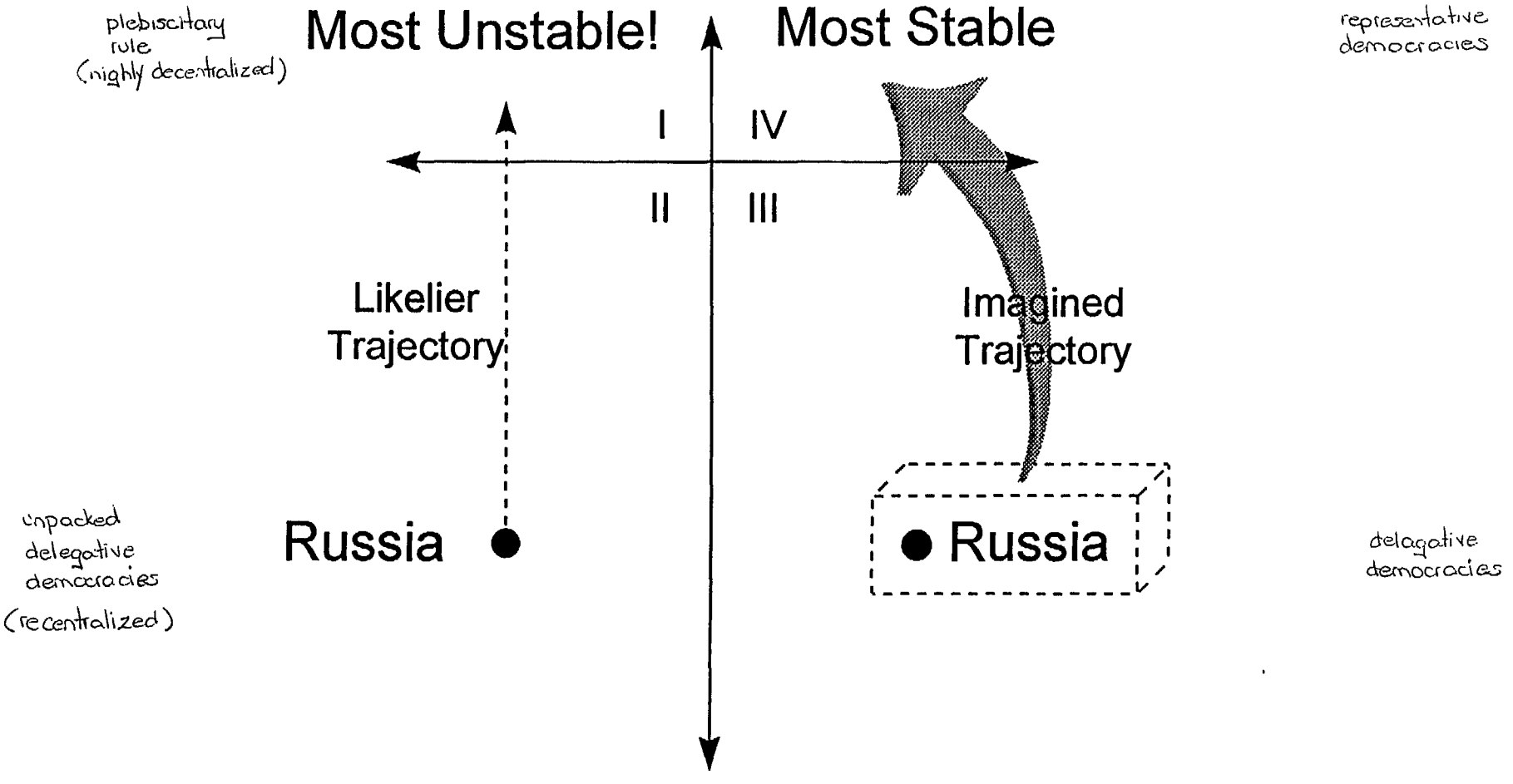


Table 2c
Contemporary Russia: The Dilemmas

- Unaccountable and ineffective public institutions
  - ➢ legislatures, courts, police, military, executive
- High electoral participation/low party development
- Weakly functioning civil society and NGO mechanisms
- Corrupt and unregulated private sectors

Assumption

☝ How does a weak state move from Quadrant I to IV <u>without</u> re-centralizing (and quite possibly, "re-authoritarianizing") and moving into Quadrant II?

✌ Does technical assistance have some/any/considerable influence in this process? What combination of strategies makes the most/least sense?

ROL CS ELECT GOVERNANCE

Development of Indicators: Management Tool Guide; Evaluation; Monitoring

SOW of DG

- Further develop indicators; Standardization
- Build consensus list of best indicators: mgmt tools
- Exert Agency leadership in broader DG develop community
- Develop RSCH agenda for DG donor comm.

May wkshop: '95: Indicators

- Freedom House -

Developing Indicators — Criteria

Objectives DG: Abstract; vague

Consider: Timeliness

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NGO Effectiveness

Training
Management

Advocacy Skills

+ Quality
+ Activities
+ Achievements:
  Bills passed
  Sectors involved

Funding/ Resources

Collaboration
- NGOs
- Local/nat'l Gov't
- Donors

Goal
A unified, strong NGO sector that ~~will be~~ represents diverse ggs in populance: advocates successfully for Reform.

- Bills brought forward
  - Quantity
  - Content
  - Quality
- Bills passed
- Bills enacted

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Jim V: Final

Managing for Results
eg Cambodia

1. Post-Crisis Situations
   Haiti, Rwanda, etc.

2. Sustainable Development

3. Countries in Transition

Timeframe: Democratic Values; Democratic Culture

OMB/ Standardized Reporting
Careful in pgm design = Managing for Results -
that "tail doesn't wag dog"

+ Data sources?
HR Rpt - Categorizing to fit Matrix
RSCH: Pgms of a certain type relate outcomes across countries

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Faye Armstrong: State, LAC

Jim Michael: Legal Adv office

⇒ How does the legal system work in specific countries?
use of Anglo models...

Justice sector-wide-nat'l: int'l interest representation

Evidence: Must work = police.
∴ Policy decision:
Int'l Criminal Justice Training Pgm-
Created by State Dept

ICITAP

LAC] Massive mvt to Judiciary system; away from
Judge being prosecutor, jury, investigator, etc.

⊕ Identify how this pgm feeds into AOJ.

Access • Safe Haven Concept

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Keith Henderson -ENI- (NIS)

HR bkgd + Low info base - whom to work with?
x: Don't work : Communist Party : Police!

- Δ society from Rule of Party to ROL
  + Seek indiv : whom to work.
    HR experience; close to Pres.; Academics (most info on legal sys in other countries)

Pgm - based on US - based actors
Russian actors Coalition came later

Creating inst.:
Parliament } Reliable
Judiciary }

NGOs: HR Community, Jewish;

Needs ① Develop legal infrastructure
② No processes in place for participation
- Parliament, - legis. part.
③ Create institutions : regulatory structures

⇒ Wholistic Reform: must be simultaneous interventions, or won't create D necessary to drive reforms

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(c)

Rebuilding War-Torn Societies

L Garber

(Krishna Kumar: CDIE: Evaluation)

1. Elections
2. Security
   - Justice
   - HR
   - Police Training
3. Conflict Resolution
   - Social healing / reconciliation
4. Public Admin.

Johanna Mendelson

Former SA

1. Infrastructure (UN: 26 active conflicts in the world)
   - War → Peace
   - Post-Recovery
   - Peace Mkg, Building, etc

Docs UN: "Agenda for Development" (BB Ghali)
→ Security Structures must be Reformed –

2. Social Structures
   - Facilitate Capacity
3. Political transition
4. Econ Rebuilding

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NEEDS (1) Security

What can Develop. do? — Demining —

Demobilize forces

Disarm forces

Dialogue r factions

Child soldiers

Police training

Establ a physical space (begets political space)

- Citizen Security -

Law: Order (HR)

Expensive

Years to institutionalize

RAFAEL LOPEZ PINTOR

Electoral assist: monitoring

Role of elect: int'l communities

(1) Environments/context

(2) Tensions/Conflicts

(3) Which needs are to be met in post-war society?

Issues

Access to media, Resources

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Steve Holtzman: Reconstruction (Bank)

Task Gro

50 Countries in, or emerging from, Conflicts
15-20 poorest Countries in the world have
recently dealt = Conflict
Longer duration; more Violent
Ethnic Cleansing
More Combatants
90% Civilian Casualities
new Gov'ts often mistrusted by donors

4 key Goals to R

① Build capacity of local organizations
Serv delivery
Local Gps (NGOs)
Transition from foreign Relief Structures
Opportunities for Reform

② Jump-Start
Financial Inst
X'S Rate
Banking
Mkts (f farmers, everything
Transport/Communic
Rol Law

Reconciliation

③ Redevelop our understanding of Private/Public
Relationship (Physical Reality: behavior patterns
Investments, Coordinating, balance
Re-integrating Refugees

Balance V factions : leaders
5 Make donors happy!
Need for patience...

Power-Sharing Models

Amnesty : Impunity
Central Am : Amnesty @ lower levels

⇒ Need for unified funding strategy

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Inst. Δ

When we enter a Country, ask:
- Where are the Reformers? Talk to them...
- What is the Strategy?
- How can we help?

Civil Society

Non-state organizations
- Labor
- Business
- Think-tanks
- Prof Assoc
- Religious (Justice, peace, etc.)
- Women's Grps
- Environment Org

The Big 3 - esp in Asia

vertical linkages to poor - social asset

The Blue Book

How do we think of civil society?
- WHAT IS THE PROBLEM ??? -
How to Address?

Systemic vs Sectoral
Rules of the Game
the Big Picture

⊛ Build Coalitions among Reformist grps: Work out a common agenda

Ex: Gender Resource (Thai) & lawyers Org (Kenya) } Nearly completely dependent on Donors - Phil-Env

TAF: Thai: A stock mkt! Invest in greens... Part of return goes to Greens

Long-term: 20-30 yrs

Univ: An enclave of Creativity / Innovation

Legislatures: Difficult to engage
(no ♀'s Committee, etc)

⇒ If our pgm doesn't help alleviate human suffering, it is wastful use of Resources.
Accountable to end-user, or meaningless

+ Institutions more Responsive, transparent, equal access / opportunity

(?) - But who are we to Reform other gov'ts??? -
• A'ing internal politics of a country. -

→ Section 116 of Foreign Assist Act: Doesn't permit taking sides!
⊕ Must be impartial & work = all sides -

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So Afr

Ad hoc: L unions; USAID

1990 Mandela released; ↑ work = NGOs
80 m OYB; 600 m 3 yr pkg -120 m ogb FY96

Mission's Priorities
Exit Strategy
Sustainability

Goal: Sustainable develop.
Subgoal: Empowerment: Political & economic
Reforming constitution (by May 10)
Civil service reform
Nat'l, Provincial, local gov't
Adm Justice
Civil Society
Participation

NPI
Chosen 3 Provinces
Key Result pkg: Conflict Resolution

Pitfalls: Only urban; no L unions
Little O participation
Credibility loss - if one needs to retreat -

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8,000 / case tried

367,000

368

(1)

Rule of Law

Backgd: AID: longest experience; best expertise
Hx
60's; 70's

Overview

Admin of Justice ("AOJ") in 80's; in LAC;
Response to murder of nuns
- COLD WAR end -

$140 m in ESF FY/96 $70 m to ICITAP
(dept of Justice = police train)

Society: Most folks concerned (afraid!) about approaching Judiciary -
+ Phil has excellent proactive model.

Legal advocacy/orgs - looking for issues -
Class action suits -
Paralegal training

ADR - Sri Lanka - (Alter. Dispute Resol.)

Cost-effectiveness: Prob is Overhead.
Must require organizations to seek other sources of funding.
⇒ USAID is not in the business of creating organizations
Away from contracting

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⇒ What kind of legal reform pgm do we need to make our focus?
Emph now on Caucauses.

Must have free-flow of info, & freedom of press.
⇒ Most fundamental in totalitarian regimes.
Use of educated populance –
AID approach – if we present the info, most of time folks will make appropriate choices
Training; explain rationale about mkt-based economy; participatory approach

Less emph. on bringing to US for study tours; more on building pgms in countries.

– Forge Partnership: State –
① Close relationship: Embassy
Time-consuming, flexibility
② Resource decision:
Mission: Embassy – Someone there to manage: oversee pgm.

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Russia: An analysis

Corbin Lyday, EN1

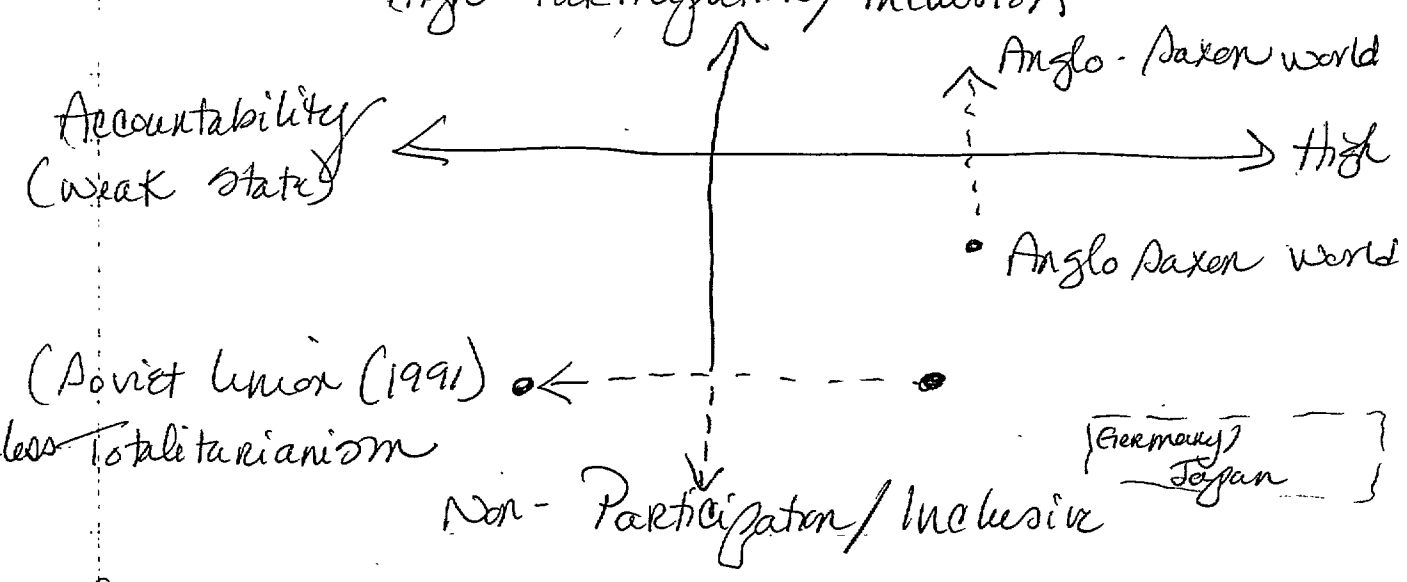
Why Difficult

1. Never a country... a continent!
2. Totalatarianism ≠
   The state declares war against its own society.
   But: Ethnicity remains (the only factor that could not be erased).
   ⇒ Begin from ∅. All living memory is Soviet.
3. Russia still not a state. Too huge to be governed.

Free Press

Hx
- Glastnost: Open-ness (85-91)
- 99-85% literacy rates - Read voraciously.
- 1991 - Coup!. State self-destructed; no one was accountable for anything.

Where did Russia go?



(Three-dimensional, NOT one-dim)

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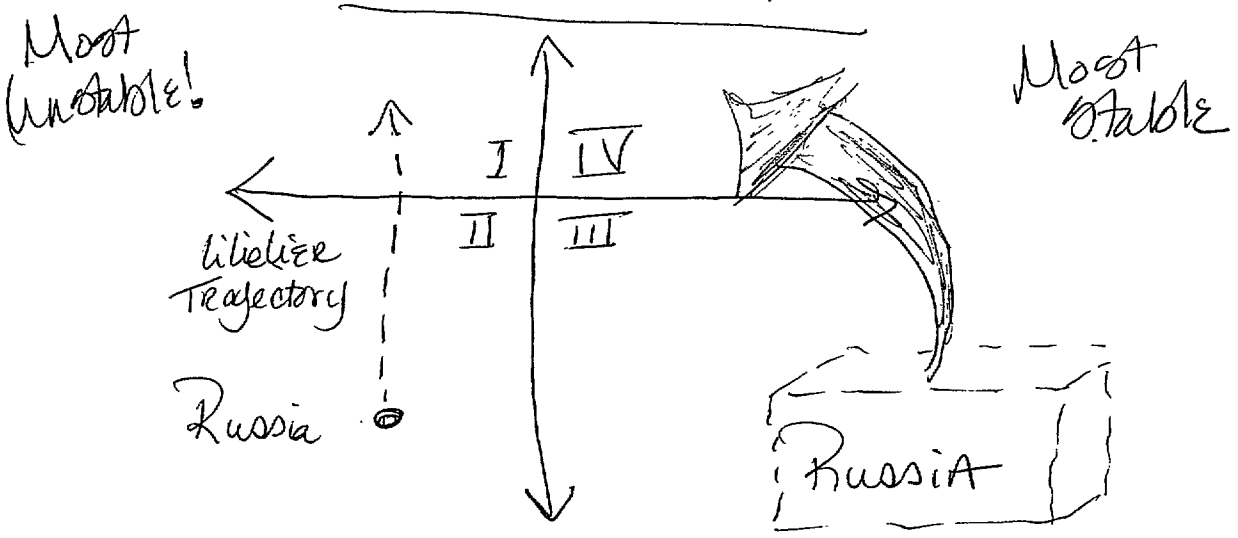
Post-Communist Russia



1995 Elections

63% voted. (High turnout)
Russia was a superpower. Humiliation of taking assistance.

Privatization (60-70% industry now privatized) - But no regulation; hence hi corruption.
⇒ Unstable
May be massive authoritarian response to deal ≈ this growing instability.

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Contemporary Russia:

- Unaccountable: ineffective public institutions
  - → legislatures, courts, police, military, executives
- High electoral participation / low party development
  - Communist Party is only Regionally organized
  - Narrow political base of Reformist parties
- Weakly functioning civil society: NGO mechanisms
- Corrupt: unregulated private sectors

(?) How does a weak state move from Quad I to Quad IV without going back down to II? And concomitant Recentralization? (Re-authoritarianization process)

(?) Does TA have some/any influence in this process? What combination of TA makes most/least sense?

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Short time frame

Going

GOAL: Strong state, protecting private mkts & people's right to participate free & openly.

NGO Strategy

Plus
Participation
More sustainable Δ.

Minus
Instability
Unwieldable
High cost
→ Which gps to support? Ultimate influence of future shaping of society, not impartial.

Pgm
Shield those who are free & help them protect themselves against next authoritarian onslaught

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honest living without relying in some respect or other upon public administration" (Mosca, 1896/1939, p. 143). While it may not be literally true that the state absorbs and distributes more wealth in less developed countries than in industrialized ones, it is certainly the case that at low levels of development, swollen states control a vastly greater share of the most valued economic opportunities (jobs, contracts, licenses, scholarships, and development largess) than they do at higher levels of development. As Mosca (1896/1939) presciently foresaw, this is yet another reason democracy requires "a large [middle] class of people whose economic position is virtually independent of those who hold supreme power" (p. 144).

In the post-World War II era, the pressures and prevailing models in the world system, and the insecurities of peripheral status in that system, have induced underdeveloped new nations to build centralized, resource-intensive states (Meyer, 1980). As a result of this state expansion in the quest for rapid development, control of the state itself has become the principal means of personal accumulation and hence the principal determinant of class formation (Diamond, 1987; Sklar, 1979). Both through legitimate state employment and contracting and through all manner of illegitimate diversion of public funds, manipulation of state resources became the easiest, most common, and least risky means of accumulating personal wealth. Throughout Africa and in much of Asia, Latin America, and the Middle East, this process gave rise to what Sklar (1965) termed, following Mosca, a "political class," in the sense that "political power is the primary force that creates economic opportunity and determines the pattern of social stratification" (pp. 203-204).

This distorted relationship between state and society has been one of the most fundamental causes of democratic breakdown in Africa and Asia following decolonization because it has generated many of the other factors superficially identified with democratic malfunctioning. It entrenched political corruption as the chief instrument of upward class mobility, draining democratic states of economic resources and political legitimacy. Both through the perverting effects of systematic rent seeking and through the pervasive impediments to productive enterprise generated by gross excesses in state ownership, regulation, taxation, and staffing, statism depressed and obstructed economic growth. By crowding economic competition out of the private sector, it prevented the emergence of an autonomous, productive (rather than parasitic) bourgeoisie. By subjecting virtually all developmental activity to state mediation and control, it made community as well as individual advancement dependent on control of the state, heightening inequality and political tensions among ethnic and regional groups. Because of the latter inducement to group conflict, and because of the enormous premium for individuals on control of the state, it induced pervasive fraud and violence in the electoral struggle for power. Indeed, Powell's (1982) finding that deadly political violence is strongly negatively associated with economic development tells us a good deal more about the effects of statism in this context than about intrinsic features of the political cultures, as I have argued elsewhere for the case of Nigeria (Diamond, 1988a, 1988c).

Collectively, these consequences of statism—corruption, abuse of power, economic stagnation and crisis, ethnic conflict, electoral fraud, and political violence—heavily explain the failures of democracy thrice in Ghana, twice in Nigeria and Uganda, and more generally throughout the African continent (Chazan, 1988; Diamond, 1988b; Kokole & Mazrui, 1988). Outside of Africa as well, these perverse consequences of statism have contributed to the three breakdowns or interruptions of democracy in Turkey (Ozbudun, 1989), the ethnic polarization and consequent democratic deterioration in Sri Lanka (Phadnis, 1989), and the broad decline in democratic performance (including rising levels of corruption, party decay, group conflict and political violence) in India (Brass, 1990; Kohli, 1990). Certainly, swollen states conducive to rent seeking are not inevitably a consequence of low levels of economic development; Singapore and Taiwan have developed rapidly while managing largely to avoid this syndrome, and Botswana has even done so within a democratic framework. Nor is statism absent at higher levels of development. However, statism is uniquely toxic to democracy at low levels of development precisely because it places such a high premium on control of the state. As Lipset (1960) argued, "If loss of office means serious losses for major power groups, they will seek to retain or secure office by any means available" (p. 51).

Civil Society

There is abundant historical evidence to support the hypothesized linkage between a vigorous associational life and a stable democracy. One could begin, of course, by citing Tocqueville's (1840/1945) seminal study *Democracy in America*, as Lipset did. Tocqueville was perhaps the first to note the symbiotic, mutually reinforcing relationship between participation in civil society and participation in political life, depicting associations as "large free schools" where political interests were stimulated and political and organizational skills enhanced (p. 124). This effect has been particularly apparent in less developed countries such as India and Costa Rica, where both organizational activity and partisan political participation have been more vigorous than would be expected from their levels of development (Booth, 1989; Das Gupta, 1989). Increasingly, civic organizations in the developing world are devoted to the political mobilization and empowerment of groups, such as women, young people, and the poor, traditionally excluded from power (Diamond, 1992b).

Second, as Lipset and other pluralists have argued, a vibrant associational life—and, more generally, a robust and pluralistic civil society[35]—checks and balances the power of the state. Related to this, a vibrant associational life makes for a pluralistic competition of interests, and provides poor and disadvantaged groups the capacity to relieve or redress the injustices they face. With the deterioration in the party system and the quality of political leadership, India's vigorous civil society has become an increasingly crucial (if turbulent) instrument of democratic accountability, interest articulation, social reform, and political renewal (Shah, 1988).

economic growth," who were connected through family and social ties to the emergent bourgeoisie, and whose training abroad in law and the social sciences heavily disposed them to "Western democratic ideals" (Cheng, 1989, p. 483).

Taiwan is unique in many senses, and theoretically it stands out here for having achieved rapid economic growth while at the same time significantly improving the distribution of income and thus accelerating the democratic impact of development by diffusing it more rapidly to the lower strata. Typically, income inequality is aggravated during the early phase of industrialization. However, where this effect does not become too severe and where the material conditions of all class groups improve at least in absolute terms, economic development is eventually likely to have political consequences similar to those Cheng identifies for Taiwan. Even at a much lower stage of economic development, brisk economic growth (averaging 6.4% annually in GDP during the 1980s) generated pressure for democratization in Pakistan. Particularly important were the emergence (as in northern India) of rural and small-town entrepreneurs, the general improvement of the rural economy, the diminishing power of the traditional rural landed elite, rapid urbanization, and a better-organized and more active trade union movement. Moreover, development may be expected to deepen and invigorate democracy over time in Pakistan by propelling into politics a new, better-educated generation from rural elite families, thus broadening the base of political parties long dominated by urban elite families, most of whom fled India at the time of partition (Rose, 1989).

Of course, whatever impact economic development has on democracy will be more decisive to the extent that it thrusts a country into higher *levels* of development, and to the extent that it occurs rapidly, because "rapid economic growth creates rapidly the economic base for democracy" and may also generate "stresses and strains" that wear thin the fabric of authoritarian rule (Huntington, 1991, p. 69). This was a critical underlying factor, Huntington (1991) argues, in the democratic transitions in Portugal, Spain, and Greece in the mid-1970s, whose (per capita) economic growth rates in the quarter century before their transitions averaged 5-6% annually (p. 68). Such vigorous and sustained development rapidly expanded the middle classes while at the same time raising expectations, heightening inequality in some cases (especially Brazil), and generating frustration, discontent, and political mobilization (for democracy).

As Huntington recognizes in an important, if subtle, qualification of Lipset's thesis, the burgeoning middle classes are not *always* prodemocratic and may even actively support authoritarian rule under conditions of social polarization and threat such as those prevailing in Brazil and the Southern Cone of South America during the late 1960s and early 1970s. However, one irony of the combination of effective authoritarian rule and rapid economic development is that it eliminates (albeit often at tragic human cost) these conditions of class polarization and insurgency, rendering the authoritarian regime "dispensable," in the language of O'Donnell and Schmitter (1986, p. 27). Thus what has been considered for some years now a critical factor in elite-centered theories of democratic transition (very much opposed in spirit to Lipset's structural approach)—change in the strategic interests and behavior of crucial middle-class

groups—often springs from the very structural factor emphasized by Lipset: economic development.

These changes in both the alignment of the bourgeoisie and the culture and structure of society more generally have had a powerful impact in motivating democratic transition in South Korea. Rapid economic growth—averaging 7% annually in per capita GNP since 1965—had democratizing consequences similar to those in Taiwan, even though industrialization proceeded with greater concentration of capital and repression of labor. Indeed, in both countries, an important incentive for democratization was not only the increasing contact of urban middle classes with Western democratic values, but the realization—quite powerful for a country where industrialization is so heavily led by exports—that "democratization is the necessary ticket for membership in the club of advanced nations" (Han, 1989, p. 294).

These indirect effects of economic development in "internationalizing" a country's elite and its values have probably always been present, but they are more intensive today than ever before. In an era of satellite communications, jet travel, and increasing global interdependence, "economic development in the 1960s and 1970s both required and promoted the opening of societies to foreign trade, investment, technology, tourism, and communications. . . . Autarchy and development were an impossible combination" (Huntington, 1991, p. 66). Further contributing to this internationalizing impact of development has been the increasing salience of formal and informal supranational structures, such as the European Community, that regard democracy (*explicitly* in the case of the European Community) as a prerequisite of membership (Diamond, 1992a; Huntington, 1991). This growing interconnectedness adds an additional dimension to the impact of socioeconomic development. So does the rapid improvement in the technology of communication, transportation, and information storage and retrieval, which has had two very strong prodemocratic effects: radically decentralizing and pluralizing flows of information, and producing more powerful, immediate, and pervasive diffusion effects than ever before, reaching well beyond the elite sector. Where the dominant themes and images conveyed are democratic, as they have been in world culture for more than a decade, so will be the political consequences.

State and Society

Lipset argued that economic development alters the relationship between state and society to favor the emergence and maintenance of democracy. One way it does so, he suggested, is by reducing nepotism and bureaucratic corruption and, more generally, by altering the zero-sum nature of the electoral struggle. Reformulating Lipset slightly, a major reason democracy is less viable in less developed societies is because the "proportion . . . of wealth that the government or local elective bodies absorb and distribute is greater, and [therefore it becomes] harder . . . to secure an independent position and an

of discrete elements of democratic political culture, even when socioeconomic status was to some extent controlled. Surveying a large number of comparative studies, they computed, in each case, a rank order correlation between the average scores of country samples (within socioeconomic or occupational groups) on certain types of attitudes and values and the per capita GNPs of their countries. The median rank order correlations were .76 for measures of antiauthoritarianism (or tolerance), .85 for trust, .55 for efficacy, and .60 for personal satisfaction (which has strong potential implications for political legitimacy). Recently, Inglehart (1990) has shown (with comparative survey data from more than 20 mainly European countries) that life satisfaction and interpersonal trust are highly correlated not only with economic development but with stable democracy.[31]

A very different type of quantitative evidence derives from Powell's (1982) comparative study of 29 countries that had democratic regimes for at least five years during the period 1958-1976. Grouping his sample into four levels of modernization in 1965, he found a modest association between participation (voting turnout) and development level, increasing sharply from the lowest development groups to the second highest but leveling off after that. His truly stunning behavioral evidence, however, concerned political violence: The median annual death rate from political violence was dramatically higher among the six least developed countries—India, Sri Lanka, the Philippines, Turkey, Costa Rica, and Jamaica—than among any of the other groups.[32] Not coincidentally, these six countries together experienced the greatest democratic instability of any of the four development levels, and in every case (except stable Costa Rica) political violence played a major role. In that deadly political violence is an obvious—indeed, the *ultimate*—behavioral manifestation of intolerance and lack of moderation, it is certainly consistent with Lipset's theory that it is the poorest nations that experience the greatest amount of it. Powell states that "insofar as containment of violence is a measure of democratic performance, the poorer nations seem to be much more difficult to govern as democracies" (p. 41).[33]

There is also (less precise) historical evidence that attitudes and values may change in response to socioeconomic development. Booth and Seligson (1992) were "startled to discover" that despite the long experience of authoritarian rule in Mexico and the general assumptions about the authoritarian character of Mexican political culture, their sample of urban working-class and middle-class Mexicans "manifested high levels of support" for civil liberties and extensive rights of participation and dissent. These democratic inclinations were broadly distributed, despite their also being modestly correlated with education and class standing. Booth and Seligson speculate that a number of factors—diffusion from the United States, long experience with the rhetoric and forms of constitutionalism, and disillusionment with the ruling party—may account for this. However, an equally if not more compelling explanation would look to the cultural impact of a quarter century of relatively rapid growth in per capita GNP, averaging 3.0% annually between 1965 and 1989, and probably affecting the urban working and middle classes most intensively.[34]

Elsewhere in Latin America, case studies discern evidence of socioeconomic development's producing democratic value change, at least among important class groups. Just as highly undemocratic attitudes and values in Peru and the Dominican Republic were fostered by poverty and inequality, rapid socioeconomic change in these two countries helped to breed, among new business and professional elites and other educated middle-class groups, a stronger value on democratic participation and a more acute appreciation of the need for social and political accommodation (Diamond & Linz, 1989; McClintock, 1989; Wiarda, 1989). As a result of the socioeconomic reforms under the Velasco military regime in Peru (1968-1975), which reduced inequality and oligarchic power, and also as a result of dramatically increased access to television and secondary and university education, lower- and middle-class groups in Peru became more politically active, informed, and sophisticated, and manifested, in a number of surveys during the 1980s, historically high levels of democratic attitudes (McClintock, 1989).

Class Structure and International Diffusion

The Peruvian case also indicates that the effects of socioeconomic development on political culture are heavily mediated through changes in the class structure. In fact, these changes—the growth of the middle class and more specifically of a commercial and industrial bourgeoisie; the enlargement, unionization, and improved incomes of the working class; and the migration of the rural poor to cities and consequent disruption of clientelistic and feudalistic relations in the countryside—are heavily interrelated in time and logic. Their interactive effect in stimulating democratization in Taiwan is depicted succinctly by Cheng (1989):

> Rapid growth . . . had liberalizing consequences that the KMT had not fully anticipated. With the economy taking off, Taiwan displayed the features common to all growing capitalist societies: The literacy rate increased; mass communication intensified; per capita income rose; and a differentiated urban sector—including labor, a professional middle class, and a business entrepreneurial class—came into being. The business class was remarkable for its independence. Although individual enterprises were small and unorganized, they were beyond the capture of the party-state. To prevent the formation of big capital, the KMT had avoided organizing business or picking out "national champions." As a result, small and medium enterprises dominated industrial production and exports. As major employers and foreign exchange earners, these small and medium businesses were quite independent of the KMT. (p. 481)

Democratization in Taiwan was particularly advanced by "the newly emerging middle-class intellectuals who had come of age during the period of rapid

communication and universal franchise it is no longer open to emerging democracies (Dahl, 1971). Thus new democracies emerge in less developed countries with increasingly high levels of social and political mobilization, in which social and economic demands are liable easily to overwhelm the capacity of poor states to meet them and in which nascent participatory institutions may be ill equipped to incorporate and respond to historically marginalized groups (Huntington, 1968).

More to the point is Rustow's (1970) concern with taking a genetic or historical approach. In doing so, we inevitably find that history is not moved by some hidden economic hand, but by people and the variety of interests, values, and unique historical factors that motivate them. Yet changing social and economic conditions—including economic development and its consequences—powerfully frame those interests and values and conjunctures. Behind the contending elite values and interests, strategies and calculations, divisions and pacts that take the lead in elite-centered theories of democratic transition (Burton & Higley, 1987; Higley & Burton, 1989; O'Donnell & Schmitter, 1986; Rustow, 1970), one may frequently discern the facilitating effects of long periods of social and economic development.

Socioeconomic Development as a "Cause" of Democracy

In his original essay, Lipset (1960) hypothesized a number of historical and sociological processes by which economic development generated a greater likelihood of democracy. First, economic development gives rise to a more democratic political culture, due in part to increased education. Citizens come to value democracy more and to manifest a more tolerant, moderate, restrained, and rational style with respect to politics and political opposition (pp. 39-40). This moderation of political conflict is also advanced by several interrelated changes in the class structure that accompany economic development. Higher levels of income and economic security at the mass level temper the intensity of the "class struggle, by permitting those in the lower strata to develop longer time perspectives and more complex and gradualist views of politics" (p. 45). Among the upper strata as well, attitudes change; with rising national income, the upper classes are less likely to regard the lower classes as "vulgar, innately inferior" and hence utterly unworthy of political rights and the opportunity to share power (p. 51). More generally, Lipset argued that increased wealth reduces the overall level of objective inequality, weakening status distinctions, and, most important, increasing the size of the middle class (pp. 47-51). Economic development also tempers the tendency of the lower classes to political extremism by exposing them to cross-pressures in a more complex society (p. 50). Finally, with respect to class, Lipset suggested that economic development would reduce the premium on political power by reducing the costs of socioeconomic redistribution and by generating attractive income and career alternatives to positions in the state (pp. 51-52). Independent of these

changes in class structure, Lipset maintained, in a Tocquevillean vein, that economic development would also contribute to democracy by giving rise to a large number of voluntary, intermediary organizations that collectively increase political participation, enhance political skills, generate and diffuse new opinions, and inhibit the state or other domineering forces from monopolizing political resources.

It is beyond the scope of this essay to consider systematically the historical and comparative evidence for each of these processes. Hence what follows is a more illustrative sketch of the very substantial and compelling accumulation of empirical data since Lipset first articulated these arguments.

Political Culture

Lipset (1960) cited a number of studies suggesting a strong relationship between education, socioeconomic status, and modernization on one hand and democratic values and tendencies on the other. Subsequent survey evidence has added further support to Lipset's argument that educated individuals tend to be more tolerant of opposition and of minorities, and more committed to democracy and participation. In their study of five national political cultures, Almond and Verba (1963) found that educational attainment had "the most important demographic effect on political attitudes." Within each of the five nations, more educated people were found to be better informed politically and more broadly opinionated, more likely to follow politics, and more likely to engage in political discussion and to join and become active in organizations (with obvious implications for the development of civil society), more confident of their capacities to influence government, and more likely to manifest trust in other people. Inkeles (1969) found in his six-country comparative study of modernization that education in particular, and mass media exposure as well, contributed significantly to a syndrome of "active citizenship," with attitudinal, informational, and behavioral consequences similar to those found by Almond and Verba.

Of course, as Almond and Verba concede, the fact that educated people are much more inclined to participate tells us nothing in itself about the content of that participation, and Huntington (1968) warns that such social mobilization, in the absence of adequate political institutionalization, can actually lead to political instability and praetorianism. However, Inkeles's syndrome of individual modernity, of which active citizenship is one dimension, also includes such other democratic orientations as efficacy, respect for minority rights, and "freedom from absolute submission to received authority" (Inkeles & Smith, 1974, p. 109), and this larger syndrome is also advanced by education and contact with other modernizing institutions, such as the factory and mass media. Inkeles (1978) subsequently established that the level of economic development of the nation has a substantial independent effect on individual modernity. More to the point for Lipset's thesis, Inkeles and Diamond (1980) showed that this effect of the national context held quite strongly for a number

dependent for the answers to these questions on the evidence from case study and comparative historical analysis.

HISTORICAL CASE AND COMPARATIVE EVIDENCE

I will not attempt here to present in any systematic fashion the many critiques of the Lipset thesis that have derived from (qualitative) historical and comparative analysis. However, it will be useful to summarize a few of the principal challenges so as to examine *their* durability 15 years into the progress of the "third wave" of global democratization. I will then examine each of the causal mechanisms asserted by Lipset to undergird the democracy-development relationship.

Challenges to Lipset

Probably the most forceful challenge to the Lipset hypothesis—and to the entire "modernization" school with which it was associated—came from the dependency school that emerged in the late 1960s and 1970s and the affiliated perspective of world-system theory. Much dependency thinking posited a negative relationship of economic dependency to democracy. These theorists argued that the dependent capitalist developing states were captured by elites in alliance with and serving the interests of dominant countries and corporations abroad. This exclusionary alliance required political repression of popular mobilization to maintain low wage levels and high profit levels (Evans, 1979; Fernandes, 1975). In an enormously influential analysis, O'Donnell (1973) argued that at a certain stage of economic development in contemporary Latin America, further development produced not democracy but "bureaucratic-authoritarian" dictatorship. This stage came roughly when the opportunities for "easy" import-substituting industrialization through production of light consumer goods became more or less exhausted and countries needed to "deepen" their industrialization to produce capital goods. This deepening necessitated reducing popular consumption to generate higher domestic investment and attract foreign investment. This in turn required demobilization (typically with brutal repression, at least initially) of militant trade union movements and populist parties and politicians. To pursue this strategy of dependent capitalist development, military coups brought to power coalitions of civilian and military technocrats, supported by large-scale domestic and international capital.

This perspective also had its proponents outside the radical dependency school. In explicit criticism of Lipset and other modernization theorists who argued, in effect, that "all good things go together," Huntington and Nelson (1976) asserted that there were basic trade-offs at different stages of development among three key goals: growth, equity, and (democratic) participation. At low levels of industrialization, or what they called Phase I, equity and participation conflict. A key requirement for reducing inequality in these more agrarian societies—land reform—in turn requires (though is not assured by) an authoritarian regime. If democracy is chosen, democratic participation will be dominated by rural and urban elites; their rule might produce economic growth, but not greater equity. When countries begin to industrialize and develop strong trade unions and other popular sector movements (roughly akin to the approach of the capital goods era in the O'Donnell thesis), a different conflict emerges, one between participation and economic growth. A participatory (democratic) regime in this phase would be dominated by populist parties and movements making so many demands for distribution that they would choke off economic growth. The choice in this phase is therefore between a "populist" democracy and a "technocratic" (read bureaucratic-authoritarian) dictatorship.

In urging a historical, "genetic" approach to the study of democracy, Rustow (1970) issued one of the earlier and more influential challenges to the Lipset thesis. Democracies, he suggested, had existed at low levels of economic development historically (e.g., the United States in 1820, France in 1870, and Sweden in 1890). The only true prerequisites of democracy, he argued, were a sense of national unity and some kind of elite commitment to a democratic transition, often arising not out of any intrinsic valuing of democracy but out of a stalemated conflict for which democracy seems to offer the best chance of resolution (p. 352).

As I will argue in conclusion, Rustow was right that no particular level of economic development is a *pre*requisite of democracy (it would be difficult, for that matter, to specify any level of national unity as an absolute *pre*requisite of democracy). But the analogy to nineteenth-century low-income democracies is inappropriate for several reasons. In his own reassessment of his famous thesis, Lipset (1981) observes:

> These and other early democracies had . . . the historical advantage of having formed their political institutions prior to the emergence of a worldwide communications system which might make it apparent that other countries were much wealthier than they, and before the appearance of electorally significant popular movements that demanded more equal distribution of worldly goods. (p. 475)

Thus they had the advantage of gradual development. They did not have to meet the simultaneous or overlapping crises of integration, legitimation, penetration, participation, and distribution that have confronted developing countries in the post-World War II era (Binder, 1971; Diamond, 1980; LaPalombara & Weiner, 1966). In particular, they benefited from a favorable historical sequence in which the institutions of competition developed first among a limited stratum of political participants and gradually incorporated a wider and wider range of citizens. Historically, this has been the path most likely to produce a "system of mutual security" and trust between contending elites, but in an age of instant

Table 6.3 Continued

	Cutright (1963)	*Olsen (1968)*	*Cutright and Wiley (1969)*	*Jackman (1973)*	*Bollen (1979, 1983)*	*Bollen and Jackman (1985)*	*Thomas, Ramirez, Meyer, and Gobalet (1979)*	*Hannan and Carroll (1981)*	*Diamond et al. (1987)*	*Lipset, Seong, and Torres (1991)*
Economic development measure	Per capita GNP, energy consumption, and others	(Log) Per capita GNP, energy consumption; labor diversity	Energy consumption per capita	(Log) energy consumption per capita	(Log) energy consumption per capita	(Log) per capita GNP	(Log) per capita GNP	(Log) per capita GNP	(Log) per capita GNP and PQLI	(Log) per capita GNP
Effects										
Economic development	+ (r = .68)	+ (1) r = .62 (2) r = .68	+	+	+	+	+	+	+/+	+
Education	+ (r =.74)	+ (1) r = .61 (2) r = .69	+ (literacy)				0	0	0	
Urbanization	+ (r = .69)	+ (1) r = .59 (2) r = .60					0	0	0	
Communication	+ (r = .81)	+ (1) r = .60 (2) r = .68							0	
Transportation		+ (1) r = .71 (2) r = .70								
Cultural pluralism						–	0	–		
Protestant (% of population)					+	+				
Timing of development					0		0			
Economic dependence					– (world system position)		– (export partner concentration and investment dependence)	0 (export partner concentration and investment dependence)	0	0/– (trade dependence)
Military expenditure (% GNP)									–/0	–
Combined correlation of all socio-economic development variables	+ (r = .82)	+ (1) r = .83 (2) r = .84								

NOTE: Plus sign indicates a statistically significant positive effect on democracy (or negative effect on authoritarianism); minus sign indicates a significant negative effect on democracy; 0 indicates that the variable was tested and did not show a *statistically significant* effect.

As is indicated by the summary of their principal features in Table 6.3, this common finding of a strong positive relationship between economic development and democracy is virtually the only one these various studies have in common. Given the considerable variation in quantitative methods, in countries and years tested, in the measures of democracy employed, and in the vast array of different regression equations (testing more than 20 different independent variables), this must rank as one of the most powerful and robust relationships in the study of comparative national development. Further, there are strong methodological and theoretical grounds for inferring that this relationship is indeed causal (without precluding the very real possibility of reciprocal causation). Several of the studies employ panel or dynamic designs, and, as will be shown below, there is considerable evidence (especially historical) to support Lipset's arguments about the specific mechanisms by which economic development favors democracy.

In a survey of some of these same quantitative studies and the comparative historical critiques of the Lipset thesis, Rueschemeyer (1991) arrives at a similar conclusion:

> There is a stable positive association between social and economic development and political democracy. This cannot be explained away by problems of operationalization. A whole array of different measures of development and democracy were used in the studies under review, and this did not substantially affect the results.
>
> This result cannot be invalidated either by arguing that it may not apply to certain regions of the world. Nor can it be explained by diffusion from a single center of democratic creativity, though some associations of democracy with former British colonial status as well as the proportion of Protestants were found by Bollen (1979). It also cannot be explained by a particularly close correlation between development and democracy at the highest levels of development, because samples consisting only of less developed countries exhibited substantially the same patterns. Finally, the close concatenation of level of development and democracy cannot be accounted for by a special association between early modernization and democracy since the explicit inclusion of measures of the timing of development did not significantly affect the relationship between level of development and democracy. (pp. 25-26)

Rueschemeyer is nevertheless left unsatisfied, as are many readers, with the insights that these many studies generate, for although they show that there is clearly a positive relationship between development and democracy, and even enable us to infer causality, most of them tell us little about why development tends to generate democracy, how it does so, and under what circumstances it fails to do so, or does the reverse. While some of the more recent quantitative studies, especially those using panel regression, dynamic, and path-analytic methods, have begun to generate insights of this kind, we remain heavily

Table 6.3 Quantitative Studies of the Correlates and Determinants of Democracy

	Cutright (1963)	*Olsen (1968)*	*Cutright and Wiley (1969)*	*Jackman (1973)*	*Bollen (1979, 1983)*	*Bollen and Jackman (1985)*	*Thomas, Ramirez, Meyer, and Gobalet (1979)*	*Hannan and Carroll (1981)*	*Diamond et al. (1987)*	*Lipset, Seong, and Torres (1991)*
Method used	Correlation	Correlation	Cross-lagged correlations	Multiple regression	Multiple regression and panel regression	Multiple regression	Panel regression	Event history	Panel regression	Multiple regression
Years analyzed	1940-1960	1940-1960	1927-1936, 1937-1946, 1947-1956, and 1957-1966	1960	1960 and 1965	1960 and 1965	1950-1965 and 1960-1975	1950-1975	1965-1975, 1975-1985, and 1965-1985	1960, 1965, 1975, 1980, and 1985
Scope and number of cases	77 (every region but Africa)	115 (independent nations)	40 (independent from 1927 to 1966)	60 (non-communist)	28-99, 94-100 (+4 75% random samples)	97-109	Global (49-102) and new nations (15-37)	90 countries and 206 transitions	Global (80-100) and less developed countries (62-72)	66-104 former colonies
Democracy variable	Index of political representation (includes stability)	(1) Scale of "political modernization" and (2) Cutright index	Cutright index with a franchise index	Jackman index (democratic structures and participation and press freedom)	Bollen index (1960 and 1965)	Bollen index (1960 and 1965)	Categorical: state centralism (military and 1-party regimes)	Categorical regime index (4 types)	Freedom House scale of political freedom	Bollen index (1960 and 1965) and Freedom House (1973-1985)

Continued

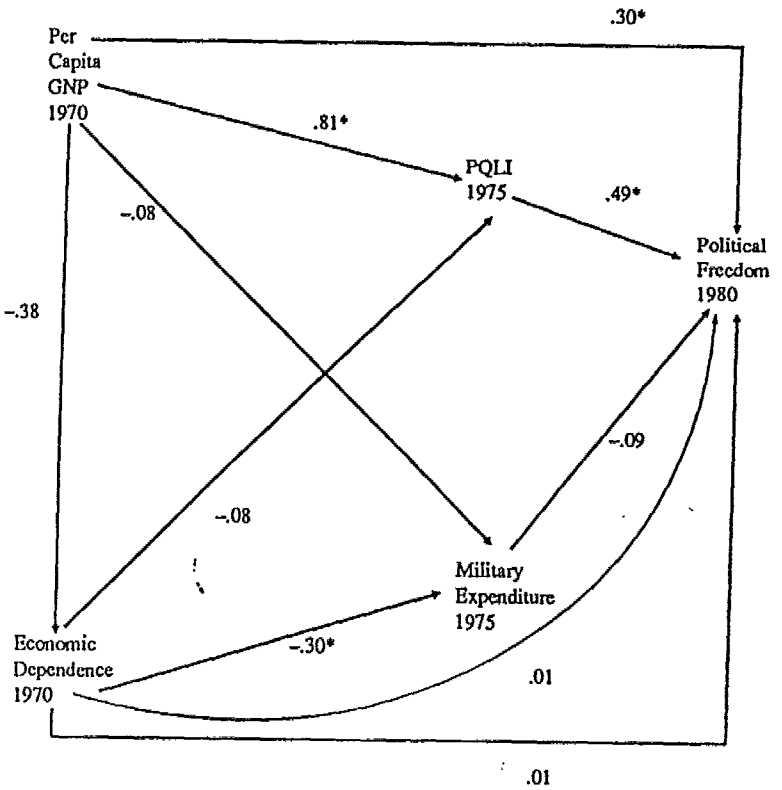

Figure 6.1. Causal Model of Determinants of Democracy

NOTE: Figures are the standardized regression coefficients for the paths indicated; $n = 88$; $r^2 = .62$. $*p < .001$.

Weighing the Evidence

Reviewing this accumulation of quantitative evidence over three decades of social science research, what are we able to conclude? The following generalizations appear warranted:

1. There is a strong positive relationship between democracy and socioeconomic development (as indicated by both per capita income and measures of physical well-being).
2. This relationship is causal in at least one direction: Higher levels of socioeconomic development generate a significantly higher probability of democratic government.
3. It also appears to be the case that high levels of socioeconomic development are associated with not only the presence but the stability of democracy.[29]

4. The relationship between socioeconomic development and democracy is not unilinear but in recent decades has more closely resembled an "N-curve"—increasing the chances for democracy among poor and perhaps lower-middle-income countries, neutralizing or even inverting to a negative effect at some middle range of development and industrialization, and then increasing again to the point where democracy becomes extremely likely above a certain high level of economic development (roughly represented by a per capita income of $6,000 in current U.S. dollars).
5. The causal relationship between development and democracy may not be stable across time but may itself vary across periods or waves in world history. The current wave of global democratic expansion may be weakening or eroding Dahl's (1971) hypothesized "lower threshold" of per capita GNP below which the chances for democracy are "slight"—although democracy would still be less likely at this income level than at any other above it. Even more so, the current wave may be moderating or eliminating the reverse relationship between democracy and development at middle levels of development.
6. The level of socioeconomic development is the most important variable in determining the chances of democracy, but it is far from completely determinative. Other variables exercise influence, and a number of countries (still) have regime forms that appear anomalous in terms of their level of development.
7. Although per capita national income appears to be the one independent variable that has most reliably and consistently predicted the level of democracy, this is likely a surrogate for a broader measure of average human development and well-being that is in fact even more closely associated with democracy. Lipset's thesis may thus be slightly reformulated: *The more well-to-do the people of a country, on average, the more likely they will favor, achieve, and maintain a democratic system for their country.*

It is important to emphasize here the extraordinary consistency with which the central premise of Lipset's thesis has stood up through all manner of tests. Although different studies and research designs yield different angles of inference and interpretation, virtually all demonstrate a consistent and strong positive relationship between the level of economic development and democracy (or, in one case, a negative relationship between economic development and authoritarian regimes). The effects of economic development are not only powerful and consistent but often literally overwhelming. In 44 regressions for various sets of nations (each including all countries for which data were available) over two different time periods and on two different types of authoritarian regimes, alternating into their regressions 11 different control variables, Thomas et al. (1979, Table 11B) found that economic development had a significant negative effect in 43 of the 44 equations. Of these 43 effects, 24 were significant beyond the .01 level, 16 were at the .05 level, and 3 were at the .10 level. In those 44 regressions, the 11 other independent variables showed significant effects only four times (less than 10% of the times they were tested).[30]

form for the per capita GNP variable) that the effect of economic development is nonlinear, "such that the impact of development on democracy is most pronounced at lower levels of development and declines thereafter" (p. 39).

In previous studies, Bollen (1979, 1983) had found consistently strong positive effects on democracy of the level of economic development, no significant relationship between the timing of development and democracy, positive effects of Protestant culture, negative effects of state control over the economy, and negative effects of peripheral and semiperipheral (dependent) status in the world economy (even after controlling for economic development). Using a panel analysis that regressed several of these independent variables (in 1960) and political democracy in 1960 on democracy in 1965, Bollen (1979) was able to demonstrate the significance of socioeconomic development even in accounting for changes in levels of democracy between 1960 and 1965.

Two other innovative analyses published around the same time as Bollen's also found significant positive effects on democracy of economic development level, but with important caveats. Using panel regression analysis for two periods of time (1950 to 1965 and 1960 to 1975) on two measures of centralization of power (regimes with less than two genuine parties and military regimes), Thomas, Ramirez, Meyer, and Gobalet (1979) found "substantial and significant" negative effects of economic development (per capita GNP) on centralist regimes, but also that these effects were reduced (for party centralization) in a sample of new nations only (p. 197). Further, because two measures of national economic dependence were independently associated (positively) with political centralism (i.e., authoritarianism) while other modernization variables, such as education and urbanization, were not, Thomas et al. concluded that world system theory had more validity than modernization theory (associated with Lipset) (pp. 200-201).[27]

Hannan and Carroll (1981), studying explicitly for the first time regime *change* (from 1950 to 1975) with the event history method, found that economic development (per capita GNP) inhibits movement from *all* political regime forms (one-party even more than multiparty) but also encourages transitions to the multiparty form. Like Thomas et al., they found "no evidence that modernizing experiences and institutions [e.g., education] affect rates of change in political forms" (p. 30), but they also found no effects of economic dependency on regime stability or change. The crucial finding of Hannan and Carroll was that high levels of economic development tended to promote the stability not only of democracy but of all types of regimes. However, that finding was based on the experience of the 1950-1975 period. Were the analysis to be reconducted today, after the pervasive breakdown of communist one-party states in the Soviet Union and Eastern Europe and the transitions in newly industrializing countries such as South Korea and Taiwan, it would probably show a very different effect of economic development on one-party regimes in recent years.

The most recent and in some ways most comprehensive statistical analysis has been undertaken by Lipset himself in collaboration with two graduate

student colleagues. Reexamining the Bollen and Jackman data for 1960 and 1965 and adding their own panel regression analysis for the 1970s and 1980s using the combined Freedom House scale of civil and political liberties, Lipset, Seong, and Torres (1991) continued to find "that economic development is the single most important predictor of political democracy when controlling for other variables" (p. 12). Testing nonlinear models on a sample of developing countries, they found a consistently good and significant fit for an N-curve relationship, such that economic development increases the chances for democracy up to a lower-middle level of per capita GNP, then decreases the odds in a middle range (between $2,346 and $5,000 in 1980), while stabilizing the chances for democracy at a very high probability in the higher-income range.

Multiple regression analyses I conducted previously with Lipset, Seong, and others uncovered another significant and distinctive finding. In a number of different regressions, the Physical Quality of Life Index had consistently positive effects on political freedom, usually highly significant statistically (and sometimes even more so than per capita GNP). For example, when the 1984 political freedom index was regressed on six different time-lagged indicators of socioeconomic development, the only two factors that emerged as significant were per capita GNP (lagged back in time quite substantially to 1965) and the PQLI in 1970. The latter effect was substantially larger and more significant statistically, while urbanization, education, and communication showed no independent effect (possibly because of multicollinearity among the independent variables). In a similar regression for 72 developing countries only, the PQLI was again powerful and highly significant in its positive effect, while per capita GNP showed no independent effect at all. The substantial and statistically significant correlations in both samples (.67 and .42) between 1965 per capita GNP and 1970 PQLI suggested that the latter could be a critical intervening variable in the relationship between development and democracy.

In related regressions employing shorter (5- and 10-year) time lags, this causal path was given considerable support. We tested five different models of the per capita income-PQLI-democracy relationship (three with successive 5-year time lags and two with successive 10-year time lags) each on two different samples of nations (one global, one less developed countries only). In each of these 10 regressions, the PQLI exhibited powerful positive effects on political freedom, significant at the .001 level. Also, per capita GNP had very powerful (and again always highly significant) positive effects on PQLI 5 or 10 years later. The direct effects of per capita GNP on democracy were always positive but weaker than those of PQLI and were statistically significant only about half the time. Economic dependence never showed direct significant effects, while military expenditures sometimes showed significant negative effects on democracy. Figure 6.1 presents the findings for one of the causal paths tested. In all, the evidence gave substantial support to the thesis that the contribution of economic development to democracy is substantially mediated through improvements in the physical quality of life.[28]

In 1969, Cutright and Wiley took an important methodological step by examining only those countries that were continuously self-governing from 1927 to 1966 (excluding the effects of colonial rule and foreign occupation). Dividing these 40 years into four successive decades, they examined the relationship between democracy and socioeconomic development in each decade and applied a "cross-lagged" correlational test. In doing so, they found not only a consistently strong positive association between democracy and social and economic development in each decade, but grounds for inferring a causal path from economic development in particular to democracy. The additional finding that changes in political representation (in effect, democracy) occurred only where social security provisions were low and literacy high led them to modify Cutright's earlier presumption of a simple linear relationship. The provision of social security (and, more broadly, the meeting of economic expectations and needs) appeared to give stability to all constitutional forms. This finding anticipated in some ways that of Hannan and Carroll (1981), discussed below.

By the late 1960s, other scholars were also becoming concerned with attempting to establish causality. McCrone and Cnudde (1967) built on the earlier work of Lerner (1958), Lipset (1960), and Cutright (1963) in testing different causal paths among the variables using the Simon-Blalock method (which infers causality from the patterning of cross-sectional correlations over time). The model that they found best fit Cutright's data begins with urbanization, which increases education and also has a small direct effect on democratization. Education, in turn, they found, stimulates the expansion of communication media, which then has a large direct effect on democratization.[21] More direct evidence for this causal path was produced by Winham's (1970) longitudinal study of the United States, which used as an indicator of democracy in each decade the Cutright representation index combined with a measure of participation (the average percentage of the population who voted in presidential elections). Winham also found positive correlations between communication, urbanization, education, and democratization strikingly similar to Cutright's, but by using time-lagged correlations over a long span of time, Winham was able to infer more persuasively that socioeconomic development had a causal effect on democratic development. Specifically, he found that the data pointed to the causal priority of education and especially (again) communication.[22]

Using similar time-lagged correlations for 36 European, North American, and Latin American nations, Banks (1970) found a very different pattern. His scale of democratic performance (measuring how the chief executive is elected, the effectiveness of the legislature, and the extent of the franchise) was positively correlated with socioeconomic development throughout the period 1868 to 1963, but he inferred from the patterning of time-lagged correlations that if there was a causal relationship between development and democratic performance it was more likely that it ran in the reverse direction. This method is open to serious question, however, raising doubts about the findings of all the studies that employed it.[23]

Jackman (1973) developed a more continuous measure of democratic development, merging simple categorical measures of the presence of democratic structures with the continuous measures of participation and freedom of the press in 1960. Comparing linear with curvilinear models of the effects of economic development (per capita energy consumption) on his scale of democratic performance, he found two curvilinear models to fit much better than the linear one.

Jackman's contribution was significant in part because it tested a scale of democracy that was not "contaminated" with a measure of stability over time. In fact, Jackman subsequently showed that the heavy reliance on political stability in Cutright's (1963) measure of political representation could produce a spurious analytical result (in this case, concerning the relationship between political democracy and social equality; Jackman, 1975, pp. 86-87; see also Bollen, 1980, p. 382).[24]

However, Jackman's democracy measure was itself flawed in another common respect, including as one of four equally weighted components voter turnout rates (among adults of voting age). This same practice, which confuses the democraticness of the regime with the democratic behavior of its individual citizens, flaws the design of Coulter's (1975) study of the determinants of "liberal democracy," which is further (but less seriously) flawed by its use of Cutright's index as a measure of competitiveness. One should be cautious about interpreting the results from studies employing measures of such questionable validity unless those studies present (as Coulter's does in places) evidence for individual components of the democracy measure that are more valid than the scale as a whole.[25]

A methodologically and conceptually much sounder measure of democracy is Bollen's scale of political democracy for 1960 and 1965.[26] Using this scale, Bollen and Jackman (1985) produced one of the clearest and most frequently cited quantitative studies of the determinants of democracy. It employed several different multiple regression models (ordinary and weighted least squares) to estimate the effects on political democracy in 1960 and 1965 of several independent variables that figure prominently in the literature on determinants of democracy: economic development (as measured by the log of per capita GNP), ethnic pluralism (as indicated by Taylor & Hudson's, 1972, widely used measure of ethnolinguistic fractionalization), the percentage of the population that is Protestant, prior history as a British colony, and recent passage to nationhood (the latter two both dichotomous variables). Bollen and Jackman found that most of their noneconomic variables did have significant effects on democracy (negatively for cultural pluralism—though significantly so only for 1965—positively for Protestantism and British colonial heritage). However, economic development level explained more of the variance by itself than did a regression with all the other variables collectively. And they found that "a good portion (about 50%) of the effects of cultural pluralism and Protestantism are, in fact, effects of economic development" (p. 39). Reinforcing Jackman's earlier finding, they found (by using the logarithmic functional

reverse much more regularly than for per capita GNP. The highest proportion of state hegemonic regimes (77%) is found among the low-development countries, followed again in step pattern by the medium-low countries (35%), the medium (30%), and the medium-high (6%).

As a comparison of the two tables suggests, the HDI shows a substantially higher correlation (.71) with the combined index of political freedom than does per capita GNP (.51). (The correlation between the two development measures is .66, which means they are strongly associated but that more than half of the variance of each is explained by other factors.) Two important conclusions should be drawn from these two correlations. First, it is a country's mean level of "human development" or physical quality of life, more than its per capita level of money income, that better predicts its likelihood of being democratic and its level of political freedom. This is consistent with multivariate statistical analyses that have shown the PQLI to be even more strongly associated with democracy than per capita GNP. It also is consistent with the logic of Lipset's argument, as I will argue in the final section of this chapter. One reason the HDI correlates with the freedom index more closely than does per capita GNP is that many democracies in the developing world rank significantly higher on the HDI than they do on per capita GNP; this gap is especially large for Chile Costa Rica, Uruguay, Mauritius, Jamaica, the Dominican Republic, and (semi-democratic) Sri Lanka (UNDP, 1991, Table 1). In other words, the physical quality of life for their citizens (in life expectancy, literacy, and so on) is significantly beyond what would be predicted purely by their level of economic development.[16]

Second, the moderate correlation between per capita GNP and political freedom (lower than those found in many earlier studies discussed shortly) may indicate that the relationship between economic development and democracy has weakened somewhat in the last 30 years as the number of democracies, especially in the middle ranges of development, has grown, especially in the last few years. Although differences in the measures of democracy are obviously important here, I believe the more important factor has been real change in the world, "globalization of democracy, in terms of the near-universalization of popular demands for political freedom, representation, participation, and accountability" (Diamond, 1992a). While this change may be eroding, or at least temporarily challenging, what both Dahl and Huntington identified as a lower development threshold for the viability of democracy, it only reinforces the upper threshold, as evidenced both in the universality of democracy among the high-HDI countries and by the fact that above about $6,100 per capita (1989), only three countries were undemocratic in 1990 (Singapore, Kuwait, and the United Arab Emirates).

Interestingly, many of the countries whose placement in Table 6.2 is roughly as predicted by the overall correlation are recent arrivals to their regime type—that is, products of the third wave of democratization. One could argue, with Huntington (1991), that two historic changes account for this: the relatively swift and sudden collapse of a *non*developmental barrier to democratization in Eastern Europe and the Soviet Union—the authoritarian intransigence of the Soviet Communist party—and the sheer passage of time, enabling "political development" in countries such as Spain, Portugal, Greece, South Korea, and Taiwan to catch up to their levels of socioeconomic development. In fact, Huntington (1991) argues, "In considerable measure, the wave of democratizations that began in 1974 was the product of the economic growth of the previous two decades" (p. 61).[17]

Multivariate Analyses[18]

Cutright's (1963) study was the first to use correlational analysis to test the Lipset hypothesis. His index of democratic stability correlated most highly with his index of communication development (.81), but measures of urbanization, education, and industrialization also showed high positive zero-order correlations with political development (.69, .74, and .72, respectively) and even higher intercorrelations with one another. The multiple correlation of these four aspects of socioeconomic development with Cutright's democracy index was .82 (meaning they accounted for about two-thirds of the variance)—giving strong support to Lipset's thesis of a broad, multistranded association between development and democracy.

Cutright labeled his regime index "political development" but in combining measures of multiparty competition and stability, he was correctly seen to be measuring "democratic stability" and in later writings he referred to the same index as "political representation."[19] This index was subsequently used (partially or entirely) in a number of other quantitative studies (Coulter, 1975; Cutright & Wiley, 1969; Olsen, 1968), so it is important to acknowledge Bollen's (1980, pp. 374-375; 1990, pp. 15-17) objection that combining measures of stability with measures of democracy raises important conceptual and methodological problems: By averaging out possible sharp swings in levels of democracy, the researcher may obstruct the study of political change and confound the interpretation of correlations.

Using both the Cutright index of political representation and an alternative index that did not incorporate stability over time,[20] Olsen (1968) found results strikingly similar to Cutright's on a larger sample of countries (115 as opposed to 77). Both Cutright's scale and Olsen's own showed consistently strong correlations with a number of different (multivariable) dimensions of socioeconomic development, ranging from .59 to .71. In addition, Olsen found that his 14 socioeconomic variables collectively had a multiple correlation with political development/democracy almost identical to what Cutright found (.83 for the Olsen index and .84 for the Cutright index). Given the quite different composition of the two political indices (and particularly their difference in incorporating the stability dimension), it is all the more striking that their correlations with the various development indices were virtually identical (Olsen, 1968, p. 706; see also Table 6.3 in this chapter).

proportion of more fully democratic states. In accord with Lipset's thesis and all its extensions, only three low-income countries are democratic—India, Gambia, and the Solomon Islands (in ascending order of democraticness)—and the latter two have populations of fewer than 1 million, a size that seems more conducive to democracy.[11] Two other low-income countries—Sri Lanka and Pakistan—were democratic in recent years, but deteriorated to semidemocratic status. (Haiti lasted in the "democratic" category during 1991 for all of 8 months.) Strikingly, large proportions (almost 70%) of the two most authoritarian regime forms were concentrated in the low-income group of countries.

Per capita national income, or gross national product, is the development variable most often tested in association with democracy (whether by cross-tabular, correlational, or multivariate analysis). However, it has a number of drawbacks and limitations, including the difficulty in estimating the money incomes of communist countries (without the benefit of market prices) and of many developing countries (where so much economic activity takes place in the informal economy), as well as the exaggerated development levels indicated for the principal oil-exporting states. In addition, the *mean* national income of a country tells us nothing in itself about its distribution, and because money income can be far more unequally distributed than years of life expectancy or schooling, per capita figures for GNP are less reliable indicators of average human development in a country than are national averages for the latter nonmonetary types of measures. These problems are attenuated when we examine indices of development that either exclude monetary measures, such as the Physical Quality of Life Index (PQLI),[12] or combine per capita GNP with such nonmonetary indicators of human welfare as literacy and life expectancy.

Just such a measure, the Human Development Index (HDI), has been developed by the United Nations Development Program (UNDP) (1991). It represents an unweighted average of three (standardized) measures: adult literacy, life expectancy, and (the log of) per capita GDP.[13] It has the advantage of availability for almost all countries in the world (capturing a number of countries not included in Table 6.1), and greater validity in indicating real levels of human well-being. As is readily apparent in Table 6.2, the relationship between democracy and development is even stronger when the HDI is used as the development indicator and the universe of nations is decomposed into five development levels instead of four.[14] In particular, some of the most glaring anomalies fade or disappear. All of the 20 most developed countries are concentrated among the two most democratic regime types, and *85%* of them fall into the *most* democratic regime type. More significantly, in comparison with the cross-tabulation for per capita GNP, the HDI shows a more perfect step pattern of association with regime democraticness through the middle levels of development. The medium-high countries have a higher proportion of democracies, and especially of more fully democratic democracies, than do the medium countries, which are scattered across all regime types, with semicompetitive regimes being the mode. Medium-development countries, in turn, are more democratic than the medium-low countries, which range from state

Table 6.2 Freedom Status and Human Development Index, 1990

	Human Development Index					
Regime Type	*High (Top 20)*[a] *.993-.951*[b]	*Medium-High (21-53) .950-.80*	*Medium (54-97) .796-.510*	*Medium-Low (98-128) .499-.253*	*Low (129-160) .242-.048*	*Total*
State hegemonic, closed (13-14)	0 — —	2 9.1% 6.25%	7 31.8% 16.3%	2 9.1% 7.7%	11 50.0% 35.5%	22 100.0% 14.5%
State hegemonic, partially open (11-12)	0 — —	3 10.3% 9.4%	6 20.7% 14.0%	7 24.1% 26.9%	13 44.8% 41.9%	29 100.0% 19.1%
Noncompetitive, partially pluralist (10)	0 — —	0 — —	3 27.3% 7.0%	5 45.4% 19.2%	3 27.2% 9.7%	11 100.0% 7.2%
Semicompetitive, partially pluralist (7-9)	0 — —	6 24.0% 18.8%	10 40.0% 23.3%	6 24.0% 23.0%	3 12.0% 9.7%	25 100.0% 16.4%
Competitive, partially illiberal (5-6)	0 — —	3 18.75% 9.4%	7 43.8% 16.3%	6 37.5% 23.1%	0 — —	16 100.0% 10.5%
Competitive, pluralist, partially institutionalized (3-4)	3 12.0% 15.0%	13 52.0% 40.6%	8 32.0% 18.6%	0 — —	1 4.0% 3.2%	25 100.0% 16.4%
Liberal democracy (2)	17 70.8% 85.0%	5 20.8% 15.6%	2 8.3% 4.6%	0 — —	0 — —	24 100.0% 15.8%
Total	20 13.2% 100.0%	32 21.1% 100.0%	43 28.3% 100.0%	26 17.1% 100.0%	31 20.4% 100.0%	152 100.0% 100.0%

SOURCE: Freedom House (1991), United Nations Development Program (1991, table 1).
NOTE: Chi-square measures are significant beyond the .0001 level by both the Pearson and likelihood ratio methods. Numbers in parentheses after regime type represent the range of scores on the Freedom House combined scale of "political freedom." The first figure in each cell is the raw number of cases; the second figure is the row percentage; the third figure is the column percentage.
a. Numbers in parentheses in row are the range of country rankings on Human Development Index.
b. Numbers in row are the range of scores on the Human Development Index.

hegemonic to somewhat democratic and yet are still more democratic than the overwhelmingly authoritarian low-development countries. Of the 57 countries that are low or medium-low in development, only 1, tiny Gambia, scores even in the second most democratic regime type (see the appendix to this chapter).[15] At the authoritarian end of the scale of regimes, the association also works in

rich countries it has already occurred" (Huntington, 1991, p. 60). In fact, Huntington has demonstrated this to be the case with the democratic transitions of the third wave: "About two-thirds of the transitions were in countries between roughly $300 and $1,300 in per capita GNP (1960 dollars)." Counting all 31 countries that experienced either democratization or significant political liberalization between 1974 and 1989, Huntington found half of them to lie in the middling range of $1,000-$3,000 per capita GNP in 1976. Amazingly, "three-quarters of the countries that were at this level of economic development in 1976 and that had nondemocratic governments in 1974 democratized or liberalized significantly by 1989" (Huntington, 1991, pp. 62-63). These transitions "corrected" many of the most anomalous locations of more developed countries with respect to regime type: By 1990, Spain, Portugal, Greece, Poland, Hungary, and Czechoslovakia had all become democratic, and the Soviet Union and Bulgaria were at least heading in that direction.

The cross-tabulations to date have been conducted with a very simple categorization of regimes into democracies and nondemocracies, at most including semidemocracies. The real world, of course, presents a more continuous range of variation on the principal dimensions of democracy—competition, participation, and liberty.[9] These dimensions are closely (though not perfectly) captured by Freedom House's annual survey of political rights and civil liberties in every country of the world. Each country is rated from 1 to 7 on each of those two measures, with 1 being *most free* and 7 *most authoritarian* (Freedom House, 1991, pp. 53-54).[10] Using this combined 13-point scale of what I will call "political freedom," I have proposed a typology of seven regime types, moving in step fashion from the most highly closed and authoritarian to the fully liberal and institutionalized democracies (Diamond, 1991). Cross-tabulating these regime types with economic development levels enriches our understanding of the pattern of association at this moment of peak democratic expansion in world history.

Table 6.1 presents a cross-tabulation of per capita GNP in 1989 (broken down into the World Bank's four national income groups) and regime type in 1990 for 142 countries (unfortunately, a number of communist countries are omitted because of lack of GNP data). It shows, once more, a strong apparent relationship between economic development and democracy. Two aspects of this cross-tabulation (and that in Table 6.2) add to its importance for cumulative research. First, as just noted, it examines the association with seven regime types rather than just two or three. And second, the data have been tested for statistical significance with two forms of the chi-square test, both of which show the association to be highly significant at the .0001 level.

Looking first at income groups, we see in Table 6.1 that more than 83% of the high-income countries have competitive, essentially democratic regimes (that is, one of the three most democratic regime types). Four countries in this income group have highly authoritarian regimes, but they are all Persian Gulf oil states whose incomes vastly overstate their real levels of socioeconomic development. Outside the Gulf, Singapore is the only high-income country that

Table 6.1 Freedom Status (1990) and Per Capita GNP (1989)

	Per Capita GNP				
Regime Type	*High Income*	*Upper-Middle Income*	*Lower-Middle Income*	*Low Income*	*Total*
State hegemonic, closed (13-14)	2 10.5% 6.7%	2 10.5% 11.1%	2 10.5% 4.1%	13 68.4% 28.9%	19 100.0% 13.4%
State hegemonic, partially open (11-12)	2 7.7% 6.7%	3 11.5% 16.7%	3 11.5% 6.1%	18 69.2% 40.0%	26 100.0% 18.3%
Noncompetitive, partially pluralist (10)	0 — —	1 9.1% 5.5%	5 45.4% 10.2%	5 45.4% 11.1%	11 100.0% 7.7%
Semicompetitive, partially pluralist (7-9)	1 4.1% 3.3%	3 12.5% 16.7%	14 58.3% 28.6%	6 25.0% 13.3%	24 100.0% 16.9%
Competitive, partially illiberal (5-6)	1 6.7% 3.3%	1 6.7% 5.5%	12 80.0% 24.5%	1 6.7% 2.2%	15 100.0% 10.6%
Competitive, pluralist, partially institutionalized (3-4)	5 20.8% 16.7%	6 25.0% 33.3%	12 50.0% 24.5%	1 4.1% 2.2%	24 100.0% 16.9%
Liberal democracy (2)	19 82.6% 63.3%	2 8.7% 11.1%	1 4.3% 2%	1 4.3% 2.2%	23 100.0% 16.2%
Total	30 21.1% 100.0%	18 12.7% 100.0%	49 34.5% 100.0%	45 31.7% 100.0%	142 100.0% 100.0%

SOURCE: Freedom House (1991), World Bank (1991, table 1).
NOTE: Chi-square measures are significant beyond the .0001 level by both the Pearson and likelihood ratio methods. Numbers in parentheses after regime type represent the range of scores on the Freedom House combined scale of "political freedom." The first figure in each cell is the raw number of cases; the second figure is the row percentage; the third figure is the column percentage.

is not democratic. Interestingly, there is less difference than we would expect between the upper-middle- and lower-middle-income countries. It is in fact the *upper*-middle-income countries that have the higher proportion of very authoritarian (state hegemonic) regimes, but four of these five are again Arab oil states (the other is Romania, which has since experienced further political opening). The two groups have the same proportion of democracies (about half of the total), but the upper-middle-income countries, as expected, have a higher

compared with only 36 in 1962, when the second wave of democratization came to an end.[7] This democratic expansion follows a "second reverse wave" of democratic breakdowns in the 1960s and 1970s that was seen by a number of political scientists, especially those working with the "bureaucratic-authoritarian" model (Collier, 1979; O'Donnell, 1973), to negate Lipset's thesis. Today, that reverse wave has itself passed, and European decolonization has been almost entirely completed (bringing more than 70 new states into the world since Lipset first published his article in 1959). With many more states, over 30 more years of regime change and persistence, and an impressive accumulation of social science research addressed to this thesis, the time is ripe for a reevaluation.

A GENERATION OF QUANTITATIVE ANALYSIS

Since Lipset's essay appeared, a vast number of quantitative studies, using a wide range of methods, have examined the relationship between democracy and many different dimensions of socioeconomic development. Almost all of them have found a positive relationship, and the weight of the evidence suggests that, in the conclusion of one of the more systematic and sophisticated studies, "level of economic development appears to be the dominant explanatory variable" in determining political democracy (Bollen & Jackman, 1985, p. 42).

Cross-Tabulations

A number of scholars over the years have done cross-tabulations of economic development and democracy for a variety of samples and time points, and all of them have strongly supported Lipset's thesis. While this method is unable to establish causality, much less to model its paths or determine its linearity, it can clearly demonstrate interdependencies among variables. Various cross-tabulations have done this rather strikingly for the overall relationship between economic development and democracy. Using an approach similar to Lipset's but even more comprehensive, Coleman (1960) divided 75 "modernizing political systems" into three categories—competitive, semicompetitive, and authoritarian regimes—which he then related to 11 different indicators of national wealth (economic development), industrialization, urbanization, and education. In each of his two regional sets, Latin America and Africa-Asia, the ranking of regime types conformed almost perfectly to the expected pattern: Countries with competitive regimes had the highest levels of development, semicompetitive countries the next highest, and authoritarian countries the lowest. Remarkably, on only one variable (unionization) did the development data deviate even slightly from the expected step pattern.[8] Cross-tabulating the same three regime types with five "stages" of economic development (for 89 countries at all levels of development), Russett (1965, cited in Dahl, 1971, p. 65)

found that all of the 14 countries in the highest stage ("high mass consumption") were democratic, 57% in the next highest stage, but only 12% to 33% in the lower three stages. Significantly also for Lipset's thesis, Russett justified his classification of countries into broad development stages by demonstrating high intercorrelations among the various dimensions of social and economic development. (These high intercorrelations have also been found by Cutright, 1963; Olsen, 1968; Powell, 1982; and virtually all other such analyses.)

Cross-tabulating Russett's same five stages of development with the 29 polyarchies that he identified in 1969, Dahl (1971, p. 66) found again that all highest-level countries are polyarchies, with the proportion dropping to 36% in the second-highest ("industrial revolution") group, and negligible below that (only 2 of the 57 countries in the three lowest development groups qualified as polyarchies in 1969). This led Dahl to offer an important and influential extension of Lipset's hypothesis, which he stated in the form of two propositions:

> *Proposition 1:* "There exists an upper threshold, perhaps in the range of about $700-800 GNP per capita (1957 U.S. dollars), above which the chances of polyarchy . . . are so high that any further increases in per capita GNP [and associated variables] cannot affect the outcomes in any significant way."
>
> *Proposition 2:* "There exists a lower threshold, perhaps in the range of about $100-200 GNP per capita, below which the chances for polyarchy . . . are so slight that differences in per capita GNP or variables associated with it do not really matter" (pp. 67-68).

A recalculation by Diamond (1980, p. 91; see also Lipset, 1981, p. 471), using Freedom House data for 1977 and per capita GNP figures for 1974, again divided the countries for which there were data (now 123) into five quintiles of economic development. Three-fourths of the 25 wealthiest countries were democratic (or "free" by the rating of Freedom House); the remainder were Arab oil or communist states. A third of the countries in the second category (with per capita GNPs ranging from $740 to $2,320) were democratic. Below the 50 richest countries, there were only 4 democracies among the remaining 73 states (about 5%).

Finding a similar pattern in 1981, Huntington (1984) was led to extend Dahl's extension one step further. If so many cross-tabulations at successive points in time kept showing with such consistency apparent upper and lower thresholds for the likelihood of democracy, then it made sense to conceptualize the developmental space between them as "a zone of transition or choice, in which traditional forms of rule become increasingly difficult to maintain and new types of political institutions are required to aggregate the demands of an increasingly complex society and to implement public policies in such a society" (p. 201). If Huntington's logical extension of the theory is correct, most democratic transitions should be occurring at this middle level of economic development because "in poor countries democratization is unlikely; in

Lipset's analysis can be and has been criticized on a number of conceptual and methodological grounds. It is a static analysis of data from a single time point, although it does classify regimes on the basis of their experience over long periods (25 to 40 years). Like other theories in the modernization or "liberal" school, it assumes linearity, ignoring the possible negative impact on democracy "that the processes of changing from one developmental level to another might have" (Huntington & Nelson, 1976, p. 20). It establishes only correlation, not causality, yet it does assume and infer that democracy is the consequence of these various developmental factors. It shows the correlation of democracy with a wide range of developmental variables, but it does not present a truly multivariate analysis in which the independent causal weight or correlational significance of each variable is established by controlling for the other variables. Of course, Lipset was writing before the social sciences began employing multiple regression analysis (not to mention dynamic analyses such as event history). But even with the methods of the time, no attempt was made to control for other factors (except region) or to test them in interaction with one another. However, Lipset did emphasize—and demonstrate with data from Lerner's (1958) study of modernization in the Middle East—that the various developmental variables "are so closely interrelated as to form one major factor which has the political correlate of democracy."

There was also a problem of substantive interpretation that has been less frequently noted. Although the decomposition of the sample into two parts can be justified as an attempt to control for cultural and regional variation, it produced a striking anomaly that Lipset did not analyze: On 11 of the 15 development variables for which he presented data, the European *nondemocracies* (and unstable democracies) had higher mean levels of development than did the Latin American *democracies* (and unstable dictatorships). In fact, on most dimensions, these differences were quite large, often as large as the differences between the more and less democratic groups *within* regions. Only on urbanization did the more democratic Latin American group rank consistently more "developed" on average than the more authoritarian European group, and these differences were relatively small.

At first glance, it would be tempting to attribute this anomaly to the noncomparability of the criteria for dichotomizing the two sets of countries. As a result, the *less* democratic European category—"unstable democracies and dictatorships"—overlapped conceptually to a considerable degree the *more* democratic Latin American category—"democracies and unstable dictatorships." However, conceptual overlap does not entirely account for the anomaly. Of the 7 Latin American "democracies and unstable dictatorships," 5 (Brazil, Chile, Argentina, Costa Rica, and Uruguay) had democratic systems in 1959 (and those in Chile, Costa Rica, and Uruguay had been in place for at least 10 years). Of the 17 European "unstable democracies and dictatorships," 10 were stable dictatorships (most of them Communist).[2] Had Lipset compared these two conceptually distinct categories—Latin American democracies and European dictatorships—he would have found the latter to have notably higher

levels of economic development than the former, significantly qualifying his asserted relationship between economic development and democracy.[3] For example, the 10 European dictatorships had an average literacy rate in 1960 of 87%, compared with 80% for the 5 Latin American democracies. Their per capita GNPs averaged $598, compared with $428 for the Latin American democracies. On a particularly valuable index of development not available when Lipset was writing, the "physical quality of life," the mean level for the European dictatorships was 8 points higher than that for the Latin American democracies: 89 versus 81.[4] Had the comparison been broadened to "Third World democracies," including India and Sri Lanka in particular, the gap with European dictatorships would have been even more striking.

This modest reinterpretation of Lipset's analysis also heightens the strength of his relationship in a different sense. Within Europe, there is a clear step pattern among the three groups of countries that emerge when, in addition to the "stable democracies," we separate "unstable democracies" and "dictatorships." As expected, the mean development level increases substantially with each step toward stable democracy.[5] As will be shown later, a more striking stepwise progression is apparent when one examines the relationship between development and a more refined typology of regime democraticness.

Thus the data around 1960 offer some impressive support for Lipset's thesis of a direct relationship between economic development and democracy, but within Lipset's comparative data were also some strong indications of the limits to this relationship. Region (and all it stands for in terms of cultural and social conditions) was an important intervening variable (most of the stable European dictatorships were in *Eastern* Europe). That development level was hardly completely determinative was also indicated by the considerable overlap in ranges of development levels between the more and less democratic groups within each region. On every developmental variable, there were countries in the less democratic group with a higher level of development than countries in the more democratic group.[6]

In fact, what Lipset showed in his famous article—and all he intended or claimed to show—was a correlation, a (linear) causal *tendency*. Before even presenting his main thesis, he conceded that "a syndrome of unique historical circumstances" can give rise to a political regime form quite different from what would be favored by "the society's major (developmental) characteristics" (p. 28). Moreover, once having arisen for whatever unique historical reasons, "a political form may persist under conditions normally adverse to the *emergence* of that form" (p. 28).

In this chapter, I reevaluate Lipset's thesis on the relationship between socioeconomic development and democracy more than 30 years after its formulation. This is certainly a propitious moment to undertake such a reassessment. For one thing, there are many more democracies in the world today, especially among the less developed countries. In the midst of this "third wave" of democratization in the world, there were in 1990, by Huntington's (1991, p. 26) count, 58 democracies in states with populations greater than 1 million,

6

Economic Development and Democracy Reconsidered

Larry Diamond

FIRST published in the *American Political Science Review* in 1959, Seymour Martin Lipset's essay "Some Social Requisites of Democracy: Economic Development and Political Legitimacy" has proved one of the most controversial, durable, and frequently cited articles in the social sciences. Asserting a broad and multistranded relationship between economic development levels and democracy, it broke new ground in what came to be known (quite often disparagingly) as "modernization theory" and became an essential reference point, typically the *starting point*, for all future work on the relationship between political systems and the level of economic development.

Lipset's general argument was simply "that democracy is related to the state of economic development. The more well-to-do a nation, the greater the chances that it will sustain democracy" (Lipset, 1960, p. 31).[1] To demonstrate his argument, he classified the countries of Latin America, Europe, and the English-speaking democracies into two sets of two groups each, based on their experience with democracy: for Europe, North America, Australia, and New Zealand, stable democracies versus unstable democracies and dictatorships; for Latin America, democracies and unstable dictatorships versus stable dictatorships. Within each region or set, he then compared the two groups of regimes on a wide range of indicators of socioeconomic development: income, communications, industrialization, education, and urbanization. Not surprisingly (from the perspective of anyone having even the most casual acquaintance with the profusion of analyses that have followed), he found that within each regional set, the more democratic countries had consistently and often dramatically higher mean levels of development than did the less democratic countries.

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Economic Review 64 (June 1974): 291–303; and Jagdish Bhagwati, "Directly Unproductive Profit-Seeking (DUP) Activities," *Journal of Political Economy* 90 (October 1982): 988–1002.

16. Jean Dreze and Amartya Sen, *Hunger and Public Action* (Oxford: Clarendon Press, 1989). On the Chinese famine, see the interesting article by Thomas Bernstein, "Stalinism, Famine, and Chinese Peasants: Grain Procurements During the Great Leap Forward," *Theory and Society* 13 (May 1984): 339–77.

17. See Bruce Ackerman, "What Kind of Democracy? The Political Case for Constitutional Courts" (paper presented to the Nobel Symposium on "Democracy's Victory and Crisis," Uppsala University, Uppsala, Sweden, 27–30 August 1994).

18. The former phenomenon seems to have arisen in the United States, for this and other reasons, as documented startlingly by Robert Putnam in "Bowling Alone: The Decline of America's Social Capital," *Journal of Democracy* 6 (January 1995): 65–78.

19. Lester Salomon, in "The Rise of the Nonprofit Sector," *Foreign Affairs* 73 (July–August 1994): 109–22, documents the rise of national and international NGOs, calling it the global "associational revolution" and analyzing several of its cultural and political aspects.

20. In this regard, I must also cite an ambitious statistical study by the economist Surjit Bhalla, "Freedom and Economic Growth: A Virtuous Cycle?" (paper presented to the Nobel Symposium on "Democracy's Victory and Crisis," Uppsala University, Uppsala, Sweden, 27–30 August 1994. Bhalla works with 90 countries for 1973–90. His conclusions are broadly supportive of my own, though he concludes more strongly that the statistical evidence shows a favorable impact of "political freedom" (i.e., democracy) when treated in a way that enables us to differentiate among different democracies in terms of how democratic they are on different relevant dimensions. His definition of development also extends beyond growth rates to include two social variables: secondary-school enrollment and declines in infant mortality. Bhalla's work is unique among several recent statistical studies in looking at both economic and political "freedom" in exploring the connection between democracy and development.

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The first is that where neither democracy nor markets function, incentives for production and innovation will be so weakened as to impair productivity and growth. The second is that markets can deliver growth, with or without democracy. The third is that democracy, without markets, is unlikely by itself to deliver significant growth.

The last proposition, which speaks naturally to India's postwar experience until the current reforms, is perhaps the most interesting to contemplate further. Why should the relative lack of well-functioning markets nullify democracy's possibly favorable effects on development?

The answer leaps out from the pages of modern Indian history. Democracy, with its civil and political rights—including freedom to travel, study, and work abroad—has enabled elite Indians, who have had access to modern education for over a century, to master and even improve on innovative ideas and technologies from everywhere. But Indians' ability to translate expertise into effective innovation and productive efficiency was seriously handicapped by the web of statist restrictions that long straitjacketed economic decision making. Thus while Indian surgeons were quick to get to the frontier in open-heart surgery, the inability to import medical equipment without surmounting strict exchange controls, even when gifts were at issue, prevented the effective diffusion of technology to India on a scale commensurate with her abilities. Equally, the incentives to produce and innovate were seriously compromised because the returns to such activity could not be substantial when there were extensive restrictions on production, imports, and investment.

By contrast, the market authoritarianisms of East Asia profited immensely from the diffusion of technology that their substantially freer domestic and international markets permitted and facilitated. The economic interventions of the Indian government, after the early postwar years of more satisfactory growth and promotional rather than restrictive policies, degenerated quickly into a series of "don'ts" that straitjacketed the economic decisions of the citizens. On the other hand, the Far Eastern economies worked with a series of "do's" that left considerable room for freedom to produce, innovate, and experiment with new technologies from abroad. The chief lesson may well be that democracy and markets are the twin pillars on which to build prosperity.[20]

NOTES

1. Jagdish Bhagwati, *The Economics of Underdeveloped Countries* (London: Weidenfeld and Nicolson, 1966). Citing this work, Atul Kohli, "Democracy and Development," in John Lewis and Valeriana Kallab, eds., *Development Strategies Reconsidered* (Washington, D.C.: Overseas Development Council, 1986), has christened this "old" view the "cruel dilemma" thesis.

2. A number of statistical and quasi-statistical studies by economists such as John Helliwell and political scientists such as Atul Kohli have argued that while the evidence does not support the view that the relationship between democracy and growth rates is

negative, neither does it support the contrary view. Cf. Kohli, "Democracy and Development"; and John Helliwell, "Empirical Linkages Between Democracy and Growth" (Working Paper No. 4066, National Bureau of Economic Research, Cambridge, Mass., 1992).

3. Quoted in *The Economist*, 27 August 1994, 15. See also Prime Minister Lee's nuanced and fascinating interview with Fareed Zakaria in *Foreign Affairs* 73 (March–April 1994): 109–26.

4. Ralf Dahrendorf, *Society and Democracy in Germany* (New York: Doubleday, 1966); Barrington Moore, *Social Origins of Dictatorship and Democracy* (Boston: Beacon Press, 1966).

5. R.F. Harrod, *Towards a Dynamic Economics* (London: Macmillan, 1954); Evsey Domar, "Expansion and Employment," *American Economic Review* 37 (March 1947): 34–55.

6. It is worth noting that some economists—including the Swedish Nobel laureate Gunnar Myrdal—thought at the time that the socialist countries would be able to grow faster than capitalist countries because they would also be able to increase the productivity of investment, reducing the capital required to produce output through technological innovation in things like prefabricated housing. How wrong Myrdal and the others were: they failed altogether to consider the question of the incentives to innovate and to produce efficiently in regimes with neither markets nor democracy.

7. Bhagwati, *Economics of Underdeveloped Countries*, 204.

8. Zeev Maoz and Bruce Russett, "Normative and Structural Causes of Democratic Peace, 1946–1986," *American Political Science Review* 87 (September 1993): 624–38. As always, there is extended debate among political scientists about whether this observation is robust. Some have contended that the proposition is exaggerated by some fairly fast and loose characterization of selected countries in the data set, whereas others (e.g., Henry Farber and Joanne Gowa in "Politics and Peace," *International Security* 20 [Fall 1995]: 123–46) have argued that the evidence for this relationship between democracy and peace is less compelling before the Second World War, and that the peace among democracies since 1945 has been due to shared political interests expressed in political alliances (a contention that itself may be rejected as a qualification since the alliances in turn may simply be reflecting preexisting comity among the democracies).

9. The most striking and original revival of Kant's argument is Michael Doyle, "Kant, Liberal Legacies and Foreign Affairs: Part I," *Philosophy and Public Affairs* 12 (Summer 1983): 205–35.

10. Immanuel Kant, "Perpetual Peace," in Peter Gay, ed., *The Enlightenment* (New York: Simon and Schuster, 1974), 790–92.

11. Cf. Maoz and Russett, "Democratic Peace," 636. Some political scientists have reservations about the Maoz-Russett research. See Christopher Layne, "Kant or Cant: The Myth of the Democratic Peace," *International Security* 19 (Fall 1994): 5–49; and David Spiro, "The Insignificance of the Liberal Peace," *International Security* 19 (Fall 1994): 50–86.

12. Jonathan Rauch, *Demosclerosis: The Silent Killer of American Government* (New York: Times Books, 1994).

13. Mancur Olson, "Dictatorship, Democracy and Development," *American Political Science Review* 87 (September 1993): 567–76.

14. Theoretically, this argument can be invalidated if the dictator saves more than the citizens, implying that the dictator is future-regarding rather than simply self-indulgent. Olson must therefore be implicitly assuming that the dictator is extravagant rather than frugal, an assumption that must in turn be justified as I did earlier.

15. Anne Krueger, "The Political Economy of the Rent-Seeking Society," *American*

be less because the probability of affecting a dictator's policies through such means would be lower (and the risk of retribution for one's labors substantially higher) than in a democracy.

The ability and the incentive to mobilize, to make oneself heard, and to vote are the mediators through which the quality of a country's democracy affects the quality of its development. A government that systematically excludes the poor or women or minorities is simply not good enough. A judiciary that protects *habeas corpus* is good, but even better is one, like India's, that also provides effective standing for the poor through public-interest litigation (giving standing in the courts to "social-action groups"—meaning nongovernmental organizations [NGOs]—to bring remedial complaints on behalf of the underprivileged). A free press is important, but it is best to have a press that also reflects broader interests than those of the elite.

As it happens, democracy has not merely been spreading across more of the world in recent years; its quality has improved as well. The diffusion of ideas for better democratic practices is swift today: public-interest litigation is spreading from India; judicial review, originating in the United States, is coming to the European nations.[17]

Two factors have been driving this steady progress in both the extent and the quality of democracy: the information-technology revolution and, aided by it, the proliferation of nongovernmental organizations. Instant mass communications make the systematic repression or exclusion of peripheral groups more difficult, and a growing number of NGOs are helping to improve the representation of such groups in the political domain.

George Orwell in *1984* and Aldous Huxley in *Brave New World* imagined technology as the enemy of freedom and the tool of totalitarianism, but history has worked out differently. Modern electronic technology was supposed to make Big Brother omnipotent, watching us into submission; instead it has enabled us to watch Big Brother into impotence. Faxes, videocassettes, and CNN have plagued and paralyzed dictators and tyrants, accelerating the disintegration of their rule. As a wit has remarked, the PC (personal computer) has sounded the death knell of the CP (communist party).

At the same time, modern technology has illuminated the obscure face of poverty and pestilence, propelling us in the direction of better development. Modern information technology thus produces the extended empathy that can shape a better democracy. By making the home a primary workplace again, however, it is threatening to leave us isolated at our computer terminals, linked only long-distance to others living and working elsewhere. The economies to be realized from working under one roof (which Adam Smith theorized about and the Industrial Revolution exploited by erecting factories to replace the earlier "putting out" system of production) are now receding. This can produce less

bonding and more alienation even as other technologies promote an extension of empathy. Thus we may well see both weakened bonds within communities and strengthened bonds between them.[18]

The recent rise of transnational NGOs, cutting across borders to address issues such as environmental protection and workers' rights, may be seen as an illustration of how broadened empathy produces international causes and movements.[19] These NGOs constitute a powerful new institutional phenomenon that serves to make the voice of the periphery within each nation more audible since it is exercised in unison with other similar voices.

Also remarkable has been the recent sharp drop in the hostility that developing-world governments harbor toward the activities within their borders of foreign institutions, among them NGOs. This is a sea change from the early postwar years, when developing countries jealously guarded their sovereignty and worried about neocolonialism, embracing the West warily if at all. Again, as Kant would probably have predicted, it is the democracies of the developing world that have opened their doors widest in this way: once again, the contrast between India and China is instructive.

Democracy and Markets

Beyond the critique of the "cruel dilemma" thesis, we can say something more about the relationship between political democracy and economic development. Both theory and empirical evidence teach us that, all other things being equal, well-functioning markets lead to development. Sometimes such markets are present in democracies, sometimes not. The same holds true for authoritarian countries. That leaves us with four types of countries:

1) Market democracies. By and large, these are the Western democracies; they had strong performance indicators until the OPEC crisis of 1973; they also have generally good social-welfare indicators.

2) Nonmarket democracies. India is the prime example, compiling poor postindependence records in both economic performance and social indicators.

3) Market authoritarianisms. China in the last decade, and the Far Eastern countries since the 1960s, belong here; they had rapid success in diminishing poverty, and their social indicators are not bad.

4) Nonmarket authoritarianisms. These are the ex-communist countries; they are abysmal failures in terms of both growth and social indicators.

What can we learn, if anything, from this typology? With due mindfulness of the defects of this rather crude categorization, which leaves out many of the finer points concerning various political and economic systems, let me suggest three broad but defensible lessons.

have occurred in the example had the minister been bribed or otherwise persuaded to adopt the import restrictions), are an endemic and indeed a growing presence in democratic societies. This is not to say that lobbies never do anything good—surely the different perspectives on policy that they provide are often crucial to informed decision making. Still, the costs of rent seeking can outweigh such benefits. Economists disagree over just how large these costs may be, but that they are incurred under democracy is indisputable. It is also quite possible that such costs are lower in dictatorships, where the scope of rent seeking is typically limited to undertakings such as marrying into the dictator's family in order to rake in the profits that flow from proximity to power, and does not extend to massive organized lobbying.

On the other hand, the lobby-induced paralysis that is the other widely assumed defect of democratic governance is a much exaggerated threat. Many analyses of the terrors of gridlock spring from consideration of a prominent but rather unusual case, that of the United States. In the U.S. political system, the popularly elected president must deal with 535 popularly elected members of Congress who are subject to little or no party discipline and see themselves as free to bargain with the executive. As David Broder of the *Washington Post* has remarked, the United States virtually has 536 presidents. In turn, U.S. senators and representatives are responsive to their constituents, and hence to lobbies, to a degree unheard of in any other democracy. As a wag has remarked, a congressman will supply a missionary for breakfast if a cannibal constituent demands it.

The "demosclerosis" afflicting the United States is the product of a particular institutional structure in one democratic country rather than an inherent illness of democracy itself. Nothing like it is seen in Westminster-style parliamentary systems, with their party whips and cabinet governments chosen by the legislative majority. Therefore, I do not think "demosclerosis" is an affliction that democracy must inherently accept.

Yet if one does think this, then a benign or "soft" authoritarianism sounds attractive as an alternative until one asks whether authoritarian rulers will in fact have the incentives to deliver development to their subjects by making the "right" choices. That a few did, as seems to have been the case in the Far East in the postwar period, when in fact countless others in the socialist world and in many nations in Africa and South America did not, is hardly proof that this would be the central tendency of authoritarian rulers. In fact, the foregoing analysis and evidence strongly suggest otherwise.

The Quality of Democracy

Any analysis of democracy's impact on development must reckon with the crucial importance of the institutional structure that democracy provides. Adam Smith knew this: to properly grasp his argument for *laissez-faire* in economic matters, one must recall that democracy in eighteenth-century Britain was based on suffrage determined by property ownership, so that neither Smith nor the great philosopher David Hume could vote. Governments chosen under this restricted form of democracy reflected oligarchic interests, and thus enacted economic policies that Smith castigated as inefficient and socially undesirable. Smith advocated *laissez-faire* as a superior alternative to the economic governance produced by such oligarchic democracy.

The lesson of Smith's critique is that the quality of democracy greatly affects the quality of development. Development is many-sided; it is not just a matter of growing income. True social needs such as public health, protection of the environment, and the elimination or relief of extreme poverty cannot be met unless governments have the resources that only growth can generate. But the use of these resources for such public needs will not automatically follow unless the political system provides the means and incentives to turn those needs into effective demands. Democratic regimes that afford political voice and access to those groups—many from the economic periphery—which stand to gain the most from social programs are the most likely to see social needs translated into effective demands.

We can see how important the openness of democratic political systems is by considering Amartya Sen's argument that democracy, because it disseminates news better, has promoted the control of famines in India. Sen points out that thanks to India's free press, famines like the one that struck the state of Bihar in 1967 become news; by contrast, the huge famine that swept Mao's China from 1959 to 1961 was hidden by his iron rule from view and hence from countervailing action.[16]

Sen's precise argument, however, is too simplistic and fails to persuade. Information about something as serious as a major famine will tend to spread even in an authoritarian country. But even if such a diffusion of information—whether horizontally from province to province or vertically from ruled to rulers—is inadequate or effectively restricted, the reality of famine is known in the locales where it occurs. Hungry people in Bihar did not need newspapers to tell them that food was scarce, and all the propagandists in the world could not have persuaded starving Chinese villagers that they were getting enough to eat.

Given that the affected parties always have firsthand knowledge of their hardship, the critical question is whether democracy does a better job of allowing them to press for something to be done about it. Here we come to the real reasons why a democracy would fare better than a dictatorship in addressing serious famines. The mobilization of citizens through meetings, marches, representations, and petitions is surely difficult, if not impossible, in dictatorships. Even if mobilization under such a regime were possible, the incentive to undertake it would also

load themselves with a heavy national debt that would embitter peace itself and that can never be liquidated on account of constant wars in the future. But, on the other hand, in a constitution which is not republican, and under which the subjects are not citizens, a declaration of war is the easiest thing in the world to decide upon, because war does not require of the ruler, who is the proprietor and not a member of the state, the least sacrifice of the pleasure of his table, the chase, his country houses, his court functions, and the like. He may, therefore, resolve on war as on a pleasure party for the most trivial reasons, and with perfect indifference leave the justification which decency requires to the diplomatic corps, who are ever ready to provide it.[10]

It is not altogether clear whether the ideological or the structural argument predominates in explaining democratic peacefulness; recent empirical tests suggest that the ideological one does.[11] This is perhaps what one should expect: the habits of mind and patterns of behavior formed by a society's domestic norms will surely constrain and shape actions toward others beyond the borders of the nation-state.

The "respect" for others that Kant observed as the hallmark of the democratic republic leads to dialogue and debate, which can often become impassioned and even vociferous. Critics sometimes misunderstand the resulting din as a sign of crippling chaos, when in fact it is merely the noise of robust democracy. The chief virtue of public debate is that when different groups, classes, tribes, or castes jostle for voice and representation, it provides a forum where all can in principle be heard. Winners get the satisfaction that success brings, while losers can take solace in both the cathartic experience of having taken part in an open debate and in their right to keep making their case through any and all lawful means.

The impulse of authoritarian regimes, by contrast, is to suppress overt conflicts. But this may mean that dissatisfactions continue to seethe below the surface, building toward eventual eruption. The long-term stability displayed by some of the Far Eastern authoritarianisms owes much, I suspect, to both their initially high degree of income equality, which has made class conflicts less compelling, and their racial and religious homogeneity (Singapore is an exception here), which has spared them a host of intercommunal tensions. It is unlikely that they would have done so well had these favorable conditions been absent.

The Structure of Democracy

The structure of democracy, with its institutions of voting rights, a free press, and an independent judiciary capable of restraining legislative and executive power in the name of fundamental law, also sets it apart from authoritarian rule. Restraints on arbitrary power are vital if development is to be sustained, but a functioning democracy can also lead to what the U.S. journalist Jonathan Rauch has called "demosclerosis"—his word for the paralysis that afflicts lobby-infested democracies.[12]

One might argue that authoritarian governments are prone to extravagance and waste, inhibiting development, because there is no restraining hand among the citizenry to hold them back. Moreover, as the late Arthur Lewis—a native of St. Lucia in the West Indies, a Nobel laureate in economics, and a frequent dispenser of advice to single-party regimes in Africa—once observed, the leaders of such governments often manage to delude themselves that the monuments they build for themselves are really gifts to posterity, equating personal indulgence with social glory. Again, considering that during the mid-1970s and much of the 1980s, just before and after the debt crisis arrived on the world scene, undemocratic governments in Latin America and the socialist world ran up impossibly large debts, one may well conclude that autocrats are likely to agree with Keynes that "in the long run we are all dead," and then ignore posterity for immediate gain. By contrast, democracies are likely to be led by those who see continuity of national interest beyond their own rule more naturally.

The economist Mancur Olson makes a different argument that also supports democracy as a form of government likely to aid development.[13] He contends that dictators, being self-regarding, are more likely to go overboard in the area of "takings" from their subjects. The latter, feeling less secure in their property, will have less incentive to produce, save, and invest.[14] The structure of democracy, by contrast, places restraints on "takings." Property rights are part of the rule of law enforced by independent courts; corrupt and wasteful officials can be voted out; and there is a free press that can focus critical attention on the rapaciousness or extravagance of the state.

But democracy also contains structural opportunities for wastefulness or for the paralysis of useful state action known as "gridlock." The very freedom that is one of democracy's greatest boasts means that legions of special interests can organize and lobby without end. To see how lobbying can indirectly lead to waste, imagine that the minister for trade is restricting imports and allocating import licenses. Anyone who can get hold of such a license can reap a hefty premium; such a premium is "rent" paid to politically created scarcity. You and I will then lobby to get these licenses, of course, for we can get rich off the windfall profits they will bring. The economist Anne Krueger, who highlighted this phenomenon, described the situation of people trying to get these licenses as "rent seeking," whereas I have called it unproductive profit seeking.[15] In consequence, resources that produce goods and services are instead being used for lobbying. Such rent seeking then wastes resources as swiftly and surely as if the government was directly wasting them by building white elephants.

Lobbies indulging in rent seeking, or even in rent creation (as would

possibly even increased saving and investment themselves through incentive effects). Winners and losers emerged according to the choices that they made in this regard. It was all working out quite differently from what the investment-centered expectations of the 1950s had led us to expect.

Incentives promoting development, not the ability to force the pace through draconian state action, became the objects of a key shift in focus. And here democracy seemed, at least at first blush, to have a clear advantage. For who could doubt that liberal democratic regimes would relate development to people and build successfully on incentives rather than compulsions? Still, this can only be the starting point for a fresh inquiry into the relationship between democracy and development, a question that is now seen to be more complex than was once thought, and which yields an answer—albeit a tentative one—that is more favorable to democracy than we previously suspected.

In outline, this answer consists of three plausible and profound propositions:

1) For reasons both ideological and structural, democracy may well outperform authoritarianism as a political system that produces economic development.

2) Democracy will probably induce a generally better quality of development, with the precise quality itself corresponding to the higher or lower quality of the democracy that is present.

3) The dividends from political democracy are likely to be compounded if it is combined with markets: the combination of democracy and markets is likely to be a powerful engine of development.

These propositions are stated in terms of likelihoods rather than certainties because, in the real world, other factors may distort or obscure the relationship between democracy and development. For instance, even if democracy is inherently capable of generating more and better development, a country with an authoritarian polity may enjoy initial conditions so superbly hospitable to economic growth that it outperforms its democratic neighbors. This may have been the case with the superperforming Far Eastern economies which, in addition to authoritarianism, inherited both egalitarian land reforms and high literacy rates—two factors that are widely considered to stimulate development.

The Ideology of Democracy

Democracy defines both an ideology and a structure. The fundamental principle of democracy as an ideology is government by consent. The system of practices and institutions through which this principle is realized constitutes the structure of democracy: generally, this structure embraces the right to vote and turn out governments; an independent judiciary; and basic freedoms of speech and a vigorous press. Both the ideology and the structure of democracy can be said to contribute to development, though there are some downsides as well.

There are two strong arguments in favor of democracy as being conducive to development by virtue of its ideological content. One, for which there is now substantial evidence, is that democracies rarely —maybe even never—go to war against one another. The other, which is speculative, is that authoritarian regimes "bottle up" problems while democracies permit catharsis. Democracy's apparent chaos, then, is actually a safety valve that strengthens rather than undermines the state and provides the ultimate stability that is conducive to development.

If democracies do not fight wars against one another, and they fight only with nondemocratic nations that also fight one another, any given democracy is likely to have a lower probability of getting involved in warfare. That, in turn, could mean that democracies are more likely both to provide governance that is conducive to peace and hence prosperity and to spend less on fighting wars and preparing for them. As it happens, political scientists have now established that, in nearly two centuries, democracies "have rarely clashed with one another in violent or potentially violent conflict and (by some reasonable criteria) have virtually never fought one another in a full-scale international war."[8]

In *Perpetual Peace*, an essay published exactly 200 years ago, Immanuel Kant gave reasons why democratic republics would naturally be more pacific. The ingrained habit of respect for others that such republics would foster, plus the enlightened self-interest of their citizens—who, being both the sovereign and the body of the state, would have to hazard their own blood and treasure in the wars they declared—would both serve to promote peace rather than war. Thus Kant thought that the ideology of democracy, embodied in the idea of rule by consent, would have an effect not only within but also among nations. Countries used to managing their domestic affairs through persuasion and accommodation would naturally use habits of compromise and discussion in dealing with similarly governed neighbors; dialogue and the peaceful resolution of disputes would thus be the rule among republics.[9]

But Kant was also saying that the structure of democracy, or what we might call interests, would inhibit wars because democratic leaders (unlike dynasts, who command subjects) would have to *persuade* fellow citizens to fight:

> If the consent of the citizens is required in order to decide that war should be declared (and in this constitution it cannot but be the case), nothing is more natural than that they would be very cautious in commencing such a poor game, decreeing for themselves all the calamities of war. Among the latter would be having to fight, having to pay the costs of war from their own resources, having painfully to repair the devastation war leaves behind, and, to fill up the measure of evils,

(with other suitable policies like market reforms in place, of course) also argue for a "markets first, democracy later" approach in developing and postcommunist countries alike. In their view, Russia's slide from superpower to supine status resulted at least in part from putting *glasnost'* before *perestroika*, whereas the Chinese, who introduced markets before democracy, clearly did immensely better. The notion that *perestroika* must precede *glasnost'* rests on two legs. The first is the old view that democracy hinders development. The second is the idea, based both on historical experience and on recent evidence from South Korea and other economically successful countries, that growth eventually gives rise to effective demands for democracy. The historical evidence supporting the second leg is persuasive, including as it does Ralf Dahrendorf's illuminating analysis of Germany and Barrington Moore's classic demonstration of how the rise of the bourgeoisie led to democracy.[4]

Those who hold the old view—that democracy and development are flatly opposed—are now outnumbered by those who take the new view. This in itself, of course, does not necessarily mean that the latter are right and the former are wrong. Social scientists can be as blind as anyone else to facts that run counter to their favorite beliefs, and it is true that the new view has become triumphant at a time when democracy is more widely valued and dictatorship more widely deplored than ever before, so that we may be discerning virtues in democracy the way a wanderer in the desert sees water in a mirage. In truth, however, I am convinced that the premises on which the old view rested have been exposed as false; as a consequence, the predominant thinking on the question has become more nuanced and acute.

The Old View

The old view expressed a way of looking at development that was fashionable during the 1950s and 1960s. The chief feature of that era for students of development was the contest between the two "awakening giants" of China and India. Back then, China was totalitarian and India a democracy—nothing has changed in that regard! The comparison took place in the shadow of the Cold War. The hope was that India would prove the better performer and thus lead the Third World nations on a course that would favor the Western democracies in their struggle with communism.

It is important to note that the race was between two nations with commitments to economic development. This meant that little attention was paid to the question which must be faced if democracy and authoritarian rule are to be contrasted fully—namely, which system is more likely to desire development in the first place? Instead, most scrutiny went to the secondary question of which regime type would most effectively pursue the already-chosen goal of economic development.

Answering such a question requires a model of the development process, whether it is one that is explicitly formulated, like an economist's, or merely held implicitly. The model that nearly everyone actively planning for development in the early postwar decades happened to use was the creation of the British economist Sir Roy Harrod and the American economist Evsey Domar.

The Harrod-Domar model analyzed development in terms of two parameters: the rate of investment and the productivity of capital.[5] The latter parameter was treated, as it happens, by influential technocratic planners as a fixed datum, with only the investment rate considered a tool of policy.[6] This investment-centered approach, favored by mainstream economists, coincided with the Marxist focus on "primitive accumulation" as the mainspring of industrialization and also with the cumbersome but influential quasi-Marxist models elaborated by the British economist Maurice Dobb and his followers.

With the focus on the accumulation of capital, with its productivity considered a given, it seemed natural to assume that the authoritarian regimes would be able to extract a greater surplus from their populations through taxation and "takings" and be able therefore to raise domestic savings and investment to higher levels than would democracies. The latter, after all, had to persuade voters to pay the needed taxes and make other necessary sacrifices. Hence I wrote in the mid-1960s of "the cruel choice between rapid (self-sustained) expansion and democratic processes."[7]

But events proved this thesis false. The argument that the state would generate the development-boosting savings through tax effort did not hold true: public-sector savings were not among the engines of growth, for budgetary profligacy and deficits, rather than fiscal prudence and surpluses, have been the norm.

Moreover, private-sector savings rates—once widely thought to be relatively unimportant—rose substantially, suggesting that where incentives to invest went up, so did the savings needed to exploit those opportunities. This virtuous circle has taken savings and investment to higher levels in both democracies (including India) and authoritarian countries (such as the Far Eastern superperformers, whose private savings rates are substantially higher than those of India).

Finally, the differences in performance from one country to another turned out to be a function less of differences in investment rates than of differences in the productivity of investment. Productivity, in turn, surely reflected the efficiency of the policy framework within which investment was undertaken.

By the 1980s, it was manifest that the overall policy framework which a nation adopted determined the productivity of investment (and

THE NEW THINKING ON DEVELOPMENT

Jagdish Bhagwati

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Nearly three decades ago, I wrote of a trade-off or "cruel dilemma" which then seemed to govern the relationship between democracy and economic development.[1] It is now my pleasure to admit that this view, based on arguments that I shall presently discuss, was too pessimistic and despondent, and to affirm the more sanguine view of this relationship that has replaced the old thinking. The new view is that one does not have to choose between doing good and doing well, or, to put it in a nutshell, that democracy does not handicap development, and in the right circumstances can even promote it.

Thus the pursuit of political and civic virtue in the form of a vibrant democracy need not come at the expense of the drive for economic development. All good things may sometimes go together, just as we have discovered that literacy is good both in itself and for development, and that female education emancipates women while at the same time restraining the growth of population and enhancing the possibility of greater economic prosperity for smaller numbers.

The new view is less a total reversal than a nuanced revision. It claims not that democracy is necessarily or overwhelmingly better for development, but only that democracy can be consonant with development, and may even help to promote it, if circumstances are right. In discussing such matters, it is well to keep in mind the Oxford social anthropologist Edward Evans-Pritchard's remark that the only generalization in the social sciences is that there are no generalizations, or the Cambridge economist Joan Robinson's mischievous observation that in economics, everything and its opposite are true (for you can almost always find evidence, from some place or historical period, to support almost anything).

Examining the record of the developing nations over the last half-century, one is hard-pressed to find a strong relationship between democracy or its absence in a country and that country's rate of economic growth. Democracy has come to most of the developing world only in recent years: in the last two decades, nearly 40 countries have turned to democracy. For the bulk of the postwar period, only India, Costa Rica, and Sri Lanka sustained democracy for long periods, and their growth rates were admittedly far from compelling. But then nondemocracies also displayed an immense range of performance, ranging from spectacular in the Far East to abysmal across much of Africa. Looking only at the developing countries in the postwar period, therefore, it would be hard to conclude that the democracies among them lagged behind in development. Moreover, if we shift our gaze to the countries of the developed world, we see that the democracies have overwhelmingly outperformed the socialist dictatorships that happily have now vanished, at least for the present, from our midst.

Thus to maintain the old view—that democracy necessarily handicaps development whereas authoritarianism aids it—is to argue a case that must explain away these facts by citing other factors and cross-country differences that overwhelm the outcomes.[2] Indeed, democracy and authoritarianism are only one dimension on which countries and their developmental performances differ; to develop the new and more nuanced view that holds democracy to be compatible with and at times even conducive to development, I shall address qualitatively and directly the ways in which, and the reasons why, such a happy symbiosis is the likely reality.

It would be wrong for me to suggest, however, that the old, dismal, and deterministic view is necessarily dead. Echoes can often be heard, amplified by undemocratic governments boasting successful developmental records. Singapore's former premier Lee Kuan Yew, for instance, frequently attacks democracy for its "undisciplined" ways and credits his own "soft" authoritarian rule with saving his city-state from the debilitating and development-crippling effects of democracy. Thus he has argued that "what a country needs to develop is discipline more than democracy. The exuberance of democracy leads to indiscipline and disorderly conduct which are inimical to development."[3] Indeed, the phenomenal success stories of South Korea, Taiwan, Singapore, and Hong Kong—none of which is a democracy in the substantive sense—has created for some a sense that the old thinking was right after all, especially when these success stories are contrasted with India's poor economic performance over more than three decades within a democratic framework.

Those who think that authoritarianism facilitates more rapid growth

Summary: Day 1

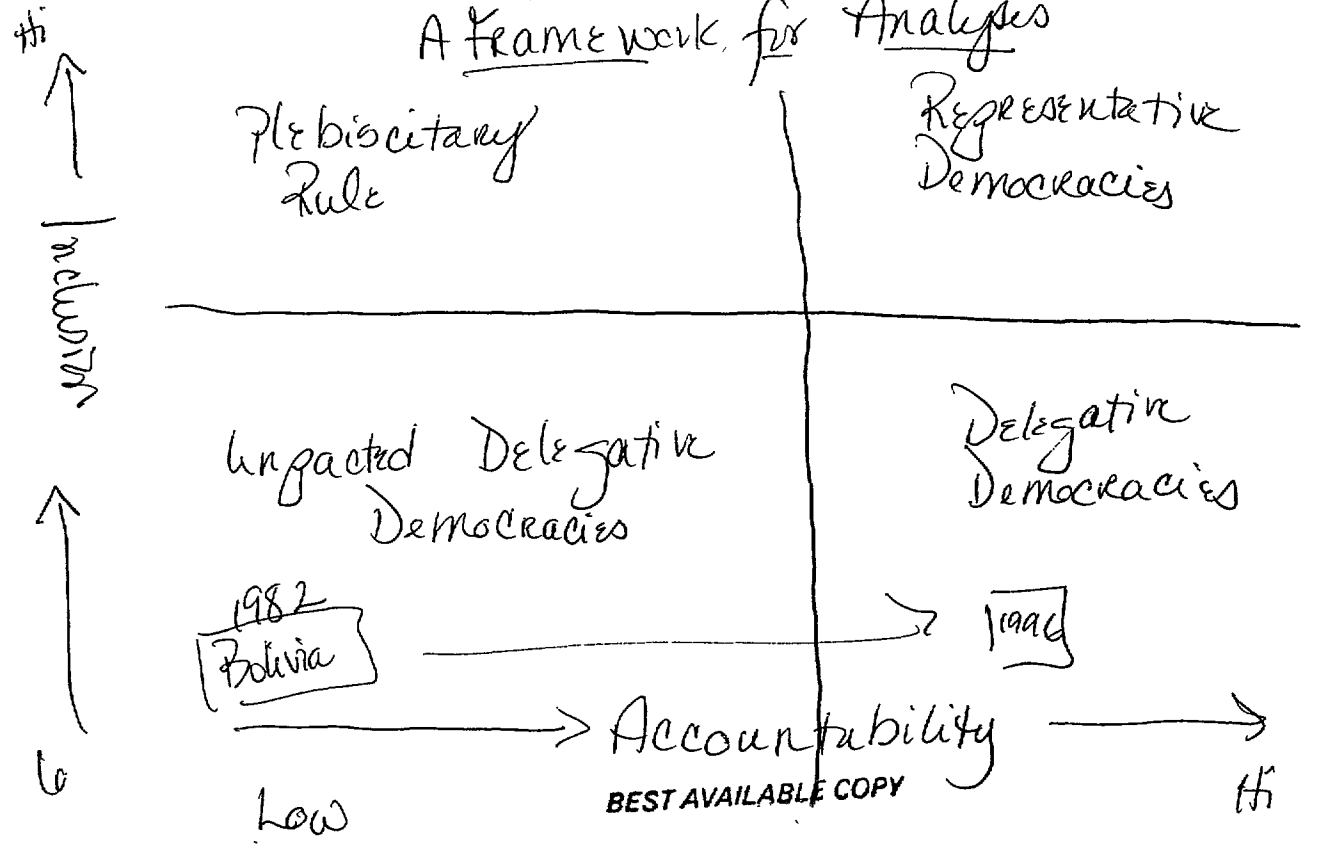
Inclusion

- What is people's access to means of participation?
- Are there factors that intimidate people's participation?
- Are gov't institutions responsive to participation?
- Are groups represented fairly/equally in participation?

Accountability

- Is there an independent media?
- Is the judiciary independent?
- Are there laws that protect the rights of society to organize & voice opposition?
- Are there clear laws & implementation?
- Is the role of parliament clear & respected?
- Is the budget process transparent?

A Framework for Analysis



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Bhagwati, Jagdish. "The New Thinking on Development." *Journal of Democracy*, 6:4 (October 1995), pp. 50-64.

Diamond, Larry. "Economic Development and Democracy Reconsidered" in Gary Marks and Larry Diamond, eds. *Reexamining Democracy*. Newbury Park: Sage Publications, 1992. Pp. 93-139.

Accountability
- the extent to which the rules that limit the behavior of political elites are institutionalized. These would include constitutions, independent judiciaries, independent legislatures, local govts, & - in extreme cases - peace treaties.

Inclusion
the mechanics that citizens have to participate in their political system. More than just elections! Polls, this includes the more constant & regular patterns of participation provided thru civil society, media, & local govt. This is not just a question of how much but also who - which citizens participate effectively? In other words, do citizens have fairly ingrained mechanisms for voicing their opinions to govt & enforcing them? And how representative of society are those channels?

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Bureau for Global Programs, Field Support and Research

CENTER FOR DEMOCRACY AND GOVERNANCE

"...promoting the transition to and consolidation of democratic regimes throughout the world."

WORKSHOP ON DEMOCRATIZATION THEORY & PRACTICE

AGENDA

Location: Wyndham Bristol Hotel, 2430 Pennsylvania Ave., N.W., Washington, DC 20037, Tel. 202/955-6400

Tuesday, 16 April

8:00 - 8:30	REGISTRATION/COFFEE and PASTRIES
8:30 - 9:50	WORKSHOP OPENING Welcome (C. Costello) Introductions (J. Tuthill) Workshop Objectives and Flow (C. Sabatini) Workshop Agenda and Materials (L. Carter) Workshop Norms and Other Announcements (Tuthill)
9:50 - 10:40	DEMOCRACY AND SUSTAINABLE DEVELOPMENT: OVERVIEW & USAID'S VIEW (C. Bradford) (presentation & discussion)
10:40 - 10:55	Break
10:55 - 12:45	STRATEGIC ANALYSIS How Theories of Democracy and Political Change Can Inform USAID Strategy o Definitions and Characteristics of Democracy (M. Sarles) (presentation & discussion) o How Democracies Develop (C. Sabatini) (presentation)
12:45 - 1:45	Lunch
1:45 - 3:15	o Key Themes and Questions in Analysis (Sabatini; D. Hirschmann re gender analysis) (presentations & discussion)
3:15 - 3:30	Break
3:30 - 5:00	A Framework for Analysis: Introduction & Illustration (Bolivia) (Sabatini) (includes introduction to next morning's exercise in identifying problems and priorities in democratization)
5:00	RECEPTION (cash bar)

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Wednesday, 17 April

8:30 - 8:40	Participant Review of Day One
	STRATEGIC DESIGN
8:40 - 8:55	Recap of Framework (Sabatini)
8:55 - 9:45	Filling in the Framework: Two Cases o Russia (C. Lyday) o Cambodia (J. Vermillion) (presentation & discussion; *sessions run simultaneously*)
9:45 - 11:40	Identifying Problems and Priorities in Democratization: Small Group Work on Situating Countries to Identify Problems & Programming Implications, and to Determine Priorities (introduction, small group discussion, report out & plenary discussion; session includes break) (G. Hyman to facilitate plenaries; Hyman, Sabatini, Lyday and Carter to facilitate small group discussions)
11:40 - 12:25	Participatory Planning & Design: USAID's Experience in South Africa (f. mangera) (presentation & discussion)
12:25 - 1:25	Lunch
1:25 - 3:05	Country and S.O. Discussions: Peru (J. Windsor chair, J. Borns presenter) (presentation, small group discussions, & report out)
3:05 - 3:20	Break
3:20 - 5:00	Country and S.O. Discussions -- Continued: Bangladesh (F. Karim presenter) (presentation, small group discussions, report out and plenary discussion)

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Thursday, 18 April

	CURRENT PRACTICES
8:30 - 9:30	Overview of Institutional Change (P. Fn'piere chair; G. Hansen and N. Parker presenters) (presentations & discussion)
9:30 - 11:25	Current Practices by Sector o Legislative Development (P. Isman chair; J. Emmert, M. Nicte Leal, Y. Kulchyckyj, C. Thompson presenters) o Rule of Law (G. Hansen chair; K. Henderson, F. Armstrong presenters) (presentations & discussion; *sessions run simultaneously*; includes break)
11:25 - 12:05	Current Practices by Problem -- Tactics for Dealing with Corruption o Overview (M. Johnston) (presentation)
12:05 - 1:05	Lunch
1:05 - 3:05	Current Practices by Problem -- Tactics for Dealing with Corruption -- Continued o Two mini-case studies (Argentina, Poland) (presentations, small group discussions, report out) (presenters: Sabatini re Argentina, Johnston re Poland)
3:05 - 3:15	Break
3:15 - 5:00	INTEGRATING DEMOCRACY PROGRAMS WITH OTHER SECTORS (presentations on policy, programming, environment and democracy, integration in the Philippines, and integration in Mali & discussion) (Y. Comedy chair; R.M. Depp, A. Diallo, E. Dannenmaier)

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Friday, 19 April

8:30 - 8:45	Participant Review of Days Two & Three
8:45 - 10:30	PERFORMANCE MEASUREMENT: Principles and Practice Introduction (E. Soto) Agency concerns with reporting (J. Vermillion) G/DG plans for standardizing indicators (Soto) Large group discussion Developing DG Performance measures (L. Carter/A. Diallo)
10:30 - 10:45	Break
10:45 - 11:45	Small group work on results frameworks and indicators (facilitated by Carter, Soto, Vermillion, K. Brown) (includes break)
11:45 - 1:00	DEMOCRACY PROGRAMMING IN POST-CONFLICT STATES: Comparative Lessons in Elections, Governance, and Post-Conflict Security (L. Garber chair; R. Lopez Pintur, J. Mendelson, S. Holtzman presenters) (panel & discussion)
1:00 - 2:00	Lunch
2:00 - 3:00	Post-Conflict States: Greater Horn of Africa Initiative's and OTI's Frameworks for Strategic Planning and Programming (L. Garber chair; TBA, R. Barton) (presentations & discussion)
3:00 - 3:15	Break
3:15 - 4:30	THE FUTURE OF DG PROGRAMMING IN USAID & POLICY Qs and As (J. Windsor chair; M. Schneider, D. Pressley, L. Garber, A. Young) (panel & discussion)
4:30 - 4:40	WORKSHOP EVALUATION
4:40 - 5:00	WORKSHOP CLOSING (S. Shelton)
8:00	RECEPTION in Honor of the Workshop Participants: at the house of Erin Soto, 3008 North Rochester St., Arlington, VA; tel. 703/534-6034 (RSVP on workshop sign-up sheet; directions will be provided)

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Democratization Theory & Practice Workshop

OBJECTIVES

- DG officers increase their understanding of the dynamics of political change and democratization, and the relationship of these processes to sustainable development and strategic programming.

- DG officers can identify major issues and current practices in rule of law, legislative development, corruption mitigation, integrating strategies, and performance measurement.

- DG officers can identify challenges in promoting democracy in post-conflict states.

DEMOCRACY & SUSTAINABLE DEVELOPMENT

- What is the goal?
- What is the relationship between democratic governance and development?

STRATEGIC ANALYSIS

- What is democracy?
- How does it develop?
- How do you identify problems?
- How do you determine priorities?

STRATEGIC DESIGN

- How do you form your strategic objective?
- How do you match interventions to your strategic objective?

TACTICS

- How can you best influence institutional reform?
- What lessons have we learned in rule of law?
- What lessons have we learned in legislative development?
- How can we use a variety of tools to address a specific problem: corruption?
- How do you integrate D/G programming with other strategic objectives?

PERFORMANCE MEASUREMENT

- How do we measure the progress and impact of D/G programs?

POST-CONFLICT STATES

- What are the issues in post-conflict situation programming?
- How does OTI address these issues?

FUTURE OF D/G PROGRAMMING

- What is the future of D/G programming at USAID?

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WORKSHOP ON DEMOCRATIZATION THEORY & PRACTICE

April 16-19, 1996

LIST OF PARTICIPANTS

Mitchel Benedict
ENI/DG

Jeff Borns
ODIT/Lima

Sundaa Bridgett
PPC/DEM

Melissa Brown
G/DG

Letitia Butler
LAC/DI

Nadereh Chahmirzadi
G/DG

Anna Diallo
Gov/Bamako

Patrick Egan
AIDREP/Budapest

Douglas Francomano
ODT/Almaty

Tom Hawk
IRDRD/San Salvador

Mike Henning
G/DG

Cate Johnson
G/WID

Surinder Kapila
REDSO/Leg/Nairobi

Fazlul Karim
Cont/Dhaka

Yaropolk Kulchyckyj
DST/Kiev

Maria Nicte Leal
ODI/Guatemala

James David Lehman
ENI/DG

faarooq mangera
TSS/Pretoria

Don Muncy
AFR/SD

Bonaventure Niyibizi
PDI/Kigali

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DHA/Colombo

Tom Wolf
USAID/Nairobi

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Third, a strong civil society may provide an indispensable bulwark against the consolidation of authoritarian rule and a catalyst for its demise. The "resurgence" of civil society has been a crucial factor in transitions from authoritarian rule in Southern Europe and Latin America (O'Donnell & Schmitter, 1986). The mobilization of independent media and organizations has been similarly significant in pressuring for democratic change in the Philippines (Bautista, 1992; Pascual, 1992), Nigeria (Ekpu, 1992; Nwankwo, 1992), and South Africa (Heard, 1992; Schlemmer, 1991; Slabbert, 1991). Democratic change in Taiwan during the 1980s was stimulated and advanced by a host of social movements—of consumers, workers, women, aborigines, farmers, students, teachers, and the environmentally concerned—breaking free of traditional deference or state intimidation and control to seek both specific demands and long-range goals (Gold, 1990). In Eastern Europe, the Soviet Union, and China, the growth of autonomous organizational, cultural, and intellectual life has been a crucial factor in undermining the cultural hegemony and monopoly of information, then the political legitimacy, and ultimately the viability of the communist party-state (Lapidus, 1989; Nathan, 1990; Sadowski, 1992; Starr, 1988; Weigle & Butterfield, 1991). Most recently in Africa, protests mobilized by autonomously organized urban groups—students, churches, trade unions, civil servants, lawyers and other professionals—have focused sweeping discontent on demands for regime change, making "a direct connection between chronic economic and political malaise and the absence of democracy" (Chazan, 1991, p. 52; see also Joseph, 1991; Kuria, 1991).

One can imagine other positive consequences for democracy of a vigorous and pluralistic associational life. To the extent that they are democratic in their internal procedures of governance, voluntary associations may socialize their members into democratic values and beliefs and help to recruit and train new political leaders for the arena of formal democratic politics. More focused research is necessary to determine whether associations do (as a by-product of their other pursuits) perform these roles, but the emergence of civic organizations focused explicitly on these goals is significant (Barros, 1992; Martini, 1992; Pascual, 1992).

Although voluntary associations and other elements of civil society do not *inevitably* contribute to democracy and may even oppose it (depending on their purposes and ideologies), it is clear, on balance, that the increasing size, pluralism, and resourcefulness of civil societies around the world have been major factors in the growth of democracy in recent decades. Numerous factors may affect the number, character, and strength of autonomous organizations in society, but it is also clear that *one* factor—socioeconomic development—contributes substantially to their growth. From Taiwan to China, from the Soviet Union to South Africa, and from Brazil to Thailand, economic development has had some strikingly similar effects: physically concentrating people into more populous areas of residence while at the same time dispersing them into wider, more diverse networks of interaction; decentralizing control over information and increasing alternative sources of information; dispersing literacy,

knowledge, income, and other organizational resources across wider segments of the population; and increasing functional specialization and interdependence and so the potential for functionally specific protests (e.g., transit strikes) to disrupt the entire system. These effects would figure to be, and probably are, more rapidly experienced within the context of a market economy, but they have registered intensely in communist systems as well with the expansion of education, industry, and mass communications.

CONCLUSIONS AND IMPLICATIONS

This review of the evidence more than three decades later has demonstrated that Lipset (1960) was broadly correct both in his assertion of a strong causal relationship between economic development and democracy and in his explanations of *why* development promotes democracy. Needless to say, this relationship is not entirely predictive, nor is it necessarily linear. But that does not negate the validity of the overall relationship that Lipset hypothesized.

The preceding discussion suggests five conclusions and some obvious policy implications. First, socioeconomic development promotes democracy in two senses. Where democracy already exists, sustained development contributes significantly to its legitimacy and stability, especially in the early life of the regime (Diamond, Linz, & Lipset, 1990, 1992, chap. 5). Where democracy does not exist, it leads (sooner or later) to the eventually (if not initially) *successful* establishment of democracy. However, it is difficult to predict at what point in a country's socioeconomic or historical development the democratic moment will emerge. Below Dahl's (1971) higher threshold of development, many factors continue to intervene to structure the probability of a democratic regime, and these are, as Huntington has suggested, heavily a matter of political institutions and political leadership and choice. Nor should we dismiss the importance of such "political crafting" for the successful democratization of countries near or above the threshold (Linz & Stepan, 1989).

Second, notwithstanding Hannan and Carroll's (1981) findings for the 1950-1975 period, socioeconomic development does not produce the same enduringly legitimating effects for authoritarian regimes that it does for democratic ones. Rather, it presents the former with an inescapable dilemma. If authoritarian regimes "do not perform, they lose legitimacy because performance is their only justification for holding power. However, . . . if they do perform in delivering socioeconomic progress, they tend to refocus popular aspirations around political goals for voice and participation that they cannot satisfy without terminating their existence" (Diamond, 1989, p. 150; also Huntington, 1991, p. 55). The latter pattern of change was crucial to the transitions in Spain, Taiwan, and South Korea, is very far along in Thailand, and is beginning to register in Indonesia.

Third, it is not economic development per se and certainly not mere economic growth that is the most important developmental factor in promoting democracy. Rather, it is the dense cluster of social changes and improvements,

broadly distributed among the population, that are vaguely summarized in the term *socioeconomic development*. Most important here are improvements in the physical quality and dignity of people's lives: access to potable water, safe and sanitary neighborhoods, and basic health care; literacy and advanced (probably at least some secondary) education; sufficient income to provide at least minimally adequate food and clothing and shelter for one's family; and sufficient skills to obtain a job that provides that income. Of course, the standards for what constitutes the decent and "minimally adequate" change over time and across cultures. But these basic material dimensions of "human development," as summarized in the UNDP (1991) index, better predict the presence and degree of democracy than does the level of per capita national wealth. Economic development provides a structural context in which human development can occur, but to the extent that its benefits are grossly maldistributed (or that its correlates, like urbanization, only alter the form and scale of human squalor), it may do little to promote democracy or may even generate stresses and contradictions that are hostile to democracy. For the democratic prospect, one aspect of economic development overrides all others in importance: reducing the level of absolute poverty and human deprivation.

There are several reasons democracy is so closely related to the physical quality of life. First, these conditions generate the circumstances and skills that permit effective and autonomous participation. Second, when most of the population is literate, decently fed and sheltered, and otherwise assured of minimal material needs, class tensions and radical political orientations tend to diminish. Thus, as Lipset (1960) has observed, "a belief in secular reformist gradualism can be the ideology of only a relatively well-to-do lower class" (p. 45).

Third, human beings appear to frame their values at least partly in response to what psychologist Abraham Maslow (1954) termed a "hierarchy of needs." Recent comparative research indicates that physiological needs, for physical security and material sustenance, do take precedence over "higher-order" needs of a more social, intellectual, and aesthetic nature (even though such research gives no support to Maslow's assumption of a predictable, panhuman hierarchy beyond the physiological needs; Inglehart, 1990, p. 152). Thus, while the satisfaction of lower-order needs does not automatically increase the salience of individual needs for political freedom and influence, it makes the valuing of those needs more likely.

Fourth, economic development produces or facilitates democracy *only* insofar as it alters favorably four crucial intervening variables: political culture, class structure, state-society relations, and civil society. This is also the finding of perhaps the only cross-national quantitative analysis to combine indicators of both national development and individual attitudes, namely, that conducted by Inglehart (1990, p. 44). In addition to change in the occupational structure, Inglehart identifies a powerful cultural factor mediating the relationship between economic development and stable democracy—a "civic culture" syndrome consisting of interpersonal trust, life satisfaction, and political moderation.

Finally, it is important to emphasize as well that democracy can occur at low levels of development if the crucial mediating variables are present. Economic development is not a *prerequisite* of democracy. In fact, Lipset wrote of it as a "requisite," meaning literally something that is essential but does not necessarily have to exist in advance. In a much-neglected passage of his famous essay, he anticipated a crucial element of democratic experience in the contemporary developing world: "A premature democracy which survives will do so by (among other things) facilitating the growth of other conditions conducive to democracy, such as universal literacy, or autonomous private organizations" (p. 29).

Those developing countries that have maintained democracy for long periods of time have done just that. They have inherited or developed political cultures that emphasize tolerance, inclusion, participation, and accommodation, as has been the case (more or less) with India, Costa Rica, Botswana, Venezuela after 1958, and Chile and Uruguay before their polarization in the late 1960s and again in very recent years. Many of them have, as noted earlier with regard to India and Costa Rica, developed vibrant civil societies. And perhaps most of all, they have performed reasonably well in delivering human development. The 10 developing countries (above 1 million population) that have maintained more or less continuous democracy since 1965 reduced their infant mortality by a median annual rate of 3.25% from that year until the late 1980s, compared with a median annual reduction rate of 2.3% among 10 of the most prominent continuous dictatorships in that period. These democracies have survived in large part because they have substantially improved the quality of life for their citizens (Diamond et al., 1992, chap. 5).[36]

This suggests that democracy is not incompatible with development and that in fact the causal trend *can* be reversed, with democracy leading to development. Although cross-national studies of the effects of democracy on economic development are inconclusive (Sirowy & Inkeles, 1990), there remain strong theoretical grounds for expecting that political participation, liberty, accountability, and pluralism "would be conducive to economic achievements by industrious persons, particularly entrepreneurs," and to improvements in basic human needs as well (Sklar, 1987, pp. 709, 711). Indeed, with the spectacular failures of development in Africa over the past quarter century, many Africans now believe that democracy is essential for development (Ake, 1991). To formalize slightly Lipset's argument about "premature" democracies, poor countries can maintain democracy, but only if they deliver broad and sustained (not necessarily rapid) socioeconomic development, especially "human development."

The policy implications of this are rather obvious. First, giving priority to basic human needs is not only sensible from the standpoint of economic development policy and intrinsically more humane, it is also more likely to promote or sustain democracy than more capital-intensive strategies that view basic health and literacy needs as "consumption" that must be deferred.

Second, in no country should democracy absolutely be ruled out as a possibility. Certainly, in very poor countries it is less likely, especially in its complete institutional configuration, but since "democracy comes to every

country in fragments or parts" (Sklar, 1987, p. 714), development policy should try to encourage the institutionalization of as many parts or features of democracy as possible, as early as possible. A careful reading of Lipset's thesis reveals that economic development promotes democracy only by effecting changes in political culture and social structure. Even at modest levels of economic development, countries can achieve significantly democratic cultures and civil societies and significant reductions in absolute poverty. If social and political actors, private and public, focus on these intermediate goals, they stand a good chance of developing democracy "prematurely."

APPENDIX: RANKING OF COUNTRIES BY FREEDOM STATUS AND HUMAN DEVELOPMENT INDEX IN 1990

Regime Type	*High (Top 20) .993-.951*	*Medium-High (21-53) .950-.800*	*Medium (54-97) .796-.510*	*Medium-Low (98-128) .499-.253*	*Low (129-160) .242-.048*
State hegemonic, closed (13-14)		Kuwait[48] Albania[49]	Cuba[62] China[82] North Korea[74] Iraq[91] Libya[76] Saudi Arabia[69] Syria[72]	Myanmar[106] Vietnam[99]	Afghanistan[157] Angola[147] Burundi[139] Cambodia[140] Chad[152] Ethiopia[141] Liberia[132] Malawi[138] Mauritania[148] Somalia[149] Sudan[143]
State hegemonic, partially open (11-12)		Qatar[50] Brunei[42] Bahrain[51]	Iran[92] Lebanon[88] Oman[86] Romania[58] United Arab Emirates[56] Maldives[93]	Ghana[121] Kenya[113] Tanzania[127] Zambia[118] Lesotho[107] Indonesia[98] Swaziland[104]	Mali[156] Togo[131] Mozambique[146] Guinea-Bissau[151] Guinea[158] Niger[155] Burkina Faso[154] Central African Republic[142] Djibouti[153] Bhutan[144] Sierra Leone[160] Uganda[134] Yemen[130]

Regime Type	*High (Top 20) .993-.951*	*Medium-High (21-53) .950-.800*	*Medium (54-97) .796-.510*	*Medium-Low (98-128) .499-.253*	*Low (129-160) .242-.048*
Noncompetitive, partially pluralist (10)			Jordan[83] Fiji[71] Surinam[55]	Zimbabwe[111] Cape Verde[109] Comoros[126] Ivory Coast[122] Sao Tome/ Principe[112]	Bangladesh[136] Nigeria[129] Benin[150]
Semicompetitive, partially pluralist (7-9)		Malaysia[52] Mexico[45] Yugoslavia[34] Bulgaria[33] USSR[31] Singapore[37]	Sri Lanka[75] Tunisia[90] Mongolia[87] Colombia[61] Peru[78] South Africa[57] Guyana[89] El Salvador[94] Paraguay[73] Gabon[97]	Egypt[114] Morocco[108] Guatemala[103] Pakistan[120] Algeria[102] Madagascar[116]	Nepal[145] Senegal[135] Haiti[125]
Competitive, partially illiberal (5-6)		South Korea[35] Antigua/ Barbados[46] Bahamas[28]	Philippines[84] Thailand[66] Turkey[70] Nicaragua[85] Panama[54] Brazil[60] Dominican Republic[80]	Bolivia[110] Honduras[100] India[123] Namibia[105] Papua New Guinea[117] Vanuatu[101]	
Competitive, pluralist, partially institu-tionalized (3-4)	France[10] Germany[14] United Kingdom[11]	Chile[38] Cyprus[26] Mauritius[47] Argentina[43] Israel[21] Uruguay[32] Venezuela[44] Czechoslo-vakia[27] Hungary[30] Poland[41] Dominica[53] Portugal[36] Greece[24]	Grenada[64] West Samoa[81] Botswana[95] Ecuador[77] Jamaica[59] St. Lucia[68] St. Vincent[79] Belize[67]		Gambia[159]

Regime Type	High (Top 20) .993-.951	Medium-High (21-53) .950-.800	Medium (54-97) .796-.510	Medium-Low (98-128) .499-.253	Low (129-160) .242-.048
Liberal democracy (2)	Australia[9] Canada[2] Italy[18] Japan[1] Spain[20] Sweden[4] USA[7] Austria[17] Belgium[16] Denmark[12] Finland[13] Iceland[3] Luxembourg[19] Netherlands[18] New Zealand[15] Norway[6] Switzerland[5]	Costa Rica[40] Trinidad/ Tobago[39] Ireland[23] Barbados[22] Malta[29]	St. Christopher-Nevis[65] Solomon Islands[96]		

SOURCE: United Nations Development Program (1991, Table 1).
NOTE: Superscript numbers represent the rank of the country on the Human Development Index, with 1 being highest.

NOTES

1. All page references are to the version of the essay reprinted in *Political Man* (Lipset, 1960) as Chapter 2, "Economic Development and Democracy," and specifically to the 1963 Anchor Books edition of *Political Man*, which has the same page numbers as the 1981 expanded edition.

2. The 10 European stable democracies in 1960 were Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Portugal, Romania, Spain, USSR, and Yugoslavia.

3. He would also have avoided the methodological problem, emphasized by Bollen (1980, 1990), of confounding two distinct phenomena, democracy and stability, in a single measure.

4. These figures (rounded to whole numbers) were computed for this chapter by Yongchuan Liu. Data on per capita GNP in 1960 were missing for four communist East European dictatorships, but the mean difference between the two groups is too substantial to be suspect because of this.

5. On literacy, the stepwise increase in mean levels is from 87.1% for dictatorships to 94.8% for unstable democracies to 98.5% for stable democracies. Mean per capita GNP levels progress from $598 to $1,026 to $1,479. PQLI scores proceed from 89.2 to 92.8 to 98.6. A similar stepwise increase is apparent on the PQLI among the three Latin American country groups: "stable dictatorships," "unstable democracies," and "democracies." However, as there are only two countries in the middle category (Colombia and Mexico, both semi-democracies), that *n* is too small to permit reliable comparison.

6. In fact, as Cutright (1963) observes, "the spread in the values on almost every indicator [of socioeconomic development] is so extreme that it appears that it would be very difficult to place a single nation in either the democratic or non-democratic category knowing, for example, only its score on the number of telephones" (p. 254).

7. Huntington includes in this count some states, such as Guatemala, El Salvador, and Romania, that are better labeled semidemocratic. By a more cautious calculation, sensitive to the distinction between semidemocracy and democracy, I estimate the number of democracies in 1990 at 44 in states of more than 1 million and 65 total (Diamond, 1992a).

8. Authoritarian Latin American countries had higher rates of unionization than did semicompetitive regimes in that region, but this may have been due to state corporatist control of such unions.

9. I define *democracy* here in terms of these three dimensions, as articulated by Diamond, Linz, and Lipset (1990, pp. 6-7), drawing from Dahl (1971).

10. The two ratings (which actually summarize a more detailed "raw point score" of from 0 to 44) are then aggregated into three broad categories: *free, partly free,* and *not free.* These categories do not entirely overlap with other groupings of countries into, for example, democracies, semidemocracies, and authoritarian/totalitarian regimes. While "free" states roughly correspond to the generally accepted standards for polyarchy or democracy among social scientists, the "partially free" states include many that cannot be considered even semidemocratic. See also Gastil (1990).

11. One of the most striking correlates of democracy in the contemporary world (when most of the remaining European colonies have become independent) is the much greater incidence of democracy among "ministates" of less than 1 million population. Such states were much more likely to be democratic in 1990 (57%) than were states with more than 1 million population (34%) (Diamond, 1991).

12. The PQLI is an unweighted index of three measures: adult literacy, infant mortality (i.e., death rates before the age of 1 year), and life expectancy at age 1 year. Each measure is standardized on a scale of 0 to 100 (Morris, 1979).

13. The measure is thus similar to the PQLI. For each of the HDI's three components, maximum and minimum values are identified among all the country scores in the world, and the difference between these values is established as the range of "deprivation" on the measure: from 0 (total deprivation) to 1 (no deprivation). The three deprivation scores are then simply averaged. Per capita GDP measure is not only logarithmically transformed but capped at the poverty line, so a country's mean income above the poverty line does not contribute anything to its score on the HDI. This further neutralizes pure wealth differences and emphasizes broad improvements in human welfare.

14. In doing so, I have not exactly followed the United Nations' four groupings of countries; rather, I looked for natural breaking points, leaving groupings of unequal number but more substantive meaning. In any case, since the selection of cutoff points was done independent of the location of countries on the cross-tabulated variable (regime type), this method of decomposing the sample should be no more biased than any other.

15. The appendix to this chapter contains a complete listing of the countries in the cells of Table 6.2.

16. Significantly also, the five high-income countries in the world that are not democratic—semicompetitive Singapore and the state hegemonic regimes in Saudi Arabia, Kuwait, the United Arab Emirates, and Qatar—all rank significantly lower on HDI than on per capita GNP (out of 160 countries, 11 places lower for Singapore and from 26 to 43 places lower for the Persian Gulf oil states).

CONTENTS

Strategic Analysis 3

Definitions and Characteristics of Democracy

Readings:

Dahl, Robert A. *Polyarchy*. Pp. 1-16.

Schmitter, Philippe C., and Terry Lynn Karl. "What Democracy Is ...and Is Not" in Larry Diamond and Marc F. Plattner, eds., *The Global Resurgence of Democracy*. Baltimore: Johns Hopkins University Press, 1993. Pp. 39-52.

Diamond, Larry, J. J. Linz, and S. M. Lipset, eds. *Politics in Developing Countries*, 2nd ed. Boulder: Lynne Reiner, 1995. Chapter 1: Introduction: What Makes for Democracy? (pp. 1-66).

How Democracies Develop

Session Materials:

Process-Oriented/Institutional Approaches
Political Economy Approaches

Readings:

O'Donnell, Guillermo. "Delegative Democracy." *Journal of Democracy*, 5:1 (January 1994), pp. 55-69.

Valenzuela, J. Samuel. "Democratic Consolidation in Post Transitional Settings: Notion, Process, and Facilitating Conditions" in Scott Mainwaring, Guillermo O'Donnell and J. Samuel Valenzuela, eds., *Issues in Democratic Consolidation: The New South American Democracies in Comparative Perspective*. Notre Dame: University of Notre Dame Press, 1992. Pp. 57-104.

Oakerson, Ronald J. "Assessing and Assisting Democratic Governance Reform: A Framework." Washington, DC: U.S. Agency for International Development, February 1995.

Diamond, Larry. "Rethinking Civil Society: Toward Democratic Consolidation." *Journal of Democracy*, 5:3 (July 1994), pp. 4-17.

Rueschemeyer, Dietrich, Evelyne Huber Stephens and John D. Stephens. *Capitalist Development and Democracy*. Cambridge: Polity Press, 1992. Chaps. 1-3, pp. 1-78.

Key Themes in Analysis

Reading:

Charlick, Robert C. "Improving Governance in Africa: Summary Report." Prepared for the U.S. Agency for International Development, March 1996.

A Framework for Analysis

Session Materials:

A Framework for Analysis
Framework: Definitions
Framework: Regime Types
Freedom House Country Report for Bolivia

Political Leadership

Although our theoretical orientation gives substantial emphasis to the importance of various structural factors in shaping the prospects for democracy, these are never wholly determinative. As we have just seen, regime performance and viability, not only economically but also politically, are the outcomes in part of the policies and choices political leaders make—acting, to be sure, within the constraints of the structural circumstances they inherit. Even structures and institutions, especially political ones, are shaped by the actions and options of political leaders. The more constraining and unfavorable the structural circumstances, the more skillful, innovative, courageous, and democratically committed political leadership must be for democracy to survive. Even when the obstacles are formidable, democratic breakdowns are not inevitable but are accelerated by poor leadership and bad choices.[31]

In this book, we see repeatedly how inefficacious, weak, and often militant and uncompromising political leadership has contributed to democratic breakdowns in Chile, Brazil, Turkey, South Korea, Thailand, and Nigeria. In some of these cases, it could be argued that structural circumstances were highly unfavorable, but this was often in part a result of the failure of politicians to produce needed economic reforms and institutional innovations. Valenzuela and Özbudun show, for the breakdowns in Chile (1973) and Turkey (1980), how significantly the miscalculations and intransigence of political leaders contributed.

We also see the importance of strong democratic commitments on the part of political leaders—what Linz calls "loyalty" to the democratic system. Democratically loyal leaders reject the use and rhetoric of violence and illegal or unconstitutional means for the pursuit of power, and they refuse to condone or tolerate antidemocratic actions by other participants.[32] The Nigerian case portrays graphically how electoral violence and fraud, thuggery, demagoguery, and widespread political corruption delegitimated and destroyed the Second Republic (1979–1983)—even in the absence of the polarized ethnic conflict that further contributed to the failure of the First Republic (1960–1966). In the case of India, we see the central role of Indira Gandhi's equivocal commitment to democratic values in motivating not only her declaration of emergency rule in 1975 but also her centralization and personalization of political power in the preceding years and after her return to power in 1980. In many developing countries, the erosion or destruction of democratic institutions has come through the actions of elected leaders who proved to be authoritarian in nature and consumed with their own self-aggrandizement: Marcos in the Philippines, Syngman Rhee in South Korea, Nkrumah in Ghana, Obote in Uganda, and Perón in Argentina. This confirms G. Bingham Powell's generalization that democratic breakdown (by executive or military coup) is commonly preceded by "renunciation of the democratic faith by [a country's] elected leaders."[33]

The story, of course, is not all negative. Throughout the developing world, flexible, accommodative, consensual leadership styles have contributed notably to democratic development, as in the early years of institution building under Gandhi and Nehru and a gifted crop of Congress Party leaders in India.

More recently, political leadership has been a notable and oft-neglected factor in the pursuit of democratic consolidation. Of course, it is hard to disentangle the individual from the structural and institutional context that shapes and constrains political options. Nevertheless, with all of its institutional deficiencies and glaring inequalities that Lamounier exposes so sharply in his chapter, it was only by historical accident that Brazil lost—because of an untimely death—a president-elect who was a proven coalition builder and a skilled and committed democrat, to be replaced by a vice president with much more dubious credentials and limited vision and ability. Nor was it inevitable that Brazil's next president (Fernando Collor de Mello) would prove so inept and corrupt that he would be forced to resign in disgrace. Many citizens and friends of Brazil hope the very different course toward economic and political reform Brazil has charted under recently inaugurated President Fernando Henrique Cardoso will again show the scope for effective leadership to broker lasting change.

Elsewhere in Latin America, progress toward democratic consolidation in Chile and Uruguay occurred in no small measure as a result of the pragmatism, political skill, and respect for democratic constitutionalism of the first post-transition presidents, Patricio Aylwin (1990–1994) in Chile and Julio María Sanguinetti (1985–1990; reelected in 1995). Both men handled with great sensitivity, wisdom, and restraint the explosive issue of accountability for past human rights violations by the military while gradually narrowing the scope of military prerogatives and deepening democratic institutions. In our case study of South Korea, we see the way shrewd and forthright political and financial reforms by President Kim Young Sam have helped to cleanse and strengthen the democratic process while diminishing the autonomous power of the military. By contrast, Philippine President Corazon Aquino—despite her honorable intentions and her deserved esteem as a symbol of the people-power revolution—proved to be a timid and lackluster democratic leader, unable to cope effectively with economic disarray, massive social inequality, political crisis and fragmentation, and repeated military coup attempts that nearly toppled her from power.

Accommodating, shrewd, and resourceful political leadership has often been a factor in successful democratic transitions. Our South African case study highlights the intricate pattern of mutual concessions between the ruling National Party (NP) and the ANC leaderships—especially between

President de Klerk and Nelson Mandela—that kept the negotiating process on track through four treacherous years despite deep differences in ideology and political vision, recalcitrant political flanks, doubting constituencies, alarming levels of political violence, and a brutal history of racial domination and distrust. In retrospect, South Africa's peaceful transition has an air of inevitability because, as Friedman notes here, the major parties all understood that in the end, "the society had no option but to negotiate its way out of a stalemate." But it is important to appreciate the indeterminacy of the process at the time and the real possibility of a descent into large-scale sabotage and violence had ANC and NP negotiators failed to craft adequate provisions for power sharing and face saving and had they not, in Friedman's words, "proved adept at bargaining compromises that saved both the transition and the country from crises that threatened irreversible breakdown."

Such flexible and visionary political leadership, which shows keen timing and some real political courage, also figured prominently in the democratic transitions in South Korea and Taiwan. Arguably, South Korea's democratic transition was saved in 1987 (was certainly spared from trauma and bloodshed) by the decision of the ruling party presidential candidate, Roh Tae Woo, to concede to opposition demands (which included direct presidential elections and a host of other democratic reforms). Roh's surprising and dramatic announcement was, in David Steinberg's opinion, "an example of statesmanlike, expedient compromise" in a society in which the incumbents of power had come to see themselves as pure and the opposition as unworthy and where compromise was generally denigrated as "a signal of weakness and lack of resolve."[34]

In Taiwan, Chiang Ching-kuo's leadership was a pivotal factor in the lifting of martial law and the launching of a democratic transition.[35] Following the death of Chiang in January 1988, President Lee Teng-hui, with support from other reform elements in the ruling Kuomintang (KMT) Party, accelerated Taiwan's democratization through a process of sustained political liberalization, constitutional reform, internal party reform, and new elections.[36] To be sure, powerful social structural and international forces were pressing for democratization and constraining the authoritarian option (as was also true in South Korea and South Africa).[37] However, hard-line factions in the party and security establishments were opposed, and a differently inclined political leadership might have succeeded in perpetuating a much more authoritarian political system for some time. Thus, it would be a serious oversight to neglect the distinctive skills, motives, and goals of individual leaders (and the way they fit into broader patterns of strategic interaction among regime factions and between regime and opposition). By contrast, the primary obstacle to the successful completion of a transition under the military regime of General Ibrahim Babangida (1985–1993) in Nigeria proved to be the general himself, along with other top military elites,

who were bent on using every ruse to hang on to the rewards and gratifications of power.

Time and again across our cases we find the values, goals, skills, and styles of political leaders and elites making a difference in the fate of democracy. Coulon shows the importance of the personal leadership decisions and skills of Leopold Senghor and Abdou Diouf in opening up Senegal's politics to more democratic pluralism and competition. Valenzuela shows the importance of able, democratically committed, and even visionary political leadership in the founding of democracy in Chile in the early nineteenth century, its adaptation and expansion during periods of turbulent change and growth, and its maintenance during the Great Depression of the 1930s. Demonstrating a different, corollary rule, Levy and Bruhn explain how consistently skilled and effective leadership, with many undemocratic values, long contributed to the stability of Mexico's undemocratic regime.

Political Culture

One important dimension of regime performance is the management of conflict. If political freedom and competition are not to descend into extremism, polarization, and violence, mechanisms are needed to contain conflict within certain behavioral boundaries. One of the most important factors in this regard is a country's political culture; that is, the beliefs and values concerning politics that prevail within both the elite and the mass.

Theorists in the pluralist or liberal tradition identify several values and beliefs as crucial for stable and effective democracy: belief in the legitimacy of democracy; tolerance for opposing parties, beliefs, and preferences; a willingness to compromise with political opponents and, underlying this, pragmatism and flexibility; trust in the political environment, and cooperation, particularly among political competitors; moderation in political positions and partisan identifications; civility of political discourse; and political efficacy and participation, based on principles of political equality but tempered by the presence of a subject role (which gives allegiance to political authority) and a parochial role (which involves the individual in traditional, nonpolitical pursuits).[38] Dahl in particular emphasizes the importance of such a democratic culture among the political elite, especially early on.

Our larger study provides considerable evidence that such presumed features of democratic culture are closely correlated with democratic stability. Those countries that have been the most strongly and stably democratic also appear to have the most democratic political values and beliefs.

Democratic success in developing countries can be traced not only to the growth of democratic values but also to their roots in a country's histor-

ical and cultural traditions. Das Gupta points out that from the time of the founding of the Indian National Congress a century ago, "democratic rules of procedure, tolerance of adversaries, and reconciliation of conflicting claims became part of the political education of the participants." But whereas the political culture of bargaining, accommodation, and constitutionalism began with the gradual development of electoral processes under British colonial rule, the process was not confined to the elite level. A major reason for India's democratic development was that elites reached out to mass society to raise political consciousness, develop democratic practices, and mobilize participation—both in electoral politics and in a wide range of voluntary organizations. Political leadership and ideology were crucial in this process, particularly in the person of Mahatma Gandhi, who emphasized the values of liberty, nonviolent and consensual resolution of conflict, and continuous incorporation of excluded groups.[39]

Ambivalence in a country's political culture is also associated with ambivalence in its experience with democracy. Turkey has been torn between a strong consensus on the legitimacy of popular, elective government and the continuing predilection (dating back to Ottoman rule) for organic theories of state, which spawn excessive fear of division, intolerance of political opposition and individual deviation, and a tendency to see politics in absolutist terms. The behavioral manifestations of these values have figured prominently in Turkey's democratic breakdowns and may help to explain the erosion of liberty and the mounting human rights violations by both state authorities and Kurdish separatists in recent years. Nigeria has been torn between a deep and broadly based commitment to political freedom, with popular, accountable government, and a weak inclination toward tolerance and accommodation. Twice this contradiction has led to political chaos, violence, and democratic breakdown. In Nigeria especially, this intolerance has been driven by the high political stakes associated with state control (see below).

Coulon shows the correspondence between the "mixed" political culture of Senegal and the semidemocratic character of the regime. Traditional political cultures in Senegal balanced authoritarian values with "a propensity for debate, political game playing," and constitutional limits on monarchical authority. Liberal, Western cultural influences press further in a democratic direction, but this is undermined by the lack of support for democracy among the neglected and alienated lower classes and the growing interest in authoritarian Islamic doctrines felt by a segment of the elite. Repeated military intervention in Thai politics has derived in part from a military conception of democracy that values "national security, stability, and order" over freedom and participation and dislikes pressure groups and conflict.

In South Africa, a different kind of cultural tension or ambivalence complicates the democratic prospect. Although the electoral process and

constitutional protections of political and civil rights enjoy mass legitimacy, the decades of political exclusion, repression, and liberation struggle have bred a culture of intolerance and inflexibility among many individuals and groups that were radicalized by the experience, particularly in the black townships and among the young. These dispositions not only threaten South Africa's capacities for peaceful conflict resolution; they also breed a general cynicism and resistance to state authority that undermine the state's capacity to perform even its most elementary functions, such as the maintenance of order and the provision of services.[40] As Friedman reminds us, effective democracy requires an effective state, and the state cannot be effective unless it commands citizen allegiance, what Gabriel Almond and Sidney Verba called the "subject" role.

It is misleading, however, to infer too much from the contours of a country's political culture at any particular point in time. Perhaps the most important lesson our case studies (and many others) teach us about political culture is that it is plastic and malleable over time. Political culture is not destiny. Just as Latin American countries overcame what was once thought to be their indelibly authoritarian Catholic and Iberian heritage, so Asian countries are not condemned to authoritarian rule by their Confucian or Buddhist cultures, or Middle Eastern countries by the predominance of Islam, or African countries by their ethnic and religious pluralism. All great religious traditions are complex belief systems with multiple (and even conflicting) political implications that are open to different interpretations and reinterpretations over time. Cultural patterns and beliefs do change in response to new institutional incentives, socioeconomic development, and historical experience. Certainly, the experience of brutal dictatorship, repression, and torture has given Latin American elites and mass publics (including not only politicians but liberation theologians and other thinkers and activists on the left) "a renewed appreciation of the virtues of representative government, however flawed."[41] In fact, such political learning—which reshapes the perceptions, tactics, and beliefs of political elites and their followers—has been one of the most important factors facilitating democratic transition and, it is hoped, consolidation during the third wave.[42] In cases as diverse as Chile and South Africa, our authors show here what a crucial foundation of democratic progress it has been.

Social Structure and Socioeconomic Development

One of the most powerful factors that alters political beliefs and values and increases the prospects for stable democracy is socioeconomic development. Since Lipset's 1959 article, which asserted a positive relationship between the level of economic development and a country's chances for stable democracy, dozens of quantitative studies have examined this relationship.[43] Overwhelmingly, the weight of the evidence confirms a strong positive rela-

tionship between democracy and socioeconomic development and that this relationship is causal in at least one direction: Higher levels of development generate a significantly higher probability of democracy and of stable democracy. In particular, as countries approach very high levels (or thresholds) of socioeconomic development, democracy becomes highly likely, just as it has historically been rather rare in countries with very low thresholds of development.[44] While per capita national income has been the variable most commonly correlated with democracy, the more important underlying phenomenon appears to be reduction in poverty and improvement in literacy, life expectancy, and so on, as measured by the United Nations Development Programme's (UNDP) Human Development Index (HDI).[45] Improvements in these physical quality-of-life indicators have been particularly dramatic over the past two decades in Chile and South Korea and fairly rapid in Thailand and Mexico as well (see Table 1.1), accounting in part for the growing democratic pressures and possibilities in these countries over the past decade. From this theoretical and empirical perspective, one can see that it is not just the level of socioeconomic development but also its distribution that matters, as the case of Brazil graphically shows (see below).[46]

There are several reasons why socioeconomic development may increase the likelihood of stable democracy. An advanced level of economic development, which produces greater economic security and more widespread education, is assumed to reduce socioeconomic inequality and mitigate feelings of relative deprivation and injustice in the lower class, thus reducing the likelihood of extremist politics.[47] Increased national wealth also tends to enlarge the middle class, which has long been associated in political theory with moderation, tolerance, and democracy.[48] Independent of the impact of changes in class structure, national economic development appears to create a milieu that is more conducive to the emergence of such democratic values as tolerance, trust, and efficacy.[49] Economic development also tends to alter the relationship between state and society, to increase the number and variety of independent organizations that check the state and broaden political participation, and to reduce corruption, nepotism, and state control over jobs and opportunities to accumulate wealth.[50] Finally, economic development thrusts a country into ever greater cultural and economic integration with a world whose most desired markets, capital, goods, technology, and ideas are controlled primarily by democracies. As they have achieved higher levels of economic development, South Korea and Taiwan in particular but also countries such as Turkey, Thailand, Chile, and even South Africa have felt increasing pressure to democratize from Western industrialized democracies—and from their own elites trained in Western (especially U.S.) universities.

Whereas the weight of the evidence supports the Lipset thesis, it does not do so in every respect. The relationships described here are not linear,

and at certain stages development may even increase corruption or alter class coalitions in ways more favorable to authoritarian than to democratic rule. In particular, the middle class is by no means always supportive of democracy. In some cases, historically the bourgeoisie has been sympathetic to authoritarian rule and hostile to democracy, and the working class has been a leading force pressing for democratization.[51] Recent studies have emphasized the need to disaggregate the middle class in analyzing its political role. Small-scale entrepreneurs and the professional middle classes, it seems, are more likely to support democratization; the major owners of capital, especially those benefiting from state contracts and largesse, are much more likely to support continued authoritarian rule.

Thus, South Korea's large industrial conglomerates, the *chaebols*, were constrained by the state through the latter's regulatory powers and control of credit, whereas students, professionals, trade unions, and various civil society organizations pressed for democratization. In Taiwan, where the ruling KMT had avoided fostering big capital as had occurred in South Korea, small and medium enterprises, independent of the KMT, joined with labor and the professional middle classes (including intellectuals trained abroad) to pressure for democratization.[52] As Chai-Anan observes, this same distinction between small and large (state-associated) capital has also been apparent in Thailand, with the former spearheading the campaign for genuine democracy.

As countries reach middle stages of development, access to information expands, through radios and newspapers and increasingly to television as well. We see in Table 1.1 that our Latin American cases and South Africa have a ratio of radios to persons (twenty-five to forty radios for every one hundred persons) sufficient to provide access for the majority of households.[53] In these and other industrializing countries, access to television has also been growing (which has become a big factor in Brazilian politics). In addition, literacy and education enable people to discover information for themselves and thus to participate in politics more autonomously.

To be sure, this is only one dimension of development, and high levels of literacy and mass communications have not produced democracy in Singapore, Malaysia, or the many oil-rich states of the Gulf. Moreover, on these as on other measures, India remains fairly underdeveloped, despite considerable progress in recent decades, and yet has maintained a more or less democratic constitutional system. However, beyond the impact of income levels on political beliefs, attitudes, and values, low levels of urbanization, literacy, and communication do make it easier for authoritarian or, as in Senegal, quasi-authoritarian structures to perpetuate themselves and make it more difficult for democratic institutions to consolidate themselves. Clearly, the challenge of building an informed democratic citizenry, capable of scrutinizing government and demanding accountability and responsiveness, is more formidable at these lower levels of development.

Still, it is important to underscore that the relationship between democracy and development is far from perfect. Many other variables can alter the expected impact of the development level on democracy in individual countries. Development enhances the prospects for democracy because—*and to the extent that*—it enhances several crucial intervening variables: democratic values and beliefs, capacities for independent organization and action in civil society (see below), a more equitable class structure (with reduction of absolute poverty), and a less corrupt, interventionist, rent-seeking state. Where, as in the Gulf states, economic growth far outstrips these deeper structural and cultural changes, the level or probability of democracy will be much lower than that expected from the country's level of economic development. But where, as in India, Costa Rica, or Botswana, these intervening variables have emerged through different historical processes—including tradition and the deliberate and effective innovation of political leaders—the level or probability of democracy will be much greater than that which would be predicted merely from the country's per capita GNP. In fact, these three developing democracies and others (such as Mauritius, Jamaica, Trinidad, and Tobago) have survived in large part because they improved the quality of life for their citizens.[54] Thus, economic development is not a prerequisite for democracy: "A premature democracy which survives will do so by (among other things) facilitating the growth of other conditions conducive to democracy, such as universal literacy, or autonomous private organizations."[55]

The accumulation of historical and quantitative evidence cannot, we think, justify the argument, so prevalent in the thinking of the 1960s and 1970s, that poor countries should forget about democracy and concentrate on development; that authoritarian regimes grow more rapidly than democracies; and that democratic political participation must therefore "be held down, at least temporarily, in order to promote economic development" at lower to middle stages of the process.[56] Recent studies have found that democracy either has no independent effect on economic growth or that, on balance, it contributes to growth.[57] The most sophisticated and most recent of these quantitative studies concludes that "regimes do not differ at all in their impact on the growth of per capita income," and thus "democracy can flourish in poor countries if they develop and poor countries can develop under democracy."[58]

Socioeconomic inequality. Democracy and socioeconomic equality are related. In particular, deep, cumulative social inequalities represent a poor foundation for democracy. Historically, this situation has been a contributing factor to the instability of democracy in much of Latin America, including the Dominican Republic, Peru, and most of Central America. By contrast, the historical absence of hacienda agriculture and large landholdings in Costa Rica, and the shortage of agricultural labor that kept rural wages high, bred an egalitarian social culture and what John Booth has termed an "interdependence among classes" that helped significantly to foster the development of democracy.[59]

Perhaps nowhere in the current period does inequality pose a more acute and urgent problem for democracy than in Brazil, where the wealthiest tenth of the population earns the highest percentage of income (51.3 percent) and the poorest fifth earns the second-lowest share (2.1 percent) among the sixty-four countries for which the World Bank currently reports data.[60] Regional inequalities are also severe. The impoverished northeastern region of the country lags behind the more prosperous south by seventeen years in life expectancy, 33 percentage points in adult literacy, and $2,000 (40 percent) in real GDP per capita.[61] Lamounier shows that the marked failure to reduce inequality was an important structural factor that weakened the democratic system and contributed to its breakdown in 1964. As Brazil has become even more urbanized and socially mobilized in the past quarter-century—although income inequality and, by some accounts, even absolute poverty worsened despite the stunning overall rates of economic growth under military rule—"deconcentration" of wealth has become imperative for democratic consolidation. And yet, policies to reduce inequality, such as land reform, carry serious short-term political risks, whereas reducing absolute poverty requires long-term policy commitments that may be politically difficult to sustain. The potential polarizing effects of inequality in Brazil have been evidenced in the growth of urban labor militancy and strife, violent rural land conflicts, and electoral support for populist and radical candidates.

Although comparable income-inequality data are not available for South Africa, its distributive challenge is even more formidable, not only because of the extreme levels of inequality but also because these levels are correlated with race more heavily than is the case in any other country in the world. The disparities in development levels between whites and blacks are four times greater in South Africa than in the United States. In South Africa, blacks have a life expectancy of sixty years and whites of seventy-five years. Blacks have a GDP per capita (in purchasing power parity) of $1,710; for whites the figure is $14,920. In terms of the overall human development index, "If white South Africa were a separate country, it would rank 24 in the world (just after Spain). Black South Africa would rank 123 in the world (just above Congo). Not just two different peoples, these are almost two different worlds."[62] These deep socioeconomic divisions further reinforce the racial polarization of politics and severely challenge the patience and moderation of a majority black population that has had to wait decades for just treatment but that cannot now seek wholesale redistribution of wealth or state spending without driving away the domestic and foreign capital and skills so desperately needed for economic growth. The ruling ANC thus will have to walk a fine line between redistribution and restraint. Its effective-

ness in balancing these competing goals will heavily determine whether it can maintain a relatively moderate and accommodating course, preserving democracy while holding on to its constituency.

Population growth. A socioeconomic problem that is often overlooked in evaluating democratic performance and prospects is that of rapid population growth. Although birthrates tend to decline with higher standards of living and improved socioeconomic opportunities for women (as suggested by the data in Table 1.1), population growth rates nevertheless remain high in most of Asia, Latin America, and especially Africa. Even if countries reduce these annual growth rates toward 2 percent, as Brazil, Mexico, Turkey, Thailand, and India (nearly) managed to do in the 1980s, populations will still *double* in thirty-five years or less. For populations growing annually at rates of 3 percent to 3.5 percent in Nigeria and many other African countries, the doubling time is twenty to twenty-three years. In countries with such rapid growth rates, the age structure is heavily tilted toward children and adolescents, with 40 to 50 percent of the population typically under fifteen years of age.[63] Thus, not only is there a large dependent population to be cared for, schooled, and, ultimately, somehow gainfully employed, but population growth has a hidden momentum that will only be felt fully when these children in turn bear children of their own—even if by that time social, economic, and cultural conditions have been transformed so they do so only at the rate of replacement fertility (i.e., two children per couple).

The political consequences of such rapid population growth follow closely, but not entirely, from the economic ones. To the extent that its population is growing rapidly, a country's economic growth is absorbed each year in providing for its additional people at existing levels of nutrition, schooling, health care, and so on, rather than improving per capita standards. The annual population increments are often large in absolute terms: at current growth rates, more than 3 million additional people each year in Nigeria and Brazil, more than a million a year in Turkey and Thailand, and 18.5 million annually in India. Increasingly, as these countries also become more urbanized, these burgeoning numbers are concentrated in the cities, where violent protest and conflict may be more destabilizing. To the extent that economic growth is rapid enough to provide adequate schooling, training, jobs, and opportunities for these young populations, political stability may not be affected, and population growth rates will decline to the more manageable levels (1 percent or less) found in the advanced industrial countries. But among our cases, only in South Korea has this largely occurred. Birthrates through the remainder of this decade are forecast to fall to 1.3 percent in Chile and Thailand, to 1.4 percent in Brazil, and to 1.7 percent in India. Yet even at that rate, India's population will grow to past a billion by the turn of the century, and the country is projected to add an additional 350 million people in the following quarter-century.[64] In Turkey, Mexico, South

Africa, Nigeria, and Senegal, birth rates will remain near, at, or well above 2 percent annually, generating exploding economic and political demands and expectations these systems will be hard-pressed to meet. The problem is exacerbated by substantial economic inequality because the poor typically have higher birthrates and are less able to provide for their children's future.

If current assumptions are not altered, the resulting stagnation, frustration, and political turmoil may be blamed on economic mismanagement, but rapid population growth should not be overlooked as a contributing factor. National programs to foster family planning and population consciousness must be accelerated—along with efforts to improve health care and education for women and the poor—if population growth rates are to be slowed sufficiently to allow these developing countries a reasonable chance to consolidate and maintain stable democratic government.

In this effort, democracy can be an important asset (contrary to many past assumptions). On average, populations grow more rapidly under authoritarian regimes than under democratic ones.[65] The openness of democracies to public debate and independent organization, and their greater propensity for concern about the status of women—in part because of the ability of women to mobilize politically—give democracies distinct advantages in the effort to reduce fertility rates. This is only one of many ways in which a vigorous civil society serves democracy.

Civil Society

Civil society can be thought of as "the realm of organized social life that is voluntary, self-generating, (largely) self-supporting, autonomous from the state, and bound by a legal order or set of shared rules."[66] It consists of a vast array of organizations, both formal and informal: interest groups, cultural and religious organizations, civic and developmental associations, issue-oriented movements, the mass media, research and educational institutions, and similar organizations. What distinguishes these groups from other collective actors in society is that civil society organizations are concerned with and act in the public realm, relate to the state (without seeking to win control over it), and encompass and respect pluralism and diversity.[67] By contrast, the purpose of groups in *political* society—especially political parties but also electoral alliances, legislative caucuses and coalitions, and the like—is to win and exercise state power.[68]

Conceived in this way, a vigorous and autonomous civil society serves the development of democracy in many ways. The classic function of civil society in political theory, dating back in different respects to such eighteenth- and nineteenth-century thinkers as Ferguson, Hegel, Marx, and de Tocqueville, was to limit state power and to oppose and resist the tyrannical abuse of state power.[69] Since 1974, the "resurrection of civil society" has been a crucial dynamic in undermining the stability of authoritarian regimes

and pressuring for democratization.[70] In the Philippines, the Marcos dictatorship was brought down by the coalescence of students, professionals, business owners, workers, priests, teachers, and mothers into the people-power movement that mobilized *half* a million Filipinos to monitor the 1986 elections and then brought them into the streets to take back the election victory Marcos had blatantly tried to steal. In South Korea, massive student and worker demonstrations (emboldened in part by television images from the Philippines) played a key role in pressuring for the institutional concessions that paved the way for democratic transition in late 1987. In Chile, the stunning defeat of the Pinochet dictatorship in the October 1988 plebiscite was achieved against enormous odds only by the heroic organization of a remarkably broad coalition of independent groups that united in the Crusade for Citizen Participation.[71] In Eastern Europe the renaissance of autonomous group activity undermined Communist domination by puncturing the psychology of fear and passivity, revitalizing social morality, regenerating political efficacy, and reporting the shocking truth about the gross abuses of power.[72] Across sub-Saharan Africa (including, very prominently and for many years, South Africa) the pressure for democratic change has come most significantly from the impassioned mobilization and coalescence of students, the churches, professional associations, women's groups, trade unions, human rights organizations, producer groups, intellectuals, journalists, civic associations, and informal networks.[73] Even where this mobilization has fractured and failed to produce democracy, as in Nigeria and Kenya, it has kept the issue of democracy alive and has constrained to some extent the autonomy of the authoritarian state.

After the transition, civil society contributes in diverse and reinforcing ways to deepening, consolidating, and maintaining democracy. First, it continues to provide the means for monitoring and limiting the exercise of state power and for holding officials accountable to the public between elections. Second, a rich associational life supplements the role of political parties in stimulating political participation and increasing citizens' political efficacy and skill. Third, both through the process of participating within organizations and through more deliberate efforts at civic education by organizations and the media, a vigorous civil society can help to inculcate norms of tolerance, trust, moderation, and accommodation that facilitate the peaceful, democratic regulation of cleavage and conflict. Fourth, civil society can enhance the representativeness of democracy by providing additional channels (beyond political parties) for the expression and pursuit of a wide variety of interests, including those of historically marginalized groups, such as women and minorities.

Fifth, as a by-product of successful organizational practice, and in some cases through deliberate programming, civil society organizations identify and train new leaders who at some point may cross over into the political arena and broaden its pool of leadership talent. Sixth, some civic organizations work explicitly to improve democracy: election-monitoring groups such as NAMFREL, the Mexican Civic Alliance, the massive voter education and monitoring efforts in South Africa in 1994; human rights groups, think tanks devoted to democratic reform, and public anticorruption groups such as Poder Ciudadano in Argentina. Civil society also empowers citizens and enhances their oversight of government by the wide dissemination of independent information.

Finally, by enhancing the accountability, responsiveness, inclusiveness, and legitimacy of the political system, civil society also strengthens legitimacy and governability, giving citizens respect for the state and positive engagement with it. Indeed, Robert Putnam and his collaborators have found that traditions and horizontal networks of civic engagement, based on norms of reciprocity, social trust, and cooperation, have significantly accounted for patterns of good governance and economic prosperity in Italy.[74] As they demonstrate, a strong civil society and a strong (i.e., effective) state complement rather than contradict one another.

Our cases demonstrate the significant benefit to democratic development that can be derived from a pluralistic civil society. From its earliest beginnings in the nationalist mobilization against colonial rule a century ago, democracy in India has been invigorated by the presence of a rich array of voluntary associations directed to language reform, legal reform, educational modernization, defense of press freedom, civil liberties, and women's rights. Whereas today strong trade unions and peasant, student, and business associations often align with political parties, they also act autonomously to pursue their own interests, and this political autonomy has increased as new leadership groups within them give greater emphasis to economic issues. Today a vast network of issue-oriented movements also campaigns for social and political reform. Indeed, as formal political institutions have deteriorated in the past two decades, India's associational life has become an increasingly crucial resource for democratic articulation and accountability.

As a strong and autonomous associational life may buttress or foster democracy, so the absence of a vigorous sector of voluntary associations and interest groups or the control of such organizations by a corporatist state can reinforce authoritarian rule and obstruct the development of democracy. Perhaps the classic demonstration of this phenomenon in our study is found in Mexico, where, as Levy and Bruhn indicate, the early encapsulation of mass organizations (especially those of peasants and workers) by a hegemonic ruling party has been a key pillar of stability for the authoritarian regime, and the struggle of labor and other popular movements to break free of corporatist controls is now a key feature of the struggle for democracy. In Turkey, Thailand, South Korea, and other Asian countries, state corporatist controls—and the historical dominance of a powerful, highly centralized state bureaucracy—stunted the development of autonomous associational life and mass media and (particularly in Thailand and Korea) facilitated the

ascendance of the military as the leading political force. For decades in these countries, weak institutions in civil and political society were both cause and effect of bureaucratic-authoritarian domination in what seemed a vicious cycle. However, as has occurred in Mexico, economic development has been undermining this pattern of state-society relations and giving rise in each country to a civil society of historically unprecedented pluralism, vigor, autonomy, and resourcefulness.

Yet whether the component elements of civil society will benefit democracy depends on the degree to which they are truly civil and democratic in their spirit and internal structure—pragmatic and willing to compromise, tolerant, and pluralistic. South Africa shows that a civil society with mixed features in these regards can have ambiguous implications for democracy. As Friedman explains, both the white professional and business communities and the black liberation struggle gave rise to an extraordinarily active and pluralistic civil society, which now constitutes the principal force for containing state power. But civil society "is largely an insider phenomenon, [and] even within the insider world, the voice of authentically independent private associations is muted." Many of the black-led organizations in the "struggle," particularly the civic associations based in the townships, manifest dubious representativeness and monopolistic tendencies, claiming a "mandate" to represent a monolithic black community.[75] South Africa's democratic development will be advanced if these popular organizations learn to respect state authority and associational pluralism within the black community; institutionalize democratic rules and procedures; become more autonomous from the ruling ANC; and represent more specific policy agendas.[76]

Although vigor, skepticism, and independence enhance civil society's contribution to democracy, they can also go too far. Interest groups cannot take the place of political parties in a democracy, however much they may supplement their participatory and representational functions. Only parties and their representatives in parliament and government can aggregate multiple societal preferences into clear policy alternatives, negotiate compromises, and enact them into law; only parties can govern in a democracy.

Not only political society but the state as well must be viewed as legitimate by civil society. The state must have sufficient autonomy, legitimacy, capacity, and support to mediate among various interests, balance their claims, and govern on behalf of broader societal interests. However, in the aftermaths of Communist oppression in Eastern Europe and the former Soviet Union and of authoritarian predation, especially in Africa, the dominant political mood is one of cynicism, indiscipline, defiance, and resistance to state authority (and typically toward parties as well). Missing is the crucial link between state strength and societal vigor, the social and cultural capital that is such an important foundation for effective democratic governance: norms of generalized reciprocity—not particularistic, hierarchical

bonds of clientage—and networks of civic engagement that foster self-reinforcing patterns of social trust and cooperation. These core elements of what Putnam has called "the civic community" must be developed if democracy is to become effective and secure. If new patterns of civic engagement are gradually to take hold, not only must formal institutions change but organizational entrepreneurs must strive to build a new social context in which "associations proliferate, memberships overlap, and participation spills into multiple arenas of community life."[77]

State and Society

If democracy is to be stable, it must find a balance between a number of competing values: between conflict and consensus, participation and passivity, protest and allegiance, consent and effectiveness, elite conciliation and popular mobilization, and—as we will see shortly—between representativeness and governability.[78] As we have just seen, a balance must also be found between the vigor and dynamism of civil society and the capacity and authority of the state.

As we suggested earlier in our discussion of economic performance, yet another dimension in which balance is needed is the relationship between the state and the economy. Recent studies of the East Asian "miracles" have suggested that rapid economic development can be consistent with different degrees and strategies of state intervention in the economy. Still, all eight "high-performance Asian economies" (including in our study Thailand and South Korea) followed certain basic policy fundamentals: avoiding inflationary financing of budget deficits, maintaining competitive real exchange rates, investing in human capital (especially through basic education), encouraging savings, creating secure bank-based financial systems, limiting price distortions (of labor, capital, and goods), attracting foreign investment and technology, limiting the bias against agriculture, actively promoting manufactured exports, instituting mechanisms (such as land reform, public housing, and farmer assistance) to effect a commitment to shared growth, and establishing an institutional environment generally friendly to business and investment.[79] These policies were facilitated by the insulation of state economic policymakers from excessive political pressures, but as we have already suggested, we do not think authoritarianism is a necessary (or sufficient) condition to achieve such insulation.

An overriding lesson from our cases, as well as from the East Asian experience, is the need to limit direct state ownership and control of the economy. This is important for democracy not only because of the costs to economic development of failing to do so but also because of the perverse political incentives that prevail under statist systems. "The greater the importance of the central state as a source of prestige and advantage, the less likely it is that those in power—or the forces of opposition—will accept

rules of the game that institutionalize party conflict and could result in the turnover of those in office."[80] These destructive incentives have been particularly striking in sub-Saharan Africa, where (with a few notable exceptions, such as Botswana and South Africa) state ownership and mediation of socioeconomic resources and rewards have been massive, with relatively few private means of economic accumulation and opportunity. Hence, upward social mobility and the accumulation of personal wealth have depended on getting and maintaining control of, or at least having access to, the state.[81] This situation raises the premium on political power to the point at which no competing party or candidate is willing to abide by the rules of democratic competition or to entertain the prospect of defeat. The result is a zero-sum game—the politics of intolerance, desperation, violence, and fraud.[82]

This desperate character of politics in the swollen African state has heavily motivated the postindependence drive by ruling parties and elites to monopolize power in such countries as Senegal and helps to explain the current unwillingness of the political bosses of Senegal's ruling Socialist Party to allow the opposition parties a fully free and fair chance to compete for power. In Nigeria, where most of the country's wealth is mediated through government contracts, jobs, licenses, development projects, and other state largesse, it has been the single most important factor underlying the failure of all three attempts at democracy. Özbudun notes a similar effect in Turkey, where the ruling party's access to immense state resources, and the clientelistic traditions that gave the political class wide scope in distributing state resources, made being out of power in Turkey very costly, and helped to generate political polarization and democratic instability. Statism also heightens the stakes in the ethnic struggle and makes accommodation between competing groups more difficult.

Another tension between statism and democracy is the former's inducement to pervasive political corruption and rent seeking. By driving the entrepreneurial spirit into the search for unproductive profits, the market distortions that give rise to "rents" retard economic growth. No less serious for democracy, however, are the delegitimating political consequences of corruption: cynicism, alienation, civic withdrawal, and gross violation of the rules of democratic competition in the chase for the corrupt rewards of power. Endemic political corruption has been a major factor undermining support for democratic regimes in the developing world and in paving the way for their overthrow.

The answer to the problem of political corruption is not simply a limited state but rather a professionalized and in some ways strengthened state. Where we find corruption contained (at least so it does not massively distort the incentive structure of politics, business, and society), and where we find states performing relatively effectively—as in the high-performance East Asian economies and (virtually alone among sub-Saharan African states) Botswana—almost invariably we find more or less meritocratic civil services that are able to attract and retain able, well-educated officials because they pay them well. In such systems, the "rules and procedures governing public sector employment [are] institutionalized and insulated from political interventions." Recruitment and promotion are based on merit and performance, and public employment is accorded high status.[83]

Political Institutions

For several reasons, political institutionalization in general, and of the party system in particular, is strongly related to the persistence and stability of democracy.[84]

First, because institutions structure behavior into stable, predictable, and recurrent patterns, institutionalized systems are less volatile and more enduring, and so are institutionalized democracies. Acting within well-established and normatively shared institutional settings, individuals and groups confine themselves to legal and constitutional methods that eschew the use or threat of force. The outcomes of electoral and other conflicts remain uncertain, but that uncertainty is bounded by rules that protect basic interests, and it is eased by the knowledge that these institutionalized interactions will continue indefinitely, generating a long-term view that induces moderation, bargaining, accommodation, and trust among competing actors.[85]

Second, regardless of how they perform economically, democracies that have more coherent and effective political institutions will be more likely to perform well politically in maintaining not only political order but also a rule of law, thus ensuring civil liberties, checking the abuse of power, and providing meaningful representation, competition, choice, and accountability. Third, over the long run well-institutionalized democracies are also more likely to produce workable, sustainable, and effective economic and social policies because they have more effective and stable structures for representing interests and they are more likely to produce working congressional majorities or coalitions that can adopt and sustain policies. Moreover, a strong party system facilitates governability and effective macroeconomic management even in the face of prolonged economic crisis.[86] Finally, and owing in large measure to the first three factors, democracies that have capable, coherent democratic institutions are better able to limit military involvement in politics and assert civilian control over the military.

Parties and party systems. The challenge of democratic institutionalization is more formidable today in at least one sense: Political parties, once the linchpin of democratic institution building, now find it much more difficult to establish strong organizations and coherent programs. Parties will never again dominate the arena of mass-membership political actors the way they

did in the late nineteenth and early twentieth centuries, when one or two major issues, such as class and the role of the church, organized politics. Today, issues and interests are more diverse, and class identities and organizations are weaker and more permeable. In addition, technological changes have tended to personalize politics, diffuse information, widen interests, and reduce the need for direct face-to-face participation. Thus, political preferences and voting patterns are much more fluid, and "parties that want to aggregate large numbers of votes to govern a country are forced to present a much more diffuse and general appeal."[87]

Nevertheless, political parties remain "the most important mediating institutions between the citizenry and the state," indispensable not only for forming governments but also for constituting effective opposition.[88] Only political parties can fashion diverse identities, interests, and preferences into laws, appropriations, policies, and coalitions. Without effective parties that command at least somewhat stable bases of support, democracies cannot have effective governance.

Political scientists have long debated the ideal number of parties for a stable democracy. Lipset considers the two-party system the most likely to produce moderation, accommodation, and aggregation of diverse interests because it compels each party to fashion broad political appeals, in contrast to the strident and ideological appeals small parties tend to make in a multiparty system to consolidate and mobilize their limited bases.[89] However, the two-party system requires crosscutting cleavages; if the two-party cleavage coincides with other accumulated cleavages (such as ethnicity and religion), it might further polarize conflict sufficiently to produce democratic breakdown and civil strife.[90] Sartori and Linz draw the distinction instead between moderate (with fewer than five relevant parties) and extreme, polarized multiparty systems, with the latter significantly increasing the probability of democratic breakdown.[91] Yet G. Bingham 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 extremist parties are unable to gain significant support.[92]

Recent analyses of experiences with economic reform confirm the value of a more aggregative party system. Fragmented party systems give rise to bidding wars, trade union militancy, ideological polarization, and weak and unstable coalition governments held together mainly by "extensive, and costly, sidepayments," thus producing "perverse incentives that are detrimental not only to macroeconomic stability but to democratic governance as well."[93] By contrast, aggregative party systems, in which one or two broadly based and centrist parties can consistently obtain electoral majorities or near majorities, are better positioned to resist "class or narrow sectoral interests," maintain policy continuity across administrations, and diminish the influence of political extremes.[94]

Our twenty-six–nation study generally supports the proposition that a system of two or a few parties, with broad social and ideological bases, may be conducive to stable democracy. Of the five most stable democratic systems in our study, two (Venezuela and Costa Rica) have had two-party systems composed of broad, multiclass parties in societies that lack deep social cleavages; two (India and Botswana) have had one-party–dominant systems in which the ruling parties incorporate and aggregate a wide range of ethnic and social interests; and one (Papua New Guinea) has had a moderate multiparty system in which two parties have predominated. In addition, the more stable emerging democracies, such as South Korea and Taiwan, have also been developing two-party-dominant systems, whereas the increasing instability in Venezuela and India in recent years has been associated with the decay of the predominant parties and growing fragmentation of the party system. Historically, fragmentation into a large number of parties that come and go—as has occurred in Thailand and Brazil, among other countries—has been associated with democratic instability and breakdown, not only because such party systems tend toward Sartori's "polarized pluralism" but also because parties in such systems are poorly institutionalized.

A critical consideration for democracy is not merely the number of political parties but also their overall institutional strength, as indicated by Samuel Huntington's criteria of coherence, complexity, autonomy, and adaptability.[95] Among the twenty-six cases in our larger study, we find that when at least one and eventually two or more parties were able to develop some substantive coherence regarding 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. The early and deep institutionalization of the Congress Party became an important foundation for democratic consolidation in India, just as the personalization of party power and the decay of party organization under Indira Gandhi has reflected and heightened the overall deterioration of democratic institutions since the mid-1960s. For many decades the strength of Chilean parties likewise contributed to stable democracy, with breakdown resulting not from their institutional deterioration but from the polarization of relations among them. In Brazil, the "deinstitutionalization" of the party system that began in the mid-1950s, fragmenting or dividing each of the major parties and thus undercutting their capacity to respond to and harness changing economic and social forces, heavily contributed, as Lamounier shows, to the democratic breakdown in 1964.

classic conditions of polarized pluralism that brought down Turkey's democracy in 1980, the Turkish military adopted an unusually high threshold—10 percent—and also banned Marxist-Leninist, religious, and separatist parties (the first two restrictions were lifted in 1987). Yet this has not produced the much hoped for, stable two- or three-party system. Parties that are essentially centrist have dominated since the return to democracy in 1983, but with the growth of corruption, inequality, and various other socioeconomic and political stresses, party support has again become more fragmented. Electoral support for a more radical alternative—the anti-Western, pro-Islamic Welfare Party—has grown to the point where it garnered more than 17 percent of the vote in the October 1991 elections (after failing to exceed the threshold in 1987) and then scored extremely well in local elections. Politics in Turkey is once again becoming more polarized, and violence and terrorism are growing.

The Turkish experience shows the limits as well as the possibilities of electoral engineering. Electoral rules and institutional designs are important, but they cannot completely negate or override other pressures and tendencies. Party systems cannot effectively be enacted by law. The one explicit effort to do that—the Nigerian military's decree and creation of a two-party system—contributed to the instability and failure of that prolonged transition (1986–1993). Although the two parties did span the political and ethnic horizon more broadly than had previous ones, and although the party system had previously been evolving in this direction, the artificial two-party system interrupted more organic processes of party consolidation that had been evolving over many years and generated political tensions within the two parties that were easily manipulated by scheming military autocrats. These tensions figured significantly in the implosion of the putative Third Republic.

Of our ten cases, Brazil and South Africa are the two in which the electoral system is the most problematic and could have the greatest impact on the future of democracy. The electoral system in Brazil, which dates back to 1932, "stands out among similar systems worldwide in promoting the proliferation of parties found in extreme PR systems, but without the system incentives to party discipline that PR typically generates."[102] To be represented in the Federal Chamber of Deputies (the lower house), a party need only win a single seat from a state list, and voters are not required to endorse a complete, "closed" list of candidates but "rather [are to] select a *single* candidate from the bewildering numbers on the various statewide party lists."[103] The result is one of the most paralyzingly fractionalized and undisciplined party systems in the world. A more workable party system requires raising the electoral threshold and switching to closed or partially closed lists. Lamounier has proposed (inter alia) a 5-percent threshold for entry into the chamber and consideration of another crucial feature of the German model, the mixed (two-tier) system of PR-list and single-member districts (within a system that is proportional in its overall allocation of seats).[104]

Interest in the German model is also growing in South Africa, where the election of the national parliament (and the regional ones) by pure PR from large regional districts has left no means for specific territorial communities to be represented and to hold their representatives accountable. There appears to be a consensus, however, for maintaining a low electoral threshold that will continue to enable sharply defined interests, such as the white right and more militant blacks, to have a place in the parliament rather than be tempted to challenge the entire system from outside it.

Electoral rules are the most powerful tool available for reorganizing politics relatively rapidly. Precisely for that reason, the bias should be for stability: "Healthy partisan competition requires that the electoral system . . . be broadly supported and not be changed too frequently, [particularly not] for narrow partisan purposes."[105] Change should be approached cautiously and, if needed, should as much as possible take the form of modest and specific reforms (such as raising the electoral threshold or introducing a German-style, two-tier system of representation).[106] The best time by far to develop the right electoral rules is at the dawn of a new democracy rather than when a profound political crisis, as in Italy, requires a sweeping political overhaul.[107]

Constitutional structure. Although presidential government is associated with the world's longest and most successful democratic experience, that in the United States, its record in the developing world exhibits several characteristic problems. For one, a presidential system tends to concentrate power in the executive branch and to facilitate claims to plebiscitarian legitimacy. This may make the president too strong, thereby facilitating abuse of power. It may even pave the way for executive coups against democracy, as happened repeatedly in Africa after independence or as President Jorge Serrano attempted in Guatemala in May 1993. The latter often occurs, however, because a president feels his or her position is too weak. Second, presidentialism can give rise to a paralyzing deadlock between the executive and the legislature, and competing claims to democratic legitimacy. This problem of dual legitimacy is particularly severe when different parties (or coalitions) control the presidency and the legislature or where—as in Brazil—legislative representation is fragmented among many parties. The problem of presidential weakness is often exacerbated by constitutional provisions that explicitly limit the power of the office (and that often bar reelection) precisely out of fear of its abuse. Either of these scenarios—concentration of power or division and deadlock (or even a constant struggle between these two tendencies)—is particularly dangerous for nascent or fragile democracies, in which the separation of powers and checks and balances between branches of government are not well established.

The third problem with presidentialism is tied to and exacerbated by its majoritarian nature, which tends to make politics a zero-sum game in which power sharing is difficult and legislative coalitions are much more difficult

to form and maintain. This is all the more reason presidentialism fits poorly with PR electoral systems that give rise to multiple parties. Fourth, presidentialism, with its fixed terms, rigidifies outcomes, possibly sticking a nation—even for several years—with a government that has utterly lost public confidence and support. Temporal rigidity makes it much more difficult for a presidential system to handle succession crises as well.[108]

The advantages of a parliamentary system lie in its greater flexibility. An executive who has lost popular support can be turned out of office before his or her term has ended. Coalitions can be formed to reach across significant political divisions, and these can be reformed in light of shifting political issues and fortunes, making for more than a zero-sum game. Because they are associated with a greater number of parties, parliamentary systems are somewhat less conducive to the polarization of politics between two or three major political parties, each identified with major class or ethnic cleavage groups. (However, combined with PR, parliamentary systems are more prone to polarized pluralism.) Moreover, presidential coalitions typically have little incentive to cohere (and often real incentives to fragment) following the election, whereas in a parliamentary multiparty system the parties have to assume responsibility to support a government that would otherwise fall.

The theoretical case for these advantages lies largely with the experience of parliamentary democracy in Western Europe and the disastrous experience with presidentialism in some Latin American countries, especially Chile. Valenzuela demonstrates the lack of fit between a highly polarized and competitive multiparty system—which, because it could not generate electoral majorities, necessitated bargaining and coalition-making—and a presidential system of centralized authority, zero-sum outcomes, and fixed terms. The contradictions "came to a tragic head in the Allende years," culminating in 1973 in a breakdown of democracy that could have been avoided. In the late 1980s, the debilitating rigidities of presidentialism became manifest in Brazil and Peru, where presidents whose programs had failed catastrophically and whose political support had evaporated were forced to limp through their remaining terms with virtually no capacity to respond effectively to the deepening economic and political crises.

Legislatures and courts. In most developing countries that have operated presidential systems, particularly in Latin America but also the Philippines and parts of Africa, an additional problem has been the exalted status of the presidency in relation to weak and heavily manipulated legislative and judicial branches. In Latin America, the executive's responsibility for writing implementational legislation and his or her control over a vast, patronage-rich state bureaucracy "is supplemented by far-reaching decree powers that are rarely checked by Congress or courts, even if they are of questionable

constitutionality."[109] In the post-transition period in Latin America this has given rise to what Guillermo O'Donnell has termed "delegative democracy," in which elections delegate sweeping and largely unaccountable authority to whomever wins the presidential election, and parties and independent interest groups are weak and fragmented.[110] To be effective, presidential systems require some independence on the part of the legislature to scrutinize the executive branch, check its excesses, and impose what O'Donnell calls "horizontal accountability." If they are to perform and balance these roles effectively, legislatures must not only be based upon a relatively consolidated party system, but they must also have autonomous capacities to gather and process information, as through a congressional research service and a professionally staffed committee structure. They must also be held accountable, through politically autonomous mechanisms, for detecting and punishing corruption. All of this seems a distant prospect, however, unless legislatures become composed of stronger, more disciplined and purposeful political parties.

We also stress the importance to democracy of a strong and independent judiciary. A powerful judiciary can be the bulwark of a democratic constitution, defending both its integrity (and hence political freedom and due process) and its preeminence as the source of democratic legitimacy. More generally, the judiciary is the ultimate guarantor of the rule of law and thus of the accountability of rulers to the ruled, which is a basic premise of democracy. During the authoritarian emergency in India, "a beleaguered and partially 'captured' Supreme Court still struck down a constitutional amendment, enacted by parliament, that would have destroyed an 'essential feature' of the constitution."[111]

Unfortunately, judicial systems in much of the developing world are feeble and ineffective, crippled by endemic corruption, intimidation, politicization, and lack of resources and training. This results in chronic human rights problems, even in formally democratic systems. The problem is intensified in countries such as Colombia, where huge volumes of drug money overwhelm institutional integrity and capacity. Part of the answer lies in reforms (such as those recently adopted in Costa Rica, Colombia, and Ecuador) to professionalize, depoliticize, insulate, and decentralize the judicial system. In addition, judges, prosecutors, and investigators need more training and resources, higher pay to deter temptation, and more effective and honest police to protect them from criminal retribution and to attack organized crime more aggressively.

Stronger and more autonomous institutions—including government auditing agencies and means to monitor the personal assets of public officials—are also needed specifically to combat corruption. The judicial system can hardly remain chaste when the rest of the political system is saturated with corruption, as Diamond explains for the case of Nigeria. The

Thailand shows vividly the linkage between extreme party fractionalization and the institutional weakness of parties and the party system. With around fifty parties winning representation in parliament in just seven elections from 1975 through 1992, elites have been unable to build strong bases of popular support; to articulate, aggregate, and mobilize political interests; to incorporate emerging interests into the political process; and to cooperate with one another in achieving policy innovations. As a result, the military and bureaucracy have been able to claim many of these functions, making it more difficult for independent democratic forces to establish themselves. The weakness and fragmentation of Thailand's party system was a leading factor in the failure of past democratic attempts (notably the 1974–1976 regime), and, with eleven parties having won legislative seats in the September 1992 elections, it remains an obstacle to the evolution and consolidation of a fully democratic system today.

Party system institutionalization is not only reflected in the internal coherence and the organizational depth and resourcefulness of political parties. An important dimension of institutionalization, and a necessary condition for the persistence of institutions through time, is adaptability.[96] A major weakness in the literature on consociational democracy and elite settlements is its failure to recognize the way in which these institutional foundations of democratic stability can erode and unravel because of failure to adapt to social change and to incorporate new groups.[97] Unfortunately, adaptability and incorporation are fostered by features of internal organization, such as decentralization and openness, that may undermine coherence. The ability of central party leaders to choose closed lists of legislative candidates in proportional representation (PR) electoral systems promotes party coherence and control, but it may undermine the ability of parties to incorporate and appeal to new social forces. Switching to open lists or party "primary elections" to elect party slates would promote adaptability, incorporation, and responsiveness but would undermine party coherence (especially in presidential systems, which are otherwise prone to extremely weak party discipline).

The architects of institutional designs and reforms therefore need to chart careful courses, reconciling in various ways two conflicting needs: the need for political parties to be accessible, accountable, and responsive to their constituencies while also preserving (or generating) mechanisms to foster party discipline and coherence.

Electoral systems. Electoral laws are a principal instrument for trying to shape the contours of the party system. The "effective number of parties" represented in parliament is significantly lower in plurality (single-member–district) electoral systems than in PR ones.[98] This fact constitutes strong grounds for many to prefer majoritarian electoral systems in general and the plurality method in particular. The "efficiency" of democracy—"the ability of elections to serve as a means for voters to identify and choose among the competing government options available"—is best served with a majoritarian electoral system, which can provide clear, coherent governing alternatives (ideally between two parties) that are known to the electorate in advance and also a ready, governing majority.[99] Majoritarian (again especially plurality) systems are also seen to enhance governability by avoiding the need to cobble multiple parties and interests together into shaky coalitions and to enhance accountability by making members of parliament answerable to specific, clearly defined constituencies. However, the more majoritarian the electoral system, the greater the distortion (disproportionality) between votes and seats and the less representative the outcome in giving parliamentary place and voice to all interests and views.

There is no perfect way to reconcile or maximize both efficiency and representativeness, and although both systems have their passionate defenders, we are inclined to conclude, with Ken Gladdish, that the choice of electoral system should depend upon the particular historical patterns of cleavage and conflict in each country and also upon which threats to democracy are judged to be more severe: the possible exclusion, alienation, apathy, and illegitimacy of majoritarian outcomes or the possible paralysis, fragmentation, and polarization of proportional ones.[100]

Of course, the choice is not either-or. In seeking to balance representativeness with governability, many countries have implemented moderate systems of PR that, by modifying the pure proportionality of election results, tend to produce a more manageable number of parties in parliament. As a general rule, the greater the district magnitude (i.e., the greater the number of representatives elected from a single district—up to the point where, as in Israel, the entire country constitutes a single district), the more ideological and sectoral interests shape the voting choice, and the greater the effective number of parties. (Direct accountability to voters also declines with district magnitude.) To try to reduce party fragmentation, political engineers may not only reduce district magnitude (down to the single member), they may also modify proportionality by establishing a minimum percentage of the vote (the "threshold") parties must obtain to win representation in parliament. A common minimum is the 5-percent threshold Germany established (in an innovative, two-tier electoral system that is completely proportional but that elects half of the legislators individually, from single-member districts, and half from party lists). Recent work has shown that the "effective threshold"—the combination of district magnitude and the electoral threshold—is the electoral system variable that has the greatest influence on the effective number of parties in parliament and that its effect on the degree of proportionality of election outcomes is even stronger.[101]

Electoral system design can do much to shape party systems and patterns of political mobilization and cleavage. However, it does not do so completely or necessarily immediately. Seeking to prevent a recurrence of the

impetus for reform can only come from outside the political system, however, from a civil society that organizes vigorously to reclaim and reform democracy.

Ethnic and Regional Conflict

For several reasons, ethnicity (loosely defined)—meaning any highly inclusive, distinctive group identity based on culture and common origin, including language, religion, nationality, race, and caste—represents the most difficult type of cleavage for a democracy to manage.[112] Because ethnicity taps cultural and symbolic issues—basic notions of identity and the self, of individual and group worth and entitlement—the conflicts it generates are intrinsically less amenable to compromise than those revolving around issues of material or functional conflict. When the struggle is over the distribution of material costs and benefits, the latter are divisible in a variety of ways. At bottom, ethnic conflicts revolve around exclusive conceptions of legitimacy and symbols of worth. Thus they yield competing demands that tend to be indivisible and therefore zero-sum. As Donald Horowitz has asked, "How does a policymaker divide up the 'glorification' of the national language?"[113]

In deeply divided societies, ethnicity—in contrast to other political cleavages, such as those of class or functional interest—appears permanent and all-encompassing, predetermining who will be included and excluded from power and resources. Democratic elections take on the character of a census and produce a zero-sum game: One ethnic group or coalition or party wins by its sheer demographic weight, and others, in losing, see themselves as becoming excluded not only from the government but also from the larger political community.[114] This fear of permanent exclusion is not unreasonable. The comparative historical record is replete with cases in which a particular ethnic group or narrow coalition—often a distinct minority of the total population—entrenched itself in power indefinitely once it won state control.[115]

At the extreme, different nationality groups may not identify with the state at all. This poses a particular problem for democracy because agreement on the legitimate boundaries and nature of the state—and on who its citizens are—is a prerequisite for the establishment of viable democratic institutions.[116]

For all of these reasons, many scholars have expressed profound skepticism about the possibility for stable democracy in societies in which multiple ethnic identities become politicized. Examining the wave of African and Asian democratic implosions during the 1950s and 1960s, Alvin Rabushka and Kenneth Shepsle concluded that "democracy . . . is simply not viable in an environment of intense ethnic preferences." In what they termed *plural societies* (essentially, deeply divided ones), in which ethnic differences are mobilized to high salience through cohesive political organization, multiethnic coalitions inevitably break down, brokerage institutions disappear, all distributive (not to mention cultural) issues are reflected through the prism of ethnicity, and ethnic moderation becomes untenable.[117] A number of comparative and statistical analyses have seemed to confirm this pessimism.[118]

One means by which democracies manage, soften, complicate, and contain conflict is through the presence or even the generation of crosscutting cleavages. When people who are divided on one line of cleavage, such as religion, interact and find common ground with one another around a different line of cleavage, such as class, they experience psychological "cross-pressures" that tend to moderate their political views and induce them generally toward greater tolerance and accommodation.[119] But such crosscutting cleavage tends to be scarce or weakly felt in the deeply divided societies of Africa and Asia. This is so not only because these societies manifest little class and functional complexity that could crosscut ethnicity. It also has to do with two other features of ethnicity. First, in deeply divided societies, ethnic allegiances are all-encompassing, seeping into "organizations, activities, and roles to which they are formally unrelated."[120] Second, in many deeply divided societies, other objective lines of cleavage cumulate with ethnicity rather than crosscut it, so some ethnic groups are distinctly richer, better educated, and more advanced in industry and commerce than others or are represented disproportionately in the military and bureaucracy.

One of the most vexing aspects of ethnicity for democracy is the extent to which politicians mobilize it shamelessly for their own immediate political advantage. In Nigeria, political mobilization of ethnic consciousness and fear heavily drove the political dynamics that led to the breakdown of the First Republic and the onset of the civil war, and it has been a recurrent feature of electoral politics ever since. In India, the recent intensification and politicization of religious conflict between Hindus and Muslims, which erupted into deadly rioting (claiming more than 1,000 lives) in December 1992, is not the product of "ancient hatreds" but of present-day militant politicians and intellectuals who seek to ride to power by relocating the basis of Indian identity from secular, pluralistic culture to Hindu religious identity and sacred traditions that are sharply distinguished from alien traditions.[121]

Yet as the Nigerian case shows, democracy—with its processes of bargaining, coalition building, and political learning—offers better prospects than authoritarianism for peacefully managing ethnic conflict.[122] If ethnic conflict stems more from the rational pursuit of political opportunities and incentives than from visceral and immutable passions, it can presumably also be contained by restructuring institutions to generate incentives for accommodation and mutual security.

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Managing ethnic conflict. Our own country studies and many others attest to the complexity and diversity of ethnic conflict situations and thus to the inappropriateness of any one, specific formula for conflict management. Nevertheless, there are some broad lessons to be learned and some specific institutional arrangements worth noting.

The most general lesson involves the paramount need to avoid the indefinite and complete exclusion from power of particular groups (whether majority or minority). Majoritarian electoral systems are thus particularly dangerous in divided societies. Rather, different ethnic groups should be induced to pool votes or form coalitions. All significant groups must be given a share of political power—some stake in the system at some level. No minority should be allowed to establish a permanent political hegemony at the center.

Most of all, no one should be denied equal citizenship in the state because of nationality or ethnicity. "In a multi-national, multi-cultural setting, the chances to consolidate democracy are increased by state policies which grant inclusive and equal citizenship, and which give all citizens a common 'roof' of state-mandated, and enforced, constitutional rights."[123] These include the rights of ethnic minorities to use their own culture, religion, and language, as well as to participate in economic and political life fully, free from discrimination. Encroachments on these rights have contributed to the sense of exclusion and the secessionist sentiment and violence among the Kurds in Turkey, and they now cloud democratic prospects in many of the former Communist states of Eastern Europe and the former Soviet Union. Yet secessionist leaders themselves often have little respect for democracy. In return for constitutionally protected group and individual rights, minority leaders must recognize their obligation to affirm the legitimacy and territorial integrity of the state.[124]

One of the stronger generalizations that emerged from our larger study is the danger for democracy of excessive centralization of state power. Where major ethnic or regional cleavages exist that are territorially based, the relationship is by now self-evident and axiomatic: The absence of provisions for devolution and decentralization of power, especially in the context of ethnoregional disparities, feeds ethnic insecurity, violent conflict, and even secessionist pressures.[125]

Secessionist pressures carry a dual threat. Unless they are resolved by political means, through institutions such as autonomy, federalism, or—in the extreme—separate statehood, they can lead to the imposition of authority by force and the deterioration or breakdown of democratic rule. Alternatively, a democratic center can be criticized for its ineptitude in creating, or its weakness in handling, the secessionist crisis, thus opening the way for military intervention. These dangers have threatened or damaged democratic regimes in Peru, Sri Lanka, India, the Philippines, and Sudan, and they figured prominently in the failure of Nigeria's first democratic attempt in the 1960s. Although India has benefited from the multiple, complex character of religious, linguistic, and regional identities—fragmented and crosscut by caste and class formations—its more recent failure to provide a sense of effective political inclusion and equality to diverse ethnic communities (especially Sikhs and Muslims and especially at the state level), or at least to find some stable formula for accommodating and managing diversity, has been a major source of instability. Das Gupta's conclusion from the Indian experience is confirmed by our wider evidence: "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, repression, or manipulation of conflict for the short-term gain of the ruling party, violence festers.

In deeply divided societies, meaningful devolution of power—typically through federalism—is an indispensable instrument for managing and reducing conflict. In India, federalism has functioned, even during lengthy periods of one-party dominance, to give opposition parties a stake in the system, to expand political access to new groups, to give regional and ethnic minorities some autonomous control over resources and local affairs, and to compartmentalize conflicts at the state level so as to minimize their pressure on the center. In Nigeria, federalism has functioned in similar ways during the two most recent democratic experiments, facilitating a more complex politics less prone to polarization. These important conflict-reducing functions have led the ANC constitutional negotiators in South Africa to agree to significant devolution of power to independently elected regional (and eventually municipal) governments—a variant of federalism (although the permanent constitutional provisions remain to be negotiated)—despite the ANC's historical commitment to unitary government.

Decentralization. Decentralization is important to democracy not only to manage ethnic and regional cleavage. Local government that is accountable to local electorates is an important element of the democratic process. In Mexico, centralization and strong presidentialism have been important pillars of one-party hegemony and have become major targets of groups seeking democratic reform. Throughout Latin America, centralization of government power has entrenched the political exclusion of the poor and shielded long-standing authoritarian enclaves from grassroots mobilization to dismantle coercive, violently abusive, and clientelistic practices.[126] In Turkey, state centralization—as reflected in the absence of any tradition of autonomous municipalities and in the dependence of municipal and provincial administrations on the central government—has not only obstructed peaceful resolution of the Kurdish insurgency, it has also increased the stakes for all parties in winning the central government, resulting in the tendency toward violence and intolerance in the electoral struggle. In Thailand, a highly centralized state bureaucracy manifests cynicism and suspicion of

democratic politics. In Senegal, the unresponsiveness to popular concerns and the distance of a highly centralized state from popular reach have not only fueled a sometimes violent resistance movement in the geographically isolated and culturally distant Casamance region but have also undermined the legitimacy of the semidemocratic regime throughout the country. By contrast, the substantial power of local elected councils over community development and services can be a source of democratic vitality, as it has been in Botswana, where opposition party control of some local councils has somewhat mitigated the effect of continuing one-party dominance at the center and thus enhanced commitment to the system.

The devolution and democratization of power at the local level serve democratic consolidation by removing barriers to participation, enhancing the responsiveness and accountability of government, testing innovations in governance, diminishing the winner-take-all character of politics, and giving opposition or minority political parties and social forces a chance to have a share of power, to learn the complexities of governing, and to establish political credibility and responsibility by developing experience first at lower levels of power.[127] In the past few years, Latin American countries have implemented a number of reforms to decentralize government and democratize power at the local level. Colombia, Venezuela, Chile, Nicaragua, Panama, and Paraguay instituted direct elections for mayors and other municipal officials; Colombia and Venezuela also instituted elections for state governors.

Although the capacity for institutional reform is an important condition for democratic persistence, one should not assume that the opportunity is always open. Particularly in deeply divided societies, the window of opportunity to establish accommodative institutions may be only a brief historical moment in time that is either seized or lost—a stalemate in civil war, a regime or leadership transition, the inauguration of a new democracy. At that moment, new policies and constitutional rules must be enacted to generate mutual security and encourage interethnic accommodation, or the room for political maneuver may be drastically narrowed, "and a dynamic of societal conflict will intensify until democratic consolidation becomes increasingly difficult, and eventually impossible."[128]

The Military

In most of the countries in our larger study, democracy has been threatened or overturned by military establishments that regard themselves "as the privileged definers and guardians of the national interest."[129] Typically, however, military role expansion is induced by the corruption, stagnation, and malfunctioning of democratic institutions to the point at which the military is increasingly called upon to maintain order and comes to see itself as the country's only salvation. In virtually every instance among our ten cases of

democratic breakdown by military coup, these interventions have come in the wake of manifest political and economic crises and low levels of regime legitimacy: Brazil in 1964; Chile in 1973; Turkey in 1960 and 1980 (and the "half-coup" in 1971); South Korea in 1961; Thailand in 1976 and 1991; and Nigeria in 1966, 1983, and 1993. The military's size, autonomy, professional doctrine, and role conception may determine its threshold for intervention but do not constitute an independent cause of democratic breakdown. Thus, the single most important requirement for keeping the military at bay is to make democracy work, to develop its institutional capacities so it accrues broad and unquestioned legitimacy.

This is not to say that factors external to the political process do not shape the military's disposition to intervene. External Communist threats, or perceptions of Communist support for indigenous insurgencies, heightened the military's readiness to intervene and rule on behalf of "national security" not only in much of Latin America but also in Thailand and especially South Korea. However, repeated interventions in politics over decades have shaped the mentality of many officers and the formal role conception and organization of the armed forces in ways that continue to impinge upon and constrain the quality and extent of democracy. Once military role expansion occurs, it tends to advance, or at least endure, placing numerous areas of public policy under unaccountable military control.[130]

In Pakistan, Turkey, Thailand, and much of Latin America, new or recent democratic regimes have managed to coexist with powerful militaries by making a strategic decision not to challenge seriously their institutional power and prerogatives. Even in the more democratic Southern Cone countries (Chile, Argentina, and Uruguay), the intimidating power of the military has prevented the pursuit of legal accountability for past human rights violations and constitutes an important obstacle to democratic consolidation. Indeed, in Chile—where General Pinochet has embedded military autonomy into the constitution—it may constitute the main obstacle.

New and insecure democracies must therefore find ways to strengthen (or to begin to develop) civilian control over the military while constraining the military increasingly strictly to the core national security functions appropriate for it to perform in a democracy: defense of external boundaries and sea lanes; combatting of armed threats to the civilian, constitutional order from terrorism, insurgency, and the drug trade; readiness for emergency disaster relief; and participation in international peacekeeping.[131] This requires reducing military influence over nonmilitary issues within the state and eliminating military ownership of or control over nonmilitary institutions. Ultimately, it also means that even on issues directly related to the military and to national security—such as strategy, deployment, and expenditures—military decisionmaking must be subjected to civilian scrutiny and control, thus, it is hoped, enabling a reduction in the size and budget of the armed forces. Finally, control of the military requires that the right of the

military to regulate or intervene in politics and civil society (even informally) be eliminated.

Democratic consolidation demands an active strategy of civilian empowerment, through which civilian scholars and policy specialists acquire credible expertise in military and intelligence affairs, legislatures develop the capacity to monitor military and intelligence systems routinely and responsibly, and democratic state leaders implement "a well conceived, *politically led* strategy toward the military [that] narrows their involvement in state regulation of conflict, builds effective procedures for civilian control, seeks to increase military professional capacities, and lessens the risks—for the polity and for the military—of further military intervention."[132] Given the power of the military in these societies, reduction of military prerogatives must be a gradual process that relies on bargaining, engagement, dialogue, and consensus building rather than blunt confrontation.

The risks of military resistance or rebellion against reform measures will be minimized if civilian leaders seek to reduce the perceived costs to the military by always according it a position of high status, honor, and income and by refraining from using it as a power resource or from interfering in the process of routine promotions and discipline. Unfortunately, as Brazil, Chile, and other Latin American countries have found, it may also be necessary to offer amnesty for human rights violations, but this should not deter society from a thorough effort "to exorcise the ghosts of a dark past" through the systematic discovery and reporting of the truth by an independent and impartial government commission, as in Chile and Argentina.[133]

International Factors

In an influential theoretical movement that dominated academic thinking in the 1970s, dependency theorists maintained that political exclusion and repression of popular mobilization were inevitable concomitants of peripheral status in the global division of labor and the dependent character of capitalist economic development.[134] The authors of the case studies in this book reject that assumption and attribute the course of political development and regime change primarily to internal structures and action. Nevertheless, they do recognize the ways national political regimes and regime change have been shaped by a variety of international factors, including colonial rule, intervention, cultural diffusion, and demonstration effects from abroad.

Any accounting of the colonial legacy has to include not only the authoritarian and statist character of the colonial state, which heavily influenced political norms and models in the postcolonial states, but also the liberal and democratic values conveyed by the British colonizers (and, to a much lesser extent, by the French), which gave India, Sri Lanka, Jamaica, and other British colonies some significant preindependence experience in

self-governance and scope for democratic, pluralist expression and organization.[135] The fact that this experience was much shorter in Africa helps to explain why the democratic legacy in countries such as Nigeria and Ghana was weaker.[136] At the same time, the longer and more liberal participatory French colonial presence in Senegal helps to explain why its postindependence experience was less repressive than those elsewhere in Francophone Africa.

In the postcolonial period and for Turkey and Thailand, which were never colonized, cultural diffusion of democratic norms and models has remained an important stimulant of democratic progress, particularly with the internationalization of the mass media and the rapid increase in the number of foreign students in the United States and other Western democracies. Demonstration effects (or what Schmitter has called "contagion") may also exert a powerful external influence, although these tend to be most potent regionally "among countries that [are] geographically proximate and culturally similar."[137] Since the mid-1970s, demonstration effects—and the phenomenon Samuel Huntington has termed "snowballing"—have contributed to democratic transitions throughout Latin America, the sudden collapse of Communist regimes throughout Eastern Europe in 1989, and the wave of African regime openings in the early 1990s.

The diffusion, demonstration, snowballing, and contagion effects underlying the wavelike expansion of democracy involve more than earlier transitions providing models for later ones. As other (particularly geographically or ideologically proximate) authoritarian regimes fall, the psychological and political context in the remaining regimes alters. Oppositions become inspired and emboldened. Ruling elites lose confidence. As democracy gains greater regional and international momentum, more external resources flow to democratic movements and less to the authoritarian regimes. Powerful international actors become more willing to exert pressure against the remaining authoritarian regimes, which become more isolated. That these effects are preeminently regional in scope is indicated not only by the close temporal clustering of regime changes within regions but also by the regional clustering of regimes scarcely touched by these trends: most of all the Middle East (where a nondemocratic, Islamic fundamentalist model is diffusing) and also East and Southeast Asia, where Communist, authoritarian, and semiauthoritarian regimes (along with some democratic ones) persist. If China undergoes significant political liberalization at some point in the coming years, it would likely generate potent demonstration effects in Asia's nondemocratic regimes.

Historically, the industrialized democracies have been ambivalent about fostering democracy abroad and have often seen it in their interest to support authoritarian regimes, as well as to sanction, subvert, and overthrow popularly elected ones that appeared unfriendly to their geopolitical interests.[138] This policy orientation began to change in the late 1970s under U.S.

President Jimmy Carter, and democratic pressure and assistance from the Western democracies accelerated notably during the 1980s and early 1990s.

Under certain conditions—weak or eroding internal legitimacy, ruling elite divisions, significant democratic mobilization from political and civil society—international diplomatic and economic pressures can contribute to democratization or political liberalization. When carefully applied, diplomatic pressures have worked to narrow the domestic support of authoritarian regimes and to aggravate the divisions within them. Carter administration human rights pressure on Uruguay and especially Argentina, including cutoffs of military and economic aid and other sanctions, had this kind of effect while bringing significant improvements in those human rights situations.[139] President Carter's human rights policies and diplomatic initiatives also supported democratic transition in Peru, "prevented an authoritarian relapse" in Ecuador in 1978, and in that same year deterred vote fraud in the Dominican Republic's presidential election.[140]

Pressure from the Reagan administration, the U.S. Congress, and international public opinion, interacting with rising domestic mobilization and a loss of business confidence, led Philippine dictator Ferdinand Marcos to call the 1986 presidential "snap election" that independent election observers judged he lost to Corazon Aquino. In the tense days following the February 7 vote, a deliberate U.S. policy to "accelerate the transition" helped to frustrate Marcos's effort to retain power through massive electoral fraud.[141] During the Reagan years, U.S. diplomatic and economic pressure, and its symbolic support for human rights and peaceful democratic change, ultimately contributed to democratic transitions in Chile and South Korea as well, while preventing planned military coups in El Salvador, Honduras, and Bolivia in the early 1980s and in Peru in January 1989.[142] "In each case, however, international support for democracy *reinforced* domestic groups and sectors of the military opposed to military intervention."[143]

Regional pressure can also make a difference. At its historic June 1991 Santiago meeting, the Organization of American States (OAS) adopted a resolution mandating steps to promote and defend democracy following its rupture anywhere in the region. Two years later, when Guatemalan President Jorge Serrano attempted to seize absolute power in an *autogolpe*, the OAS member states stood united in warning "that Guatemala would face political isolation and economic sanctions if constitutional rule remained disrupted."[144] Again, however, OAS and international pressure worked as rapidly as it did only because of the massive mobilization of Guatemalan civil society.[145]

Several other dimensions of international engagement affected democratic prospects during the 1980s and the early 1990s. Economic sanctions and the general international isolation of the apartheid regime played a role in inducing South Africa's business establishment and, ultimately, the ruling National Party elites in South Africa to opt for a negotiated transition to

democracy. The movements (to varying degrees) by the major Western donors toward conditioning aid on human rights, democracy, and good governance pressed a number of African regimes to legalize opposition parties and hold competitive, internationally monitored elections that in several countries (such as Benin, Zambia, Madagascar, and Malawi) led to the defeat of the ruling party. Elsewhere, as in Kenya, donor pressure forced political liberalization and reform, but factionalism among democratic forces squandered the opportunity for full democratization.[146]

Conditionality can be especially potent when it is embedded in standing provisions of a bilateral relationship or multilateral charter. The requirement of the European Community (now the European Union, or EU) that its member states manifest "truly democratic practices and respect for fundamental rights and freedoms" provided an important incentive for democratic consolidation in Spain, Portugal, and Greece.[147] That same incentive now operates in Turkey and the new democracies of Central and Eastern Europe, all of which seek admission to the EU. Similar conditionality attaches to membership in the Council of Europe, which several East European democracies have recently obtained, and to lending from the European Bank for Reconstruction and Development. Increasingly, would-be autocrats have to ponder the heavy price their country would pay in loss of aid, capital, trade, investment, and symbolic status if they were to roll back democracy. And formally democratic regimes like Turkey's must weigh the impact of their policies on ethnic minorities and other human rights issues against these valued goals.

External political assistance to democratic movements and regimes can also advance the democratic prospect. Following the model of the German party foundations, which gave important assistance to democratic parties and the democratization process in Spain and Portugal during the 1970s (and to other countries before and thereafter), the United States established the National Endowment for Democracy in the early 1980s. Similar nongovernmental organizations to promote democracy and human rights, with public funding, have been established in Canada and Great Britain, and official aid organizations—such as the Swedish International Development Authority and the U.S. Agency for International Development—are also heavily involved in assisting the development of democratic organizations in civil society as well as effective legislative, judicial, and local government institutions. These international assistance efforts have helped significantly to lay the groundwork in civil society for successful democratic transitions, and to support free and fair elections—especially founding elections in countries such as the Philippines, South Korea, Chile, Nicaragua, Bulgaria, Zambia, and South Africa—through the provision of technical assistance, support for independent organizations, and international observer teams.

Currently, dozens of governmental, quasi-governmental, and nongovernmental actors provide thousands of grants and projects to strengthen

the political, cultural, and societal foundations of democracy in post-transition settings.[148]

Economic assistance can also give an important boost to the consolidation of new and vulnerable democracies, particularly those having to implement extremely painful stabilization and structural adjustment measures. In these contexts, economic assistance can help significantly by writing off portions of a country's external debt, providing cash for a currency stabilization fund, and helping to underwrite a social safety net (such as unemployment compensation) for those displaced by economic reform measures. In the early 1990s, Poland benefited significantly from the first two types of assistance.

Beyond assistance, diplomacy, and sanctions, there is also the blunter instrument of force or even conquest. Several of the world's now established democracies were imposed by foreign powers following defeat in war or colonization.[149] But the democratic successes of Allied occupation after World War II in Germany, Austria, and Japan are not likely to be replicable, and certainly no democrat would wish for war as a means of implanting democracy. U.S. military action did help to save the Aquino presidency from a coup attempt and to topple the Noriega dictatorship in Panama in 1989, and international (mainly U.S.) forces restored Haiti's democratically elected president, Jean-Bertrand Aristide, to power in 1994. But at most, such interventions can provide an opportunity for democracy, the outcome of which will be largely determined by domestic actors and structures.

Overall, the importance of the international and regional contexts for democratization and democratic consolidation, or at least their positive effect, appears to have increased significantly over the past two decades. This increase is not merely a result of the discrete actions, policies, and assistance programs of established democracies and multilateral institutions (as well as nongovernmental actors) but also of the cumulative effect of all of these efforts in generating a global normative climate inhospitable to authoritarian rule. This climate and its underlying policies have been heightened by the end of the Cold War, with its powerful competing geostrategic rationales, and by the growing conviction that the expansion of democracy serves international peace and security. However, whether the collective emphasis on democracy and democracy promotion will endure with the rise of new strategic threats, real or perceived, remains to be seen.

Consolidating Democracy

In this chapter we have surveyed the principal structural and institutional factors that facilitate and obstruct the development of democracy. But in the end, democracy does not arrive or persist by some political or sociological "hidden hand." Structural factors make democracy more or less likely but neither inevitable nor impossible. Democracy is more likely—in particular,

more likely to survive—where poverty and inequality are limited and levels of education and income are generally high; where cultural norms value democracy, tolerance, bargaining, and accommodation, and efficacious citizens join together in a wide range of civil society organizations; where ethnic pluralism is limited, or different ethnic and nationality groups form coalitions and feel secure with one another; where military prerogatives and roles are limited, and a country's valued regional and international ties depend on its being or becoming democratic. But no country that has become democratic has done so under purely favorable structural conditions. Democracy cannot commence without democrats—political leaders and players who, for whatever motives, commit themselves to advancing their interests and waging their conflicts according to written (and unwritten) rules that institutionalize uncertainty.

The literature on democratic transitions has identified political leadership, regime factionalism, elite settlement, political pacts, contingent choice, strategic interaction, and similar behavioral phenomena as the key variables that drive democratic transitions.[150] Yet social structures and historical legacies circumscribe and confine the choices available to various political actors at a particular time. As Terry Lynn Karl has argued, "Structural and institutional constraints determine the range of options available to decision makers and may even predispose them to choose a specific option."[151]

This same interplay between structure and choice, history and contingency, institutions and action shapes the effort to consolidate democracy. Consolidation is the process by which democracy becomes so broadly and profoundly legitimate and so habitually practiced and observed that it is very unlikely to break down. As Linz and Stepan have argued, consolidation is signaled by three interrelated changes:

> Behaviorally . . . no significant national social, economic, political or institutional actor in the country spends significant resources attempting to achieve their objectives by creating a non-democratic regime or by seceding from the state.
>
> Attitudinally . . . a strong majority of public opinions holds the belief that democratic procedures and institutions are the most appropriate way to govern collective life in a society such as theirs, and . . . support for anti-system alternatives is quite small [and] isolated. . . .
>
> Constitutionally . . . governmental and non-governmental forces alike become habituated to the resolution of conflict within the specific laws, procedures and institutions sanctioned by the new democratic process.[152]

To be sure, democratic consolidation is heavily facilitated by favorable structural, cultural, and historical factors. A long prior historical tradition of democracy and party politics, as in Chile and Uruguay, adds significantly to the legitimacy of a restored democracy. So does a recent historical experience with authoritarian rule that is widely discredited, as in Argentina and

many of the former Communist countries, or a process of social and economic change—as in Spain, South Korea, and Taiwan—that alters the class structure of society, its political values, and its relationship to the industrialized democracies. Constitutional and electoral system designs that intelligently channel the underlying patterns of cleavage and tension can bound the uncertainty of democratic competition sufficiently to encourage all democratic actors to habituate themselves to the rules much more quickly and unconditionally.

However, democratic consolidation is essentially a process of "crafting," an exercise of conscious leadership and strategy—like state building, a work of art.[153] One of the first and most important elements of this crafting comes at the very beginning, with the design of a new constitution and electoral system, or later—and with greater risk and difficulty—in the struggle to redesign flawed institutions imposed by the authoritarian regime or resurrected from the past. Precisely because the constitution sets the parameters and structures the incentives for the democratic game, it is crucially important to adopt a constitution—through means that produce broad popular consent and legitimacy—as soon as possible in the life of a new democracy. It is no less important to configure institutions so as to foster accommodation and mutual security, discourage polarization and exclusion, protect ethnic minorities, and in general give all major social, economic, and political actors a stake in the system. If democratic forces do not act early and wisely to set the right institutional parameters, the "constitutional moment" may pass, and the quest for consolidation may be gravely handicapped from the start.[154]

After the transition, elected leaders of government and their interlocutors among the parties face several other characteristic challenges of statecraft: to gradually narrow military prerogatives and roles and establish civilian control; to stabilize and restructure the economy to facilitate sustainable economic growth over the long run; to overcome ethnic insecurity and even violent insurgency; to control high rates of crime, violence, and lawlessness.

Many of these challenges require not just state reform but also state *building*. Economic reform means not only getting the state out of owning, running, and over-regulating a vast array of enterprises but also empowering it to perform effectively the enabling and regulating functions any modern market economy needs: maintaining a stable currency; controlling monopolies; protecting the environment; encouraging capital formation; providing education, infrastructure, and other public goods; and raising equitably and efficiently the revenue to pay for these public goods and services. In most new democracies, this requires modernizing the state bureaucracy and paying it sufficiently well to attract trained and committed talent, as well as to deter corruption.

State building is crucial in a second sense as well. A democratic order

presumes, first, order; unless fragile new democracies such as Russia and South Africa can impose the authority of the state—with its monopoly on the use of legitimate force—over heavily armed private mafias, gangs, and militias, democracy is not possible. Democrats must therefore walk a fine line between protecting the individual from the state and mobilizing the state to protect the individual from predatory and anarchic forces in society. This balance can only be struck with the construction of a modern police force and legal system that gradually institutionalize a true rule of law.

To consolidate democracy, elected leaders must therefore tackle multiple tasks. They must build institutions, reform institutions, and in some cases dismantle institutions (such as a military intelligence apparatus that spies on domestic civilian life). They must manage the economy and deal with some of the major problems their society confronts, even if progress on the latter is selective and incremental. Procedurally, they must govern with sufficient accountability and faithfulness to law and constitution to enhance the legitimacy of the constitutional system (compensating for the inevitable shortcomings in their substantive performance). Although short-term economic performance is important, the experience of third-wave democracies suggests it may be less important than establishing the proper institutional frameworks for economic growth and governmental effectiveness in the long run.

Effectiveness at these governmental and state-building tasks demands effective engagement by political and civil society. Political parties remain essential for meeting several of the governance challenges of consolidation: forming a government that has sufficient legislative support to act decisively on the key policy challenges; structuring relations between government and opposition not only to define policy alternatives and heighten accountability but also to pursue broader consensus on the most urgent policy challenges; and mobilizing a sufficient base of popular support, among both party loyalists and allied groups in society, to enable the government to carry out difficult reforms and innovations.

Yet in the contemporary world, political parties alone cannot mobilize sufficient support, participation, or accountability. Civil society organizations and the mass media thus have crucial roles to play in stimulating participation and cultivating the habits and norms of democratic citizenship, as well as in educating mass publics and mobilizing them behind political, economic, and social reforms. This is not to minimize the myriad conflicts over values and interests that will also be played out in the clash of parties and interest groups, but there, too, civil society can help to consolidate democracy by giving voice and power to previously marginalized or voiceless groups. No less critical is the role civil society must play—and *only* civil society can play—in scrutinizing the state and political arenas and securing accountability. Democratic consolidation is not possible—and once achieved, later risks unraveling—when citizens perceive their elected offi-

cials to be a class apart, serving their own interests at the expense of society.

As boundaries erode and ties proliferate, international actors of all kinds have real scope to help develop the formal institutions and practices of democracy, to help educate new democracies about the range and implications of institutional choices, to help empower civil society actors and techniques, to help facilitate economic reform and cushion its pain, and to deter antisystem forces from resisting reform by threatening or overthrowing democracy. Of course, these international influences are secondary and not decisive. But to democratic leaders faced with multiple forbidding obstacles to consolidation, timely, generous, discreet, and carefully structured support must appear welcome and may even help to tip the balance. For heavily indebted middle-income countries, it may at least buy democratic leaders more room for maneuver to enact reforms and thus speed the process of consolidation. In some of the impoverished countries of Asia and Africa, debt relief and development assistance—heavily conditioned on democracy and reform—along with help in building democratic institutions, may make possible an otherwise impossible challenge of developing democracy.

Another, more subtle international variable may also bear on the prospects for democratic consolidation and survival. As Samuel Huntington in particular has noted, the expansion of democracy during the third wave has coincided with the international dominance of the United States and other Western democracies.[155] Democratic transitions during this period have been driven by powerful indigenous political conflicts and aspirations, but they have also drawn inspiration from the successful examples of democracy in the West. Ironically, as democracy has expanded at the periphery over the past twenty years, it has weakened at the core. Italy and Japan are undergoing wrenching political transformations as they seek to purge entrenched patterns of political corruption and reorganize their party and electoral systems.[156] Western Germany is still struggling to incorporate its eastern *Länder* and to overcome the "wall in the mind."[157] And in the United States, electoral participation, civic engagement, and trust in government have steadily declined for decades, as government appears unable to respond effectively to deep structural problems in the society and the economy.[158]

It is a dangerous fallacy to view consolidation as a one-time, irreversible process. Democracies come and go. Over time, they may become legitimated, institutionalized, and consolidated. But as their institutions decay and democratic beliefs and practices erode, they may also become deconsolidated. Arguably, this is what has happened to Venezuela and India as they struggle to re-equilibrate. Decay has not by any calculus progressed as far in Italy or Japan, not to mention the United States. But even established democracies have demagogues who blame the failings of society on democracy itself. One should not assume that in the face of severe societal

crisis and prolonged governmental inefficacy and corruption, these demagogues could not gain a wider following.

In contrast to all other regime types, democracies depend for their survival almost exclusively on a widely shared belief in their legitimacy. This belief is passed on from one generation to the next, but it must be renewed in each generation—not only through faith and ritual but also through practice and performance. What enables performance to continue to be effective, and institutions to work and command legitimacy, is not just stability but periodic adaptation and reform as well. Reform is the challenge presently facing the world's established democracies, and their success in meeting that challenge will affect not only the quality of their own political systems but, most likely, the prospects for democracy worldwide.

Notes

1. For all twenty-six case studies, see Larry Diamond, Juan J. Linz, and Seymour Martin Lipset, eds., *Democracy in Developing Countries*, vols. 2, *Africa;* 3, *Asia;* and 4, *Latin America* (Boulder, Colo.: Lynne Rienner Publishers, 1988 and 1989).

2. Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman: University of Oklahoma Press, 1991). Philippe Schmitter identifies the post-1974 democratic expansion as a fourth wave, with previous waves beginning in 1848 and after World Wars I and II. Philippe C. Schmitter, "The International Context of Contemporary Democratization," *Stanford Journal of International Affairs* 2, no. 1 (Fall–Winter 1993): 1–29.

3. On this debate see the interview with Lee Kuan Yew, *Foreign Affairs* 73, no. 2 (March–April 1994): 109–126; Kim Dae Jung, "Is Culture Destiny: The Myth of Asia's Anti-Democratic Values," *Foreign Affairs* 73, no. 6 (November–December 1994): 189–194; and Francis Fukuyama, "Confucianism and Democracy," *Journal of Democracy* 6, no. 3 (April 1995): 20–33.

4. On the problems and constraints of democratic functioning in Latin America, see Guillermo O'Donnell, "Delegative Democracy," *Journal of Democracy* 5, no. 1 (January 1994): 55–69; and Larry Diamond, "Democracy in Latin America: Degrees, Illusions, and Directions for Consolidation," in Tom Farer, ed., *Beyond Sovereignty: Collectively Defending Democracy in the Americas* (Baltimore: Johns Hopkins University Press, 1995).

5. This neglect is overcome to some extent in Arend Lijphart's creative and enterprising study, *Democracies: Patterns of Majoritarian and Consensus Government in Twenty-One Countries* (New Haven, Conn.: Yale University Press, 1984). However, Lijphart's focus is mainly on political structure, and the comparison is limited to the continuous and stable democracies of the advanced industrial countries.

6. *Freedom Review*, January–February 1995; and Freedom House, *Freedom in the World, 1994–1995* (New York: Freedom House, 1995). Each year since 1973, Freedom House has rated every country in the world on twin seven-point scales that measure political rights (of contestation, opposition, and participation) and civil liberties (of expression, information, organization, due process, and so on). On each scale, a rating of one signifies the most free and seven the least free. Countries whose average score on the two scales is 2.5 or lower are considered "free," whereas those that range from 3 to 5.5 are termed "partly free" and those from 5.5 to 7.0 "not free."

7. On this point, see as well Manuel Antonio Garretón, "Redemocratization in Chile," *Journal of Democracy* 6, no. 1 (January 1995): 146–158.

8. Robert A. Dahl, *Polyarchy: Participation and Opposition* (New Haven, Conn.: Yale University Press, 1971), pp. 3–20; Joseph Schumpeter, *Capitalism, Socialism and Democracy* (New York: Harper and Row, 1942); Seymour Martin Lipset, *Political Man*, expanded and updated ed. (Baltimore: Johns Hopkins University Press, 1981), p. 27; Juan Linz, *The*

Breakdown of Democratic Regimes: Crisis, Breakdown, and Reequilibration (Baltimore: Johns Hopkins University Press, 1978), p. 5. Also, Joseph E. Ryan, "Survey Methodology," *Freedom Review* 26, no. 1 (January–February 1995): 10–12 (or in the 1993–1994 or 1994–1995 *Freedom in the World*). See in particular the Freedom House checklists of political rights and civil liberties.

9. Philippe C. Schmitter and Terry Lynn Karl, "What Democracy Is . . . and Is Not," *Journal of Democracy* 2, no. 3 (Summer 1991): 75–88.

10. O'Donnell, "Delegative Democracy"; see also Francisco C. Weffort, "'New Democracies': Which Democracies?" Woodrow Wilson Center for International Scholars, Washington, D.C., January 1992. For a definitive analysis of the vast array of terms denoting such "diminished subtypes" of democracy, see David Collier and Steven Levitsky, "Democracy 'with Adjectives': Finding Conceptual Order in Recent Comparative Research," paper presented to the Annual Meeting of the American Political Science Association, New York, September 1–4, 1994.

11. The distinction between authoritarian and totalitarian regimes has a long intellectual history. See Juan J. Linz, "Totalitarian and Authoritarian Regimes," in Fred I. Greenstein and Nelson W. Polsby, eds., *Handbook of Political Science* (Reading, Mass.: Addison-Wesley, 1975), vol. 3, pp. 175–411.

12. Linz, *Breakdown of Democratic Regimes*, pp. 16–17. See also Lipset, *Political Man*, p. 64; and Dahl, *Polyarchy*, pp. 129–131.

13. Linz, *Breakdown of Democratic Regimes*, p. 20.

14. Lipset, *Political Man*, pp. 67–71.

15. Larry Diamond, "Conclusion: Causes and Effects," in Larry Diamond, ed., *Political Culture and Democracy in Developing Countries* (Boulder, Colo.: Lynne Rienner Publishers, 1993), pp. 425–432.

16. Lipset, *Political Man*, pp. 64–70; Dahl, *Polyarchy*, pp. 129–150; and Linz, *Breakdown of Democratic Regimes*, pp. 16–23.

17. Juan Linz and Alfred Stepan, "Political Crafting of Democratic Consolidation or Destruction: European and South American Comparisons," in Robert A. Pastor, ed., *Democracy in the Americas: Stopping the Pendulum* (New York: Holmes and Meier, 1989), pp. 41-47.

18. Juan J. Linz and Alfred Stepan, *Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-Communist Europe* (Baltimore: Johns Hopkins University Press, forthcoming), Chapter 5.

19. Karen L. Remmer, "The Political Impact of Economic Crisis in Latin America in the 1980s," *American Political Science Review* 85, no. 3 (September 1991): 777–800.

20. Diamond, "Democracy in Latin America."

21. Linz and Stepan, "Political Crafting of Democratic Consolidation or Destruction," p. 43.

22. On the role of corruption in the 1991 coup in Thailand, see Catharin Dalpino, "Thailand's Search for Accountability," *Journal of Democracy* 2, no. 4 (Fall 1991): 61–72. The relationship between corruption and democracy is also examined historically, comparatively, and prescriptively in the articles by Michael Johnston, Larry Diamond, and Robert Klitgaard in that issue. These four articles also appear in Larry Diamond and Marc F. Plattner, eds., *The Global Resurgence of Democracy* (Baltimore: Johns Hopkins University Press, 1993), pp. 193–244.

23. John D. Holm, "Botswana: A Paternalistic Democracy," in Diamond, Linz, and Lipset, *Democracy in Developing Countries: Africa*, pp. 196–199.

24. Karen L. Remmer, "The Political Economy of Elections in Latin America, 1980–91," *American Political Science Review* 87, no. 2 (June 1993): 402.

25. Barbara Geddes, "Challenging the Conventional Wisdom," *Journal of Democracy* 5, no. 4 (special issue on Economic Reform and Democracy) (October 1994): 115.

26. Remmer, "The Political Economy of Elections in Latin America, 1980–91"; Adam Przeworski, *Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America* (Cambridge: Cambridge University Press, 1991), pp. 164–165.

27. Moisés Naím, "Latin America: The Second Stage of Reform," *Journal of Democracy* 5, no. 4 (October 1994): 32–48.

28. Carol Graham, *Safety Nets, Politics, and the Poor: Transitions to Market Economies* (Washington, D.C.: Brookings Institution, 1994). In at least some developing countries, such programs can supplement existing welfare and poverty alleviation efforts. In the transition from socialism, however, as in Eastern Europe and the former Soviet Union, a key element of the reform challenge is to construct from scratch an entirely new system for welfare delivery and income maintenance. Przeworski, *Democracy and the Market*, p. 161.

29. These issues and extensive evidence for the compatibility of democracy and economic reform are found in a number of the contributions to the *Journal of Democracy* 5, no. 4 (October 1994), and to the larger volume containing that special issue: Larry Diamond and Marc F. Plattner, eds., *Economic Reform and Democracy* (Baltimore: Johns Hopkins University Press, 1995). See also Larry Diamond, "Democracy and Economic Reform: Tensions, Compatibilities, and Strategies for Reconciliation," in Edward Lazear, ed., *Economic Transition in Eastern Europe and Russia: Realities of Reform* (Stanford, Calif.: Hoover Institution Press, 1995), pp. 107–158.

30. Graham, *Safety Nets, Politics, and the Poor.*

31. Juan J. Linz and Alfred Stepan, eds., *The Breakdown of Democratic Regimes*, 4 vols. (Baltimore: Johns Hopkins University Press, 1978).

32. Linz, *Breakdown of Democratic Regimes*, pp. 27–38. For extensive evidence of the role of violence and terror, and party reactions to them, in the breakdown or persistence of democracies, see G. Bingham Powell Jr., *Contemporary Democracies: Participation, Stability, and Violence* (Cambridge, Mass.: Harvard University Press, 1982), pp. 155–170.

33. Ibid., Powell, p. 174.

34. Sung-joo Han, "South Korea: Politics in Transition," in Diamond, Linz, and Lipset, *Democracy in Developing Countries: Asia*, p. 285.

35. For an early influential analysis emphasizing the crucial importance of Chiang's leadership vision and skill, see Ramon H. Myers, "Political Theory and Recent Political Developments in the Republic of China," *Asian Survey* 27, no. 9 (September 1987): 1007, 1019–1021.

36. On President Lee's leadership role, see Ramon H. Myers, "Building the First Chinese Democracy: The Crises and Leadership of President Lee Teng-hui," in Jason C. Hu, ed., *Quiet Revolutions on Taiwan, Republic of China* (Taipei: Kwang Hwa Publishing Co., 1994), pp. 43–72.

37. For an analysis of the full range of economic, social, and international (as well as political and institutional) factors giving rise to the democratic transition in Taiwan, see Hung-mao Tien, *The Great Transition: Political and Social Change in the Republic of China* (Stanford, Calif.: Hoover Institution Press, 1989); Tun-jen Cheng and Stephan Haggard, eds., Political Change in Taiwan (Boulder, Colo.: Lynne Rienner Publishers, 1992); and Yun-han Chu, *Crafting Democracy in Taiwan* (Taipei: Institute for National Policy Research, 1992).

38. Gabriel A. Almond and Sidney Verba, *The Civic Culture* (Princeton, N.J.: Princeton University Press, 1963); Sidney Verba, "Conclusion: Comparative Political Culture," in Lucian W. Pye and Sidney Verba, eds., *Political Culture and Political Development* (Princeton, N.J.: Princeton University Press, 1965), pp. 512–560; Dahl, *Polyarchy*, pp. 129–162; Lipset, *Political Man*; Seymour Martin Lipset, *The First New Nation* (New York: W. W. Norton, 1979), part 3; Robert D. Putnam, with Roberto Leonardi and Raffaella Y. Nanetti, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton, N.J.: Princeton University Press, 1993); and Larry Diamond, "Introduction: Political Culture and Democracy," in Diamond, *Political Culture and Democracy in Developing Countries*, pp. 10–15.

39. Richard Sisson, "Culture and Democratization in India," in Diamond, *Political Culture and Democracy in Developing Countries*, pp. 37–66.

40. These patterns are not unique to South Africa but have commonly emerged in response to the depredations of authoritarian rule throughout Africa. See Naomi Chazan, "Between Liberalism and Statism: African Political Cultures and Democracy," in Diamond, *Political Culture and Democracy in Developing Countries*, pp. 67–105.

41. Paul E. Sigmund, "Christian Democracy, Liberation Theology, and Political Culture in Latin America," in Diamond, *Political Culture and Democracy in Developing Countries*, p. 343. See also Robert Barros, "The Left and Democracy: Recent Debates in Latin America," *Telos* 68 (1986): 49–70; Linz and Stepan, "Political Crafting of Democratic Consolidation or Destruction," p. 47; and Larry Diamond and Juan J. Linz, "Introduction: Politics, Society, and Democracy in Latin America," in Diamond, Linz, and Lipset, *Democracy in Developing Countries: Latin America*, p. 12.

42. Nancy Bermeo, "Democracy and the Lessons of Dictatorship," *Comparative Politics* 24 (April 1992): 273–291.

43. Seymour Martin Lipset, "Some Social Requisites of Democracy," *American Political Science Review* (March 1959): 69–105, republished as "Economic Development and Democracy," in Lipset, *Political Man*, Chapter 2. For a review of this literature, see Larry Diamond, "Economic Development and Democracy Reconsidered," *American Behavioral Scientist* 35, no. 4–5 (March–June 1992): 450–499, also published in Gary Marks and Larry Diamond, eds., *Reexamining Democracy: Essays in Honor of Seymour Martin Lipset* (Newbury Park, Calif.: Sage Publications, 1992), pp. 93–139.

44. Dahl, *Polyarchy*, pp. 67–68; Samuel P. Huntington, "Will More Countries Become Democratic?" *Political Science Quarterly* 99, no. 2 (Summer 1984): 201.

45. United Nations Development Programme, *Human Development Report 1994* (New York: Oxford University Press, 1994), pp. 90–101.

46. Diamond, "Economic Development and Democracy Reconsidered," pp. 465–468.

47. Lipset, *Political Man*, p. 45.

48. Ibid., p. 51; Dahl, *Polyarchy*, p. 81.

49. Alex Inkeles and Larry Diamond, "Personal Qualities as a Reflection of Level of National Development," in Frank Andrews and Alexander Szalai, eds., *Comparative Studies on the Quality of Life* (London: Sage Publications, 1980), pp. 73–109.

50. Lipset, *Political Man*, pp. 51–52.

51. Dietrich Rueschemeyer, Evelyne Huber Stephens, and John D. Stephens, *Capitalist Development and Democracy* (Chicago: University of Chicago Press, 1992).

52. Tun-jen Cheng, "Democratizing the Quasi-Leninist Regime in Taiwan," *World Politics* 41 (1989): 471–499.

53. The fifty-five (predominantly African and Asian) countries the UNDP ranks as having "low human development" have an average of 9 radios, 2.4 televisions, 2.1 daily newspapers, and 0.7 telephones per 100 people, compared to the seventeen developing countries with high human development, which average 47 radios, 17.7 televisions, 27.8 daily newspapers, and 18.7 telephones per 100 people. UNDP, *Human Development Report 1994*, Table 2, pp. 132–133.

54. The ten developing countries with populations above one million that maintained democracy, or at least a constitutional near-democracy, continuously from 1965 (India, Sri Lanka, Costa Rica, Colombia, Venezuela, Jamaica, Trinidad and Tobago, Botswana, Mauritius, and Papua New Guinea) reduced their infant mortality by a median annual rate of 3.25 percent from 1965 to the late 1980s, compared with a median annual reduction of 2.3 percent among ten of the most prominent continuous dictatorships in this period. Diamond, "Economic Development and Democracy Reconsidered," p. 487. Between 1960 and 1992, Botswana realized the greatest absolute increase in its score on the Human Development Index of any of the 114 countries for which the UNDP presents time series data (except for Malaysia, with which it was tied). UNDP, *Human Development Report 1994*, p. 96.

55. Lipset, *Political Man*, p. 29.

56. Samuel P. Huntington and Joan M. Nelson, *No Easy Choice: Political Participation in Developing Countries* (Cambridge, Mass.: Harvard University Press, 1976), p. 23.

57. For a review of several decades of literature examining this issue, see Adam Przeworski and Fernando Limongi, "Political Regimes and Economic Growth," *Journal of Economic Perspectives* 7, no. 3 (1993): 51–69.

58. Adam Przeworski and Fernando Limongi, "Democracy and Development," paper presented to the Nobel Symposium "Democracy's Victory and Crisis," Uppsala University, Sweden, August 27–30, 1994, p. 14.

59. John Booth, "Costa Rica: The Roots of Democratic Stability," in Diamond, Linz, and Lipset, *Democracy in Developing Countries: Latin America*, pp. 389–391.

60. World Bank, *World Development Report* 1994 (New York: Oxford University Press, 1994), Table 30, pp. 220–221. The top fifth of Brazil's income earners also take the highest share in the world (67.5 percent). See Table 1.1 for comparisons with other cases in this volume. The Brazilian data are from 1989.

61. United Nations Development Programme, *Human Development Report 1994*, p. 99.

62. Ibid., p. 98.

63. Michael P. Todaro, *Economic Development in the Third World*, 2d ed. (New York: Longman, 1981), p. 165.

64. World Bank, *World Development Report 1994*, Table 25, p. 210.

65. See Przeworski and Limongi, "Democracy and Development," pp. 9, 10, and 18 (Table 5). For their entire sample of regimes across several decades, democracies averaged population growth rates of 1.48 percent and dictatorships of 2.51 percent. This is not some artifact of the association between democracy and higher levels of development. Dictatorships exhibited higher (often substantially higher) average rates of population growth in every one of ten levels of per capita GDP.

66. Larry Diamond, "Rethinking Civil Society: Toward Democratic Consolidation," *Journal of Democracy* 5, no. 3 (July 1994): 5. Many of the themes in this section are elaborated in that article.

67. Ibid., pp. 6–7.

68. On the distinction between civil society and political society, see Alfred Stepan, *Rethinking Military Politics* (Princeton: Princeton University Press, 1988), Chapter 1; and Linz and Stepan, *Problems of Democratic Transition and Consolidation*.

69. See, for example, John Keane, ed., *Civil Society and the State: New European Perspectives* (London: Verso, 1988); Bronislaw Geremek, "Civil Society Then and Now," *Journal of Democracy* 3, no. 2 (April 1992): 3–12; Samuel P. Huntington, "Will More Countries Become Democratic?" *Political Science Quarterly* 99, no. 2 (Summer 1984): 204; Lipset, *Political Man*, p. 52.

70. O'Donnell and Schmitter, *Transitions from Authoritarian Rule: Tentative Conclusions About Uncertain Democracies*, Chapter 5.

71. For a first-person account, see Monica Jimenez de Barros, "Mobilizing for Democracy in Chile: The Crusade for Participation and Beyond," in Larry Diamond, ed., *The Democratic Revolution: Struggles for Freedom and Pluralism in the Developing World* (New York: Freedom House, 1992), pp. 73-88.

72. Christine Sadowski, "Autonomous Groups as Agents of Democratic Change in Communist and Post-Communist Eastern Europe," in Diamond, *Political Culture and Democracy in Developing Countries*, pp. 163–195.

73. John W. Harbeson, Donald Rothchild, and Naomi Chazan, eds., *Civil Society and the State in Africa* (Boulder, Colo.: Lynne Rienner Publishers, 1994); Peter Lewis, "Political Transition and the Dilemma of Civil Society in Africa," *Journal of International Affairs* 27, no. 1 (Summer 1992): 31–54; Naomi Chazan, "Africa's Democratic Challenge: Strengthening Civil Society and the State," *World Policy Journal* 9 (Spring 1992): 279–308; Chazan, "Between Liberalism and Statism," pp. 67–105; and Michael Bratton and Nicolas van de Walle, "Toward Governance in Africa: Popular Demands and State Response," in Goran Hyden and Michael Bratton, eds., *Governance and Politics in Africa* (Boulder, Colo.: Lynne Rienner Publishers, 1992), pp. 27–56.

74. Putnam, *Making Democracy Work*, Chapters 4–6. Putnam and his fellow researchers found that a significant correlate of successful (democratic) government was the dense presence of "horizontally ordered groups," even sports clubs, choral societies, and cultural associations that might seem to fall outside our definition of civil society. However, in empowering citizens "to engage in collective deliberation about public choices" (p. 115), such groups turn out to manifest a concern with collective welfare—the civic good—that marks them as elements of civil society.

75. On this point, see also Steven Friedman, "An Unlikely Utopia: State and Civil Society in South Africa," *Politikon* 19, no. 1 (December 1991): 5–19.

76. Kehla Shubane and Pumla Madiba, "The Struggle Continues?: Civic Associations in the Transition," Research Report No. 25 (1992), Centre for Policy Studies, Johannesburg, South Africa; see also Diamond, "Civil Society and Democratic Consolidation," pp. 66–67.

77. Putnam, *Making Democracy Work*, p. 183.

78. See, for example, Larry Diamond, "Three Paradoxes of Democracy," *Journal of Democracy* 1, no. 3 (Summer 1990): 48–60, and "Democracy as Paradox," in Ehud Sprinzak and Larry Diamond, eds., *Israeli Democracy Under Stress* (Boulder, Colo.: Lynne Rienner Publishers, 1993), pp. 21–43.

79. World Bank, *The East Asian Miracle: Economic Growth and Public Policy* (New York: Oxford University Press, 1993), pp. 8–25, 347–360, and passim.

80. Seymour Martin Lipset, "The Social Requisites of Democracy Revisited," *American Sociological Review* 59, no. 1 (February 1994): 4.

81. Richard L. Sklar, "The Nature of Class Domination in Africa," *Journal of Modern African Studies* 17, no. 4 (December 1979): 531-552.

82. Larry Diamond, "Class Formation in the Swollen African State," *Journal of Modern African Studies* 25, no. 4 (December 1987): 567–596.

83. World Bank, *The East Asian Miracle*, pp. 352–353.

84. Samuel P. Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968); Jonathan Hartlyn and Arturo Valenzuela, "Democracy in Latin America Since 1930," in Leslie Bethell, ed., *The Cambridge History of Latin America, Vol. VI: Latin America Since 1930: Economy, Society, and Politics* (Cambridge: Cambridge University Press, 1994); see also Diamond, "Democracy in Latin America."

85. O'Donnell, "Delegative Democracy;" see also Adam Przeworski, "Some Problems in the Study of the Transition to Democracy," in Guillermo O'Donnell, Philippe C. Schmitter, and Laurence Whitehead, eds., *Transitions from Authoritarian Rule: Comparative Perspectives* (Baltimore: Johns Hopkins University Press, 1986), pp. 56–61.

86. Stephan Haggard and Robert R. Kaufman, "The Political Economy of Inflation and Stabilization in Middle Income Countries," in Haggard and Kaufman, eds., *The Politics of Economic Adjustment* (Princeton: Princeton University Press, 1992) pp. 270–313, and in the same volume "Economic Adjustment and the Prospects for Democracy," pp. 342–358; and Michael Coppedge, "Institutions and Democratic Governance in Latin America," revised version (August 1993) of paper prepared for the conference on Rethinking Development Theories in Latin America, Institute of Latin American Studies, University of North Carolina–Chapel Hill, March 11–13, 1993, p. 16.

87. Juan J. Linz, "Change and Continuity in the Nature of Contemporary Democracies," in Marks and Diamond, *Reexamining Democracy*, pp. 184–186.

88. Lipset, "The Social Requisites of Democracy Revisited," p. 14.

89. Lipset, *First New Nation*, pp. 307–308.

90. Ibid., pp. 308–310; Linz, *Breakdown of Democratic Regimes*, p. 24.

91. Giovanni Sartori, *Parties and Party Systems: A Framework for Analysis* (Cambridge: Cambridge University Press, 1976), pp. 131–140; Linz, *Breakdown of Democratic Regimes*, pp. 25–27. From this perspective, to be relevant a party must be potentially useful in the formation of a coalition government or must have "power of intimidation" politically. Polarized pluralism encompasses not only extreme multipartyism but such other factors as antisystem parties, irresponsible oppositions, outbidding between parties, and ideological polarization.

92. Powell, *Contemporary Democracies*, pp. 154–157, 206, 222–223.

93. Haggard and Kaufman, "The Political Economy of Inflation and Stabilization," p. 279, and "Economic Adjustment and the Prospects for Democracy," p. 343.

94. Haggard and Kaufman, "The Political Economy of Inflation and Stabilization," pp. 279–280.

95. Huntington, *Political Order in Changing Societies*, pp. 12–24.

96. Ibid.

97. John Peeler, "Elite Settlements and Democratic Consolidation: Colombia, Costa Rica, and Venezuela," in John Higley and Richard Gunther, eds., *Elites and Democratic Consolidation in Latin America and Southern Europe* (Cambridge: Cambridge University Press, 1992), pp. 81–112; Diamond, "Introduction: Political Culture and Democracy," and "Conclusion: Causes and Effects," in Diamond, *Political Culture and Democracy in Developing Countries*, pp. 5–6, 427–428.

98. The "effective number of parties" is a technical expression for measuring the degree of fragmentation in parliament (or in the popular vote for parliament). Although it is a continuous scale, intuitively it might be thought of as roughly the number of parties "significant" enough to shape the formation of government and the dynamics of the political system. Electoral system design and choice have attracted a vast literature that is well beyond the scope of this chapter to canvass. Some key works include Maurice Duverger, *Political Parties: Their Organization and Activity in the Modern State* (New York: Wiley, 1963); Douglas Rae, *The Political Consequences of Electoral Laws* (New Haven: Yale University Press, 1967); Lijphart, *Democracies;* Bernard Grofman and Arend Lijphart, eds., *Electoral Laws and Their Consequences* (New York: Agathon Press, 1986); Rein Taagepera and Matthew S. Shugart, *Seats and Votes: The Effects and Determinants of Electoral Systems* (New Haven: Yale University Press, 1989); Matthew S. Shugart and John M. Carey *Presidents and Assemblies: Constitutional Design and Electoral Dynamics* (Cambridge: Cambridge University Press, 1992); Donald Horowitz, *A Democratic South Africa: Constitutional Engineering in a Divided Society* (Berkeley: University of California Press, 1991); and Arend Lijphart, *Electoral Systems and Party Systems: A Study of Twenty-Seven Democracies, 1945–1990* (Oxford: Oxford University Press, 1994), which provides clear evidence (Table 5.1 and passim) of the greater tendency of PR toward multipartyism.

99. Shugart and Carey, *Presidents and Assemblies*, p. 7.

100. Ken Gladdish, "Choosing an Electoral System: The Primacy of the Particular," *Journal of Democracy* 4, no. 1 (January 1993): 53–65. On the trade-off between governability and representativeness, see also Diamond, "Three Paradoxes of Democracy." For a debate on the merits of PR compared with plurality systems, see the chapters by Arend Lijphart, Guy Lardeyret, and Quentin Quade in Larry Diamond and Marc F. Plattner, *The Global Resurgence of Democracy* (Baltimore: Johns Hopkins University Press, 1993), pp. 146–177.

101. Lijphart, *Electoral Systems and Party Systems*.

102. Bolivar Lamounier, "Brazil at an Impasse," *Journal of Democracy* 5, no. 3 (July 1984): 79.

103. Ibid., p. 80. As Lamounier notes, the current system "combines the worst of all worlds: It ends up being as individualistic as the Ango-Saxon single-member district system, but without the latter's requirement that representatives be accountable to geographic constituencies." Ibid.

104. Ibid., p. 86.

105. Lijphart, *Electoral Systems and Party Systems*, p. 151.

106. Ibid., Chapter 7.

107. Gianfranco Pasquino, "Italy: The Twilight of the Parties," *Journal of Democracy* 5, no. 1 (January 1994): 18–29, and "The Birth of the 'Second Republic,'" *Journal of Democracy* 5, no. 3 (July 1994): 107–113.

108. The seminal critique of presidentialism is Juan J. Linz, "Presidential or Parliamentary Democracy: Does It Make a Difference?" in Juan J. Linz and Arturo Valenzuela, eds., *The Failure of Presidential Democracy* (Baltimore: Johns Hopkins University Press, 1994). An earlier and abbreviated version, "The Perils of Presidentialism," appeared in the *Journal of Democracy* 1, no. 1 (Winter 1990): 51–70. For a debate on this essay, see the critiques by Donald Horowitz and Seymour Martin Lipset and the reply by Linz in the *Journal of Democracy* 1, no. 3, pp. 73–91, republished (along with Linz's *Journal* essay) in Diamond and Plattner, *The Global Resurgence of Democracy*, pp. 108–145. Further evidence and debate appears in *The Failure of Presidential Democracy*. The unstable marriage between presidentialism and PR in Latin America is demonstrated by Scott Mainwaring, "Presidentialism in Latin America," *Latin American Research Review* 25, no. 1 (1990): 157–179, and "Presidentialism, Multipartyism, and Democracy," *Comparative Political Studies* 26, no. 2 (July 1993): 196–228; see also Arturo Valenzuela, "Latin America: Presidentialism in Crisis," *Journal of Democracy* 4, no. 4 (October 1993): 3–16. The case for presidentialism, a critique of parliamentarism, and consideration of hybrid forms are considered in Shugart and Carey, *Presidents and Assemblies*.

109. Coppedge, "Institutions and Democratic Governance in Latin America," p. 7.

110. O'Donnell, "Delegative Democracy."

111. Richard L. Sklar, "Developmental Democracy," *Comparative Studies in Society and History* 29, no. 4 (October 1987): 694.

112. This section draws from Larry Diamond and Marc F. Plattner, "Introduction," in Diamond and Plattner, eds., *Nationalism, Ethnic Conflict, and Democracy* (Baltimore: Johns Hopkins University Press, 1994), pp. xviii–xxix.

113. Donald Horowitz, *Ethnic Groups in Conflict* (Berkeley: University of California Press, 1985), p. 224. The notions of group entitlement and legitimacy and their linkage to individual feelings of worth, on the one hand, and to intergroup conflict, on the other, are explored extensively in this seminal work.

114. Donald L. Horowitz, "Ethnic Conflict Management for Policymakers," in Joseph V. Montville, ed., *Conflict and Peacemaking in Multiethnic Societies* (Lexington, Mass.: Lexington Books, 1990), pp. 115–116.

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115. Donald L. Horowitz, "Democracy in Divided Societies," in Diamond and Plattner, *Nationalism, Ethnic, Conflict, and Democracy*, pp. 35–55.

116. Robert A. Dahl, *Democracy and Its Critics* (New Haven: Yale University Press, 1989), p. 207; see also Linz and Stepan, *Problems of Democratic Transition and Consolidation*, Chapter 2; and Juan J. Linz, "State Building and Nation Building," *European Review* 1, no. 4 (1993): 355–369. There is no simple democratic way of settling the disjunction between nation and state, as Linz emphasized (p. 366), quoting the famous dictum of Ivor Jennings, "The people cannot decide until somebody decides who are the people." Although he generally rejected the notion of socioeconomic preconditions for democracy, Dankwart A. Rustow similarly posited "national unity" as a background condition for democracy. See his "Transitions to Democracy: Towards a Dynamic Model," *Comparative Politics* 2, no. 3 (April 1970): 337–363.

117. Alvin Rabushka and Kenneth Shepsle, *Politics in Plural Societies: A Theory of Democratic Instability* (Columbus, Ohio: Charles E. Merrill), pp. 62–92. Quote is from page 86.

118. Dahl, *Polyarchy*, pp. 108–111; Rupert Emerson, "The Prospects for Democracy," in Michael F. Lofchie, ed., *The State of the Nations* (Berkeley: University of California Press, 1971), pp. 248–249; Michael T. Hannan and Glenn P. Carrol, "Dynamics of Formal Political Structure: An Event-History Analysis," *American Sociological Review* 46 (January 1981): 19–35; Powell, *Contemporary Democracies*, pp. 40–53, 157.

119. Lipset, *Political Man*, pp. 70–79.

120. Horowitz, *Ethnic Groups in Conflict*, pp. 7–8.

121. Ashutosh Varshney, "Contested Meanings: India's National Identity, Hindu Nationalism, and the Politics of Anxiety," *Daedalus* 122, no. 3 (Summer 1993): 227–261.

122. The worst incidents of ethnic and religious conflict in Nigeria, including the civil war, have occurred under military, not civilian constitutional, rule.

123. Linz and Stepan, *Problems of Democratic Transition and Consolidation*, Chapter 2.

124. Janusz Bugajski, "The Fate of Minorities in Eastern Europe," in Diamond and Plattner, *Nationalism, Ethnic Conflict, and Democracy*, pp. 102–116. Needless to say, the way in which, and the degree to which, minority groups' rights are explicitly recognized and protected varies somewhat in appropriateness across countries.

125. Even where groups are not territorially concentrated, governments can grant them certain provisions for autonomous self-government of their cultural and religious affairs, such as special courts (in Islam, Shari'a courts) in which parties can mutually agree to have civil and family matters adjudicated.

126. Jonathan Fox, "Latin America's Emerging Local Politics," *Journal of Democracy* 5, no. 2 (April 1994): 105–116.

127. Ibid. See also Lipset, *Political Man*.

128. Linz and Stepan, *Problems of Democratic Transition and Consolidation*, Chapter 2; see also Horowitz, "Democracy in Divided Societies," pp. 53–54.

129. Carlos H. Waisman, "Argentina: Autarkic Industrialization and Illegitimacy," in Diamond, Linz, and Lipset, *Democracy in Developing Countries: Latin America*, pp. 59–110.

130. Stepan, *Rethinking Military Politics*.

131. Louis Goodman, presentation to the Asia Foundation Conference Democratization in Asia: Meeting the Challenges of the 1990s, Chiang Mai, Thailand, December 7–12, 1992.

132. Stepan, *Rethinking Military Politics*, pp. 138–139.

133. Jamal Benomar, "Justice After Transitions," *Journal of Democracy* 5, no. 2 (April 1994): 14. The above strategy for reducing the autonomous power of the military is elaborated in Diamond, "Democracy in Latin America."

134. See the review in Peter Evans, *Dependent Development: The Alliance of Multinational State and Local Capital in Brazil* (Princeton, N.J.: Princeton University Press, 1979), pp. 25–54.

135. For an analysis of the impact of colonial rule on subsequent political development in Africa, see L. H. Gann and Peter Duignan, *Burden of Empire: An Appraisal of Western Colonialism in Africa South of the Sahara* (Stanford, Calif.: Hoover Institution Press, 1967), pp. 253–272; Robert Jackson and Carl Rosberg, "Popular Legitimacy in African Multi-Ethnic States," *Journal of Modern African Studies* 22, no. 2 (June 1984): 177–198; Michael Crowder, "Whose Dream Was It Anyway? Twenty-Five Years of African Independence," *African Affairs* 86, no. 342 (January 1987): 11–18; Diamond, "Introduction: Roots of Failure, Seeds of Hope," in Diamond, Linz, and Lipset, *Democracy in Developing Countries: Africa*, pp. 6–10; and Crawford Young, *The African Colonial State in Comparative Perspective* (New Haven: Yale University Press, 1994). Several statistical analyses have found that a British colonial legacy has a positive effect on democracy, at least through the 1970s. See especially Kenneth A. Bollen and Robert Jackman, "Economic and Noneconomic Determinants of Political Democracy in the 1960s," *Research in Political Sociology* 1 (Greenwich: JAI Press, 1985): 27–48; and Seymour Martin Lipset, Kyoung-ryung Seong, and John Charles Torres, "A Comparative Analysis of the Social Requisites of Democracy," *International Social Science Journal* 45 (May 1993): 155–175.

136. Chazan, "Between Liberalism and Statism."

137. Huntington, *The Third Wave*, p. 102; see also Schmitter, "The International Context of Contemporary Democratization," pp. 18–19.

138. For an analysis of political development doctrines in U.S. foreign policy between 1947 and 1968, and the frequent conflict between the goals of fighting the expansion of communism and promoting democracy abroad, see Robert Packenham, *Liberal America and the Third World: Political Development Ideas in Foreign Aid and Social Science* (Princeton, N.J.: Princeton University Press, 1973). More recent tensions between democracy promotion and anticommunism during the Reagan years are explored in Thomas Carothers, *In the Name of Democracy: U.S. Policy Toward Latin America in the Reagan Years* (Berkeley: University of California Press, 1991). U.S. policies to promote democracy over the course of the twentieth century are analyzed in Tony Smith, *America's Mission: The United States and the Worldwide Struggle for Democracy in the Twentieth Century* (Princeton, N.J.: Princeton University Press, 1994). U.S. effforts to promote, or "export," democracy to Latin America are historically and critically assessed from a number of country and thematic perspectives in Abraham Lowenthal, ed., *Exporting Democracy: The United States and Latin America* (Baltimore: Johns Hopkins University Press, 1991), 2 volumes.

139. Kathryn Sikkink, "The Effectiveness of U.S. Human Rights Policy: Argentina, Guatemala, and Uruguay," paper presented to the World Congress of the International Political Science Association, Buenos Aires, July 21–25, 1991. Uruguay's first post-transition democratic president, Julio Sanguinetti, declared shortly after taking office in 1984, "The vigorous policies of the Carter Administration were the most important outside influence on Uruguay's democratization process." Quoted in Huntington, *The Third Wave*, p. 96.

140. Ibid., pp. 96–97.

141. George P. Shultz, *Turmoil and Triumph: My Years as Secretary of State* (New York: Charles Scribner's Sons, 1993), pp. 608-642.

142. Huntington, *The Third Wave*, p. 95. On the U.S. efforts to induce and support democratic transition in Chile, see Carothers, *In the Name of Democracy*, pp. 150–163; on South Korea, see Shultz, *Turmoil and Triumph*, pp. 976–980.

143. J. Samuel Fitch, "Democracy, Human Rights and the Armed Forces," in Jonathan Hartlyn, Lars Schoultz, and Augusto Varas, eds., *The United States and Latin America in the 1990s: Beyond the Cold War* (Chapel Hill: University of North Carolina Press, 1993), p. 203 (emphasis in the original).

144. Francisco Villagrán de León, "Thwarting the Guatemalan Coup," *Journal of Democracy* 4, no. 4 (October 1993): 124.

145. However, Sikkink concludes that U.S. human rights pressure over the years has not been particularly effective in Guatemala, and she cautions that even superpower pressure for democratization may be ineffective unless it is applied in a comprehensive and forceful manner, clearly conveyed through multiple channels and utilizing a wide range of policy instruments, and unless a moderate faction exists within the authoritarian regime that is prepared to be receptive to such pressure. Sikkink, "U.S. Human Rights Policy," pp. 32–38.

146. Larry Diamond, "Promoting Democracy in Africa," in John W. Harbeson and Donald Rothchild, eds., *Africa in World Politics*, 2d ed. (Boulder, Colo.: Westview Press, 1995); Joel Barkan, "Kenya: Lessons from a Flawed Election," *Journal of Democracy* 4, no. 3 (July 1993): 85-99.

147. Laurence Whitehead, "International Aspects of Democratization," in O'Donnell, Schmitter, and Whitehead, *Transitions from Authoritarian Rule*, p. 21; also Huntington, *The Third Wave*, pp. 87–89; and Schmitter, "The International Context of Contemporary Democratization," pp. 24–26. "More than any other international commitment, full EC mem-

bership has served to stabilize both political and economic expectations," in Schmitter's view, for three reasons: EC membership's permanent nature, the comprehensive and "complex interdependence" it generates, and the "lengthy, public, multilateral," and consensual nature of EC deliberations, which makes it much less likely that other criteria could overrride the stated democratic ones in certifying a country for membership (p. 26).

148. Larry Diamond, "Promoting Democracy," *Foreign Policy*, no. 87 (Summer 1992): 25–46, and "Promoting Democracy in the 1990s" in Axel Hadenius, *Democracy's Victory and Crisis: Nobel Symposium 1994* (Cambridge: Cambridge University Press, forthcoming); Thomas Carothers, "The NED [National Endowment for Democracy] at 10," *Foreign Policy*, no. 95 (Summer 1994): 123–138; and Joel D. Barkan, "Can Established Democracies Nurture Democracy Abroad? Lessons from Africa," in Hadenius, *Democracy's Victory and Crisis*.

149. Dahl, *Polyarchy*, p. 197.

150. See, for example, Rustow, "Transitions to Democracy"; O'Donnell, Schmitter, and Whitehead, *Transitions from Authoritarian Rule;* Adam Przeworski, "Democracy as a Contingent Outcome of Conflicts," in Jon Elster and Rune Slagstad, eds., *Constitutionalism and Democracy* (Cambridge: Cambridge University Press, 1988) pp. 59–80; Michael G. Burton and John Higley, "Elite Settlements," *American Sociological Review* 52 (1987): 295–307; John Higley and Michael G. Burton, "The Elite Variable in Democratic Transitions and Breakdowns," *American Sociological Review* 54 (1989): 17–32; Terry Lynn Karl, "Dilemmas of Democratization in Latin America," *Comparative Politics* 23, no. 1 (October 1990): 1–21, republished in Dankwart A. Rustow and Kenneth Paul Erickson, *Comparative Political Dynamics: Global Research Perspectives* (New York: HarperCollins, 1991), pp. 163–191; Giuseppe Di Palma, *To Craft Democracy: An Essay on Democratic Transitions* (Berkeley: University of California Press, 1990); and Gary Marks, "Rational Sources of Chaos in Democratic Transitions," in Marks and Diamond, *Reexamining Democracy*, pp. 47–69.

151. Karl, "Dilemmas of Democratization in Latin America" (1991 publication), p. 171.

152. Linz and Stepan, *Problems of Democratic Transition and Consolidation*, Chapter 1.

153. On the latter, see Linz, "State Building and Nation Building," especially pp. 360–362.

154. On the need to "constitutionalize" revolution and regime change early and wisely, see Bruce Ackerman, *The Future of the Liberal Revolution* (New Haven: Yale University Press, 1992), Chapter 4.

155. Huntington, *The Third Wave*, pp. 284–287.

156. Pasquino, "Italy: The Twilight of the Parties," and "The Birth of the Second Republic"; and Frank McNeil, "Japan's New Politics," *Journal of Democracy* 5, no. 1 (January 1994): 5–17, and "The Rock of Sisyphus or Road to Reform," *Journal of Democracy* 5, no. 3 (July 1994): 101–106.

157. Hans-Dieter Klingemann and Richard I. Hofferbert, "Germany: A New 'Wall in the Mind'?" *Journal of Democracy* 5, no. 1 (January 1994): 30–44.

158. On the decline of civic engagement in U.S. politics, government, and civil society, see Robert D. Putnam, "Bowling Alone: America's Declining Social Capital," *Journal of Democracy* 6, no. 1 (January 1995): 65–78.

2

Chile: Origins and Consolidation of a Latin American Democracy

Arturo Valenzuela

With the inauguration of President Eduardo Frei Ruiz-Tagle on March 11, 1994, the Chilean people witnessed the installation of the second democratic administration since the sixteen-year-long dictatorship of Augusto Pinochet. Frei's predecessor, Patricio Aylwin Azocar, who gained the presidency when the general lost a plebiscite on his continued rule, successfully steered the country back to civilian rule, reestablishing the democratic traditions that had set Chile apart from most of its neighbors on the South American continent.

Before the 1973 breakdown of democracy, which led to the longest and most brutal authoritarian interlude in the nation's history, Chile would have been classified, following the criteria used by the editors of this book, as a high success, a stable and uninterrupted case of democratic rule. For most of the preceding one hundred years, Chilean politics had been characterized by a high level of party competition and popular participation, open and fair elections, and strong respect for democratic freedoms. Indeed, Bollen, in one of the most comprehensive cross-national efforts to rank countries on a scale of political democracy, placed Chile in the top 15 percent in 1965, a score higher than that of the United States, France, Italy, or West Germany. For 1960, Chile's score was higher than that of Britain.[1]

However, synchronic studies such as Bollen's fail to account for the fact that Chile's democratic tradition was not a recent phenomenon but goes back several generations. In the nineteenth century, Chile developed democratic institutions and procedures, setting the country apart from many of its European counterparts, as well as its Latin American neighbors. As Epstein has noted, in Europe "political power was not often effectively transferred from hereditary rulers to representative assemblies no matter how narrow their electorates until late in the nineteenth century."[2] By contrast, Chile had, by the turn of the century, experienced several decades in which political

Robert A. Dahl,
Polyarchy

1. DEMOCRATIZATION AND PUBLIC OPPOSITION

Given a regime in which the opponents of the government cannot openly and legally organize into political parties in order to oppose the government in free and fair elections, what conditions favor or impede a transformation into a regime in which they can? That is the question with which this book is concerned.

Concepts

Since the development of a political system that allows for opposition, rivalry, or competition between a government and its opponents is an important aspect of democratization, this book is necessarily about one aspect of democratization. But the two processes—democratization and the development of public opposition—are not, in my view, identical. A full description of the differences could lead us into a tedious exploration of a semantic bog. To avoid this detour, I hope I may be allowed to indicate rather summarily some of my assumptions without much in the way of defense or elaboration.

I assume that a key characteristic of a democracy is the continuing responsiveness of the government to the preferences of its citizens, considered as political equals. What

other characteristics might be required for a system to be strictly democratic, I do not intend to consider here. In this book I should like to reserve the term "democracy" for a political system one of the characteristics of which is the quality of being completely or almost completely responsive to all its citizens. Whether such a system actually exists, has existed, or can exist need not concern us for the moment. Surely one can conceive a hypothetical system of this kind; such a conception has served as an ideal, or part of an ideal, for many people. As a hypothetical system, one end of a scale, or a limiting state of affairs, it can (like a perfect vacuum) serve as a basis for estimating the degree to which various systems approach this theoretical limit.

I assume further that in order for a government to continue over a period of time to be responsive to the preferences of its citizens, considered as political equals, all full citizens must have unimpaired opportunities:

1. To formulate their preferences
2. To signify their preferences to their fellow citizens and the government by individual and collective action
3. To have their preferences weighed equally in the conduct of the government, that is, weighted with no discrimination because of the content or source of the preference

These, then, appear to me to be three necessary conditions for a democracy, though they are probably not sufficient. Next, I assume that for these three opportunities to exist among a large number of people, such as the number of people who comprise most nation-states at the present time, the institutions of the society must provide at least eight guarantees. These are indicated in table 1.1.

I am going to make the further assumption that the connections between the guarantees and the three fundamental

opportunities are sufficiently evident to need no further elaboration here.[1]

Table 1.1. Some Requirements for a Democracy among a Large Number of People

For the opportunity to:	The following institutional guarantees are required:
I. Formulate preferences	1. Freedom to form and join organizations 2. Freedom of expression 3. Right to vote 4. Right of political leaders to compete for support 5. Alternative sources of information
II. Signify preferences	1. Freedom to form and join organizations 2. Freedom of expression 3. Right to vote 4. Eligibility for public office 5. Right of political leaders to compete for support 6. Alternative sources of information 7. Free and fair elections
III. Have preferences weighted equally in conduct of government	1. Freedom to form and join organizations 2. Freedom of expression 3. Right to vote 4. Eligibility for public office 5. Right of political leaders to compete for support 5a. Right of political leaders to compete for votes 6. Alternative sources of information 7. Free and fair elections 8. Institutions for making government policies depend on votes and other expressions of preference

Now from examination of the list of eight institutional guarantees, it appears that they might provide us with a theoretical scale along which it would be possible to order

1. Some of the relationships are discussed in my *A Preface to Democratic Theory* (Chicago: University of Chicago Press, 1956), pp. 63–81, and in Robert A. Dahl and Charles E. Lindblom, *Politics, Economics and Welfare* (New York: Harper, 1953), chaps. 10 and 11.

different political systems. Upon closer examination, however, it appears that the eight guarantees might be fruitfully interpreted as constituting two somewhat different theoretical dimensions of democratization.

1. Both historically and at the present time, regimes vary enormously in the extent to which the eight institutional conditions are openly available, publicly employed, and fully guaranteed to at least some members of the political system who wish to contest the conduct of the government. Thus a scale reflecting these eight conditions would enable us to compare different regimes according to the extent of permissible opposition, public contestation, or political competition.[2] However, since a regime might permit opposition to a very small or a very large proportion of the population, clearly we need a second dimension.

2. Both historically and contemporaneously, regimes also vary in the proportion of the population entitled to participate on a more or less equal plane in controlling and contesting the conduct of the government: to participate, so to speak, in the system of public contestation. A scale reflecting the breadth of the right to participate in public contestation would enable us to compare different regimes according to their inclusiveness.

The right to vote in free and fair elections, for example, partakes of both dimensions. When a regime grants this right to some of its citizens, it moves toward greater public contestation. But the larger the proportion of citizens who enjoy the right, the more inclusive the regime.

Public contestation and inclusiveness vary somewhat independently. Britain had a highly developed system of public contestation by the end of the eighteenth century, but only a miniscule fraction of the population was fully included in

2. Throughout this book the terms liberalization, political competition, competitive politics, public contestation, and public opposition are used interchangeably to refer to this dimension, and regimes relatively high on this dimension are frequently referred to as competitive regimes.

it until after the expansion of the suffrage in 1867 and 1884. Switzerland has one of the most fully developed systems of public contestation in the world. Probably few people would challenge the view that the Swiss regime is highly "democratic." Yet the feminine half of the Swiss population is still excluded from national elections. By contrast, the USSR still has almost no system of public contestation, though it does have universal suffrage. In fact one of the most striking changes during this century has been the virtual disappearance of an outright denial of the legitimacy of popular participation in government. Only a handful of countries have failed to grant at least a ritualistic vote to their citizens and to hold at least nominal elections; even the most repressive dictators usually pay some lip service today to the legitimate right of the people to participate in the government, that is, to participate in "governing" though not in public contestation.

Needless to say, in the absence of the right to oppose the right to "participate" is stripped of a very large part of the significance it has in a country where public contestation exists. A country with universal suffrage and a completely repressive government would provide fewer opportunities for oppositions, surely, than a country with a narrow suffrage but a highly tolerant government. Consequently, when countries are ranked solely according to their inclusiveness, not taking into account the surrounding circumstances, the results are anomalous. Nonetheless, as long as we keep clearly in mind the fact that the extent of the "suffrage" or, more generally, the right to participate indicates only *one* characteristic of systems, a characteristic that cannot be interpreted except in the context of other characteristics, it is useful to distinguish between regimes according to their inclusiveness.

Suppose, then, that we think of democratization as made up of at least two dimensions: public contestation and the right to participate. (Figure 1.1) Doubtless most readers believe that democratization involves more than these two di-

mensions; in a moment I shall discuss a third dimension. But I propose to limit the discussion here to these two. For the point has already emerged, I think: developing a system of public contestation is not necessarily equivalent to full democratization.

To display the relationship between public contestation and democratization more clearly, let us now lay out the

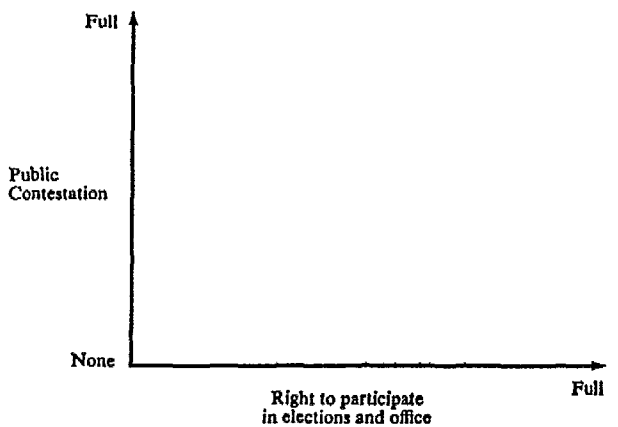

FIGURE 1.1 Two Theoretical Dimensions of Democratization

two dimensions as in figure 1.2.[8] Since a regime may be located, theoretically, anywhere in the space bounded by the two dimensions, it is at once obvious that our terminology for regimes is almost hopelessly inadequate, for it is a terminology invariably based upon classifying rather than ranking. The space enclosed by our two dimensions could of course be cut up into any number of cells, each of which might be given a name. But the purposes of this book make an elaborate typology redundant. Let me instead provide a small vocabulary—a reasonable one, I hope—that will en-

3. An array of 114 countries along these two dimensions will be found in appendix A, table A-1.

able me to speak precisely enough about the kinds of changes in regimes that I want to discuss.

Let me call a regime near the lower left corner of figure 1.2 a closed hegemony. If a hegemonic regime shifts upward, as along path I, then it is moving toward greater public contestation. Without stretching language too far, one could say that a change in this direction involves the liberalization

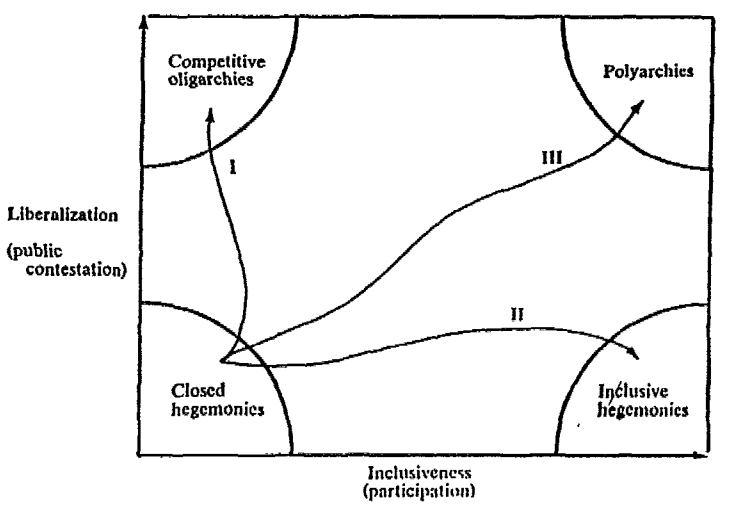

FIGURE 1.2 Liberalization, Inclusiveness, and Democratization

of a regime; alternatively one might say that the regime becomes more competitive. If a regime changes to provide greater participation, as along path II, it might be said to change toward greater popularization, or that it is becoming inclusive. A regime might change along one dimension and not the other. If we call a regime near the upper left corner a competitive oligarchy, then path I represents a change from a closed hegemony to a competitive oligarchy. But a closed hegemony might also become more inclusive without

liberalizing, i.e., without increasing the opportunities for public contestation, as along path II. In this case the regime changes from a closed to an inclusive hegemony.

Democracy might be conceived of as lying at the upper right corner. But since democracy may involve more dimensions than the two in figure 1.2, and since (in my view) no large system in the real world is fully democratized, I prefer to call real world systems that are closest to the upper right corner polyarchies. Any change in a regime that moves it upward and to the right, for example along path III, may be said to represent some degree of democratization. Polyarchies, then, may be thought of as relatively (but incompletely) democratized regimes, or, to put it in another way, polyarchies are regimes that have been substantially popularized and liberalized, that is, highly inclusive and extensively open to public contestation.

You will notice that although I have given names to regimes lying near the four corners, the large space in the middle of the figure is not named, nor is it subdivided. The absence of names partly reflects the historic tendency to classify regimes in terms of extreme types; it also reflects my own desire to avoid redundant terminology. The lack of nomenclature does not mean a lack of regimes; in fact, perhaps the preponderant number of national regimes in the world today would fall into the mid-area. Many significant changes in regimes, then, involve shifts within, into, or out of this important central area, as these regimes become more (or less) inclusive and increase (or reduce) opportunities for public contestation. In order to refer to regimes in this large middle area, I shall sometimes resort to the terms near or nearly: a nearly hegemonic regime has somewhat more opportunities for public contestation than a hegemonic regime; a near-polyarchy could be quite inclusive but would have more severe restrictions on public contestation than a full polyarchy, or it might provide opportunities for public

contestation comparable to those of a full polyarchy and yet be somewhat less inclusive.[4]

The need to use terms like these later on in this book testifies to the utility of classification; the arbitrariness of the boundaries between "full" and "near" testifies to the inadequacy of any classification. So long as we keep firmly in mind that the terms are useful but rather arbitrary ways of dividing up the space in figure 1.2, the concepts will serve their purpose.

4. The problem of terminology is formidable, since it seems impossible to find terms already in use that do not carry with them a large freight of ambiguity and surplus meaning. The reader should remind himself that the terms used here are employed throughout the book, to the best of my ability, only with the meanings indicated in the preceding paragraphs. Some readers will doubtless resist the term polyarchy as an alternative to the word democracy, but it is important to maintain the distinction between democracy as an ideal system and the institutional arrangements that have come to be regarded as a kind of imperfect approximation of an ideal, and experience shows, I believe, that when the same term is used for both, needless confusion and essentially irrelevant semantic arguments get in the way of the analysis. At the opposite corner, hegemony is not altogether satisfactory; yet given the meaning I have indicated, the term hegemonic seems to me more appropriate than hierarchical, monocratic, absolutist, autocratic, despotic, authoritarian, totalitarian, etc. My use of the term "contestation" in "public contestation" is well within normal (if infrequent) English usage; in English contestation means to contest, which means to make something the subject of dispute, contention, or litigation, and its most immediate synonyms are to dispute, challenge, or vie. The utility of the term was, however, first suggested to me by Bertrand de Jouvenel's "The Means of Contestation," *Government and Opposition* 1 (January 1966): 155–74. Jouvenel's usage is similar to my own, as is the identical French term he used in the original, meaning: *débat, objection, conflit, opposition.* In the same issue of this journal, however, Ghita Ionescu ("Control and Contestation in Some One-Party States" pp. 240–50) uses the term in its narrower but currently quite common meaning as "the anti-system, basic and permanent postulates of any opposition on the grounds of fundamental, dichotomic differences of opinion and ideologies" (p. 241). Clearly this is a more restricted definition of the concept than the one I use here and that, I believe, Jouvenel uses in his essay.

The Question Restated

The question with which this chapter opens can now be restated as follows:

1. What conditions increase or decrease the chances of democratizing a hegemonic or nearly hegemonic regime?
2. More specifically, what factors increase or decrease the chances of public contestation?
3. Even more specifically, what factors increase or decrease the chances of public contestation in a highly inclusive regime, that is, a polyarchy?

Qualifications

This book, then, is about the conditions under which systems of public contestation are likely to develop and exist. Because public contestation is an aspect of democratization, this book is necessarily to some extent about democratization, as I noted at the beginning of this chapter. But it is important to keep in mind that the focus here excludes a number of important matters that would be considered in an analysis of democratization.

It is convenient to think of democratization as consisting of several broad historical transformations. One is the transformation of hegemonies and competitive oligarchies into near-polyarchies. This was, in essence, the process at work in the Western world during the nineteenth century. A second is the transformation of near-polyarchies into full polyarchies. This was what occurred in Europe in the three decades or so that spanned the end of the last century and the First World War. A third is the further democratization of full polyarchies. This historical process can perhaps be dated to the rapid development of the democratic welfare state after the onset of the Great Depression; interrupted by the Second World War, the process seems to have renewed itself

in the late 1960s in the form of rapidly rising demands, notably among young people, for the democratization of a variety of social institutions.

This book is concerned with the first and second of these transformations but not the third.[5] Whether it prospers or fails, the third wave of democratization will surely prove as important as the others. Since it will take place only in the most "advanced" countries and will help to shape the character of life in the "advanced" countries in the twenty-first century, to many people in these countries the third wave may well seem more important than the others. Yet most of the world still lies beyond the possibility of this particular transformation. Of the 140 nominally independent countries existing in 1969, about two dozen were highly inclusive and had highly developed systems of public contestation: they were, in short, inclusive polyarchies. Perhaps another dozen or fewer were near-polyarchies within reasonable reach of full polyarchy. It is in these three dozen countries that the third wave must occur. Whether some nonpolyarchies can overleap the institutions of polyarchy and arrive somehow at a fuller democratization than now exists in the polyarchies, as ideologues sometimes promise, seems remote, in the light of the analysis that follows. For most countries, then, the first and second stages of democratization—not the third—will be the most relevant.

The focus of this book is, in fact, even narrower than an analysis of the first two stages of democratization. I have referred to "regimes" and "systems of public contestation." But so far I have not specified the level of the polity at which regimes and public contestation may be effective. Let me then emphasize at once that the analysis here deals with national regimes, that is, regimes taken at the level of the

5. I have dealt with some aspects of the third in *After the Revolution? Authority in a Good Society* (New Haven: Yale University Press, 1970).

country, or, if you will, the legally independent state, or, to use less appropriate terms, the nation or the nation-state. Doubtless some of the analysis could be applied to subordinate levels of political and social organization, such as municipalities, provinces, trade unions, firms, churches, and the like; perhaps some of it might even be relevant to the polities that are emerging at more inclusive levels—international organizations of various kinds. But the argument is specifically developed only with respect to national regimes.

Again, this would be a grave omission in a book about democratization. Even from the perspective of public contestation, the omission is important. For casual observation suggests that countries differ in the extent to which they furnish opportunities for contestation and participation in the processes not only of the national government but of various subordinate governmental and social organizations as well. Now to the extent that gross differences in the general characteristics of subnational units appear to be associated with differences in the nature of the national regime (for example, whether it is a polyarchy or not), I shall try to take these into account in the analysis.

Yet it might seem reasonable to insist that the analysis ought to go a good deal further. A full description of the opportunities available for participation and contestation within a country surely requires one to say something about the opportunities available within subnational units. The extraordinary attempt in Yugoslavia to grant a large measure of self-government in subnational units means that the opportunities for participation and contestation are greater in that country, despite the one-party regime, than, let us say, in Argentina or Brazil. An inclusive view of the matter, then, would require one to pay attention to all the possibilities suggested in figure 1.3. Indeed a number of recent critics of incomplete democratization in polyarchies contend that while polyarchies may be competitive at the national level a great

many of the subnational organizations, particularly private associations, are hegemonic or oligarchic.[6]

Important as the task is of moving beyond the description of the national regime to the subnational units, at present the attempt to examine a fairly large number of countries would I think require an analysis so complex and would encounter problems of data so overwhelming as to make the

		The National Regime: Low	The National Regime: High
Subnational Organizations	High	III	I
	Low	IV	II

I. Fully "liberalized" or "competitive" regimes
II. Competitive at the national level, hegemonic within subnational organizations
III. Competitive within subnational organizations, hegemonic at the national level
IV. Fully hegemonic polities

FIGURE 1.3 A Hypothetical Ordering of Countries According to the Opportunities Available for Contestation

enterprise highly unsatisfactory. In principle, to be sure, subnational orgnizations could be located along the two dimensions illustrated in figures 1.1 and 1.2. Yet the problem is not simply to locate countries in the hypothetical space suggested by figure 1.3. For one thing, that space has to do with only one of the two main dimensions: contestation. Ob-

6. Cf. in particular Grant McConnell, *Private Power and American Democracy* (New York: Knopf, 1966); Henry S. Kariel, *The Decline of American Pluralism* (Stanford: Stanford University Press, 1961); and to some extent also Robert Paul Wolff, *The Poverty of Liberalism* (Boston: Beacon Press, 1968).

viously a similar procedure would be required for the other main dimension: participation. What is more, even within a country, subnational units often vary in the opportunities they provide for contestation and participation. For example, in many modern countries these opportunities are much greater in municipal governments than in trade unions, and greater in trade unions than in business firms. Consequently, one would have to break subnational units into a number of categories: business firms, trade unions, municipal governments, churches, educational institutions, etc.[7] At this stage, these requirements are, unfortunately, little short of utopian, and it is for this reason—pragmatic rather than theoretical—that I have decided to restrict my attention to the national level.

Assumptions

When hegemonic regimes and competitive oligarchies move toward polyarchy they increase the opportunities for effective participation and contestation and hence the number of individuals, groups, and interests whose preferences have to be considered in policy making.

From the perspective of the incumbents who currently govern, such a transformation carries with it new possibilities of conflict as a result of which their goals (and they themselves) may be displaced by spokesmen for the newly incorporated individuals, groups, or interests.

The problem of their opponents is the mirror image of the problem of the incumbents. Any transformation that provides opponents of the government with greater opportunities to translate their goals into policies enforced by the

7. The already classic study by Seymour Martin Lipset, Martin A. Trow, and James S. Coleman, *Union Democracy* (Glencoe: The Free Press, 1956), concentrates on the deviant case of a trade union in which contestation and participation are high. To describe and explain that deviant case within the context of a single country was a very sizable undertaking.

state carries with it the possibility of conflict with spokesmen for the individuals, groups, or interests they displace in the government.

Thus the greater the conflict between government and opposition, the more likely that each will seek to deny opportunities to the other to participate effectively in policy making. To put it another way, the greater the conflict between a government and its opponents, the more costly it is for each to tolerate the other. Since the opposition must gain control of the state in order to suppress the incumbents (at which point opposition and government have changed roles), we can formulate the general proposition as an axiom about governments tolerating their opponents:

> AXIOM 1. *The likelihood that a government will tolerate an opposition increases as the expected costs of toleration decrease.*

However, a government must also consider how costly it would be to suppress an opposition; for even if toleration is costly, suppression might be very much more costly and hence obviously foolish. Therefore:

> AXIOM 2. *The likelihood that a government will tolerate an opposition increases as the expected costs of suppression increase.*

Thus the chances that a more competitive political system will emerge, or endure, may be thought of as depending on these two sets of costs:

> AXIOM 3. *The more the costs of suppression exceed the costs of toleration, the greater the chance for a competitive regime.*

Axiom 3 can be illustrated graphically as in figure 1.4.

The lower the costs of toleration, the greater the security of the government. The greater the costs of suppression, the

greater the security of the opposition. Hence conditions that provide a high degree of mutual security for government and oppositions would tend to generate and to preserve wider opportunities for oppositions to contest the conduct of the government.

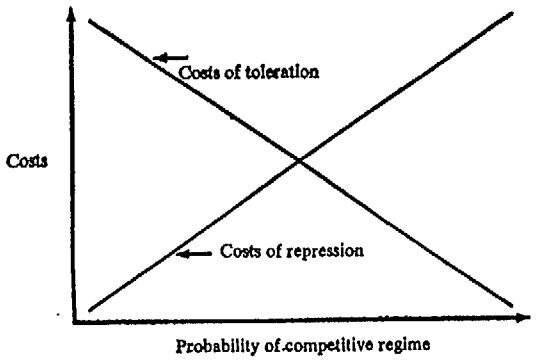

FIGURE 1.4

The question posed a moment ago can therefore be restated:

> What circumstances significantly increase the mutual security of government and oppositions and thereby increase the chances of public contestation and polyarchy?

But before I try to answer that question, let me first consider a prior one: does polyarchy matter?

2. DOES POLYARCHY MATTER?

Some readers might be inclined to think that differences in national regimes do not matter much. For example, one might share the view of those like Gaetano Mosca who argue that every regime is, after all, dominated by a ruling minority. As an astringent challenge to the belief that portentuous consequences for the people of a country must necessarily follow a transformation of the regime, Mosca's skepticism has a good deal to be said for it. Moreover, what appear superficially to be changes of regime are sometimes not really changes in regime at all, but simply changes in personnel, rhetoric, and empty constitutional prescriptions.

Yet few people seem able to adhere consistently to the view that differences in regimes—for example, differences between polyarchy and inclusive hegemony—are at base negligible. In fact, I have the impression that this view is most often espoused by intellectuals who are, at heart, liberal or radical democrats disappointed by the transparent failures of polyarchies or near-polyarchies; and that, conversely, intellectuals who have actually experienced life under severely repressive hegemonic regimes rarely argue that differences in regime are trivial. Perhaps the most telling examples are furnished by Italian intellectuals like Mosca and Croce who spent their lives attacking the sorry and patently defective parliamentary regime that existed in Italy before Fascism.

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10. THE THEORY: SUMMARY AND QUALIFICATIONS

If the argument of the previous chapters is correct, then the chance that a country will be governed at the national level for any considerable period of time by a regime in which opportunities for public contestation are available to the great bulk of the population (that is, a polyarchy) depends on at least seven sets of complex conditions. These are summarized in table 10.1, which necessarily ignores the subtleties and qualifications in the argument.

In principle it would be possible—and as better data become available no doubt it will be possible—to rank the various countries of the world according to these variables. For the sake of exposition let us suppose that countries were ranked in deciles. If about one country in five is governed by a polyarchy, we should expect that in the 1960s and 1970s a very high proportion of the countries in the upper deciles would be polyarchies and negligible proportions in the last two or three deciles. Thus a country with a profile like that of A in figure 10.1 would almost certainly be a polyarchy, and probably a typical polyarchy would have a profile rather like that of A. Conversely, one would predict with complete confidence that a country with a profile like B would not be a polyarchy; very likely it would be a hegemony. Doubtless too, most countries with profiles like that

Table 10.1. Conditions Favoring Polyarchy

	Most favorable to polyarchy	Least favorable to polyarchy
I. Historical sequences	Competition precedes inclusiveness	Inclusiveness precedes competition Shortcut: from closed hegemony to inclusive polyarchy
II. The socioeconomic order:		
A. Access to		
1. Violence	Dispersed or neutralized	Monopolized
2. Socioeconomic sanctions	Dispersed or neutralized	Monopolized
B. Type of economy		
1. Agrarian	Free farmers	Traditional peasant
2. Commercial-industrial	Decentralized direction	Centralized direction
III. The level of socioeconomic development	High: GNP per capita over about $700–800	Low: GNP per capita under about $100–200
IV. Equalities and inequalities		
1. Objective	Low, or Parity and dispersed inequalities	High: Cumulative and extreme
2. Subjective: relative deprivation	Low or decreasing	High or increasing
V. Subcultural pluralism		
1. Amount	Low	High
2. If marked or high	None a majority None regional None indefinitely out of government Mutual guarantees	One a majority Some regional Some permanently in opposition No mutual guarantees
VI. Domination by a foreign power	Weak or temporary	Strong and persistent
VII. Beliefs of political activists		
1. Institutions of polyarchy are legitimate	yes	no
2. Only unilateral authority is legitimate	no	yes
3. Polyarchy is effective in solving major problems	yes	no
4. Trust in others	high	low
5. Political relationships are:		
strictly competitive	no	yes
strictly cooperative	no	yes
cooperative-competitive	yes	no
6. Compromise necessary and desirable	yes	no

ASSESSING AND ASSISTING DEMOCRATIC GOVERNANCE REFORM: A FRAMEWORK

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I. GOVERNANCE AND DEMOCRACY

Increasingly, it is apparent that most of sub-Saharan Africa is poorly governed. Poor governance fails to protect human rights, fails to maintain civil peace among groups in society, and fails to provide the minimal conditions for sustainable economic development. Many African societies are also undemocratic, dominated by unaccountable elites who preside over unresponsive bureaucratic regimes, or they are, at best, fragile and immature democracies engaged in the very beginnings of a democratic transition. Poor governance and weak democracy are closely and directly related. Improvements in the performance of democracy and governance depend on reform, just as, earlier, improvements in economic performance were found to depend on reform. As in the case of economic reform a decade and a half ago, international donors have begun to support democratic reforms intended to improve governance.

A. What is Governance?

"Governance" refers to a process that is at once broader and narrower than the total set of governmental activities. It is broader because it embraces many activities that fall outside the scope of government *per se*. It is narrower because the most visible and concrete governmental activities occur at an operational level that, like many private activities, depends on the performance of key governance functions:

- Keeping the peace, both among individuals and among organized groups, within the framework of civil society.
- Maintaining a condition of equal or common liberty among the members of society, including the protection of basic human rights, subject to equal or common obligations to act in ways respectful of others.
- Defining property rights and enforcing contracts, fairly and effectively, in order to establish an enabling environment conducive to economic production and exchange.
- Resolving conflicts that develop among individuals and groups.
- Raising revenue, equitably and efficiently, in order to make provision for public goods and services.
- Providing for national security in ways that do not seriously threaten the integrity of public institutions with corruption by force of arms.

These functions specify what governance is supposed to accomplish--why governance is needed and the public purposes that it is intended to serve. All of these functions depend on the use of *rules*--rules that specify rights and duties while allowing important liberties. The use of rules depends on four, distinctly different, dimensions of governance:

- The first is the process of *prescribing* a rule, expressing it in general terms so as to apply to a series of similar but not identical cases that lie in an uncertain future. Prescription is usually done by means of some sort of authoritative legal instrument, such as a constitution, law, or decree. Prescription alone, however, produces words on paper, nothing more.

- Following prescription, a rule must be *invoked* by the intended parties in relevant circumstances. Un-invoked rules are effectively non-rules. If the relevant parties, especially those whose relationship a rule is intended to regulate, do not invoke the rule, then the rule as prescribed will not be applied. The effective rule becomes either what the parties agree to or, much worse, what one party can impose on the other. This applies as much to relationships between legislatures and executives as between any two parties who "settle out of court."

- Once invoked, a rule must be *applied*, that is, someone must decide whether the general rule of law properly fits the specific circumstances of a particular case. Application is usually deemed to be the work of courts, although it may also, at least in the first instance, fall to bureaucratic agencies.

- Finally, the application must be acted upon, supported if necessary by the use of coercive sanctions; that is, the rule must be *enforced*.

Governance entails all four processes. Each one is necessary. This means that governance is a *multi-dimensional* process. Improving governance requires change in all four dimensions. Moreover, both governmental officials and citizens can and should contribute to each dimension. This is why governance is bigger than government. Prescription should be informed by and responsive to citizens; many if not most rules should be invoked directly by individual citizens; citizens should participate in the proceedings used to apply rules; and citizens should be able to obtain the enforcement of rules as needed.

B. How are Governance and Democracy Related?

The purpose of democracy is to see to it that governance serves the interests of the governed. Because governance is a multi-dimensional process, democracy too must be multi-dimensional. Democratic institutions can be viewed as *sources of discipline*--as institutions designed to discipline the process of governance along all four dimensions: prescribing, invoking, applying, and enforcing rules. The democratic disciplines consist of rules and procedures that expose political decision-makers to a range of possible consequences, negative and positive, for their actions and inactions. It is not enough to discipline rule

prescription because prescriptions alone consist of promise without performance. *Multiple sources of discipline* are required in order to expose decision-makers in *each governance dimension* to appropriate consequences for their actions and inactions.

From an instrumental standpoint, democracy is desired not for its own sake but for the quality of governance that it produces. Democracy should not compete with good governance but serve as its instrument. Yet this relationship cannot be taken simply as an article of faith. Democracy is not achieved simply by placing trust in some generic set of procedures; rather, it depends on a complex set of institutional arrangements designed to fit a particular society. Good governance can only be achieved on the basis of careful institutional design. Efforts to introduce and strengthen various elements of democracy should be viewed as no more nor less than efforts to improve the governance of society. No useful purpose is served by treating democracy and good governance as separable goals, for the *quality of governance* is, at bottom, what democracy is all about.

If governance is primarily concerned with supplying the rules that apply to civil society, what rules apply to governance itself? What are the rules for making rules? More precisely, what are the rules for prescribing, invoking, applying, and enforcing rules? If the organization of civil society depends on a set of rules, so does the organization of government. Government must also be governed, that is, *the process of governance must apply to government as well as to civil society*. Governance must include rules that apply to government. Who prescribes, invokes, applies, and enforces this second order of rules?--these are among the basic questions of democracy. The quality of governance depends on the degree to which government itself is well governed.

James Madison specified the whole task of governance in *Federalist 51*: "[Y]ou must first enable the government to control the governed; and in the next place oblige it to control itself." This is not an observation specific to American institutions; it is a universal problem. The puzzle is that the maintenance of peace in civil society requires that governmental authorities have recourse to force and violence, the very instruments used to breach the peace. More, the protection of common liberties among the members of society depends on the enforcement of common duties--a diminution of liberty. Still more, the ability to resolve conflict and do justice entails the ability to exacerbate conflict and do injustice. Madison, again, summed it up well in *Federalist 41*: "...in every political institution, a power to advance the public happiness involves a discretion which may be misapplied and abused." Discretion misapplied and abused is the immediate source of poor governance in Africa. Yet governance and the discretion it entails are necessities of life in both government and civil society. Democracy seeks not to eliminate discretion in any dimension of governance but to discipline discretion in each dimension--prescribing, invoking, applying, and enforcing rules.

When governance is without discipline, it degenerates into the exercise of power for private and personal ends, failing to serve its essential functions in the organization of civil society. The use of coercive power, although required to govern, must be strictly disciplined

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if it is to serve the interests of the governed--those exposed to coercion and its destructive potential.

C. Why Do the Rules Matter So Much?

Historically and philosophically, there have been various answers to the question of how to govern government. Plato sought an answer in the education of a ruling class; others, in their religious faith. At least since the Enlightenment, however, the solution has been sought primarily in institutions (which is not to exclude either education or religion). The complex empirical phenomenon called democracy results from centuries of effort to guide and direct the process of governance through well-crafted institutional arrangements.

Democratic discipline depends on institutional design, and institutions are created from a configuration of rules. This means that the rules matter. Good governance depends on the rules that apply to the governance process. Yet, rules do not directly produce the outcomes associated with good governance because governance depends on discretion. To govern is necessarily to exercise authority and therefore to use discretion, and rules cannot substitute for the discretion needed to govern. What the rules do is to *distribute discretion*, by allocating authority among various actors, both governmental and nongovernmental. Each actor has discretion, but the discretion available to others exposes each actor to consequences. In this way, the distribution of authority affects individual *incentives*, and incentives shape the way discretion is used. Rules work through the incentives they create. Anticipating the incentives that follow from alternative rules is the heart of institutional analysis. Because institutions are composed of multiple rules that work in combination, the resulting incentives are not always immediately clear. *Getting the rules right* is the work of institutional design. It becomes a major preoccupation in the effort to introduce democratic discipline. Democratic reform becomes a struggle over rules.

D. Governance and Change

Governance problems vary with the economic, social, and political circumstances of different countries as well as through time. The culturally accepted traditions of a country provide both a source of common knowledge and practice on which new institutional arrangements can be built and, in some cases, a source of habits and customs that must be overcome to undertake reform. No two countries can follow exactly the same path to democracy and governance reform. Over the long-term, governance depends on democratic adaptability--the ability to adjust the governance process to changing circumstances. A governance structure so well adapted to present circumstances that it cannot adapt to change is one that is not sustainable. Adaptability is one of the essential attributes of good governance.

II. THE DEMOCRATIC DISCIPLINES

Monarchy is a simple idea. It provides an easy answer to the question, "Who governs?" Democracy is not so simple. Complexities arise because *democracy is not monarchy turned upside down*. Democracy is instead an effort to discipline the process of governance so that it will serve the interests of the governed. Neither governance nor democracy is a one-dimensional idea. Rather, multiple dimensions of democracy provide discipline for the various dimensions of governance. Good governance depends on subjecting the use of political power to multiple sources of discipline, each one operating through a different set of constraints. Each discipline is exerted through a distinct set of institutional arrangements.

The basic democratic disciplines are (1) constitutional discipline, (2) electoral discipline, (3) deliberative discipline, (4) judicial discipline or a rule of law, (5) the discipline of an open public realm, constitutive of civil society, and (6) the concurrent practice of democratic governance at multiple levels.

A. Constitutional Discipline

Constitutional discipline subjects the whole process of governance to a set of fundamental rules. To be meaningful, constitutional limits must satisfy three conditions: *First*, the fundamental rules must be sharply distinguished from the ordinary rules used to govern civil society. *Second*, the process of making and altering the fundamental rules must be separate and distinct from the process of making and altering ordinary rules. *Third*, the fundamental rules have to be enforceable against officials of government. These three conditions can be met with a variety of institutional arrangements. There is no "one right way." Constitutional discipline allows the process of governance itself to be governed. The discretion used in governance is not then unlimited but is instead exercised within constitutional boundaries.

Some degree of constitutional discipline is probably a necessary condition of democracy. Robert A. Dahl (1990: 17) notes that virtually every system of governance considered to be democratic is subject to limitations that place some matters beyond the reach of simple majorities. A constitution functions as a social contract or covenant that establishes boundaries around the ordinary political process, reflecting terms and conditions broadly acceptable to civil society. Governance takes place within those boundaries, redrawing the boundaries only through extraordinary procedures that require a substantial, though not unanimous, consensus.

1. Why Are Constitutions Important?

First, a constitution is a basic instrument of civil peace. It affords the members of a society the opportunity to make "mutual guarantees" to one another (Dahl 1990: 16-21). The

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constitution is an enforceable contract that specifies the terms and conditions on which the members of a society are willing to enter into and remain in peaceful association. This is why a constitution erects extraordinary legal boundaries around the political process, declaring some possible political outcomes out of bounds. In order to serve this basic purpose, a constitution must derive from an inclusive process of negotiation and deliberation, one that represents all major social groups, and must reflect a substantial consensus. In the absence of constitutional discipline that has emerged from a basic political settlement, the governance process may function in a way that creates civil strife--even civil war--rather than civil peace.

Second, a constitution is the principal instrument for establishing and sustaining the other democratic disciplines. It provides a means for designing and iteratively redesigning the institutional arrangements through which democratic discipline is exerted on the governance process. Constitution-making is the principal method of reform for modifying the process of governance. A separate and distinct procedure for constitution-making creates a capability to reform the process of governance by changing its fundamental rules. Such reform is the primary vehicle of democratization.

Democracy and governance reforms inevitably involve constitutional issues. The central task of a constitution is to specify the basic authority structure for carrying out the process of governance; changing the process depends on changing the authority structure. If governance is to be reformed in fundamental ways that introduce greater democratic discipline, the main instrument of reform is necessarily a constitution. No program of governance reform can afford to ignore or take for granted the constitution of the country.

2. How Does Constitution-Making Work?

Constitution-making is necessarily a difficult and time-consuming process. Constitutional provisions have to be based on both (1) a sense of institutional design (what works and what doesn't) and (2) the negotiation of differences among the groups that compose a civil society. Inevitably, then, constitutions reflect a mixture of democratic principle and political compromise, containing both an institutional *design* and a basic political *settlement*. Blending the two strands of the constitutional fabric in a way that will hold together over time is the principal challenge faced by constitution-makers. Although particular institutional components can be borrowed from other constitutional arrangements, the task of putting it all together is highly specific to each country. Negotiations must determine what it is that a constitution needs to accomplish, but only a process of institutional design can arrive at constitutional provisions that will actually work to achieve the intended results.

Constitution-making is also an iterative process, one that needs to be repeated from time to time. The method (or methods) of iterative constitution-making is the most fundamental component of the constitutional design, for it creates a capability for maintaining the constitutional settlement over the long term, as well as for modifying the constitutional

design in light of experience and changing circumstances. Innumerable institutional designs for the process of "constitutional amendment" are possible.

The institutional formula for amending the U.S. Constitution is, for example, a somewhat restrictive model. Not only is the U.S. Constitution difficult to amend, a necessary feature of constitutional discipline, but it is also difficult to initiate the process of constitutional deliberation. Although the U.S. Constitution has been amended 27 times, a constitutional convention--the institutional vehicle used to write the original constitution--has never been reconvened. Indeed, calling a new constitutional convention in the United States has become something of a national political phobia. As a result, the initiative for amending the U.S. Constitution has rested almost entirely with the Congress--a maker of ordinary law for the federal union--albeit according to procedures that are "separate and distinct" from those for making ordinary law. Thomas Jefferson would have crafted the constitution-making process according to a different design--providing for regular constitutional conventions on a 20-year cycle, still followed by state ratification.

Nevertheless, the U.S. Constitution does not commit the error of allowing Congress to monopolize the prerogative of constitutional amendment. The states are allowed to petition the Congress to call a constitutional convention, and on two occasions these petitions have come close to the required two-thirds majority. On the first occasion Congress finally proposed an amendment shifting to direct election of U.S. Senators. The second matter is still unresolved--a balanced budget amendment. The new constitution of Mali, by contrast, provides no alternative procedure if the national legislature declines to amend. This creates a monopoly on constitution-making that will make it much more difficult to enact reforms that adversely affect the specific short-term interests of legislators.

Developing nations may want to consider an approach more akin to Jefferson's. By requiring the constitutional-level review of institutional performance at regular intervals, such a design would create an institutional capacity to monitor the "play of the political game" and periodically modify the "rules of the game" when it is not being played as intended. At a minimum, no single decision-structure should be allowed to monopolize the power to amend the constitution. Governance reform is one of the major institutional capabilities supplied by constitutional discipline: the ability to reshape the governance structure if it fails to work in the intended manner. Constitutional discipline builds an error-correcting capacity into the design-process used to craft basic political institutions.

3. How Does a Constitutional Settlement Work?

The process of constitution-making must be separate and distinct from ordinary law-making so that the participants can step back from the immediate issues involved in particular policy questions and consider the broader, long-term advantages and disadvantages of a set of institutional arrangements. In a constitutional convention not only the rules and procedures are different but so are many of the participants. There must be some way of making the constitutional process more inclusive--the U.S. ordinarily does this through the process of

ratification by state legislatures. The "national conferences" that have recently emerged in Francophone Africa would appear to satisfy the criterion of inclusiveness, although such a large gathering would also require a smaller subgroup to draft a document. Some sort of two-stage procedure for proposal and approval seems a reasonable and likely arrangement in any event.

The basis for a constitutional settlement is usually some constraint on the set of possible policy outcomes. The constraint may be entirely procedural (e.g., in the U.S., equal representation of the states in the Senate). Or it may be substantive, in which case constitution-makers must also think about procedural rules that will be consistent with the substantive outcome. For example, if the constitution requires that the national civil service reflect a minimum degree of ethnic heterogeneity (perhaps no more than 30 percent from a single tribal background), there must be workable procedures for observing the constraint, including effective recourse if the limit is exceeded. In general, however, it is easier for constitution-makers to agree on procedural rules than substantive outcomes. This is why a constitution should not try to determine outcomes beyond declaring that some outcomes are out of bounds. The best basis for settlement is *not* abstract agreement on broadly stated objectives. The effort to achieve such agreement can lead to endless, unproductive debate. The aim of the constitution-making process is to arrive at a minimal set of constraints on policy outcomes--the minimal set needed for settlement--and to design procedures that will support the application and enforcement of those constraints.

4. How Does Constitutional Design Work?

Constitutional settlements are not self-implementing. They depend on institutional arrangements specifically designed to make a constitutional settlement work. This always involves devising some *distribution of authority*--assigning discretion within limits among a set of decision-makers--consistent with the policy constraints that form the basis for settlement. James Madison wrote in *Federalist 48* that "parchment barriers," that is, words on paper, are insufficient to maintain a constitutional distribution of authority over time. Simply saying it in the constitution does not make it so. This is why the mere declaration of abstract objectives in a constitution serves a purpose that is more rhetorical than institutional and practical. A workable distribution of authority must exhibit *incentive compatibility*, that is, each type of political actor (legislator, judge, cabinet member) must have a strong incentive to use and protect the authority assigned to them. This also tends to keep others within the limited scope of their assigned authority. The distribution of authority is then sustainable over time. In the absence of incentive compatibility no governance structure, even if enshrined in a constitution, is sustainable.

Constitution-making must therefore proceed on two tracks, which ultimately converge. One track is the route to a constitutional settlement; the second is an effort to design incentive-compatible arrangements. In the end, both must come together if a constitution is to serve its basic purpose.

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5. How Does a Constitution Exert Discipline?

Constitutions, of course, are not political actors; they are legal instruments used by political actors. Therefore, a constitution exerts discipline in the process of governance only through its distribution of authority among political actors. The distribution of authority must include capabilities to invoke, apply, and enforce the rules prescribed in a constitution. Otherwise, constitutional limits are mere "parchment barriers," in Madison's words. If there are no effective procedures for invoking, applying, and enforcing the rules of governance contained in a constitution, the constitution cannot function as fundamental law--it is not controlling. Therefore, individuals must be able to invoke the rules of governance, that is, they must be able to obtain application of those rules, where appropriate. And the rules must be enforceable against officials of government. No official should be free to determine his or her own constitutional authority, without recourse. Usually, this means that courts must be free to apply the fundamental law in all cases that come before them. Constitutional discipline is exerted as a form of legal discipline--an extension of the rule of law, discussed more fully below, so that it covers government as well as civil society.

B. Electoral Discipline

Constitutional discipline places one sort of boundary around the process of governance, while electoral discipline creates a different sort of boundary. In *Federalist 51* Madison referred to a "dependence on the people" as essential to "republican form"--representative democracy; however, he also argued the need for "auxiliary precautions." Elections are the principal instrument for keeping the conduct of government within popular limits--the more variable limits defined by public opinion. Elections are so commonly identified with democracy that it is important to point out that they are not the only source of democratic discipline. Elections are a *necessary* condition of democratic governance, but not a *sufficient* condition. Therefore, in assessing the overall extent of democratic discipline in a society, it is important to understand both the limits and possibilities of elections.

Elections are necessary to create an incentive on the part of government officials to take into account the interests of ordinary members of the voting public on a regular basis. At the same time, however, elections have inherent weaknesses, derived either from information costs or from the limited nature of the choices that can be presented on a ballot. The principal limitation of electoral discipline is the relatively high cost and low expected payoff of voter information (Downs 1957). Individual voters have little incentive to invest in costly information-gathering when an individual vote has only a negligible expected impact on the election outcome. This limits the usefulness of elections as a source of policy guidance. Instead, elections tend to focus on conditions--economic or social--of concern to voters. Elected officials who fail to respond adequately to conditions of concern to voters face potential defeat at the polls. This creates a political incentive to be responsive to voter concerns, even though the electoral process does little to generate specific policy instructions

for elected officials to follow. Notwithstanding the limitations, the incentives created by elections are necessary and fundamental to democratic governance.[1]

Electoral systems can be designed on the basis of various concepts of representation. One widely shared concept views the representative body as a "photocopy" of society--reduced in size by the electoral process. This becomes the basis for a system of proportional representation. All major shades of opinion, often including extremes, are entitled to representation in the representative body. The other major concept of representation views the representative process as one based on inquiry. The elected representative is necessarily concerned with the interests of all of his or her constituents and must inquire into those interests (see Muir 1982). This concept can be associated with single-member-district/plurality-winner electoral arrangements. Elections reward those representatives who inquire effectively into the interests of constituents and represent those interests; constituent service is a major representative function in these systems. While proportional representation tends to generate multi-party systems, single-member-district/winner-take-all arrangements tend to generate strong two-party systems. Strong two-party systems tend to exclude extreme points of view from representation. In general, different electoral systems create different patterns of representation, each with advantages and disadvantages to be considered by constitution-makers in view of the terms and conditions of constitutional settlement in a specific country.

Mali's new electoral system includes a large proportion of multi-member, winner-take-all districts. The winner-take-all feature has apparently created significant interest on the part of legislators in constituent service. However, all winner-take-all arrangements exaggerate somewhat the representation of the majority party. Multi-member districts greatly magnify this distortion. In Mali's case, this means that the largest minority party is artificially transformed into a majority party in the legislature. At the same time, local elections are organized through proportional representation, which encourages a multiplicity of political parties, inhibiting the emergence of a viable opposition party in national elections. Such a system is probably not sustainable.

Electoral discipline is maintained in part by constitutional disciplines related to suffrage and the freedom to contest elections. To exert discipline, elections must be competitive. In general, elections tend to be more competitive in the context of larger constituencies. By contrast, representation by means of constituent inquiry and service is better served by smaller constituencies. One advantage of a bicameral legislature is the ability to draw on constituencies of differing sizes. By the same token, one advantage of directly electing a president or other executive officers is the greater competition that usually attends a nationwide contest.

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[1]In addition to elections held to fill offices (or to "recall" an elected official), electoral discipline can include provision for a direct popular vote on selected issues through institutional arrangements such as initiative and referendum.

C. Deliberative Discipline

The conduct of governance through free and open deliberation among elected representatives is also a distinct democratic discipline. Madison argued in *Federalist 10* that representative democracy produces better governance than direct democracy because the process of representation "refines and enlarges" public opinion. However, it is not electoral discipline alone that is said to achieve this result; it is electoral discipline plus representative deliberation. Masses of people can participate in elections, but only a manageable number of representatives can effectively deliberate among themselves.

A deliberative process must therefore be added to elections as yet another source of democratic discipline. What elections lack by way of opportunities for discussion and acquisition of information, deliberation supplies. Deliberation elucidates information and develops alternatives. The process disciplines governance by requiring that policy proposals be defended in open debate and exposed to the scrutiny of public discussion. In this way, the deliberative discipline reduces the ability of those who govern "to fool most of the people most of the time," paraphra-sing Abraham Lincoln--and even to fool themselves.

Deliberation also provides the civil society with an authoritative forum for the discussion and settlement of divisive issues. Conflict resolution is one of the basic functions of governance, and conflict resolution, as opposed to conflict suppression, depends on free and open discussion of issues. In order to serve this purpose, a legislature must be open and receptive to the expression of diverse interests, not dominated by a single party or governing clique.

Alexander Hamilton used a concept of "due deliberation" (see Ostrom 1987: 160-164) to assess this dimension of democratic practice. Due deliberation recognizes a trade-off between the gains from deliberation and its costs, measured in terms of both the time-and-effort expended and the delay of action that deliberation may cause. Deliberation is increased by bringing the same issue repeatedly before decision-makers. Thus, bicameral organization, a committee system, and numerous veto points that compel reconsideration of policies--all contribute to deliberation, though at a cost. The underlying democratic premise, however, is that deliberation has great potential value, usually sufficient to justify a large outlay of time and effort, as well as some necessary delay. Yet, due deliberation is not unlimited, and it can vary according to different types of decisions, some of which come with inherent deadlines.

Group deliberation is discussion leading to a collective decision. The concept requires that individuals make up their minds at least in part on the basis of discussion. This, in turn, requires that individuals are free to use their own discretion. Deliberation is therefore inconsistent with strict party control of legislators, as it is with arrangements that turn an elected legislature into a "rubber stamp" for executive proposals.

As a democratic discipline, due deliberation requires that nearly all important policy decisions be subjected to a deliberative process. In terms of the basic governance structure specified in a constitution, due deliberation strongly suggests an exclusive allocation of law-making authority to the elected representatives of the people, subject to constitutional discipline. A legislative process that uses such a broad brush that effective rule-making passes to the bureaucracy, which then legislates by issuing administrative decrees, must fail the test of due deliberation. This does not mean that all administrative rule-making is inappropriate, only that it be clearly subject to legislated guidelines. An elected chief executive may participate in--and even assume a leadership role--in the process of deliberation, but government by executive prerogative destroys the deliberative discipline.

D. Judicial Discipline: A Rule of Law

Like the other democratic disciplines, the rule of law constrains the use of authority, in this instance by creating an institutional buffer between individuals and the coercive power of government. Courts are created to apply law in individual cases, determining how general rules of law fit the facts of each particular case. The rule of law is intended to protect individuals from the arbitrary exercise of power by government officials. When amplified by constitutionalism, the rule of law allows for the application of fundamental rules to officials of government.

Procedurally, the judicial discipline is this: in order to exercise coercive power enforcement officers are obligated to obtain judicial approval, usually before the fact. If the judiciary is committed to the rule of law, the judicial discipline limits rule enforcement to applications of the law as prescribed in advance. In this way the use of the coercive power of government against individuals can be limited to judicially-approved applications of the law.

The need for judicial discipline to obtain a rule of law derives from the venerable principle that no one is considered a fit judge of his own cause (see Ostrom 1987: 79). When individuals are involved in a dispute, they need recourse to an independent, "third party," who is responsible for rendering an impartial judgment based on general rules. Institutionally, this requires three things: (a) individual citizens must be authorized to *invoke* the law and have reasonable access to the courts to do so; (b) members of the judiciary must have sufficient independence (and commitment to norms of justice) to *apply* the law faithfully and impartially; and (c) members of the executive must be obligated to *enforce* judicial decisions. Legislatures prescribe the law, but they do not invoke the law (this is the responsibility of affected individuals); they do not apply law in individual cases (this is the work of courts); nor do they enforce the law by means of coercive sanctions (this is the work of the executive). In this way, the rule of law implies a basic separation of powers among legislative, executive, and judicial officers.

The main contribution that a rule of law makes to the process of governance is the greater certainty it introduces into the process of applying general rules to individual cases.

Although all systems of governance entail some disparity between the law-as-prescribed and the law-as-applied-and-enforced, too much disparity enlarges the opportunity to apply law arbitrarily, increasing the unpredictability of what the law requires. Unpredictability has the dual effect of reducing the efficiency of transactions organized with reference to legal rules and at the same time amplifying the scope of potential injustice.

African governments, including the emerging democracies, typically lack judicial independence. Judges are usually considered to be civil servants, subject to bureaucratic supervision and exposed to political manipulation. It is well known that judicial corruption is pervasive. Without a rule of law, which is designed to discipline rule application and enforcement, it is doubtful that either elections or deliberation, which are intended to discipline rule prescription, can have much beneficial effect on the overall process of governance. Moreover, without judicial discipline, constitutions are reduced to empty rhetoric.

E. An Open Public Realm: The Discipline of Civil Society

In addition to electoral discipline and deliberation among elected representatives, democracy also depends on free and open discussion of the issues facing a society, discussion that occurs in a larger, more inclusive domain than any institution of government. This "open public realm," as Vincent Ostrom (1991: 199-221) has characterized it, is a necessary condition of free and competitive elections. Just as importantly, it adds the element of public scrutiny to the deliberative discipline. Only in such a context can the free exchange of ideas become a significant element in the process of governance. Free speech, a free press, and free assembly are all necessary conditions for the creation of an open public realm. Its maintenance is usually viewed as an appropriate subject of constitutional discipline.

It is the open public realm that creates the opportunity for free private association; by the same token, free private association serves a basic public purpose. In an agricultural society, the rules that apply to farmers' organization of marketing cooperatives, for example, are essential for the advancement of both private and public interests. The rules of association that specify the freedom to organize private associations and the powers of associative self-governance are constitutive of civil society. Without a freely organized civil society, the political order is like an empty container. The walls and boundaries that should provide the element of constraint needed for a productive civil society to function instead erect barriers against social and economic relationships built on willing consent in favor of those that extend the coercive power of government.

What happens to civil society when the political order fails to provide the conditions for free voluntary association? The answer seems to be that civil society develops as far as it can outside the political order--beyond its reach. This is the basic lesson of de Soto's discoveries with regard to the "informal sector" in Peru (de Soto 1989). Informality pervades African societies as well. In every underdeveloped society it can be posited that, to some extent, informal, extralegal relationships and associations provide an untapped

institutional foundation for development. Many forms of association, however, have been distorted by their relationship to the established political order. An analysis of civil society must be able to distinguish between forms of association that have developed as self-governing institutions and those that have developed as an extension of an authoritarian state.

In terms of the sequencing of democratic developments, the creation of an open public realm--equivalent to the Russian "glasnost"--may be one of the first democratic disciplines to be established along the path of democratic reform. This is because it can be introduced by simply relaxing the heavy hand of government control. It does not require the surrender or even the sharing of power--not immediately. Its only requirement is liberty. But once established, the open public realm begins to discipline the exercise of power. Public criticism has a disciplining effect--this is why authoritarian governments choose to silence their critics. This role does not diminish when the other democratic disciplines are added to it.

F. Democratic Governance at Multiple Levels

Democratic governance can be practiced at multiple levels in any society. One of the essential disciplines of democracy at any one level is the simultaneous practice of democracy at other levels (see Ostrom 1991). This is a discipline that applies both to national-level and to local-level democracy, as well as to intermediate levels. This does not imply a hierarchy of levels. Instead, the discipline is reciprocal; local democracy disciplines national governance as national democracy disciplines local governance. Multiple levels of governance give individuals and groups alternative points of recourse; dissatisfaction with governance at one level leads to efforts to secure action at another level. The potential for recourse to other levels disciplines the process of governance at each level.

Multiple levels of democratic governance allow societies to follow the principle of subsidiarity--devolving responsibility for the range of governance functions to the lowest feasible level and utilizing higher levels only as needed. This permits a greater reliance on local problem-solving, reducing the burden on central governments. It also diminishes incentives for political rent-seeking by requiring those who demand services or benefits to pay for them.

Dahl (1990) envisions the optimal structure of democratic governance as a set of jurisdictional "Chinese boxes," in which the smaller units are nested within larger units. Bigger units are able to preempt smaller units, but only within constitutionally specified and enforced limits. The mutual guarantees effected through constitutional discipline can include protection for the limited autonomy of democratic communities organized at various levels. Given the usual dominance of central governments in the developing world, the introduction of this particular democratic discipline is apt to focus on enhancing local autonomy. The relevant types of autonomy include fiscal autonomy (the freedom to raise revenue locally); rule-making, rule-applying, and rule-enforcing autonomy; and constitutional autonomy (the right to form new units).

In most African societies an authoritarian and bureaucratic state provides little authority and discretion to locally governed institutions. The most-local units sanctioned by the state tend to be extensions of the central authority, not instruments of local governance. However, there may also be a nonformal local-public-sector that is democratically organized and that governs local communities and resources mostly outside the state apparatus. This is the case, for example, in Mali. Despite central state dominance, local communities of interest are able to organize effectively without state sanction. This is in many ways the "real" local level, but its disconnection from the political order greatly weakens the discipline it exerts on the national level, while depriving local people of the positive discipline that might be exerted by a more responsive national level of governance.

G. The Effects of Democratic Discipline and of Its Absence

1. Governance Without Discipline: Bureaucratic Regimes

What happens to governance when the democratic disciplines are largely missing? What sort of institutional arrangement emerges for exercising the authority and discretion that governance entails? The contemporary answer throughout sub-Saharan Africa can be called a "bureaucratic regime." This is more than bureaucracy, for some significant reliance on bureaucracy as a mode of organization is a necessary part of all modern systems of government. A bureaucratic regime is a self-governing bureaucracy--a closed hierarchical decision-structure able to dominate the essential processes of governance--prescribing, invoking, applying, and enforcing the rules that govern society. Legislatures pass laws, but no set of rules is complete until the bureaucracy issues an implementing decree. Without effective courts, citizens cannot invoke rules; bureaucrats do. Bureaucrats also decide how rules apply in individual cases and enforce them. Citizens have little if any recourse. The only source of accountability lies within the bureaucracy. Without effective constitutional and electoral discipline, the bureaucratic regime goes unchallenged. In the absence of an open public realm, it will go uncriticized as well. The result is not a consistently if tightly governed society but the oft-cited "rent-seeking society" in which official discretion is used principally for private gain.

The absence of democratic discipline and consequent deterioration of governance create opportunities, periodically, for military leaders to impose their own style of discipline on the governance process, substituting the discipline of military rule for the disciplines of democracy. Unfortunately, the command-and-control approach of a military regime only reinforces the basic features of a bureaucratic regime--closed, hierarchical decision-making without possibility for alternative recourse.

2. Some Characteristic Features of Democratic Governance

As democracy conditions and disciplines governance, the resulting process exhibits characteristic features. These include patterns of accountability, participation, and contestation, each one endogenous to the process of democratic governance--a consequence of the discipline exerted through democratic institutions:

- Each of the democratic disciplines contributes to *official accountability* by creating numerous exposures for government officials--subject to the scrutiny of electorates, courts, legislatures, civil associations and the free press, as well as other levels of government. Instead of only a single source of accountability, characteristic of a bureaucratic regime, multiple democratic disciplines create numerous sources of accountability.

- Each discipline also contributes to *popular participation* in a variety of modes--electoral, juridical (bringing a lawsuit against an official), and civic, the latter including numerous forms of participation in governance through the associations of civil society. The civil society contributes directly to governance, not simply by demanding good governance from governmental officials, but also by helping to produce good governance--maintaining civil peace and keeping order, resolving conflicts, securing compliance with rules, mobilizing resources for public purposes, and helping to moderate the demands of groups upon one another. The productivity of civil society--its contribution to a common good--is one of the principal benefits of popular participation at all levels.

- Finally, the democratic disciplines jointly contribute to a pattern of *pervasive contestation* in the process of governance. The opportunity to contest government decisions is one of the hallmarks of democracy. Contestation is not limited to the electoral process but extends also to the process of deliberation among elected representatives, to the judicial process, and into the open public realm. Every major action of public policy should be contestable in one or more authoritative forums. The multiple democratic disciplines create multiple opportunities for contestation. This makes it difficult, though by no means impossible, for one set of interests to dominate the instrumentalities of governance to the exclusion of others.

These democratic patterns of governance are products of institutional arrangements. It is difficult, if not impossible, to manufacture such patterns in the presence of institutional arrangements and resultant incentives that discourage them, although this does not always stop donors from trying. Efforts to encourage participation, or increase accountability, or foster contestation should focus on the basic rules of the political game. As reform progresses, however, it sets in motion a dynamic that reinforces reform, as accountability, participation, and contestation breed further reform and still better governance.

3. A Summing Up.

The democratic disciplines constrain the process of governance in all of its major dimensions. Constitutional constraints are fundamental because they create the capability to establish mutual guarantees among the members of civil society and to distribute public authority so as to discipline the conduct of governance itself. All of the other disciplines are thus rooted in the constitutional discipline. Electoral discipline provides for popular limits and creates incentives to respond to the interest and preferences of ordinary citizens. Due deliberation limits the exercise of governmental prerogative to a process based on free and open discussion among elected representatives. The open public realm extends the process of free discussion, as well as many aspects of governance itself, to the civil society. The rule of law limits the use of coercion by government to a process that recognizes the right of individuals to contest the application of law in specific cases. The concurrent practice of democracy at multiple levels exposes any one level or regime to the possibility of counteraction by other levels. Each discipline is exerted through a distinct set of institutional arrangements. The intention is never to cripple the process of governance but to discipline it so that it can serve its essential purposes.

No society, however, is or can be perfectly disciplined in its governance practices. This derives both from lingering or emerging institutional imperfections, which in principle can be corrected, and from the inevitable trade-offs that accompany institutional design. The trade-offs require that the advantages of one set of institutions be partially traded off against others. Constitutions can go only so far in limiting the set of possible political outcomes without depriving governmental authorities of needed flexibility. After a point, one must trust to other disciplines, such as elections and deliberation. Each discipline, however, has it limits. Electoral discipline is limited by a reasonable term of office, during which time the office-older is shielded from the electorate. Deliberation must always be sacrificed to some extent to the ability to act; otherwise, discussion would continue, postponing action indefinitely. Correcting institutional errors and adjusting the trade-offs among different institutional arrangements is a never-ending process in any society, requiring long-term adaptability.

III. MACRO-ASSESSMENTS AND THEIR USES

The six "democratic disciplines" provide the basis for building a methodology of macropolitical assessment, roughly analogous to macroeconomic assessment, as a means for measuring and evaluating progress toward democratic governance and for diagnosing problems--locating institutional weaknesses and indicating corrective reforms. A *macro*-assessment must be able to estimate the aggregate effect of multiple institutional arrangements on broad patterns of political behavior. It is insufficient to assess the party system or legal system, for example, in isolation from other institutional arrangements. Broad patterns of political behavior--such as action tendencies toward rent-seeking or problem-solving, conflict resolution or exacerbation--derive not from singular institutions but from the aggregate effect of multiple institutions. This is why the degree of democratic discipline must be determined on several dimensions. A macro-assessment is based on the joint effect of the six disciplines on the major action tendencies in the politics of a country.

Macro-assessments have a broad utility, useful both for donors and for host-countries. A macro-assessment provides a way of estimating the progress made toward democratic governance. Institutional progress can occur on one or more disciplines even if the aggregate effect is not very much changed. At the same time, a macro-assessment can locate remaining institutional weaknesses and identify potential sources of difficulty. This diagnostic component is also the basis for suggesting corrective reforms. From a donor's perspective, macro-assessments are useful for allocating levels of efforts among countries, monitoring future political developments, carrying on policy dialogue with host-countries, and planning the development portfolio for each country in view of the constraints and opportunities offered by its system of governance. From a host-country perspective, macro-assessments are useful for informing the broad range of participants in the governance process, inside and outside of government, with respect to the strengths and weaknesses of their present arrangements. From both perspectives, macro-assessments provide the means for charting a meaningful and practical course of reform, while continuing to enlighten the reform process as it proceeds.

The reliability of macro-assessments is not yet known because they are so new. It is certain, however, that macro-assessments cannot provide an infallible source of guidance, especially during the early years of their development and use. This is why it is important to monitor subsequent developments carefully and update the assessment based on accumulating experience. Without an initial macro-assessment as a baseline, however, this sort of learning cannot occur. Until macro-assessments are conducted on a regular basis, donors will make policy based on partial assessments that can never provide adequate guidance and never provide the appropriate baseline for learning.

This section of the report discusses the methodology of macro-assessments, especially for the diagnostic component, the kinds of conclusions that follow, and their uses, especially in guiding the process of reform.

A. The Methodology of Macro-Assessment

Because democratic discipline is exerted through institutional arrangements, the appropriate methodology for assessing the democratic disciplines is institutional analysis. The methodology works by tracing observed patterns of interaction among political actors back to the rule configurations that shape those patterns. This, in turn, provides a basis for doing institutional design at the margin, proposing specific institutional steps--reforms--to increase democratic discipline on one or more dimensions.

An assessment must be concerned not only with institutional arrangements intended to exert democratic discipline but also with the institutional arrangements that thrive in its weakness or absence. The extent to which bureaucratic actors dominate the processes of governance is a basic indicator of democratic weakness. As democratic discipline develops, bureaucratic actors find themselves increasingly exposed to external constraints. Some focus on bureaucracy and the power it wields is therefore an essential component of an assessment. This requires a full description of the bureaucratic apparatus, including the military and its particular role in governance. An all-powerful, bloated bureaucracy is a sure sign of weak democracy; a more limited and responsive bureaucracy is an equally good sign of growing democratic discipline. The cure for the bureaucratic disease, however, is not found within bureaucracy. The cure is discipline exerted from outside the bureaucracy, and this can only be created by strengthening democratic discipline.

1. Analyzing the Effect of Rules on Behavior

Rules are the "stuff" of institutions. They are used to configure institutions by assigning and distributing limited discretion to make choices among diverse decision-makers--legislators, executives, judges, citizens. In short, rules specify who decides what in relation to whom. Democratic reforms are efforts to reconfigure institutions by changing the rules, modifying the assignment of discretion. Any institutional arrangement is subject to the possibility of weakness or failure. Institutional failure occurs when the assigned distribution of authority or discretion cannot be sustained. This is most obvious when one set of decision-makers usurps the authority assigned to others, but it also occurs, more subtly, when one set of decision-makers dominates the exercise of discretion by others.

In looking for sources of institutional weakness, a diagnostic assessment focuses on incentives--the incentives created by the existing rule configuration. Reform is aimed at getting the rules right--this is the focus of institutional design. Getting the rules right depends on creating an incentive-compatible distribution of discretion. This means that individuals must have sufficient incentive to use their discretion and defend it from encroachment. For example, rules that assign important law-making discretion to an elected legislature will be ineffectual if the rules also allow a chief executive to penalize legislators who challenge executive decisions. Such a combination of rules is not incentive-compatible, for legislators will tend to choose strategies that anticipate the likelihood of being penalized if they assert their legislative authority. Instead of contesting the exercise of executive

authority, they acquiesce in it. Yet, if due deliberation is an essential democratic discipline, one that requires a substantial assignment of authority to an elected legislature, then the full configuration of rules must support, not undermine, the use of legislative authority.

A diagnostic assessment traces patterns of decision-making back to the rule configurations that shape them. To do this, the assessment tracks decisions back to strategies, strategies to incentives, and incentives to rules. Decisions are (with some exceptions) observable, but strategies are internal to individual persons and must be inferred from the relationships among decision-makers and the payoffs likely to follow from alternative choices. Strategies therefore respond to incentives, which derive from the relative payoff from some alternatives as compared to others. Incentives can be traced back to the rule configuration, which establishes the relationships among decision-makers and their ability to control certain payoffs by distributing discretion among them.

2. Aggregate Institutional Effects: The Example of Mali

Relevant rule configurations cut across the six democratic disciplines. The democratic disciplines work together not in an additive manner but in a configural manner. Their joint effect is what counts. For example, the work of the assessment team in Mali provides a basis for aggregate assessment. The following specific findings emerge from the Mali assessment:

- The Malian state remains highly centralized and bureaucratic, disconnecting it from an often productive nonformal local-public-sector;

- Mali has an electoral system that greatly inflates the representation of the dominant minority party, giving it disproportionate majority status in the national legislature. This is a consequence of multi-member, winner-take-all seats, which are much more distorting than single-member seats. At the same time, the use of proportional representation in local elections encourages splinter parties and inhibits the formation of an effective opposition party in national elections.

- Mali is left with an unrepresentative legislature, as well as one that is closely tied politically to the executive, failing to lay an institutional foundation for effective deliberation and oversight.

- Constitutional rules fail to provide for an effectively independent judiciary, leaving Mali with a judiciary that can easily be manipulated by political actors.

- The national parliament holds a veto position on constitutional amendments, giving it a monopoly on constitutional change and making it more difficult to institute needed reforms.

On the basis of these findings, we can reasonably conclude that Mali remains on the path of a destructive, rent-seeking politics as opposed to good governance. Additional findings, however, suggests some potential for improvement:

- Mail has developed an open public realm that, while fragile, has brought about robust public discussion of important political and institutional issues.

- Mali is also endowed with a productive and democratic nonformal local-public-sector, one that often adheres to the democratic disciplines.

- Mali's recent experience with national constitution making has created social capital among civil society leaders that can potentially be used to address future constitutional issues.

- The new constitution explicitly provides for two institutions that might be used to keep the constitutional-level discussion going: a national forum of local organizations and another for social and economic groups. The former is better suited to ongoing discussion of issues related to multiple levels of democratic governance, which is a key point of future reform.

- On this basis, we can conclude that there is potential for future reform of Mail's democratic institutions, building on...

    - The institution of one of the national bodies provided for in the constitution as a national forum for discussion; and/or on

    - The nonformal local-public-sector as a foundation for more connective associations able to challenge existing rules at a variety of levels.

- The reform agenda should focus on the following institutional arrangements:

    - Electoral rules;
    - Constitutional amendment rules;
    - Judicial independence rules; and
    - Local autonomy rules, including recognition for nonformal local associations.

Thus, on the basis of a macro-assessment it is possible to generate specific reform proposals--hypothetical rule changes expected to produce different incentives, leading to different strategies, choices, and outcomes. The proposal should explain why and how the reform is expected to work, following the logic that links rules to incentives, to strategies, to choices, to outcomes. A rule change should be followed by a period of intensive monitoring and assessment to determine the extent to which the reform actually shifts behavior in the intended direction. Experience with the initial rule-change may lead to subsequent rule

changes, and so on, in an iterative process that has no obvious conclusion as long as the world continues to change around us.

B. From Analysis to Reform

1. The Extended Process of Rule Change

Because changing rules is at the heart of reform, it is imperative to understand the full extent of what is involved in such a change. Changing a rule is an extended, multi-step process. It requires that all four dimensions of governance--prescribing, invoking, applying, and enforcing--be carried out consistently and differently than before.

In order to move consistently from prescription to invocation, application, and enforcement, two conditions must be met:

- First, there must be a *common understanding* with respect to the meaning of a rule among the different persons charged with carrying out the four governance functions. This develops over time, for it includes not only a substantive understanding of specific rules but also an understanding of the more general prescriptive language in which rules are articulated. To some degree such a language is specialized to a legal community; yet the basic concepts must be broadly shared among those community members to whom rules apply, in particular if the authority to invoke rules is to be widely distributed. Reform must therefore be concerned not only with prescribing new rules but also with building the common understanding needed to be able to translate prescriptions into applications and sustain a rule change over time.

- Second, as discussed earlier, the distribution of authority to invoke, apply, and enforce rules in a manner consistent with legislated prescriptions must be *incentive-compatible*. The relevant parties must have adequate incentives to invoke the rules; those charged with the responsibility for application must have adequate incentives to apply rules-as-prescribed; and those charged with enforcement must have adequate incentives to act in a manner consistent with the rules-as-applied. Reform must therefore be concerned not only with the content of the rule to be changed but also with the underlying rules that structure the process for carrying out the four governance functions. This requires the use of multiple levels of analysis.

2. Levels of Analysis and Levels of Reform

Institutional analysis can be conducted at three distinct levels: (1) operational decision-making, (2) governance, and (3) constitutional choice (see Figure 1). The central focus of democratic reform and assessment is on the level of governance. At this level political actors (including citizens) draw on an existing governance structure to prescribe, invoke, apply, and enforce operational rules. Nested in the governance level is the operational level--the level at which individuals draw on operational rules to engage in everyday actions and transactions.

The governance level itself is nested in a constitutional level--the level at which underlying rules of constitutional choice are used both to sustain and to modify the governance structure.

The basic problem of African governance as it affects economic development is the inability of governments to apply operational rules consistently or to prescribe rules that can be consistently applied. Sophisticated markets depend on predictable market-rules that allow ample discretion to private actors. To create new private discretion (engaging in the process called economic liberalization) it is necessary to change the rules (pursuing what has been called economic policy reform). The difficulty is that changing the rules entails more than simple prescription. Prescribing new rules is a sufficient means of reform only when the remainder of the governance process--the process for translating prescriptions into applications--works well. For most of Africa, national economic problems lie deeper than the prescriptive content of market-rules and reach to the level of governance. This is the level at which market-rules (as well as the other operational rules for governing a society) are prescribed, invoked, applied, and enforced.

The operational level, in the case of markets, is the level at which economic actors engage in buying and selling within a set of market-rules that constrain their behavior. Analysis at this level has long concluded that most African economies suffer from rules that wrongly constrain economic behavior. The conclusion: change the rules. Structural adjustment programs throughout Africa have attempted to do just this--but with only occasional success. Although laws are rewritten, often with detailed guidance from international donors/lenders, the results are frequently disappointing. A deeper level of analysis is required to understand what is going on. This is the *governance level*--the level at which operational rules are prescribed, invoked, applied, and enforced. What matters at this level, once new operational rules have been prescribed, are the incentives of those who are assigned to invoke, apply, and enforce rules-as-prescribed. An economic reform program that stops once a new set of rules are written into law implicitly assumes that the governance process works smoothly to translate words on paper into real behavioral constraints.

Choices made at the governance level are shaped by the institutional framework constituted by the effective governance structure of a country. The governance structure is configured from rules that assign and distribute authority--the authority to prescribe, invoke, apply, and enforce operational rules. If there is something systematically wrong with patterns of governance, the problem can be traced to the configuration of governance rules. Just as at the operational level, the wrong governance rules create the wrong incentives. Improving governance depends on changing the rules that distribute the various types of governing authority.

At the constitutional level it is governance rules that are prescribed, invoked, applied, and enforced. Just as market behavior occurs in the context of rules supplied by a process of governance, governance behavior also occurs in the context of rules supplied, in this case, by a constitutional process. Fundamental political reform, such as democratization, occurs primarily at the constitutional level, by modifying and then sustaining the rules of governance

specified in a constitution. Finally, it may also be necessary to modify the rules of constitutional change, the rules for prescribing, invoking, applying, and enforcing the constitution itself.

OPERATIONAL	Operational Rules	Operational Behaviors	Welfare Outcomes
GOVERNANCE	Governance Rules	Prescribing, Invoking, Applying, Enforcing...	Operational Rules
CONSTITUTIONAL	Constitutional Rules	Prescribing, Invoking, Applying, Enforcing...	Governance Rules

FIGURE 1: Three Levels of Analysis for Relating Rules to Choices and Behaviors. NB: This figure depicts only a portion of the full set of relationships required in a framework for institutional analysis.

A constitution typically specifies both governance rules and constitutional rules--the rules of constitutional change.

The focus of economic policy reform since the mid-1980s has been on using existing governance structures to modify the operational rules that govern market relationships. This represented a considerable shift away from previous development efforts, which had focused on direct market interventions (state-guided development), not rule changes. Although economic policy reform recognizes the importance of rules--an important step in an institutionalist direction--it is confined to seeking institutional changes at the operational level. This is an insufficient approach to reform when the process of governance-- the process that must translate rule-prescriptions into rule-applications--does not work well. Inadequate governance inhibits economic policy reform, despite the temporary illusion of change created as parliaments act and laws are rewritten.

The attention of international lenders and donors, as well as many of their host-countries, is therefore shifting to governance and democracy, rightly so. However, the early efforts of donors to assist the process of governance and democratic development have not been unlike their earlier efforts to assist markets and economic development: training, investment in technical capacity, and subsidization of basic activities. Arguably, direct assistance in the process of governance without modifying the rules of governance is no more likely to succeed than the decades of development assistance that ignored the effect of market-rules. Political actors respond to rule-based incentives just as economic actors do. As long as the rules that pertain to governance are unchanged, political actors continue to respond to much the same set of incentives as they prescribe, invoke, apply, and enforce market-rules. Governance reform, as distinguished from governance assistance, must reconfigure the rules that structure the governance process.

Democratic reform seeks to modify existing governance structures so as to improve the process of governance needed to sustain economic policy reform. It does so by changing the basic rules of governance. This new focus raises a different set of issues. At the operational level individuals need market-rules that supply incentives for economic actors to act efficiently; at the governance level individuals need governance rules that create incentives for political actors to act in a manner consistent with essential democratic values. Useful democratic assessments must be able to show the linkages among rules, incentives, patterns of governance, and values. This type of analysis provides a basis for proposing rule-changes that increase democratic discipline.

Reform at the governance level requires action at the constitutional level. This underscores the basic importance of a constitution--the legal instrument for specifying the basic governance structure of a society. The process of constitution-making is fundamentally important in democratic reform; it is why "constitutionalism" is a basic democratic discipline. The creation of an appropriate capability for constitutional choice is therefore a necessary part of the first order of business in democratic reform.

C. Assembling a Democracy and Governance Program

The following discussion focuses on the elements of donor assistance in a democracy and governance program and develops a series of steps for building an effective program to assist democratization and governance improvement. Such a program is centered on the adoption of specific reforms on which technical assistance and capacity-building are then conditioned. The core of the program is designed to assist the process of reform by means of diagnostic inquiry and assessment, efforts to build agreement and common knowledge with respect to new rules, vigilant monitoring of the reform process, and constructive resolution of conflict. Technical assistance, training, and capacity-building are complements to reform intended to support the operational changes that reform is designed to elicit.

1. Why Operational Help Is Not Enough

Development assistance was long focused on operational-level interventions. Donors supported direct economic interventions intended to spur development, providing capital investment by building physical infrastructure and training people in new technologies. Donors also encouraged governments to intervene directly in their economies, making the state the dominant economic actor in sub-Saharan Africa. The thinking that underlay this approach has been transformed, leading to an emphasis on policy reforms intended to establish market-based economies. This requires that the rules used to organize the operational level of economic activity be changed, but rule-change occurs at a deeper level--the governance level. Intervening at the governance level requires different analytics and skills than intervening at the operational level. The same approaches that worked to plan a road project or irrigation project[2] no longer are sufficient to advance the process of policy reform, which depends on changing the rules in use at the operational level.

Democracies, like markets, entail a wide range of operational activities. Deficiencies in democratic practice, like economic deficiencies, show up at the operational level. In fact, each of the democratic disciplines depends on a set of operational activities. The conduct of fair elections, for example, depends on solving operational problems. Training and technical assistance, not to mention financing, can be provided to help address those problems. The rule of law depends on the operation of courts, which may be poorly organized, equipped, and staffed. Donors may be asked to respond with training and financial support for facilities. Deliberation requires functioning legislatures, which depend on a range of operational activities including legislative research and information and policy analysis. The open public realm depends on mass media capable of gathering and disseminating news. Similarly, voting and other forms of political participation are operational activities analogous to buying and selling in the marketplace. Democratic deficiencies frequently show up as insufficient levels of participation in government-sponsored programs. One donor response is

[2]It should be pointed out that often such projects, while successfully completed, failed in the long run precisely because of the failure to address institutional issues. This is one of the important lessons that emerged from the Decentralization: Finance and Management (DFM) project, supported by the Research and Development Bureau of AID.

to encourage and support participation, perhaps financially, by sponsoring participatory activities and projects. All such interventions are intended to correct democratic deficiencies by directly changing operational-level behavior.

Governance also involves a wide range of operational activities, many of which are embraced by the standard meaning of the term "public administration." Poorly governed societies are also characterized by poorly administered governments. In fact, it is in the administration of the public household that the effects of poor governance are frequently most conspicuous--staffing, procurement, budgeting, planning, and supervision may all be grossly inadequate. Improved governance necessarily entails improved administration.

Operational interventions are usually the first sort of assistance that donors think of to support democracy and improve governance. Given their long record of operational support for economic growth, the response is natural. By itself, however, this approach failed to generate sustainable economic growth, and it can be expected to fail to generate a sustainable process of democratization for the same reasons. Behavior is shaped by incentives, and the basic incentives are shaped by the rules of the game. Unless the rules are changed, behavior is unlikely to change (except temporarily in response to short-term project support). Training judges and legislators, supplying facilities and support services for them, or setting up the mechanics of elections does little to modify the basic incentives by which operational decisions get made. Likewise, direct investment in public administration is unlikely to induce behavioral change except in the short run. Changing the rules--reform--is a whole step removed from operational behavior. Instead of attempting to alter behavior directly, reform seeks to modify behavior indirectly--by changing the incentives that push behavior in one direction or another.

2. The Need to Focus on Reform

Democratization depends on reform. A program intended to introduce democratic discipline and improve governance should be focused on specific reforms designed to change specific rules and secure specific modifications of behavior. Reform is an extended process because rule-change is an extended process. Prescribing new rules is not enough; new rules also have to be invoked, applied, and enforced. An effective program of assistance must remain engaged throughout the extended process of reform, not disengage as soon as new rules are prescribed or "enacted." In fact, some programs may not begin until after formal prescription has occurred and reform is underway; this should not weaken the focus of the program on a specific set of reforms, that is, on changes in rules still to be invoked, applied, and enforced over time.

The first step in reform is diagnostic--identifying behavior that should be changed, linking that behavior to incentives and the incentives to rules, then modifying the rules to produce a different set of incentives expected to change patterns of behavior. Reformers must not lose sight of the behavioral change being sought. This is what tells them whether or not reforms are working as intended. If a program of assistance begins after reforms have

been enacted, the diagnostics should still be done. What specific behavioral patterns prompted the reform? What new patterns are expected to emerge from reform? How are the reforms expected to accomplish this objective--what is the connection between the change in rules and the anticipated change in behavior? In some cases, the diagnostic could lead to a reassessment of reforms already underway.

3. The Need for a Country-Specific Assessment

Step one is a problem of applied institutional analysis. Identifying undesirable patterns of behavior and linking those patterns to the underlying rules of the game is institutional analysis at its core. No program of assistance tied to a process of reform should proceed without an institutional analysis of the specific rule changes being sought and supported. This cannot be done in the abstract but requires context-specific knowledge and information. Country-specific assessments are essential to provide the base of knowledge and information required to conduct the requisite institutional analysis. Although reforms may fall into generic categories as anticipated in the conception of democratic disciplines, knowledge of the categories instructs those who conduct country assessments in what to look for--it does not substitute for country-specific knowledge. All reform is a process of fitting specific changes to an existing stock of institutional arrangements. Because it is not possible to throw out one set of institutions wholesale and substitute another, reformers cannot simply prescribe generic form institutions and expect them to work. Applied institutional analysis proceeds by examining a specific set of institutional arrangements and recommending changes. Although the changes are based on general knowledge of how institutions work, the diagnostic work depends on local knowledge specific as to times and places.

- **STEP ONE in a democracy and governance program is to conduct a country-specific, diagnostic assessment.**

- **STEP TWO is to recommend specific reforms and/or appraise reforms in process.**

These two steps establish the analytical foundation and the knowledge-base for conducting a program of assistance. They are essential--these steps cannot be skipped. The adoption of specific reforms depends, of course, on a process of dialogue with the host-country and, more broadly, on an inclusive process of decision-making within the host-country. Step number two should be viewed as a process that occurs in tandem with the broader process of decision-making. It should not be hurried and can be expected to take at least a year, more likely longer. Having conducted an assessment, the entire first phase of a program might reasonably be completely taken up with deciding on a package of reforms.

The remainder of the program must be planned to fit the nature of the reform process--the requisites of successful reform. This too requires both general knowledge and country-specific knowledge.

4. The Requirements for Successful Reform

The requisites of reform can be summed up as follows:

(a) A *common understanding* of both the means and ends of reform.

Common understanding must include the expected payoff from reform; the patterns of behavior that reforms are expected to modify; and the specific rule changes to be made. First, reforms should always be aimed at quite specific problems, not at implementing anyone's ideal vision of political order. The focus on problems disciplines the whole process of inquiry and discussion leading up to reform. Second, new rules cannot be invoked, applied, and enforced by different decision-makers without sharing an understanding of their meaning. This includes dissemination of information on new rules (individuals cannot invoke rules without information) plus a substantive understanding of what the new rules are intended to accomplish (general rules cannot be applied in individual cases without a substantive understanding of their purpose). All of this requires continuing, open discussion during the period of reform. Finally. common understanding can only be achieved in the open public realm, suggesting that one of the democratic disciplines must be in place as a prelude to serious governance reform.

(b) A *shared commitment* to specific reforms by key participants;

The process of reform must begin with broad agreement (not unanimous, but broadly inclusive of legitimate interests in civil society) on the specific reforms to be undertaken. The key participants in the process--those who are required to observe a new democratic discipline--must be publicly committed to reform. All key participants must judge reform to be in their long-term best interest and commit to it. The presence of significant holdouts will undermine the commitment of others.

(c) Vigilant *monitoring* of the reform process to be sure that shared commitments are kept.

Once reform is underway, there will be temptations to renege on commitments in order to obtain short-term advantages. For this reason the process of reform must be monitored to assure that the commitment to reform is being kept by all key participants. To some extent reform depends on a series of actions that can be anticipated. Monitoring of these actions can be programmed in advance. But reform also depends on the more or less continuous exercise of *restraint* by various governmental and nongovernmental actors. Failure to exercise restraint can occur at any time; it cannot be anticipated. This is why monitoring has to be vigilant and why monitors must be prepared to act--blowing the whistle on actions that betray the reform process.

(d) Constructive *resolution of conflict* as it arises.

Conflict is usually viewed as unwanted and therefore to be suppressed as much as possible. In a process of reform, however, conflict should be seen as a necessary and integral part of the process. Conflict is to the body politic what pain is to a biological organism--a means of signaling that something is wrong in a way that cannot easily be ignored. Like pain, conflict is uncomfortable at best and intolerable at worst. However, it should not simply be suppressed but used as an indication of some underlying problem. The constructive resolution of conflict goes beyond determining winners and losers to a reconstruction of the common ground on which the participants in reform must stand. The need to find common ground occurs not only at the beginning of the reform process but throughout the process as conflict arises, indicating some partial unraveling of the agreement on which the reform is predicated.

(e) *Iterative diagnosis and inquiry* into unanticipated problems and the reexamination of reforms in view of experience.

Conflict is therefore often an occasion for renewed inquiry and diagnostic assessment of the problems underlying reform. The complexity of political relationships is such that it is usually impossible to "get it right," at least not completely right, at the beginning. Reform always becomes an iterative process of modifying rules, observing what happens, and then making further adjustments. The design work is not finished just because reform is underway.

5. Operational Assistance as Conditional

Although operational-level *intervention* is not a sufficient approach to governance improvement and democratization, operational-level *change* is a must. Changes made at the governance level are without any effect on human welfare unless change at the operational level follows. Operational behavior depends on two factors: (1) the rules of the game and (2) technical capacity relative to the task environment. Intervention at the governance level is necessary to modify the rules of the game and thus change the rule-based incentives that operational actors face; the is the process of policy reform. Moreover, intervention at the constitutional level is necessary to modify the rules of the political game and change the incentives that political actors face at the governance level: this is the process of governance reform. But the lack of appropriate technical capacity at the operational level can still frustrate reform. Judges, for example, need facilities in which to meet and libraries in which to read the law, as well as a living wage that allows them to focus on judging. The improvement of technical capacity requires capital--both human and physical. It has long been understood that initial capital investments in equipment, facilities, and training depend on financial resources that developing countries lack.

- **STEP THREE in a democracy and governance program is to tie specific reforms to relevant technical assistance and capacity-building investment. This can be done by negotiating agreements with the host government and/or specific organizations in the civil society that condition technical and capacity-building assistance on a sustained commitment to specific policy and governance reforms.**

Donors have traditionally tried to supply the need for technical assistance, and they should continue to do so. The key difference in the governance approach is that donors should tie operational assistance to governance reform. Capacity-building investments at the operational level cannot be justified without a reasonable assurance that they will lead to significant and lasting changes in behavior. In most cases such assurance is highly implausible without changes in the rules of the game, usually requiring both governance reform and policy reform. Operational assistance must therefore be coupled with support for reform, specifically by conditioning such assistance on a sustained commitment to specific reforms.

6. Central Programmatic Components

Because reform is at the core of democratization and governance improvement, the central components of a program of assistance should be designed to assist in overcoming the major obstacles to reform. Potential obstacles include a lack of diagnostic understanding (how specific reforms contribute to specific changes in patterns of behavior), lack of common agreement and commitment to reform, lack of common understanding of rule changes (needed especially to move from prescription to application and enforcement), short-term incentives to undermine reform by failing to keep commitments, unanticipated conflict, and errors in the design of specific reforms. A program to support reform entails four major components:

a. Assessment: Inquiry and Analysis.

This component begins with a macropolitical assessment, continues with institutional analysis and inquiry into the problems and opportunities identified in the assessment, and proposes specific reform possibilities for discussion. Once reforms are underway, this component can be reiterated on a regular basis and as needed. Periodic review and assessment of the reform process should be built into the program, as well as provision for extraordinary review and assessment in the event of major unanticipated problems. Inquiry and analysis have not finished simply because reforms have begun.

b. Discussion: Sharing Ideas, Disseminating Information.

Once the first stages of assessment, analysis, and inquiry have been completed, the program should move mostly into the open public realm. It should be conducted, as much as possible, publicly, recognizing that there may be sensitive points of

discussion that have to be carried on in private with the government in the early stages. The program should assist with the creation and operation of one or more *public forums* that continuously or periodically examine the major issues related to reform. Such forums should involve representatives of all principal groups who must participate in the process of reform. Because reform is an extended process, discussion must extend beyond the opening phase and continue until reforms are well established. This will not happen until most or all major groups become stakeholders in the reformed system--acknowledged beneficiaries of reform.

c. Monitoring: 'Blowing the Whistle' on Unkept Commitments.

Monitoring is a continuous, not simply periodic, process that begins once reform is underway. To do monitoring, the program should establish a broadly representative committee or task force, one in which the donor or donors can participate alongside members of the host government and civil society. The monitoring group should meet both on a regular basis and on-call. Actions inconsistent with reform should be reported to the proper authorities and, if corrective action is not immediate, made public. Bold action by the monitoring group, demanding that reform commitments be kept, may sometimes be necessary. In the extreme, donors must consider withdrawing technical support conditioned on sustained reform.

d. Conflict Resolution: Looking for 'Win-Win' Solutions

When conflicts arise, the monitoring group can also function as a semi-private forum for examining the sources of conflict and carrying on a discussion with the parties to a dispute. Although there may be formal procedures for addressing such a conflict, the monitoring group can function as an informal venue for attempting to resolve conflicts constructively and agreeably. Access to the program component that supplies inquiry and analysis on an iterative basis may also be useful.

- **STEP FOUR is to establish public forums for the purpose of building common agreement and common knowledge.**

- **STEP FIVE is to establish a monitoring group, composed of both governmental and non-governmental representatives, for the purpose of observing the process of reform, calling attention to actions that threaten reform while demanding that commitments be kept, and seeking constructive and agreeable resolution of conflicts.**

With Steps Four and Five a Democracy and Governance program can be considered operational. The task is then to continue carrying out the four core functions through a period of reform. A transition to democracy can conceivably extend through a number of such reform programs, so that one set of reforms builds on a previous set. Over time, the role of donors should become less and less important.

7. Reform Embraces Both Civil Society and Government

Governance embraces both civil-society actors and governmental actors in a common process of mutual accountability. Civil society depends on legal constraint that only government can provide. Government must be disciplined in its provision of legal constraint so that the common values of civil society are well served. The first requires the accountability of civil-society actors to governmental authorities, while the second requires that governmental authorities are accountable to civil society. Governance reform aims to modify the pattern of interaction between government and civil society. Both sets of actors are necessarily involved in any reform effort. Reform should modify incentives on both sides of the governance relationship. Poor governance means that both sides tend to act perversely--corruption, for example, is based on incentives to seek as well as extend government favors for a price.

This is why a reform program must be conducted largely in the open public realm. It cannot be accomplished by donors' whispering in the ears of receptive government officials. Reform must be grounded in genuinely open discussion and must acquire even greater public visibility as it proceeds. Public forums should bring together diverse civil-society actors together with relevant public officials. A monitoring group should also include balanced representation from both sides of the relationship. "Ownership" of the reform program must not be allowed to reside solely in the government.

Assisting the process of reform therefore entails the delivery of assistance by donors to both governmental and civil-society actors. This jointness is inherent in the nature of governance and governance reform. Many actors are not individuals but organizational actors. Or it may often be that the only feasible way to reach individuals is through organizations. The participation of civil society in the process of reform as well as the governance process that reform seeks to establish may well depend on the significant organizational development. A new governance relationship may require different organizations on both sides--new government agencies as well as new citizen organizations. The development of new institutional infrastructure to accompany new rules of the game at a macro-level is also an appropriate object of donor support. The important prerequisite is to tie such support to reform--new rules of the game designed to transform the governance relationship. Without reform, investment in such institutional infrastructure is likely to subsidize both sides in playing the old game by the old rules.

8. Why Continued Donor Engagement Is Necessary

In all four central program components, the donor must remain actively engaged throughout the extended reform process. This is because the ability to commit to governance reform and carry through on the commitment is one of the critical constitutional capabilities missing throughout most of sub-Saharan Africa. Acting solely on their own, civil societies that lack the basic institutions of good governance find themselves in an institutional trap. Although the long-term interests of nearly all parties are well served by reform, they must

act collectively to achieve their common good. Numerous individuals and groups derive short-term advantage from maintaining the status quo. These selective incentives undermine any long-term reform movement. While able to envision the good society that lies beyond successful reform, the members of the society remain trapped by the immediate incentives derived from their current institutions. It is precisely the inability to maintain and enforce binding commitments to collective action for the common good that is missing in a society incapable of self-governance. The commitments made to donors--commitments that are enforceable to some degree--enable the members of such societies to make more credible commitments to one another. If donors can also assist in the mediation of reform through inquiry, discussion, monitoring, and the resolution of conflict, reform begins to look more feasible. But these activities are on-going, continuing throughout the extended process of reform. The donor becomes a partner in reform for the duration of the reform process.

9. Minimal Conditions and Sequencing Reforms

The minimal prerequisite to effective reform is the existence of an open public realm. This is the single democratic discipline must be observed as a prelude to the conduct of further reform. Without a significant degree of openness, it is not possible to engage in the public discussion necessary to obtain common commitments to reform. The principal requirement for the initial achievement of openness is government tolerance of dissent, including its communication and organization. Later reforms can attend to the definition of the open public realm and its legal boundaries, through, for example, constitutional guarantees of free speech and a free press. Governmental tolerance of dissent, including a commitment to the openness of the political process, should be a precondition for further bilateral discussion related to democracy and governance.

Otherwise, the sequence of reforms can be expected to vary from one country to another. Countries already in a democratic transition present one kind of situation, while countries still to enter the democratic transition present another.

A critical portion of a Democracy & Governance Assessment is concerned with the adequacy of the existing constitution for the maintenance of civil peace among the major groups in society. The fundamental role of a constitution is to establish the basic terms and conditions under which the members of a society are willing to live in peace with one another--to form a civil society. Many African constitutions, because they were largely borrowed from colonial traditions, fail to perform this basic role. The substantive terms and conditions to be incorporated into a constitutional structure cannot be imposed from outside but must reflect the a genuine process of constitutional settlement within a society. In societies where civil peace is especially fragile, the constitution-making process assumes a first order of priority. The appropriate public forum to be established will be a constitutional forum for the purpose of arriving at a basic constitutional settlement.

If the basic constitutional settlement, though not necessarily the entire constitutional structure, is satisfactory, the next step may be to conduct fair, competitive elections. Or, if

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elections have been conducted, the next steps may be related to strengthening the role of deliberation or the rule of law. If specific reforms have already been adopted, the initial Assessment must be concerned with their incentive compatibility, including how well they fit with the rest of the system. On this basis, a Democracy & Governance program can proceed with its central components directed to discussion, monitoring, and conflict resolution, as well iterative reexamination and possible modification of reforms. Sometimes the choice of where to begin will depend on windows of opportunity--dimensions of democratic discipline that, for one reason or another, happen to be open to the negotiation of a common commitment to reform.

The eventual goal of a donor-assisted process of democratization is to enable the host-country to proceed with further reform on its own--to make the process of reform endogenous. This can only happen when the major groups in society feel a sufficient stake in the maintenance of democratic discipline to sustain a set of reforms without relying on external sources of credibility by binding themselves to donor conditionalities. If governance reform is successful, a process of self-governance will emerge as the role of donors diminishes. Mutual accountability can then replace accountability to external parties. Although various groups inside and outside of government will continue to test limits, others can be expected to maintain those limits, provided that the governance structure that has been put in place is adequate to the task.

The adequacy of a governance structure cannot be expected, however, to endure indefinitely. If democracy and governance reform is to be sustainable over the long-term, it must include a capability for adaptation to changing circumstances beyond those that can be foreseen at any given point in time. Constitutional discipline, in particular, must include ample provision for modifying as well as exerting constitutional constraints. This can allow the other democratic disciplines to be adapted to changes in economic and social conditions as well. Iterative reform depends, however, on iterative analysis and inquiry--on diagnostic assessment of governance problems and design of corrective institutional arrangements. The skill and methodology of institutional analysis and design must become part of the repertoire of human capital existing in the civil society if institutional adaptation is actually to occur. This requires a long-term effort in education and training, in addition to actual practice in diagnosis and reform, much of which will occur in civil society as well as in government.

10. Setting Up a Program: Reviewing the 5 Steps

The foregoing discussion developed five steps to follow in setting up a program of assistance in Democracy and Governance. They are

a. **To conduct a country-specific, diagnostic assessment.**
b. **To recommend specific reforms and/or appraise reforms in process.**
c. **To condition technical and capacity-building assistance on a sustained commitment to specific policy and governance reforms.**

d. **To establish public forums for the purpose of building common agreement and common knowledge.**

e. **To establish a monitoring group, composed of governmental and non-governmental, as well donor, representatives.**

The conduct of such a program, once established, will require appropriate allocation of resident staff resources by the donor agency, supplemented by support coordinated by either or both regional and central bureaus (in the case of AID). A full-time Democracy & Governance coordinator is essential, as are recurrent visits by teams of specialists, including institutional analysts. The Democracy & Governance coordinator should be responsible for coordinating the delivery of consultant services to regular participants in the public forums established by the program and meeting regularly with the monitoring group. The coordinator should also supervise technical assistance and capacity-building efforts, which can be contracted-out and conducted by resident teams of specialists, but which should be carried out in strict observance of the reform process.

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IMPROVING DEMOCRATIC GOVERNANCE IN AFRICA

SUMMARY REPORT

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IMPROVING DEMOCRATIC GOVERNANCE IN AFRICA
SUMMARY, LESSONS LEARNED, AND STRATEGIC IMPLICATIONS

Introduction: Whither Africa? Optimists and Pessimists

For the past five years political scientists and policy-makers in Africa and in Europe and the United States have been talking and writing about a sea change in African politics in favor of democracy. To a significant degree this change was generated by African elites both in government and in civil society who saw governance reform and democratization as essential to avoid further marginalization of Africa and to curtail abuses of those who had thwarted the interests of the majority through their personal, narrow and often arbitrary exercise of power (Kpundeh 1992). Many donors enthusiastically welcomed and supported this change which they hoped would improve "governance" and the prospects for economic development and make African governments more democratic and accountable. From 1992 to 1995 about half of Africa's countries held competitive elections for their top leadership. These elections were generally certified as relatively free and fair, placing the countries' political systems, in the eyes of many, in the democratic category.

During this period there was no lack of pessimists, from those who doubted the durability of these transitions (Sorensen 1993), to those who feared that premature democratic openings would intensify ethnic conflict and promote parochial cultural orientations antithetic to development and progress on a broad scale (Ake 1991; Lemarchand 1992; Zolberg 1992; Ihonvbere 1995; White 1995). Recent events in Niger and Guinea and the ongoing tragedies of Rwanda and Burundi seem to confirm the worst fears and predictions. Yet, despite reversals and even substantial setbacks, the overall pattern of progress in African governance is undeniable, particularly from the perspective of how most Africa governments functioned in the 1980s, and through the prism of a multi-dimensional conception of change.

A Theoretical Framework for Understanding Governance Reform

Some Definitions

USAID and other donors are publicly committed to improving governance and democratizing political processes for two interrelated reasons. First, USAID's overall international development goal is to promote "**sustainable development**" (USAID 1994), *encompassing broad-based and environmentally sustainable growth, popular accountability and empowered participation.* In this view, democracy is part of the desired end state. Second, USAID shares with many other donors the belief that democracy and particularly popular empowerment are vital means through which achievements in other dimensions of sustainable development, notably broad-based, environmentally sound growth, can be achieved.

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Several key terms should be defined. In this study **governance** is understood to be *the way a human society organizes itself to solve shared or public problems, to make collective decisions and advance common interests* (Charlick 1992; Charlick, Fox et al. 1994; Fox 1996). Governance involves the manner in which power is distributed and exercised in this process of managing public resources to solve public problems. **Democracy** is a *particular pattern of governance designed to increase the likelihood that governance processes will serve the people, usually through open political competition, through the broadening of legitimate political participation and through the establishment of legal principles and practices which limit the capacity of rulers to subvert these developments.* From this perspective democracy is not a single or unidimensional entity. Democratic governance is not necessarily **good governance**. Good governance is generally viewed as *the management of public resources in ways that are effective, efficient and responsive to real societal needs, involving both accountability and transparency (World Bank 1992).* Democracy may or may not improve governance in all of these ways, although it should render governments more accountable. As they are committed to sustainable development, the governance goal of donors like USAID should be *to maximize the convergence of good governance and democracy, so that public processes are both effective and capable of being held accountable for serving the people.* The convergence of these two we call simply **democratic governance,** but it would be more accurate to call it effective democratic governance. A governmental system which embodies both we call a **democratic developmental regime**– a regime *capable of promoting development, while incorporating basic democratic principles.* Such a governmental system would constitute a good partner for external agencies which are attempting to promote sustainable development, and the weakness or absence of such a partner limits the effectiveness of development assistance.

Not all democratic regimes are the same. One importance difference, stressed in this study, is the degree to which rules governing the accountability of officeholders are institutionalized, and who is able to exercise these rules. A distinction is made between **elite or limited democracies,** in which *political participation beyond periodic elections is virtually monopolized by elites and in which most limitations on the exercise of power are exerted laterally among elites,* and **representative democracies,** which involve *greater participation by non-elites and some vertical accountability over officeholders.* Elite democracies are further divided into those that are pacted and those which are not. In **pacted democracies** rules *governing intra-elite conflict and use of power are well established and accepted, implying an agreement on the part of elites to limit their discretion and winner-take-all behavior vis-à-vis one another* (Di Palma, 1990; O'Donnell, 1986).

Assessing and Understanding Democratic Progress: Eight Processes

Political scientists usually say that a ***transition*** is the interval between one regime (or set of governance rules) and another (O'Donnell and Schmitter 1986). They normally say that a democratic transition is complete after a watershed event, usually a successful competitive election whose results are widely accepted, has taken place (Bratton and van de Walle 1993). Progress or success, in this case, is based on advances in one dimension or process of governance --competitive

selection of leaders. Another way to look at progress is to identify a range of ways in which democratic governance can be furthered, chiefly by making accountability more effective and participation broader. Elections are only one way of expanding accountability and participation and hence of improving democratic governance. This concept of progress or improvement of democratic governance is closer to what most political scientists understand as the consolidation or deepening of democracy, and what they sometimes call the "second transition."

This study adopts this understanding of democratic progress and examines evidence for improvements in democratic governance in "pieces," as the emergence and institutionalization of different processes for enhancing accountability and participation (Sklar 1987; Schmitter 1992; Oakerson 1995; Sklar 1996). We identify eight governance processes through which progress can be made to improve accountability and participation:

- **the electoral and representational process,** whereby public involvement in the choice of leaders is expressed and political parties can develop and compete to structure those choices;

- **the public deliberative process,** whereby political actors can exercise institutionalized roles to consider law independently, raise questions about executive policies and performance, and even connect lawmaking to the broader public through representational and constituency roles;

- **the public adjudication process,** whereby applications of law and exercise of executive and police powers can be considered independently and objectively guided by ordinary and organic (constitutional) law and precedent;

- **the multi-level governmental process,** whereby the organization of formal government into several levels of authority can provide for the limitation of authority of each, the expansion of participation in governance, and the sharing of governance with less burden falling exclusively on centralized government.

These four processes encourage accountability within the elite (both incumbent and opposition). All imply also the possibility of expanding participation at least to counter-elites and sometimes beyond (as in the case of constituency-based representation in parliaments).

Three other processes focus more directly on broadening participation with some but lesser emphasis on promoting public accountability:

- **the pressure group process,** whereby people with common interests can bring their concerns and demands to the attention of government in the search for favorable action;

- **the concertation process,** whereby various interest groups (such as business people, workers, farmers, and consumers) concerned with economic management and policy-making can

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jointly bring their demands to the attention of governmental authorities and can negotiate with government; and,

- **the self-governance process,** whereby some political space is left to nongovernmental associations, such as churches, community associations, women's networks and other informal associations, to govern themselves and, within the structure of the law, resolve public problems at their level. This is an aspect of what we have called **shared governance.**

In addition to these seven processes, there is one overriding process which we call the **constitutional process.** Constitution-making not only codifies agreements among significant political actors; constitutions specify how authority is to be distributed and represent understandings about ways in which conflict over the operation of all other governance processes are to be resolved. Moreover, constitutions establish fundamental law and, at least theoretically, enshrine as beyond the reach of ordinary law principles of basic rights critical to democratic practice, such as the rights of association and expression.

The approach taken in this study is to view improvements in democratic governance as the development of these eight processes or dimensions, and to evaluate them in terms of how well they improve accountability and broaden participation. This approach suggests a variety of ways in which accountability and participation are enhanced. Different societies will develop these processes at different rates and in different ways.

Implications of Configurations of Democratic Governance for Sustainable Development

Understanding how these dimensions combine permits the analyst to determine where problems are likely to exist in the country's system of governance at a given time, and hence where opportunities may exist to assist in further improvements. The development of processes of democracy in different combinations (patterns or configurations) are likely to have markedly different implications for sustainable development. If the goal of a development agency such as USAID is to promote sustainable development, then it is important to understand how these political processes are likely to effect the potential for broad-based and sustainable economic development.

Much of what we must learn about unique processes of improving governance must come from practice and observation in complex situations. Table I (see, p.7) presents only a simplified typology of how democratic processes combine and what are likely consequences for sustainable development.

Contexts and Contingency Analysis

Contextual factors greatly affect how advanced in specific democratic governance processes combine, whether a given society is likely to forge an elite pact or develop a more broad-based democratic system, and whether the society will stabilize and institutionalize any of these advances.

Social science theory suggests a number of factors that affect how successful a society is likely to be in improving and stabilizing democratic governance. The most important context variables cited in the literature are:

- level and type of economic development (Lipset 1959; Huntington 1991);

- degree of socioeconomic differentiation, i.e. extent and power of middle and working classes (Moore 1966; Mainwaring, O'Donnell et al. 1992; Rueschemeyer, Stephens et al. 1992);

- degree to which patrimonial or bargaining cultures exist among elites (Ake 1991; Huntington 1991);

- prior experience with democratic institutions at national level (Huntington 1991; Bratton and van de Walle 1994);

- the configuration of forces in the fall of the previous regime: incumbent dominated, counter-elite dominated, mass mobilization (Huntington 1991; O'Donnell 1992; Bratton and van de Walle 1994);

- strength of local-level institutions and habits of association;

- degree to which external actors who promote democratic development have influence over national elites; and,

- economic performance of predecessor and successor regimes (Huntington 1991).

Context factors set some broad parameters for understanding both the likely distribution of power, based on interests and resources, and probable constraints and opportunities, such as the institutional history of parties and pressure groups and the degree to which democratic processes have developed.

From a review of factors historically associated with the emergence of elite (or pacted) democracies and with more representative democratic systems, and from a survey of conditions which

pertain in the countries studied, it is clear that much social science theory would rank these countries as among the least likely in the world to develop and sustain democratic practice in national government. For the policy-maker two implications follow:

- Promoting democratic governance in these contexts will require a long-term perspective and a tolerance for high risk of failure of particular efforts; and,

- While apparently unfavorable context factors cannot be ignored, specific conditions suggest ways to support conscious human activity (what we call human agency) to mitigate negative conditions and encourage positive ones. This is the role of strategy which is discussed below.

TABLE 1

PATTERNS OR CONFIGURATIONS OF DEMOCRACIES

Accountability	Participation- Degree of Inclusiveness	
	low PLEBISCITARY RULE	high Representative Democracies
low ordered anarchy	**Weakly institutionalized limited elite democracies** Processes of intra-elite accountability (such as independent deliberation and adjudication, and well accepted electoral rules) are weakly developed and constitutional rules are ambiguous or widely challenged. Processes of broadened participation (such as pressure groups, and concertation) are weakly developed. Legally authorized self-governance is weakly developed. Meta (constitutional) regime-weak. Developmental implications: weak and soft state, unable to stimulate or facilitate development. Probability of corruption and ineffective use of resources is high. Examples: Niger, Tanzania, Madagascar, Ghana.	**Mass democracies with weakly institutionalized states** Intra-elite accountability processes are weakly developed, although the party system may be fairly strong. Constitutional rules are largely ineffective. Processes of broadened participation (such as pressure groups and self-governance de facto are stronger and more institutionalized, but concertation negotiations with the state are weak. Developmental implication: strong but uncoordinated local and regional development possible, but limited by absence of reliable state mechanisms. Local governance may be more or less participatory, but can also be based on local elite rule (privatization of resources).
moderate to high Totalitarian Regime	**More institutionalized (pacted) elite democracies** Intra-elite accountability processes are more fully developed, as are constitutional rules and agreements. Processes for broadening participation and mass accountability are weak, as is, generally, legally sanctioned self-governance. Development implications: fairly strong and centralized state; limited capacity to stimulate local development or resolve societal conflicts. Examples: Botswana, Mali (?)	**Representative democracies with stronger states** Both intra-elite processes and processes for broadening participation are more fully developed and accepted. Constitutional rules may be contested but are difficult to change and are widely accepted. Strengthen and legal acceptance of self-governance can vary Developmental implications: Most capable of promoting development agenda and facilitating local development, but governance processes are often slow with high transaction costs.
	Unpacted Delegative Democracies	Delegative Democracies

Ideal

Limited Demo-cracies

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Assessment of Democratic Transitions in Five African Countries

Substantive chapters of our comparative work review the development of democratic governance processes in five countries. This section briefly reviews the main findings of these chapters.

The Constitutional Process

General Observations:

1. Constitutions contribute to accountability by distributing authority and thereby providing incentives and disincentives to those in positions to exercise state power. Constitutions are only one way in which accountability can be increased. Constitutional *rule* are not self-enforcing; they are effective only if they can be invoked and enforced.

2. Constitutions operate in a specific environment which includes historically shared cultural norms of behavior, and circumstances under which authority is exercised. There are no standard forms of constitutions that can be counted on to produce the same outcome in different settings.

3. Constitutional rules are not set forever. There must be a learning process whereby political actors come to understand what works in the institutional framework provided, what must be changed and how to affect change within an overall framework of stability. Constitutions work only if change can take place legally but not too easily or at the whim of a new majority.

4. Constitution-making is a major way in which elite pacts are negotiated and expressed. Constitutions help assure all actors of some predictability in the behavior of winners and of losers--and that today's losers may become tomorrow's winners.

5. Constitutional settlements also help set conditions for broadening popular participation and for exercising popular accountability through assurances that basic rights can be exercised without undue costs.

6. Constitutions are therefore vital tools for consolidating an array of democratic processes, and they do so to differing degrees.

Country-Specific Observations:

1. In the countries studied, constitution-making varied considerably in how much it involved politically relevant actors in new social understandings and agreements. The process was fairly extensive in Madagascar. In Niger and Mali it involved only elites. Ghana's constitution-making

process was the most closely orchestrated from the top down, but resulted in substantial public involvement and in a document which dealt with a number of political conflicts. Tanzania's constitutional reform, also narrowly orchestrated (by the ruling CCM party), does not represent a new social compact.

2. For a variety of reasons, the new constitutional rules of the African countries studied have not been effective in checking the power of the executive. Specifically, they have failed to limit executive dominance of the legislature. Where a single party still dominates both the executive and the legislative branches, constitutional authority of legislatures has been weak. This is particularly true where the legislature has exclusive power to amend and where, in the French legal tradition, constitutional rules become operational only when they are translated into specific law. Most constitutions, particularly those influenced by the mixed presidential/parliamentary system of the French Fifth Republic, are heavily biased in favor of executive power.

3. With few exceptions constitutional provisions for independent judiciaries have thus far provided judges with insufficient incentives and protections to act independently of political leaders. Ghana's judiciary has been the most notable exception, although in Niger, Madagascar and even Tanzania there is evidence that judges have increasing regard for the rule of law and want to defend their institutional prerogatives.

4. In the countries studied, constitutional provisions have not been extensively used to design electoral systems. Either parliaments or executives may influence decisively the rules which most directly affect representation, such as the drawing of constituencies. Only to a limited degree do these constitutions defend the fairness and representativeness of electoral rules.

5. Through assurances of freedom of association and expression, African constitutions have advanced the capacity of counter-elites and even of non-elites to make demands on government and to expose excesses of authority. But insofar as executives have dominated parliaments, they have successfully sponsored legislation to limit these rights--press laws, registration acts, etc. Only in Ghana does the constitution restrict such "claw back" legislation.

6. By helping create more favorable legal environments for nongovernmental organizations and informal associations, African constitutions have contributed to self-governance. They have done little, however, to promote decentralization.

Decentralization: Multi-tiered Government and Expanded Participation and Accountability

General Observation:

According to the theoretical literature and to recent surveys of decentralization experiences (Manor 1995), decentralization improves democratic governance by enhancing participation, strengthening the perception of leaders that mass opinion matters, and making local government more responsive. This seems to be true even when the character of decentralization is ambiguous in terms of how much real authority is devolved to elected local government.

Country Specific Observation:

1. Not much legally mandated decentralization has yet taken place in the countries studied. But communities and other local-level societal units have developed considerable governance functions, largely for survival in the face of nonfunctioning states. It is problematic to call this trend de facto "decentralization".

2. The impact of legal decentralization that has occurred in Ghana has been limited by insufficient resources and authority to manage revenues, and by insufficient authority over personnel at the district level and beyond. Decentralization has not noticeably increased participation or accountability thus far.

3. If Ghana is any guide, even limited decentralization seems to contribute to democratic governance by establishing the concept of representation. In Niger and in Mali, where representation is to be on an "at-large" basis and where constituencies are large, the effect of representation is likely to be less.

4. Thus far, decentralization has had a limited impact on linking local communities to formal government because community and self-governing associations have no authorized roles but those mandated and created by the ruling party and state. This is the case of Ghana, where local government has been functioning for eight years. Thus far decentralization has not helped reduce the gap between local people and government. What relationship does exist between these levels is based purely on efforts to obtain patronage.

5. Mali appears to be moving toward meaningful decentralization. It is being planned with considerable consultation with community leaders. Local governments may gain significant taxing authority which may prove flexible enough to permit them to link with genuine local-level associations. Legislation currently before parliament will determine exactly how these matters will be resolved.

6. Our studies raise two other important issues concerning short-term effects of decentralization. First, given the nature of local-level political life, effective local government would not necessarily be inclusive or participatory. Local-level leadership is often based on gerontocracy and patriarchy. On the other hand, local associational life in rural Africa often does provide means of holding leaders and other members accountable (Thomson and Coulibaly 1994). Second, there is still considerable question whether many leaders and members of local associations who have been ignored by government want to be linked to government should they have the opportunity. Government is still often viewed as predatory and based on alien cultural norms (Ekeh 1975; Hyden 1980; Lemarchand 1992; Ellis 1995). Although empirical evidence of effective legally mandated decentralization in Africa is still slim, there is reason to doubt that decentralization will be a panacea or even, in the short term, a major factor in deepening and consolidating democracy.

Parties and Electoral Systems

General Observation:

Elections are supposed to reduce intra-elite conflict by providing a relatively fair means of establishing strength, while not totally disenfranchising the losers. Political parties are supposed to increase democratic participation and to mediate many social conflicts by channeling and aggregating demands of diverse groups into a limited number of mediated options. Parties are also supposed to broaden political participation by providing meaningful choices among distinct sets of interests. Parties contribute to intra-elite accountability by providing the means by which a loyal opposition can be organized and can challenge the behavior of incumbents.

Country-Specific Observations:

1. Even the poorest Africa countries with the most unfavorable conditions for stabilizing democratic governance, including all of those in this study, have been able to manage relatively free and fair elections. Only in Ghana and Tanzania, where elections were managed by an incumbent elite, was the fairness of the electoral process, though not the final outcome, in serious doubt.

2. Thus far elections have played much less of a role thus far than was hoped in increasing elite and mass accountability. Winners and losers have shown by their actions following the elections that they do not accept many of the limitations democratic constitutions and other institutional arrangements place on their behavior. To consolidate their power they have tended to pursue stratagems that openly contradict the norms of democratic institutions.

3. It is too early to discern how specific electoral rules are working to increase or limit accountability and representation, but in some cases electoral formula appear to have been expressly designed to favor one elite group or party over another. This appears to be the case of the Malien

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system of election to National Parliament by multi-member, winner-take- all constituencies which greatly exaggerate ADEMA's representation in parliament.

4. The legitimacy of elections as conflict-resolving mechanisms is also problematic in a number of cases. National electoral commissions have not been sufficiently neutral in Tanzania and certainly not in Zanzibar, or in Ghana).

5. In the countries studied, political parties thus far have done little to structure meaningful electoral choices because they have tended to fragment into personal organizations. Parties are so highly fragmented that in most instances party identity and differences are associated more with mercenary gain than with clearly distinct long-term interests. This has done little to increase participation, even defined as electoral turnout, and offers little prospect of improving either lateral (intra-elite) or vertical (mass) accountability.

6. Only in Ghana do prospects for a stable party system based on a choice of interests appear to be emerging. If so it is because Ghana has a more favorable socioeconomic environment than the other five countries, with better developed middle and working classes, higher rates of income and literacy, and a democratization process taking place in the context of at least moderately successful economic growth.

Media

1. All of the countries studied have experienced a remarkable growth in independent media.

2. Print media have played an especially important role in challenging previous authoritarian regimes.

3. The media continue to serve as watchdogs of government action and as a source of political education for elites and counter-elites. Only in Tanzania with print media, and in Mali with rural radio do the media impact non-elites to any significant degree.

4. The watchdog and leadership accountability roles of the media reflect less and less the functioning of independent news sources and increasingly, media alignment with parties, interest groups and commercial interests of media owners. These biases, along with general financial weakness, may render the media in future less useful as a source of honest questions and information that increase public accountability.

Formal Pressure Groups

1. In all of the countries studied pressure groups, particularly those associated with formally organized economic interests, played a significant role in movements to overturn authoritarian governments.

2. Their capacity to do so is due in part to economic liberalization which freed formal civil society to a significant degree,

3. Currently these interest groups are so weak that it is difficult to view them as an important continuing sources of pressure for democratic reform. There is evidence, however, that as economic liberalization proceeds these groups are rebuilding and getting stronger.

4. There are several reasons why economic interest groups, particularly business groups, are limited in their capacity to influence governmental policy: First, economic liberalization has not yet proceeded far enough to produce a strong business class (bourgeoisie) in most African countries. Second, business associations and organized labor still depend heavily on government. In several countries, especially Tanzania and Mali, this dependence is made worse by the continued dominance of the state by a single party, producing a single market for public procurement. Moreover, business interests are badly divided between commercial and manufacturing groups which favor very different governmental policies..

5. As a pressure group, labor is still very weak because it is still just emerging from decades of government domination, and unions have little trust from their membership. In the countries studied, unions, like business, depend on government employment. Unions are further weakened by the very large size of the informal labor sector they do *not* represent.

6. In the countries studied, associations of farmers are just re-emerging from state domination and have not yet developed the capacity to lobby the state effectively. In Mali, there are signs that associations of cash crop producers are beginning to develop lobbying capacity over locally specific conditions, at least vis-a-vis the firms and para-statal enterprises with which they work.

Non Elite Civil Society Organizations

General Observations:

1. So far, nonformal and local associations have been most effective in asserting their right to self-governance, to provide basic services to their members and, increasingly to play a role in managing common resources such as forests and watersheds. These developments have come from a more favorable enabling environment, combined with the de facto disengagement of formal governments from many of these processes.

2. Civil society associations have been much less successful at broadening participation beyond the local level, or in influencing governmental actors or making them more responsive and accountable. This is as much because there has been no profound change in the behavior of government, as it is due to characteristics and weaknesses of local civil society associations themselves. Non elites in local associational life still tend to see formal government as either predatory or detached from them, rather than as potential partners in the resolution of local problems.

Country-Specific Observations:

1. Civil society associations at the local and intermediate levels have benefited considerably from political liberalization which has made it possible for them to function legally. In all of the countries studied there has been dramatic growth in the density and variety of these associations.

2. These associations themselves played no significant role in this liberalization process or in the collapse of the previous authoritarian regimes, and were generally excluded from transition processes such as National Conferences.

3. Local associational life is still limited by legal restrictions dating from the colonial period, and by continued efforts on the part of most governments studied to control them..

4. Genuine associations must compete with the remanent of state-mandated associations such as top-down cooperatives in Niger, and Parent-Student Associations in Mali).

5. Associations are in danger of losing their autonomy as political parties and traditional authorities attempt to take control of them. To the degree that this is happening, it weakens their independent capacity to play governance roles and to broaden political participation individually and in higher-level associations.

6. Thus far, local-level associations in the countries studied have had little success in forming intermediary groups, such as federations, to increase their power and better defend their interests. This process is just starting to occur in Mali with the formation of several farmer 'unions."

7. Thus far, local associations are linked to higher-level governance processes mainly through international nongovernmental organizations, like World Education and CLUSA and through a few national public interest NGOs.. This pattern, which many see as transitional, poses serious problems in the short-run inasmuch as interests of elite national NGOs or even I/NGOs are not the same as those of local association members.

Women and Democratization

General Observations:

1. The involvement of women in democratic politics cuts across all eight of the processes outlined above. It is vitally important to democratization, offering unique opportunities to support non elite accountability and participation.

2. In the 1990s many countries saw an unprecedented degree of mobilization of independent women's organizations in supporting women electoral candidates, in training women leaders, in carrying out civic education, in working for legal changes in the status of women in the constitution-making process among other activities. Yet all too often women found themselves thrust by other opposition forces into the shadows as male representatives have dominated the leadership of political parties and movements seeking political reform.

Country-Specific Observations:

1. Women have generally found it easier than men to take advantage of political liberalization because of their considerable experience of maintaining social and economic networks and the organizational skills they developed, especially in Tanzania and Mali.

2. Because women were frequently excluded from elite networks and patronage machines, they had less at stake in maintaining the old order and were more open to change. Patterns of authority and organization they developed were more supportive of democratic accountability and inclusiveness, especially in local associational life.

3. Newly emerging women's associations are more likely to assert their autonomy from elite political actors such as political parties, since they associate such linkages with subordination, political marginalization and the narrowing of their agendas. Not all women's associations, however, are free of external political and administrative control, e.g., 31th December Women's Movement in Ghana and the Women's Union (UWT) in Tanzania. There are even instances where newly formed associations of elite women are attempting to establish central control over local branches in ways that remind women of previous practices (RFN in Niger).

4. Women's associations operating in a newly liberalized environment have expanded their functions beyond providing social services and enhancing economic initiatives. They have begun attempting to link up with and influence national policy makers on such issues as women's rights, land tenure problems, and sexual harassment. Nonpartisan organizations have emerged to encourage women's participation in the electoral process , educating women about political participation in a multiparty context, training and assisting women candidates and lobbying parties to endorse more women candidates. Women's organizations have also been active in bringing gender perspectives to

bear on constitution-making processes in countries like Zambia and Malawi. They have done this through a combination of umbrella organizations, such as the Tanzania Gender Networking Program and the National Women's Lobby Group in Zambia and through specialized associations of women professionals including lawyers and journalists.

5. The success of these efforts is still very modest. Governments often see these associations as a threat and maintain legal structures which seriously constrain their operation as well as that of other nongovernmental organizations

6. Women's organizations have contributed to broadening political participation among women both as voters and as office seekers. Because they are under pressure from political parties to affiliate and become wings (a subordinated status in the past), women's organizations usually try to remain nonpartisan, but do so with increasing difficulty.

7. Women's issues continued to be marginalized in a multiparty context. The burden of articulating women's issues still falls largely on women and male parliamentarians are not always ready to take seriously their concerns. Legislative democratization has been only marginally helpful since women members of parliament are often not closely connected to women's organizations, especially in countries where there are reserved seats for women..

8. Above all, women's involvement in political life has begun to alter the notion of what politics is all about, focusing on resolving specific issues of communities, neighborhoods and families, rather than on capturing power and the control of the state. Women's mobilization has an immediacy to it. Women are most likely to be embroiled in local day-to-day struggles over access to community and household resources. Women are making their most important contributions to democratic consolidation as they work to bring about improvements to the quality of life of their families, households, neighborhoods and communities. Whatever headway is made at the national level in women's leadership is ultimately contingent on democratizing gender relations in the home and in the local communities.

Findings: General Conclusions And Lessons From Country Studies[1]

The African Context

1. Even by the standards of "developing" countries" the socioeconomic context in the countries studies is very unfavorable (see Table 2, p.18). The economies of these countries have been declining or at best growing very slowly over the last decade, leaving low levels of economic development most Africans still living in poverty. Compounding the problem of democratic consolidation is the fact that most of the transitions studied took place in a context of disastrous economic performance by predecessor regimes.

2. The kind of growth which these societies has undergone has left them, with the exception of Zambia, with tiny industrial working classes, with workers mainly employed in public sector jobs. Even with a decade of economic liberalization, the ownership class (bourgeoisie) is weakly developed, mainly commercial, heavily dependent on public contracts. The vast major of the population is rural and agrarian. All of these factors mitigate against democratic development. The only positive socioeconomic condition is that, for the most part, no large land-owning class dominates agriculture in these countries.

3. This pattern of socioeconomic development means that elite political conflict is mainly over control of the state as a resource, and is not deeply rooted in different economic interests. In this context it has been difficult to forge consensual pacts among elite factions based on the compromise and guarantee of these distinct economic interests.

4. In all of the countries studied, patrimonialism still dominates along with winner-take-all behavior, and 'bargaining cultures" have barely begun to emerge at the national level. With the exception of Ghana none of the countries studies has had much experience with democratic politics and institutions associated with democratic practice, such as democratically-based political parties, are poorly developed.

5. The persistence of informal local-level institutions and traditions of association in parts of Mali, Madagascar and Ghana is a favorable element for building broader-based democracy,

6. The level of aid-dependence of these societies is generally high, contributing to the potential of donors to have influence on democratic development, if they are able to coordinate their actions. On the other hand, economic interest in these countries on the part of donor states is not high, judging by the extraordinarily low level of foreign investment, as compared to investment in East Asian.

TABLE 2
INDICATORS OF SOCIOECONOMIC DEVELOPMENT

	Ghana	Mali	Niger	Tan-zania	Mada-gascar	Zambia	SSA	East Asia
Human Development @ Index (1992, 1.0 = best)	.482	.222	.207	.364	.432	.425	.389	.57
Per capita GNP 1991-93 US $ (1987)	390	201	283	166	207	263	450	1460
GDP Growth Rate (%) 1981-87 1988-93 1993	 2.7 4.1 3.7	 2.3 3.0 7.7	 -2.5 .4 1.4	 2.1 5.6 NA	 -0.1 .7 1.9	 .1 .6 6.8	 1.2 1.5 .9	 7.8 7.6 6.3
GDP Growth per Capita 1988-93 (%)	1.2	5.7	-2.4	2.3	-1.7	.8	-1.3	5 7
GDP from Industry 1992 (%)	16	13	17	12	14	47	34	38
Industrial Growth 1988-93 (%)	5.0	2.0	1.6*	5.6	.3	2.3	1.2	9.1
Debt Service Ratio 1993	25.7	8.5	25.0	26.6	15.6	38.1	18.5	13.5
Official Development Assistance % GNP 1991	11.3	18.5	16.5	39.2	16.4	14.0*	10.0	.7
Direct Foreign Investment 1991 US $ Millions	0	4	0	0	14	0		544+
Infant mortality rate per 1000 live births, 1991	81	130	123	92	93	107	96	38
% Urban 1991	33	20	20	34	25	51	29	29
% work force in industry	11.1	2.0	3.0	5.0	6.0	8.0	8.0	15

Keys: SSA= Africa South of the Sahara, including South Africa and Nigeria.
East Asia= excludes China and Indonesia.
* Niger= Industrial Growth, 1992; Zambia AID 1990..
Sources: UNDP, Human Development Report 1995 NY: United Nations, 1995, 1992 data. Last column is "all less developed countries," not East Asia, here..
World Bank World Development Report, 1993, Table 23. East Asia figure is for Philippines.
Global Coalition for Africa, 1994 Annual Report, Washington, D.C.: GCA, 1995

General Conclusions and Lessons

1. Our studies confirm that it is difficult for a number of processes of democratic governance to advance and to sustain democratic governance in contexts as unfavorable as these. Many African regimes have not made even a successful first step.

2. All six countries made significant progress since 1991 on at least some processes of democracy. Compared to the situation of the mid-1980s, this progress should not be underestimated.

3. Risks of failure or of significant reversal are considerable. Expectations in any particular programmatic cycle should be modest. Success should be measured against prior practice, over a range of processes of democratization, in terms of how much more accountable and participatory governments are.

4. Progress has been uneven in different democratic processes. The greatest progress has been made in the enabling environment, providing greater de facto and de jure freedom of expression, communication and association. This includes the de facto opening of political space for local and non elite associational life to operate and to participate in some forms of governance (chiefly self-governance or local-level governance).

5. Observing the pattern which results from uneven progress among processes helps us understand how governance is currently functioning and what opportunities may exist to further aspects of democratic governance in a particular country.

6. Although general patterns emerge from our cases, understanding the status of governance reform and planning effectively to assist in this process requires a considerable amount of country-specific information. No boilerplate approach can capture the situation or point to consistently useful assistance strategies.

7. Initial reforms of the political system were dominated by elites, often incumbent elites. This left in place and still operational much of the political behavior of the predecessor authoritarian regimes, and provided only limited incentives to alter rules governing a variety of political processes which could expand participation and improve accountability.

8. Where elite civil society actors played a significant role in the initial transition, they too tended to be dominated by actors whose political behavior generally followed the patterns displayed by incumbent elites.

9. State dominance of the political system has changed very little with democratization, reflecting the continued dominant position of national and state-oriented elites. State actors and

formal governance institutions continue to dominate both the broader civil society and local political actors, limiting their capacities for institutionalized participation and influence.

10. Intra-elite accountability has improved somewhat as courts and legislatures have re-emerged from decades of dormancy. Yet neither these institutions nor formal constitutions yet provide sufficient checks on the exercise of power by elites controlling executive power to give counter-elites much assurance of the viability of the democratic pact.

11. Improving democratic governance involves, above all, altering behavior, but behavior is linked to institution which structure incentives and sanctions and to attitudes. Behavior can be altered when actors perceive sufficient incentives to change, and/or when strong disincentives for maintaining behaviors exist. Given the elite-dominated character of most emerging African democracies, the most important changes required for sustainable improvement in democratic governance are:

- modification of "winner-take-all" behavior, making it possible to resolve conflicts without resort to force or to non-democratic means; and,

- modification of patronage (neo-patrimonialism) as the dominant form of political allocation and of participation in a political system, through the growth of other, more group-interest based means of influencing allocation of public resources.

12. Formal associations of civil society played significant roles in the collapse of the old regime, and can be expected to become increasingly important with further economic liberalization. Although they have been fairly ineffective thus far in influencing governmental policies or in holding governmental officials accountable, they must be seen as a lynchpin to efforts to negotiate and stabilize elite pacts.

13. Assisting elite civil society associations is important in the medium term, but should emphasize finding common ground between government and civil society rather than stressing contestation and resistance. For example, it may be possible to formulate an explicit deal which could benefit both government and business, such as an agreement that business to support taxes in exchange for greater economic reforms and less controls.

14. In the short to medium term, supporting counter-elite civil society as a way to improve accountability and participation has limitations, particularly if the goal is to promote broad-based and environmentally sound economic growth and popular empowerment. Counter-elite associations do not broaden participation very much, and hence do not alter political behavior or norms significantly.

15. Support for women's associations, even for elite associations, is a particularly important way to foster broader participation and changes in political behavior and attitudes..

16. Support for local-level associational life and for intermediary organizations which help coordinate and aggregate the interests and activities of local-level actors is an important supplementary way of helping to consolidate democratic processes beyond the elite level. Assistance at this level poses some serious problems, however.

a. It takes considerable time, particularly where the density and diversity of local associations have been most negatively affected by decades of statist policies. To operate at this level requires a long time horizon and considerable tolerance for failure or reversal in the short-term.

b. Local-level associations are not necessarily democratic in terms of the practices and norms of their leaders. Many local-level associations are neither democratically governed nor inclusive. They must be encouraged to be more so. Support for women's local-level associations is a particularly useful way not only of building local organizational capacity but also more participatory and democratic values and structures.

c. Local-level associations may relate to government chiefly with suspicion or resistance. Strategies for broadening participation and accountability by working at the local level should combine efforts by donors to maintain and improve the legal and political space for local associations with approaches to finding common ground between government and these associations that both will consider beneficial. One example would be to promote an agreement under which local people would support payment of taxes in exchange for guarantees of rights of association and self-governance over specific resources.

d. Working with local associations can only rarely involve "working on democracy" directly. People alter their behavior most readily when they confront and try to address specific problems. This is particularly true of women's involvement at the local and community levels. Donors can best promote democratic governance through assistance to resolving specific problems, such as providing for education, health, and the management of natural resources. Assistance programs for promoting democratic governance at the local level should be woven throughout the country assistance program and into all of a mission's strategic objectives.

17. External involvement and assistance was critical to the first phase of transition. External assistance is likely to continue to be vital, if not sufficient to further improvements in democratic governance in Africa.

18. External actors must improve their assistance to supporting democratic governance in Africa by adopting a more strategic approach to their assistance. External assistance in this domain has proven very uneven and ad hoc, and thus less effective than it might be.

Strategic Orientations

Overall Strategic Orientations

Formulating strategy is a matter of determining how best to achieve certain goals. This involves a clear understanding of interests and goals; of the level of resources investors are willing to put at stake and of the options which exist to achieve these goals; an assessment of specific circumstances which are likely to affect results of pursuing a particular option; and an approach to reducing risk or improving outcomes.

Goal Assessment: For this analysis, it is assumed that USAID's overall goal is sustainable development, and that improving democratic governance is understood to play a vital role in this overall process. The first decision USAID must make is whether a given country is to be considered a "sustainable development country," i.e, a country where there is a reasonable prospect that sustainable development can be effectively assisted. USAID should consistently apply a set of minimum conditions to make the preliminary decision whether to consider investing in improving democratic development beyond one-shot Human Rights or initial electoral assistance.

Resource Investment: This analysis also assumes that the amount of resources which USAID is willing to invest in promoting democratic governance as part of sustainable development in Africa will be quite limited. If this is the case USAID should seriously consider focusing its investments by establishing clear thresholds below which it will be unwilling to invest more than token sums in this enterprise. It should avoid investments in democratic governance to countries where risks of failure are great, as they will be in all countries under the SD threshold.

Arraying the Options: There are three general options for supporting improvements in democratic governance in Africa or elsewhere:

Fostering Economic Growth: Sustained economic growth will ultimately provide the underpinnings for a more genuinely plural democratic society and polity. Growth will help develop economic (or class-based) interest groups increasingly capable of defending their own rights and interests and of demanding governance which serves the interest of more people. Although highly inequitable growth will not insure improved democratic governance, in the long term growth is critical because without it broadly-based growth, vital to producing shifts in power needed to sustain the empowered demand for more accountable and responsive governance is impossible. Growth can also lessen the burdens of demands for performance on a system which is democratizing, thus enabling greater levels of support. An economic growth-oriented approach does not try to improve democratic governance in the short-run, but relies on growth to stimulate conditions which will make democratic processes more effective.

Since the mid-1980s the option to promote economic growth has been associated with policies to further liberalize economies, to promote legal and policy environments which allow private economic actors to flourish and to reduce state intervention in market processes such as price and production decisions. While it is widely believed that this package of reforms can stimulate growth, it is questionable whether the decision to choose only this option is politically sustainable and whether it will ultimately produce broad-based, environmentally sustainable economic growth.

Fostering Democratic Elite Behavior: This option addresses a judgment that *without* an elite pact, breakdowns and reversals of progress made on any democratic process are likely making progress on any element of sustainable development unlikely. Pacted regimes, on the other hand, do appear to be better at producing economic growth than weak and unpacted elite-dominated regimes.

Opportunities may exist in specific instances for external actors to assist in elite pacting by encouraging the relevant actors to formulate and institutionalize minimum agreements on sharing power and on securing the primary security interests of key actors. Generally, national elites accept the need for such arrangements only after they perceive that consequences (internal and external) of instability and democratic reversal have become too costly. In Africa, donors may play a significant role in such perceptions, but this requires a high level of donor coordination and determination. For USAID, an elite pacting approach will usually require close coordination with other higher-leverage bilateral and multilateral donors. Where this can be realized, there are a number of things, ranging from facilitating elite dialogues , to supporting counter-elite civil society including a vigorous media, to assisting in designing institutional arrangements which limit the use of discretion by those in power and give more assurance to groups in the pact that their interests will be reasonably well protected.

The option of promoting elite pacts also has its difficulties. It may help stabilize regimes in the short-term, but it does little to broaden empowerment or vertical accountability (beyond intra-elite accountability). It leave those in control with little incentive to broaden participation to others or to adopt policies which broaden the basis of economic growth, and provide incentives for environmentally-sustainable growth. Over time elite-pacted democracies lose their legitimacy and effectiveness because they do not become more inclusive. Focusing on elite pacts can only be justified in the long-term if there is reason to believe that the stability they provide can promote economic growth, thus contributing to legitimacy, and that elites eventually come to accept the necessity for improvements in other dimensions of democratization, including mass participation.

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Strengthening Civil Society: There are reasons to doubt that supporting and helping elite democracy will lead to a sufficient broadening of participation and benefits of economic growth to support sustainable development. The option to focus on strengthening civil society attempts to deal directly with this problem. In reality, it may involve three different kinds of support, each with different implications:

- **Supporting Counter-elites:** Supporting formal associations of professions, journalists, labor, business, and commercial farmers, as well as specifically "civic" actors, such as human rights associations, anti-corruption associations and voter education and monitoring groups is essentially a way of increasing pluralism and intra-elite competition and accountability. This kind of civil society support approach will rarely be done in isolation of other options. It can and probably should be an important ingredient in growth-oriented and elite pact approaches to improving governance and sustainable development.

- **Strengthening Civil Society Beyond Elite Actors**: An approach which supports civil society groups normally marginalized by elite pacts, such as organized and informal labor, farmers and other rural producers, women and ethnic minorities, is a way to expand participation in national political life directly by helping to link these groups to policy-making. It is, no doubt, more difficult and problematic in terms of the resources and capacities of the groups being aided. Yet, without the active involvement of these groups, and their support of the political process, democratic governance and sustainable development outcomes are likely to be very limited.

- **Strengthening self-governing associations**: Supporting civil society at the local level involves sharing governance in two distinct ways, First, such associations can help perform a variety of vital development tasks, including the provision of services. Second, such associations can link local people to the political and policy process, usually through intermediaries such as federations of local associations, which can then interact with local or even national government. Both of these benefits, however, depend on altering the character of the state sufficiently to permit and authorize such sharing of governance. There must be a minimum acceptable enabling environment to permit this kind of activity to take place at acceptable transaction costs. Thus, even this kind of civil society support approach cannot usually succeed if it affects political decisions and processes exclusively at the local level.

Strategic Questions: Strategy formulation should be guided by a combination of theory and specific concrete realities, if it is to produce strategy which is better than ad hoc responses yet remain relevant to policy makers. Strategic thinking should be guided by three kinds of questions:

- What does political science and broader social science theory tell us about the likely opportunities and constraints of promoting democratic patterns of behavior in this general context?

- What specific variations in the context of a particular society, including the relative distribution of power and the basis of that power and existing habits of association and trust, offer opportunities for assisting in improving democratic governance which transcend the presumed limits of the general context?

- What problems of public management do people in a specific society perceive to be important, and how can a reform agenda for governance be forged around such an agenda in that society?

Strategizing from general patterns and from a learning process: While no simple blueprint is useful, strategic priorities can be formulated which should improve the choice of assistance approaches and interventions based on general patterns observed, on an awareness of how they fit into a broader social science literature, and on a detailed understanding of country-specific developments. At the same time a strategic approach to improving democratic governance cannot be a one-time prescription. It must encourage a learning process for all parties involved--elite and non-elite nationals and foreign assistance officials.

Developing a Democratic Governance Support Strategy in a Specific Country

Following the general guidance offered above, there are three specific steps which should be followed in formulating a democratic governance support strategy for a specific country: Assessment; consultation and the formulation of a reform agenda; and strategic choice of options.

Assessment of the Country-Specific Conditions and Guidance

A strategic approach to supporting democratic governance must start with a verification of specific conditions and an analysis of obstacles and opportunities these imply. An assessment of where a given country stands in terms of context variables can be quickly and fairly easily done, revealing where basic cleavages in the society occur, how much relative potential power various actors have and what their basic interests are. Key information will be how the pattern of economic development has affected the development of classes, gender categories, and professional interest groups, how it has affected splits within such groups as the working class and private ownership class (bourgeoisie), as well as salient of ethnic, regional and religious identities and interests are. What should be established at the outset is the extent of past democratic governance in national institutions, the residual effect of this experience, and the capacity of local level associations to engage in problem-solving and self-governance.

An initial assessment should then identify specific changes that have occurred and the degree to which democratic governance processes are institutionalized, providing for accountability in such areas as elections through the operation of legislatures and judiciaries with some independent power; and establishing multi-levels of formal government with different competencies. To be determined, as well, is the degree to which a variety of institutions in political and civil society, such as political parties, and interest groups operate to broaden participation and to make the elite more accountable. Finally, it is important to assess the capacity of local associations to engage in self-governance, and the legal standing of such groups to do so and to link to governmental institutions.

Based on this kind of information, it should be possible to:

- determine the general type of governance system operating;

- identify the main types of governance problems and obstacles typical of this type of system, and manifest in this specific case; and,

- describe any particularly favorable conditions which exist in the society and which differentiate it from the general pattern. These conditions can become the focal point of opportunities to strengthen democratic governance.

Country Consultation and Construction of a Reform Agenda

Armed with this information, the donor or group of donors can invite discussions at several levels of society with partners in ministries concerned with implementing technical programs, with donor project managers; with leaders in elite associational life; and with leaders of women's and other local-level associations and with community leaders. From these discussions will emerge specific problems people consider critical and an understanding of what their governance implications are. Assessments can provide a useful way to start discussions, particularly among government and elite civil society actors. So can a widely perceived public problem and the frustrations of dealing with it that many actors experience. Often the best approach is to focus on one or more very specific issues, such as problems producers experience in marketing their products or in obtaining credit or productive inputs, or which formal sector merchants experience in dealing with licensing, taxation and informal competition.. Discussions can also begin with a broader and more direct governance problem such as provision of local services, or with problems of tax revenues. Wherever the discussion begins, if it is well conducted it will quickly reveal underlying governance problems which limit participation and effective problem-solving.

Based on these discussions, donors and nationals can formulate a reform agenda to deal with specific obstacles. This agenda should locate the key obstacles and identify key resources currently underutilized. A reform agenda developed at any level will connect issues and constraints at various levels of the political system, offering not only a technical vision of what needs to be done but a broader picture of how issues of public accountability and

participation condition what can be done and what might be done should some of these mechanisms improve.

Selecting Strategic Priorities– A Decision Tree Approach

What follows can easily be misinterpreted. The notion of a decision tree is that it structures contingent choices. The strategic orientations outlined above are not negated by this approach. They should still be followed. But each case will call for a somewhat different specific program, guided by particular contextual factors, by a careful assessment, and by the nature of the reform agenda which emerges from the host-country consultation process.

Nonetheless, a review of comparative literature in political science and political sociology and the experience gained from working on improving democratic governance in Africa suggest ways to structure strategic choices more systematically. This approach may at least serve to raise important questions about the suitability of assistance opportunities which arise on an ad hoc basis without reference to a more general framework linked to promoting sustainable development.

[See Table 3 – Strategic Decision Tree, p. 30]

The first step as discussed above will be to determine whether a country fits USAID's general classification as a "sustainable development country." It would help in strategy development if these criteria were more explicit and consistently applied.

Next, planners should consider how the options for supporting democratic governance, discussed above, should be combined in a specific country situation. A number of choices might be considered:

Emphasis on Economic Growth: In some instances USAID may determine that a growth-oriented strategy is warranted, since significant opportunities appear to exist to promote growth while democratic governance is in its very early stages. Characteristic of this stage is the fact that consultations with host nationals produce little agreement on the desirability and feasibility of a governance reform agenda. The selection of a growth-only option should be rare in Africa, where patterns of authoritarian governance offer little prospect for reasonably accountable management of economic resources for growth, and still less for broad-based growth.

In general, a focus on growth should be accompanied by commitment to foster long-term governance reform through support to counter-elites and local-level civil society. Where the governance environment rules out these kinds of activities, USAID may prefer simply to restrict its assistance to humanitarian and short-term human rights.

Emphasis on Growth and Counter-Elite Reform: For many of Africa's political systems, the first step toward promoting sustainable development must be the

stabilization of the national political process through the forging of elite pacts. For African political systems which have made progress on at least some dimensions of democratic governance, assisting with elite pacting and helping design national rules and institutions to support such pacts should be high on the donor's strategic priorities. Growth will help, and should be encouraged through sound macro-economic policies. When, however, the requirements of growth are seen to be at odds with the forging and maintenance of a minimum viable elite pact, donors should be aware of the tradeoffs and sensitive to the costs of failed pacts. This is particularly a problem for pacts which involve the interests of organized labor, often dominated by unions of civil servants. It is also a serious problem for pacts which must include and deal with the interests of the military. The most common means of supporting elite pacting will be support for counter elite civil society, particularly for "civics" and the media.

Simultaneous Emphasis on Counter-Elite and Local Civil Society Development

With a minimum security pact in place donors should examine the possibilities of assisting the development of civil society beyond working with national elites in formal associations. When, however, should the focus be on building and linking self--governing associational life, on helping marginalized non-elites develop greater power and voice? When should emphasis be put on decentralization and on meaningful devolution to local-level governments working with local associations?

The thrust of the argument developed in this work is that, although these activities are ultimately vital to deepening democracy so that its does not die a slow death as it losers more and more public support, there are contexts in which a primary emphasis on this level of intervention is a poor investment. In conditions as unfavorable as those prevailing in much of Africa, heavy investments in these activities should normally follow the establishment of a minimally stable pacted democratic regime.

The exception to this general guidance is important. Donors focusing on stabilizing national pacts should at the same time promote enabling rules which facilitate the growth of democratic self-governing associations at the primary and secondary levels (groupings or federations), and direct support should be mainly the task of I/NGOs and PVOs which can take a very long time frame and can manage many small investments.

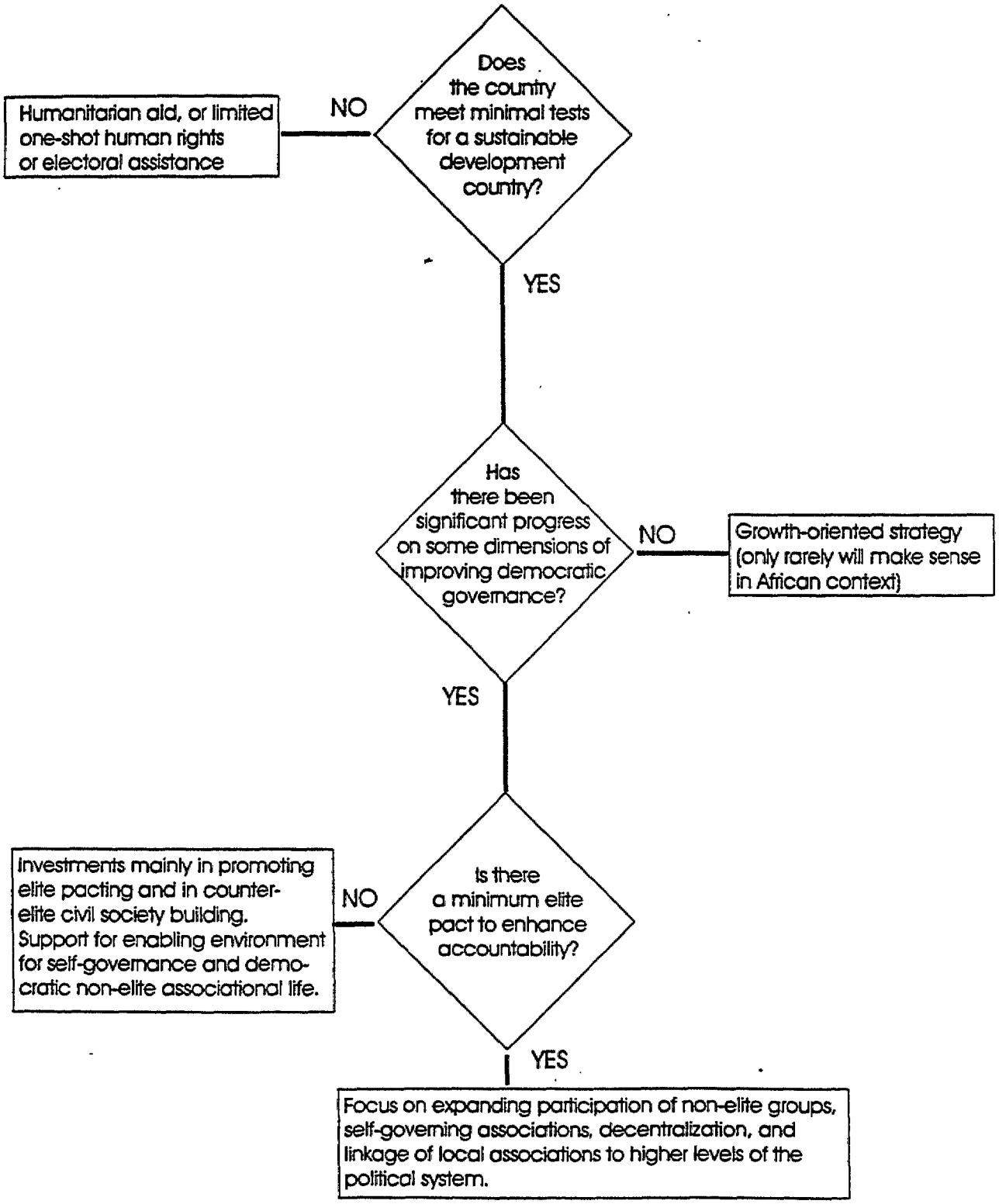
Emphasis on Local Civil Society Development

The decision to emphasize local associational life in the absence of good opportunities to stabilize elite accountability is a questionable one which should be subject to very careful analysis. This type of strategy can be justified for bilateral donors if they can take a very long time perspective and are willing to accept high risks of failure and misuse of resources. Normally international NGOS or PVOs with long time horizons may pursue such strategies when they risk relatively low levels of resources. The decision to adopt such an approach is improved somewhat when a determination has been made that considerable community or

informal association experience exists with self-governance, and where national governments do not constrain such activities de facto because of their own inability or unwillingness to operate at this level. Until the overall governance environment improves, however, it is unlikely that such a strategy can improve democratic governance above the local level, thus truncating and marginalizing it.

TABLE 3

Strategic Decision Tree Approach to Improving Democratic Governance



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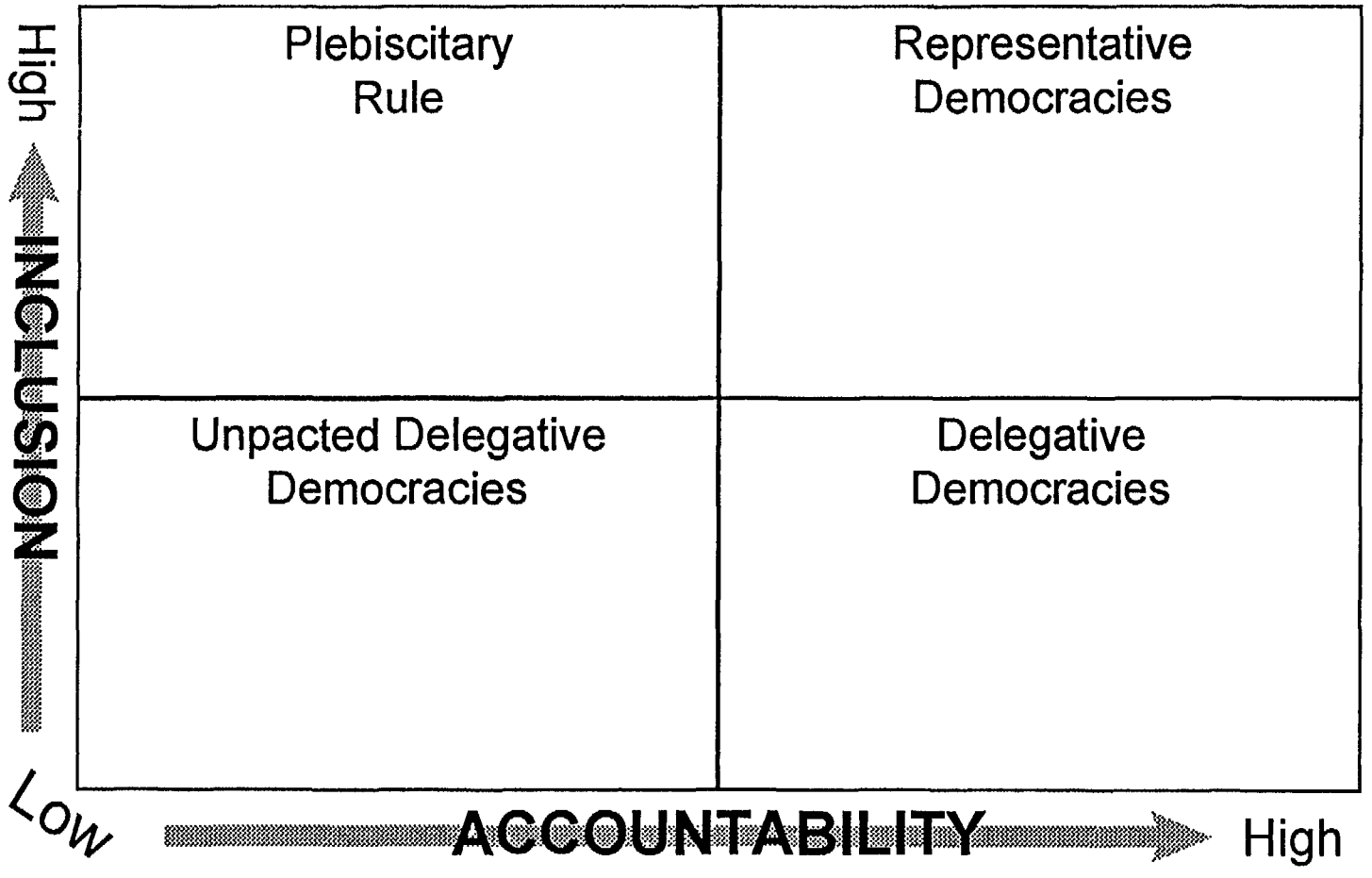
ENDNOTES

1. For other analyses of "Lessons Learned" in promoting democracy, both in transitions and in consolidation, see Barkan, 1996, Ellis, 1996; Global Coalition for Africa, Chege, 1995.

A Framework for Analysis



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A FRAMEWORK FOR ANALYSIS

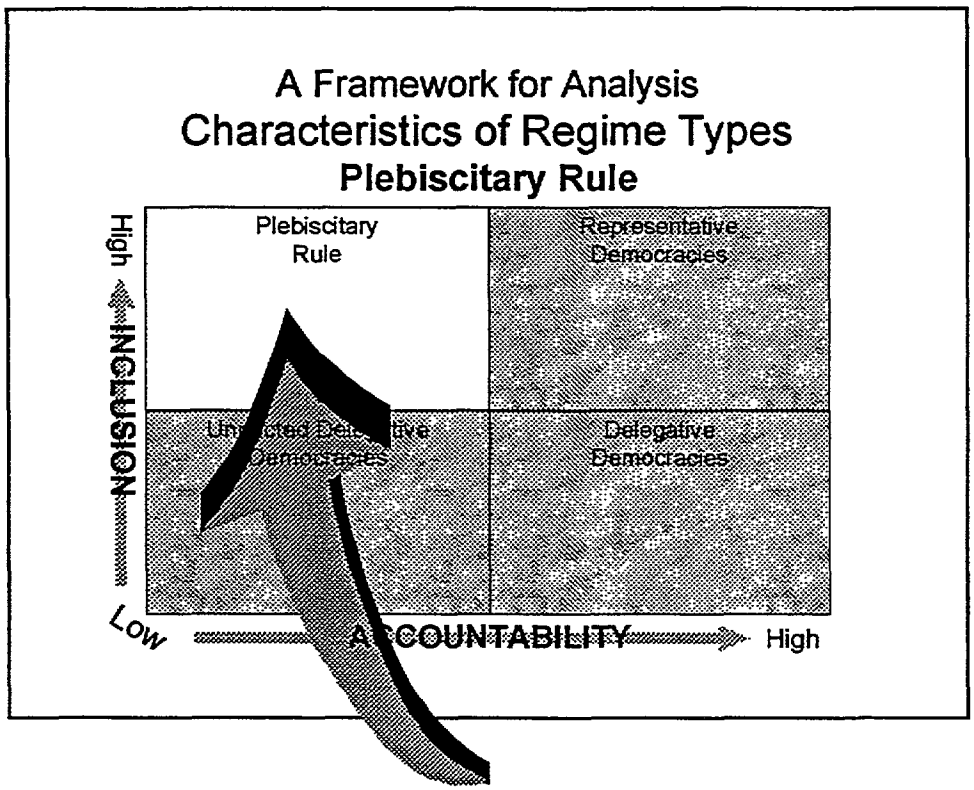
DEFINITIONS

■ Accountability

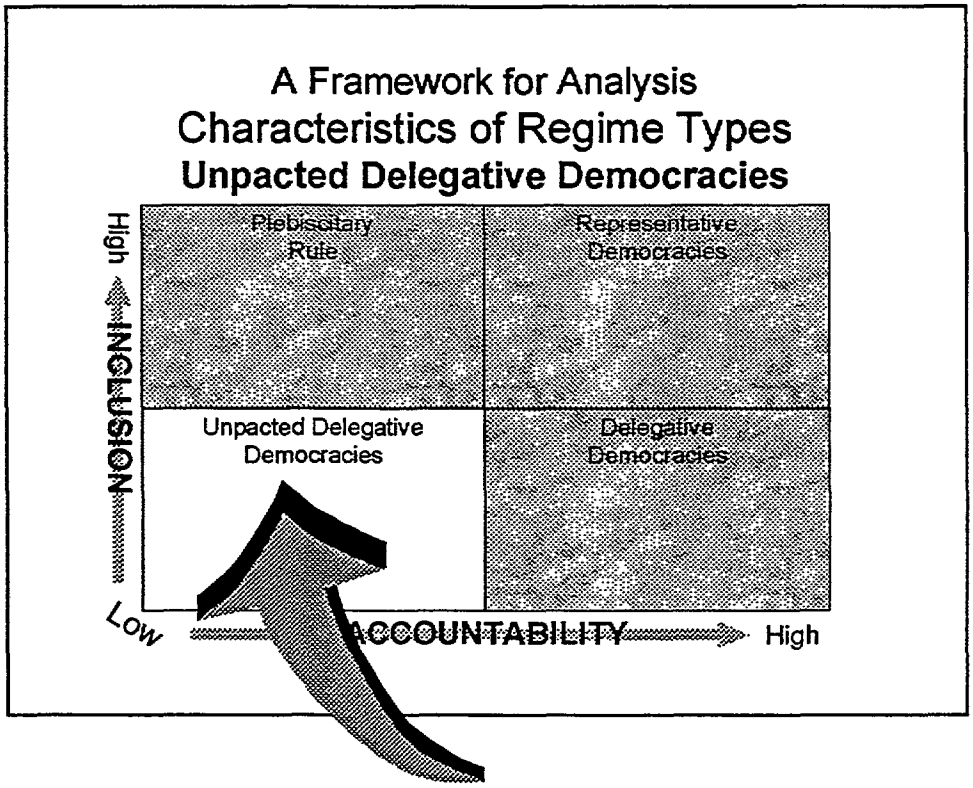
The extent to which the rules that limit the behavior of political elites are institutionalized. These would include constitutions, independent judiciaries, independent legislatures, local governments, and -- in extreme cases -- peace treaties.

■ Inclusion

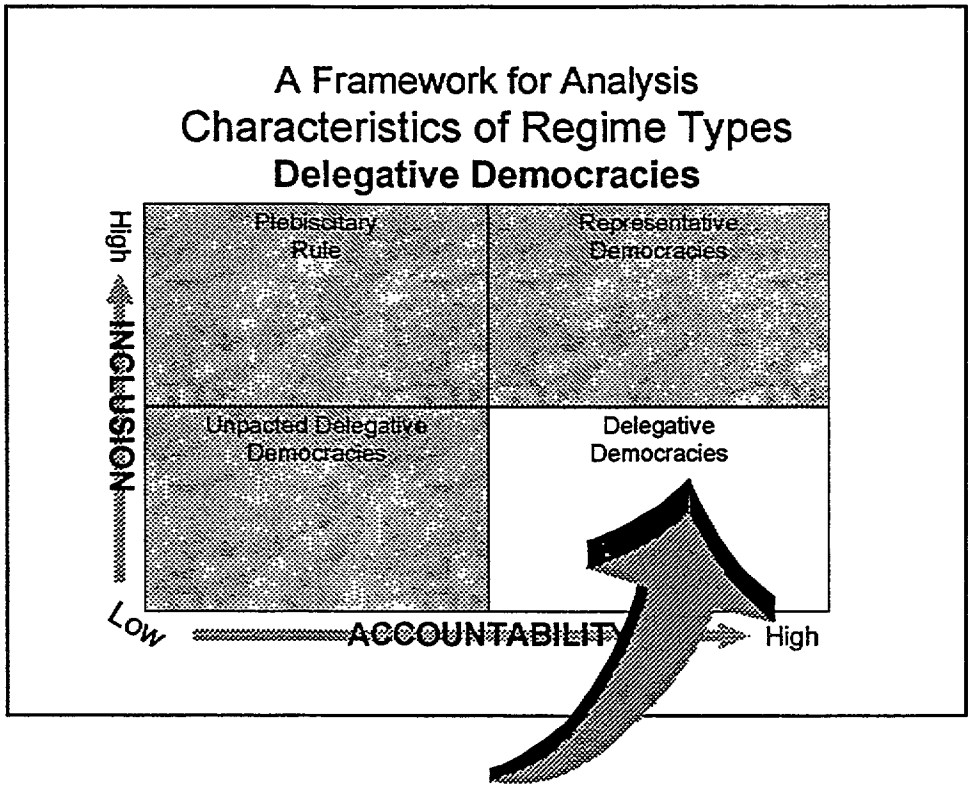
The mechanisms that citizens have to participate in their political system. More than just elections and polls, this includes the more constant and regular patterns of participation provided through civil society, media, and local government. This is not just a question of how much but also who -- which citizens participate effectively? In other words, do citizens have fairly ingrained mechanisms for voicing their opinions to government and enforcing them? And how representative of society are those channels?



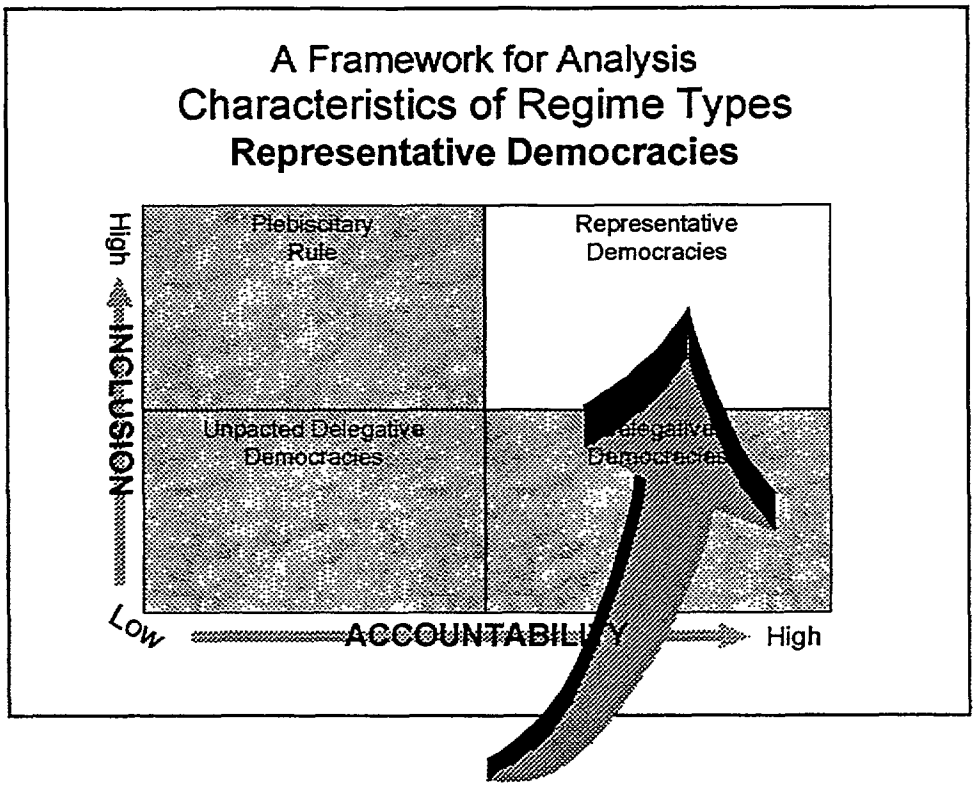
- low intra-elite accountability, particularly in the sense of little agreement on the legitimacy of the system
- polarized and volatile participation, such as strikes, demonstrations, and political violence (levels of mobilization may be high but participation is less than meaningful)
- weak state institutions



- minimal rules for accountability
- what rules exist are not respected or are contested
- problematic elections
- subordinate judicial system
- laws protecting civil and political liberties often violated
- opposition excluded
- civil society underdeveloped and/or lacking autonomy
- media under pressure
- patronage and rampant corruption



- constitutional rules accepted, but their application is uneven
- regime may exclude some branches from purview of normal rules of accountability, e.g. military
- competition among elites
- elections generally free and fair, but not helpful in resolving societal conflicts
- legislature more representative of elites and a better watchdog of executive
- judiciary stronger, more independent
- laws protecting civil and political liberties occasionally violated
- civil society still limited in terms of breadth and depth of participation, although legal environment for civil society activity may be better



■ meaningful and extensive competition among individuals and organized groups (especially political parties) for all effective positions of government power through regular, free and fair elections that exclude the use of force

■ civil and political liberties secured through political equality under law, sufficient to ensure that citizens (acting individually and through various associations) can develop and advocate their views and interests and contest policies and offices vigorously and autonomously

■ multiple channels exist for representation of citizen interests beyond the formal political frameworks of parties, parliaments, and elections

sands of southern Bhutanese as "anti-nationals" and shut down scores of schools and hospitals in the region.

In late 1990 and early 1991 the government began expelling from the country the first of tens of thousands of southern Bhutanese. Officials forced many to sign "voluntary departure" statements that forfeited their land and property. Throughout southern Bhutan, soldiers randomly raped and beat villagers, hastening the exodus. The flow peaked in 1992, but by 1994 there were 86,000 southern Bhutanese in eight refugee camps in eastern Nepal and 15,000 others in India. Bhutan claims that most of the refugees were illegal immigrants. However, according to the Nepalese government 97 percent of the refugees possess some form of Bhutanese citizenship documentation.

In 1994 there was growing evidence that the government is encouraging northern Bhutanese to resettle in depopulated areas in the south. In another development, on 21 June a group of northern Bhutanese launched the Druk National Congress party in exile in Nepal to press for democratic reforms.

Political Rights and Civil Liberties: Bhutanese citizens lack the democratic means to change their government. The king wields absolute power, and policymaking is centered around the king and a small number of Buddhist aristocratic elites. Ethnic Nepalese hold a disproportionately small number of seats in the National Assembly. The two major ethnic-Nepalese-based political parties, the Bhutan People's Party and the Bhutan National Democratic Party, are both outlawed and operate in exile in Nepal.

The Bhutanese army and police are responsible for grave human rights violations against ethnic-Nepalese citizens. These include arbitrary arrests, beatings, rape, destruction of homes and robbery. Security forces regularly search houses without apparent justification. There are at least 200 southern Bhutanese political detainees, and several detainees and prisoners have reportedly died in custody in recent years due to torture and poor conditions.

Southern Bhutanese are required to obtain from the government "No Objection Certificates" (NOC) to enter schools, take jobs and sell farm products. In practice NOCs are frequently denied. The 1989 Driglam Namzha decree requiring all Bhutanese to wear traditional Ngalop Drukpa clothes is enforced infrequently in the north, but fairly strongly in the south. The teaching of the Nepali language in schools remains banned, and many of the southern schools and hospitals closed by the authorities in 1990 have yet to reopen. The government charges southern Bhutanese with terrorist actions, but according to the U.S. State Department most attacks in the south appear to be the random work of armed robber gangs with no political or ideological affiliation.

The king appoints and can dismiss judges, and the judiciary is not independent of the government. Judges handle all aspects of a case, including investigation and prosecution. There are no jury trials or lawyers, although a defendant has the right to the services of a *jambi*, a person familiar with the law.

Only 12 percent of the population is literate, so the print media has little impact. The state-owned weekly *Kuensel* is the country's only regular publication and is essentially a government mouthpiece. Foreign publications are available but the authorities ban editions carrying articles critical of the king or government. The country has no television stations, and since 1989 the kingdom has banned satellite dishes to prevent people from receiving foreign broadcasts. Freedom of speech is

restricted a[illegible]ed, except indirectly during National Assembly discussions. There is no freedom of association, and there are no nongovernmental organizations or other elements of civil society.

The Druk Kargue sect of Mahayana Buddhism is the official state religion. Monasteries and shrines are subsidized by the government and some 6,000 Buddhist *lamas* (priests) wield fairly strong political influence. Most southern Bhutanese are Hindus; due to persecution against them, they lack the means to worship freely. Southern Bhutanese reportedly also face difficulty in traveling freely throughout the country. Only 3,000 visitors are allowed into the kingdom each year. Trade unions and strikes are not permitted. According to UNICEF preteens are sometimes put on roadbuilding teams.

Bolivia

Polity: Presidential-legislative democracy
Economy: Capitalist
Population: 8,214,000
PPP: $2,170
Life Expectancy: 60.5
Ethnic Groups: Quechua Indian (30 percent), Aymara Indian (25 percent), other Indian (15 percent), mixed (10-15 percent), European (10-15 percent)

Political Rights: 2
Civil Liberties: 3
Status: Free

Overview: President Gonzalo Sanchez de Losada made some headway in implementing an ambitious economic reform and privatization program. However, few Bolivians expected to benefit in the short term, and because he had difficulties handling protests by coca growers, the president's popularity waned in the second half of 1994.

After achieving independence from Spain in 1825, the Republic of Bolivia endured recurrent instability and extended periods of military rule. The armed forces, responsible for over 180 coups in 157 years, returned to the barracks in 1982 and the 1967 constitution was restored. The 1985 election of President Victor Paz Estenssoro of the Nationalist Revolutionary Movement (MNR) marked the first transfer of power between two elected presidents in twenty-five years.

The constitution provides for the election every four years of a president and a Congress consisting of a 130-member House of Representatives and a 27-member Senate. Following reforms made in 1993-94, the terms will be extended to five years beginning in 1997. Currently, if no presidential candidate receives an absolute majority of votes, Congress makes the selection from among the three leading contenders. Starting in 1997, the outcome will be decided by a run-off election between the two leading candidates. Municipal elections are held every two years.

Sanchez de Losada, the former planning minister under Paz Estenssoro and architect of an austerity program that ended hyperinflation, won a plurality in the 1989 election. Retired Gen. Hugo Banzer, head of the conservative National Democratic Action (ADN)

came second. Jaime Paz Zamora of the social democratic Movement of the Revolutionary Left (MIR) came third. Sanchez de Losada lost out when the ADN joined the MIR in a coalition to elect Paz Zamora president in exchange for half the cabinet positions.

Paz Zamora's term was marked by factionalism, corruption scandals, student protests and paralyzing labor strikes. Widespread discontent with traditional politics led to the emergence of populist, anti-establishment alternatives, the Civic and Solidarity Union (UCS) led by beer magnate Max Fernandez and the Conscience of the Fatherland party (CONDEPA) led by talk-show host Carlos Palenque.

The 1993 election campaign came down to a duel between Sanchez de Losada and Banzer for the incumbent ADN-MIR. Sanchez de Losada's reputation as a successful and honest entrepreneur apparently gave him the edge.

Sanchez de Losada took 33.8 percent of the vote; Banzer, 20 percent; Palenque, 13.6; Fernandez, 13.1; and Antonio Aranibar of the leftist Free Bolivia Movement (MBL), 5.1. The MNR won 69 seats in the bicameral legislature. Sanchez de Losada secured the backing of Fernandez, whose UCS took 21 seats, and Aranibar, whose MBL took 7. The three-party coalition elected Sanchez president. Running mate Hugo Cardenas, an Aymara Indian, became vice president, the first indigenous leader in Latin America to hold such a high national office. Both the UCS and the MBL were rewarded with cabinet positions.

In 1994 Sanchez de Losada managed to get Congress to agree in principle to his economic centerpiece, a privatization scheme he calls "capitalization." It would bring in foreign investors to make a strategic equity stake in six major state companies, then distribute up to 50 percent of the remaining shares to the estimated 3.8 million adult Bolivians. However, full implementation required a heavy legislative program, and Sanchez de Losada had difficulties maintaining his governing coalition. In September Fernandez defected. Only after seven UCS legislators made a separate peace with the MNR was Sanchez de Losada able to retain a slim majority in Congress.

Meanwhile, the president had raised great expectations during his campaign by promising to create thousands of jobs. However, austerity cuts in the public sector work force, followed by a series of strikes, left many Bolivians disillusioned.

Sanchez de Losada also mishandled a September march by coca growers who were protesting stepped-up measures against coca production by Bolivian drug police advised by the U.S. Drug Enforcement Agency. First, the government used force against the marchers. Then, after widespread criticism, Sanchez de Losada about-faced, inviting protesters to the presidential palace. In the end, little was settled and Sanchez de Losada had reinforced his image as an indecisive leader.

By October, Sanchez de Losada saw his rating in the opinion polls, once as high as 70 percent, drop to nearly half that. Still, he stood well above his political rivals. The ADN seemed paralyzed by an internal fight over who would succeed the aging Banzer as party chief. The MIR also was in turmoil after Paz Zamora stepped down as party leader in the face of allegations that he and other MIRistas had links with drug traffickers during his administration.

Political Rights and Civil Liberties: Citizens are able to change their government through democratic means. In 1991 a new electoral court consisting of five relatively independent magistrates was created, and a new vo[illegible]gistration system was implemented.

Constitutional guarantees regarding free expression, freedom of religion, and the right to organize political parties, civic groups and labor unions are generally respected. But political expression is restricted by recurring violence associated with labor strife and the billion-dollar-per-year cocaine trade. Also, the emergence of small indigenous-based guerrilla groups has caused an overreaction by security forces against legitimate government opponents. The languages of the indigenous population are officially recognized, but the 40 percent Spanish-speaking minority still dominates the political process.

The political landscape features political parties ranging from fascist to radical left. There are also a number of indigenous-based peasant movements, including the Tupac Katari Revolutionary Liberation Movement headed by Victor Hugo Cardenas, the nation's vice president.

There is strong evidence that drug money has penetrated the political process through the corruption of government officials and the military, and through electoral campaign financing. The drug trade has also spawned private security forces that operate with relative impunity in the coca-growing regions. Bolivia is the world's second largest producer of cocaine. A U.S.-sponsored eradication program has drawn political fire from peasant unions representing Bolivia's 50,000 coca farmers, the Bolivian Workers Confederation, the nation's largest labor confederation, and nationalist sectors of the military.

Unions are permitted to strike and have done so repeatedly against the economic restructuring programs of three successive governments that have left more than a quarter of the work force idle. Strikes are often broken up by government security forces.

The judiciary, headed by a Supreme Court, is the weakest branch of government. Despite recent reforms it remains riddled with corruption, over-politicized and subject to the compromising power of drug traffickers. A revamped Supreme Court won accolades in early 1993 for convicting fugitive former dictator Gen. Lucas Garcia Mesa (1980-81) and a number of his cronies on murder and corruption charges. Later, however, seven of the twelve justices faced charges in the Congress for soliciting bribes in an extradition case. In 1994 two of them, including the chief justice, were impeached by the Senate. It remained to be seen whether the creation of a Constitutional Tribunal and a "people's defender" branch would improve the judicial system.

Human rights organizations are both government-sponsored and independent. Their reports indicate an increase in police brutality, torture during confinement and harsh prison conditions since 1991. There has been occasional intimidation against independent rights activists. Prison conditions are poor and nearly three-quarters of prisoners have not been formally sentenced.

The press, radio and television are mostly privately owned and free of censorship. Journalists covering corruption stories are occasionally subject to verbal intimidation by government officials, arbitrary detention by police and violent attacks. There are a number of daily newspapers including one sponsored by the influential Catholic church. Opinion polling is a growth industry. Seven years ago there was no television, but now there are more than sixty channels. The impact has been most evident in the media-based campaigns of the prominent polit[illegible]rties.

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Rethinking Civil Society

TOWARD DEMOCRATIC CONSOLIDATION

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In this third wave of global democratization, no phenomenon has more vividly captured the imagination of democratic scholars, observers, and activists alike than "civil society." What could be more moving than the stories of brave bands of students, writers, artists, pastors, teachers, laborers, and mothers challenging the duplicity, corruption, and brutal domination of authoritarian states? Could any sight be more awe-inspiring to democrats than the one they saw in Manila in 1986, when hundreds of thousands of organized and peaceful citizens surged into the streets to reclaim their stolen election and force Ferdinand Marcos out through nonviolent "people power"?

In fact, however, the overthrow of authoritarian regimes through popularly based and massively mobilized democratic opposition has not been the norm. Most democratic transitions have been protracted and negotiated (if not largely controlled from above by the exiting authoritarians). Yet even in such negotiated and controlled transitions, the stimulus for democratization, and particularly the pressure to complete the process, have typically come from the "resurrection of civil society," the restructuring of public space, and the mobilization of all manner of independent groups and grassroots movements.[1]

If the renewed interest in civil society can trace its theoretical origins to Alexis de Tocqueville, it seems emotionally and spiritually indebted to Jean-Jacques Rousseau for its romanticization of "the people" as a force for collective good, rising up to assert the democratic will against a narrow and evil autocracy. Such images of popular

mobilization suffuse contemporary thinking about democratic change throughout Asia, Latin America, Eastern Europe, and Africa—and not without reason.

In South Korea, Taiwan, Chile, Poland, China, Czechoslovakia, South Africa, Nigeria, and Benin (to give only a partial list), extensive mobilization of civil society was a crucial source of pressure for democratic change. Citizens pressed their challenge to autocracy not merely as individuals, but as members of student movements, churches, professional associations, women's groups, trade unions, human rights organizations, producer groups, the press, civic associations, and the like.

It is now clear that to comprehend democratic change around the world, one must study civil society. Yet such study often provides a one-dimensional and dangerously misleading view. Understanding civil society's role in the construction of democracy requires more complex conceptualization and nuanced theory. The simplistic antinomy between state and civil society, locked in a zero-sum struggle, will not do. We need to specify more precisely what civil society is and is not, and to identify its wide variations in form and character. We need to comprehend not only the multiple ways it can serve democracy, but also the tensions and contradictions it generates and may encompass. We need to think about the features of civil society that are most likely to serve the development and consolidation of democracy. And, not least, we need to form a more realistic picture of the limits of civil society's potential contributions to democracy, and thus of the relative emphasis that democrats should place on building civil society among the various challenges of democratic consolidation.

What Civil Society Is and Is Not

Civil society is conceived here as the *realm of organized social life that is voluntary, self-generating, (largely) self-supporting, autonomous from the state, and bound by a legal order or set of shared rules.* It is distinct from "society" in general in that it involves citizens *acting collectively in a public sphere* to express their interests, passions, and ideas, exchange information, achieve mutual goals, make demands on the state, and hold state officials accountable. Civil society is an intermediary entity, standing between the private sphere and the state. Thus it excludes individual and family life, inward-looking group activity (e.g., for recreation, entertainment, or spirituality), the profit-making enterprise of individual business firms, and political efforts to take control of the state. Actors in civil society need the protection of an institutionalized legal order to guard their autonomy and freedom of action. Thus civil society not only restricts state power but legitimates state authority when that authority is based on the rule of law. When the state itself is lawless and contemptuous of individual and group

autonomy, civil society may still exist (albeit in tentative or battered form) if its constituent elements operate by some set of shared rules (which, for example, eschew violence and respect pluralism). This is the irreducible condition of its "civil" dimension.[2]

Civil society encompasses a vast array of organizations, formal and informal. These include groups that are: 1) *economic* (productive and commercial associations and networks); 2) *cultural* (religious, ethnic, communal, and other institutions and associations that defend collective rights, values, faiths, beliefs, and symbols); 3) *informational and educational* (devoted to the production and dissemination—whether for profit or not—of public knowledge, ideas, news, and information); 4) *interest-based* (designed to advance or defend the common functional or material interests of their members, whether workers, veterans, pensioners, professionals, or the like); 5) *developmental* (organizations that combine individual resources to improve the infrastructure, institutions, and quality of life of the community); 6) *issue-oriented* (movements for environmental protection, women's rights, land reform, or consumer protection); and 7) *civic* (seeking in nonpartisan fashion to improve the political system and make it more democratic through human rights monitoring, voter education and mobilization, poll-watching, anticorruption efforts, and so on).

In addition, civil society encompasses "the ideological marketplace" and the flow of information and ideas. This includes not only independent mass media but also institutions belonging to the broader field of autonomous cultural and intellectual activity—universities, think tanks, publishing houses, theaters, film production companies, and artistic networks.

From the above, it should be clear that civil society is not some mere residual category, synonymous with "society" or with everything that is not the state or the formal political system. Beyond being voluntary, self-generating, autonomous, and rule-abiding, the organizations of civil society are distinct from other social groups in several respects. First, as emphasized above, civil society is concerned with *public* rather than private ends. Second, civil society *relates to the state* in some way but does not aim to win formal power or office in the state. Rather, civil society organizations seek from the state concessions, benefits, policy changes, relief, redress, or accountability. Civic organizations and social movements that try to change the nature of the state may still qualify as parts of civil society, if their efforts stem from concern for the public good and not from a desire to capture state power for the group per se. Thus peaceful movements for democratic transition typically spring from civil society.

A third distinguishing mark is that civil society encompasses *pluralism* and diversity. To the extent that an organization—such as a religious fundamentalist, ethnic chauvinist, revolutionary, or millenarian

movement—seeks to monopolize a functional or political space in society, claiming that it represents the only legitimate path, it contradicts the pluralistic and market-oriented nature of civil society. Related to this is a fourth distinction, *partialness*, signifying that no group in civil society seeks to represent the whole of a person's or a community's interests. Rather, different groups represent different interests.

Civil society is distinct and autonomous not only from the state and society at large but also from a fourth arena of social action, *political society* (meaning, in essence, the party system). Organizations and networks in civil society may form alliances with parties, but if they become captured by parties, or hegemonic within them, they thereby move their primary locus of activity to political society and lose much of their ability to perform certain unique mediating and democracy-building functions. I want now to examine these functions more closely.

The Democratic Functions of Civil Society

The first and most basic democratic function of civil society is to provide "the basis for the limitation of state power, hence for the control of the state by society, and hence for democratic political institutions as the most effective means of exercising that control."[3] This function has two dimensions: to monitor and restrain the exercise of power by democratic states, and to democratize authoritarian states. Mobilizing civil society is a major means of exposing the abuses and undermining the legitimacy of undemocratic regimes. This is the function, performed so dramatically in so many democratic transitions over the past two decades, that has catapulted civil society to the forefront of thinking about democracy. Yet this thinking revives the eighteenth-century idea of civil society as *in opposition* to the state and, as I will show, has its dangers if taken too far.[4]

Civil society is also a vital instrument for containing the power of democratic governments, checking their potential abuses and violations of the law, and subjecting them to public scrutiny. Indeed, a vibrant civil society is probably more essential for consolidating and maintaining democracy than for initiating it. Few developments are more destructive to the legitimacy of new democracies than blatant and pervasive political corruption, particularly during periods of painful economic restructuring when many groups and individuals are asked to sustain great hardships. New democracies, following long periods of arbitrary and statist rule, lack the legal and bureaucratic means to contain corruption at the outset. Without a free, robust, and inquisitive press and civic groups to press for institutional reform, corruption is likely to flourish.

Second, a rich associational life supplements the role of political parties in stimulating political participation, increasing the political efficacy and skill of democratic citizens, and promoting an appreciation

of the obligations as well as the rights of democratic citizenship. For too many Americans (barely half of whom vote in presidential elections), this now seems merely a quaint homily. A century and a half ago, however, the voluntary participation of citizens in all manner of associations outside the state struck Tocqueville as a pillar of democratic culture and economic vitality in the young United States. Voluntary "associations may therefore be considered as large free schools, where all the members of the community go to learn the general theory of association," he wrote.[5]

"The democratization of local government goes hand in hand with the development of civil society."

Civil society can also be a crucial arena for the development of other democratic attributes, such as tolerance, moderation, a willingness to compromise, and a respect for opposing viewpoints. These values and norms become most stable when they emerge through experience, and organizational participation in civil society provides important practice in political advocacy and contestation. In addition, many civic organizations (such as Conciencia, a network of women's organizations that began in Argentina and has since spread to 14 other Latin American countries) are working directly in the schools and among groups of adult citizens to develop these elements of democratic culture through interactive programs that demonstrate the dynamics of reaching consensus in a group, the possibility for respectful debate between competing viewpoints, and the means by which people can cooperate to solve the problems of their own communities.[6]

A fourth way in which civil society may serve democracy is by creating channels other than political parties for the articulation, aggregation, and representation of interests. This function is particularly important for providing traditionally excluded groups—such as women and racial or ethnic minorities—access to power that has been denied them in the "upper institutional echelons" of formal politics. Even where (as in South America) women have played, through various movements and organizations, prominent roles in mobilizing against authoritarian rule, democratic politics and governance after the transition have typically reverted to previous exclusionary patterns. In Eastern Europe, there are many signs of deterioration in the political and social status of women after the transition. Only with sustained, organized pressure from below, in civil society, can political and social equality be advanced, and the quality, responsiveness, and legitimacy of democracy thus be deepened.[7]

Civil society provides an especially strong foundation for democracy when it generates opportunities for participation and influence at all levels of governance, not least the local level. For it is at the local level that the historically marginalized are most likely to be able to affect

public policy and to develop a sense of efficacy as well as actual political skills. The democratization of local government thus goes hand in hand with the development of civil society as an important condition for the deepening of democracy and the "transition from clientelism to citizenship" in Latin America, as well as elsewhere in the developing and postcommunist worlds.[8]

Fifth, a richly pluralistic civil society, particularly in a relatively developed economy, will tend to generate a wide range of interests that may cross-cut, and so mitigate, the principal polarities of political conflict. As new class-based organizations and issue-oriented movements arise, they draw together new constituencies that cut across longstanding regional, religious, ethnic, or partisan cleavages. In toppling communist (and other) dictatorships and mobilizing for democracy, these new formations may generate a modern type of citizenship that transcends historic divisions and contains the resurgence of narrow nationalist impulses. To the extent that individuals have multiple interests and join a wide variety of organizations to pursue and advance those interests, they will be more likely to associate with different types of people who have divergent political interests and opinions. These attitudinal cross-pressures will tend to soften the militancy of their own views, generate a more expansive and sophisticated political outlook, and so encourage tolerance for differences and a greater readiness to compromise.

A sixth function of a democratic civil society is recruiting and training new political leaders. In a few cases, this is a deliberate purpose of civic organizations. The Evelio B. Javier Foundation in the Philippines, for instance, offers training programs on a nonpartisan basis to local and state elected officials and candidates, emphasizing not only technical and administrative skills but normative standards of public accountability and transparency.[9] More often, recruitment and training are merely a long-term byproduct of the successful functioning of civil society organizations as their leaders and activists gain skills and self-confidence that qualify them well for service in government and party politics. They learn how to organize and motivate people, debate issues, raise and account for funds, craft budgets, publicize programs, administer staffs, canvass for support, negotiate agreements, and build coalitions. At the same time, their work on behalf of their constituency, or of what they see to be the public interest, and their articulation of clear and compelling policy alternatives, may gain for them a wider political following. Interest groups, social movements, and community efforts of various kinds may therefore train, toughen, and thrust into public notice a richer (and more representative) array of potential new political leaders than might otherwise be recruited by political parties. Because of the traditional dominance by men of the corridors of power, civil society is a particularly important base for the training and recruitment of women (and members of other marginalized groups) into positions of formal

political power. Where the recruitment of new political leaders within the established political parties has become narrow or stagnant, this function of civil society may play a crucial role in revitalizing democracy and renewing its legitimacy.

Seventh, many civic organizations have explicit democracy-building purposes that go beyond leadership training. Nonpartisan election-monitoring efforts have been critical in deterring fraud, enhancing voter confidence, affirming the legitimacy of the result, or in some cases (as in the Philippines in 1986 and Panama in 1989) demonstrating an opposition victory despite government fraud. This function is particularly crucial in founding elections like those which initiated democracy in Chile, Nicaragua, Bulgaria, Zambia, and South Africa. Democracy institutes and think tanks are working in a number of countries to reform the electoral system, democratize political parties, decentralize and open up government, strengthen the legislature, and enhance governmental accountability. And even after the transition, human rights organizations continue to play a vital role in the pursuit of judicial and legal reform, improved prison conditions, and greater institutionalized respect for individual liberties and minority rights.

Eighth, a vigorous civil society widely disseminates information, thus aiding citizens in the collective pursuit and defense of their interests and values. While civil society groups may sometimes prevail temporarily by dint of raw numbers (e.g., in strikes and demonstrations), they generally cannot be effective in contesting government policies or defending their interests unless they are well-informed. This is strikingly true in debates over military and national security policy, where civilians in developing countries have generally been woefully lacking in even the most elementary knowledge. A free press is only one vehicle for providing the public with a wealth of news and alternative perspectives. Independent organizations may also give citizens hard-won information about government activities that does not depend on what government *says* it is doing. This is a vital technique of human rights organizations: by contradicting the official story, they make it more difficult to cover up repression and abuses of power.

The spread of new information and ideas is essential to the achievement of economic reform in a democracy, and this is a ninth function that civil society can play. While economic stabilization policies typically must be implemented quickly, forcefully, and unilaterally by elected executives in crisis situations, more structural economic reforms—privatization, trade and financial liberalization—appear to be more sustainable and far-reaching (or in many postcommunist countries, only feasible) when they are pursued through the democratic process.

Successful economic reform requires the support of political coalitions in society and the legislature. Such coalitions are not spontaneous; they must be fashioned. Here the problem is not so much the scale,

autonomy, and resources of civil society as it is their distribution across interests. Old, established interests that stand to lose from reform tend to be organized into formations like state-sector trade unions and networks that tie the managers of state enterprises or owners of favored industries to ruling party bosses. These are precisely the interests that stand to lose from economic reforms that close down inefficient industries, reduce state intervention, and open the economy to greater domestic and international competition. The newer and more diffuse interests that stand to gain from reform—for example, farmers, small-scale entrepreneurs, and consumers—tend to be weakly organized and poorly informed about how new policies will ultimately affect them. In Asia, Latin America, and Eastern Europe, new actors in civil society—such as economic-policy think tanks, chambers of commerce, and economically literate journalists, commentators, and television producers—are beginning to overcome the barriers to information and organization, mobilizing support for (and neutralizing resistance to) reform policies.

Finally, there is a tenth function of civil society—to which I have already referred—that derives from the success of the above nine. "Freedom of association," Tocqueville mused, may, "after having agitated society for some time, . . . strengthen the state in the end."[10] By enhancing the accountability, responsiveness, inclusiveness, effectiveness, and hence legitimacy of the political system, a vigorous civil society gives citizens respect for the state and positive engagement with it. In the end, this improves the ability of the state to govern, and to command voluntary obedience from its citizens. In addition, a rich associational life can do more than just multiply demands on the state; it may also multiply the capacities of groups to improve their own welfare, independently of the state. Effective grassroots development efforts may thus help to relieve the burden of expectations fixed on the state, and so lower the stakes of politics, especially at the national level.

Features of a Democratic Civil Society

Not all civil societies and civil society organizations have the same potential to perform the democracy-building functions cited above. Their ability to do so depends on several features of their internal structure and character.

One concerns the goals and methods of groups in civil society. The chances to develop stable democracy improve significantly if civil society does not contain maximalist, uncompromising interest groups or groups with antidemocratic goals and methods. To the extent that a group seeks to conquer the state or other competitors, or rejects the rule of law and the authority of the democratic state, it is not a component of civil society at all, but it may nevertheless do much damage to

democratic aspirations. Powerful, militant interest groups pull parties toward populist and extreme political promises, polarizing the party system, and are more likely to bring down state repression that may have a broad and indiscriminate character, weakening or radicalizing the more democratic elements of civil society.

A second important feature of civil society is its level of organizational institutionalization. As with political parties, institutionalized interest groups contribute to the stability, predictability, and governability of a democratic regime. Where interests are organized in a structured, stable manner, bargaining and the growth of cooperative networks are facilitated. Social forces do not face the continual cost of setting up new structures. And if the organization expects to continue to operate in the society over a sustained period of time, its leaders will have more reason to be accountable and responsive to their constituency, and may take a longer-range view of the group's interests and policy goals, rather than seeking to maximize short-term benefits in an uncompromising manner.

Third, the internally democratic character of civil society itself affects the degree to which it can socialize participants into democratic—or undemocratic—forms of behavior. If the groups and organizations that make up civil society are to function as "large free schools" for democracy, they must function democratically in their internal processes of decision-making and leadership selection. Constitutionalism, representation, transparency, accountability, and rotation of elected leaders within autonomous associations will greatly enhance the ability of these associations to inculcate such democratic values and practices in their members.

Fourth, the more pluralistic civil society can become without fragmenting, the more democracy will benefit. Some degree of pluralism is necessary by definition for civil society. Pluralism helps groups in civil society survive, and encourages them to learn to cooperate and negotiate with one another. Pluralism within a given sector, like labor or human rights, has a number of additional beneficial effects. For one, it makes that sector less vulnerable (though at the possible cost of weakening its bargaining power); the loss or repression of one organization does not mean the end of all organized representation. Competition can also help to ensure accountability and representativeness by giving members the ability to bolt to other organizations if their own does not perform.

Finally, civil society serves democracy best when it is dense, affording individuals opportunities to participate in multiple associations and informal networks at multiple levels of society. The more associations there are in civil society, the more likely it is that they will develop specialized agendas and purposes that do not seek to swallow the lives of their members in one all-encompassing organizational

framework. Multiple memberships also tend to reflect and reinforce cross-cutting patterns of cleavage.

Some Important Caveats

To the above list of democratic functions of civil society we must add some important caveats. To begin with, associations and mass media can perform their democracy-building roles only if they have at least some autonomy from the state in their financing, operations, and legal standing. To be sure, there are markedly different ways of organizing the representation of interests in a democracy. Pluralist systems encompass "multiple, voluntary, competitive, nonhierarchically ordered and self-determined . . . [interest associations] which are not specially licensed, recognized, subsidized, created or otherwise controlled . . . by the state." Corporatist systems, by contrast, have "singular, noncompetitive, hierarchically ordered, sectorally compartmentalized, interest associations exercising representational monopolies and accepting (de jure or de facto) governmentally imposed limitations on the type of leaders they elect and on the scope and intensity of demands they routinely make upon the state."[11] A number of northern European countries have operated a corporatist system of interest representation while functioning successfully as democracies (at times even better, economically and politically, than their pluralist counterparts). Although corporatist arrangements are eroding in many established democracies, important differences remain in the degree to which interest groups are competitive, pluralistic, compartmentalized, hierarchically ordered, and so on.

While corporatist-style pacts or contracts between the state and peak interest associations may make for stable macroeconomic management, corporatist arrangements pose a serious threat to democracy in transitional or newly emerging constitutional regimes. The risk appears greatest in countries with a history of authoritarian *state corporatism*—such as Mexico, Egypt, and Indonesia—where the state has created, organized, licensed, funded, subordinated, and controlled "interest" groups (and also most of the mass media that it does not officially own and control), with a view to cooptation, repression, and domination rather than ordered bargaining. By contrast, the transition to a democratic form of corporatism "seems to depend very much on a liberal-pluralist past," which most developing and postcommunist states lack.[12] A low level of economic development or the absence of a fully functioning market economy increases the danger that corporatism will stifle civil society even under a formally democratic framework, because there are fewer autonomous resources and organized interests in society.

By coopting, preempting, or constraining the most serious sources of potential challenge to its domination (and thus minimizing the amount

of actual repression that has to be employed), a state-corporatist regime may purchase a longer lease on authoritarian life. Such regimes, however, eventually come under pressure from social, economic, and demographic forces. Successful socioeconomic development, as in Mexico and Indonesia, produces a profusion of authentic civil society groups that demand political freedom under law. Alternatively, social and economic decay, along with massive political corruption, weakens the hold of the authoritarian corporatist state, undermines the legitimacy of its sponsored associations, and may give rise to revolutionary movements like the Islamic fundamentalist fronts in Egypt and Algeria, which promise popular redemption through a new form of state hegemony.

Societal autonomy can go too far, however, even for the purposes of democracy. The need for *limits* on autonomy is a second caveat; paired with the first, it creates a major tension in democratic development. A hyperactive, confrontational, and relentlessly rent-seeking civil society can overwhelm a weak, penetrated state with the diversity and magnitude of its demands, leaving little in the way of a truly "public" sector concerned with the overall welfare of society. The state itself must have sufficient autonomy, legitimacy, capacity, and support to mediate among the various interest groups and balance their claims. This is a particularly pressing dilemma for new democracies seeking to implement much-needed economic reforms in the face of stiff opposition from trade unions, pensioners, and the state-protected bourgeoisie, which is why countervailing forces in civil society must be educated and mobilized, as I have argued above.

In many new democracies there is a deeper problem, stemming from the origins of civil society in profoundly angry, risky, and even anomic protest against a decadent, abusive state. This problem is what the Cameroonian economist Célestin Monga calls the "civic deficit":

> Thirty years of authoritarian rule have forged a concept of indiscipline as a method of popular resistance. In order to survive and resist laws and rules judged to be antiquated, people have had to resort to the treasury of their imagination. Given that life is one long fight against the state, the collective imagination has gradually conspired to craftily defy everything which symbolizes public authority.[13]

In many respects, a similar broad cynicism, indiscipline, and alienation from state authority—indeed from politics altogether—was bred by decades of communist rule in Eastern Europe and the former Soviet Union, though it led to somewhat different (and in Poland, much more broadly organized) forms of dissidence and resistance. Some countries, like Poland, Hungary, the Czech lands, and the Baltic states, had previous civic traditions that could be recovered. These countries have generally made the most progress (though still quite partial) toward reconstructing state authority on a democratic foundation while beginning

to constitute a modern, liberal-pluralist civil society. Those states where civic traditions were weakest and predatory rule greatest—Romania, Russia, the post-Soviet republics of Central Asia, and most of sub-Saharan Africa—face a far more difficult time, with civil societies still fragmented and emergent market economies still heavily outside the framework of law.

This civic deficit points to a third major caveat with respect to the positive value of civil society for democracy. Civil society must be autonomous from the state, but not alienated from it. It must be watchful but respectful of state authority. The image of a noble, vigilant, organized civil society checking at every turn the predations of a self-serving state, preserving a pure detachment from its corrupting embrace, is highly romanticized and of little use in the construction of a viable democracy.

A fourth caveat concerns the role of politics. Interest groups cannot substitute for coherent political parties with broad and relatively enduring bases of popular support. For interest groups cannot aggregate interests as broadly across social groups and political issues as political parties can. Nor can they provide the discipline necessary to form and maintain governments and pass legislation. In this respect (and not only this one), one may question the thesis that a strong civil society is strictly complementary to the political and state structures of democracy. To the extent that interest groups dominate, enervate, or crowd out political parties as conveyors and aggregators of interests, they can present a problem for democratic consolidation. To Barrington Moore's famous thesis, "No bourgeois, no democracy," we can add a corollary: "No coherent party system, no stable democracy." And in an age when the electronic media, increased mobility, and the profusion and fragmentation of discrete interests are all undermining the organizational bases for strong parties and party systems, this is something that democrats everywhere need to worry about.[14]

Democratic Consolidation

In fact, a stronger and broader generalization appears warranted: the single most important and urgent factor in the consolidation of democracy is not civil society but political institutionalization. *Consolidation* is the process by which democracy becomes so broadly and profoundly legitimate among its citizens that it is very unlikely to break down. It involves behavioral and institutional changes that normalize democratic politics and narrow its uncertainty. This normalization requires the expansion of citizen access, development of democratic citizenship and culture, broadening of leadership recruitment and training, and other functions that civil society performs. But most of all, and most urgently, it requires political institutionalization.

Despite their impressive capacity to survive years (in some cases, a decade or more) of social strife and economic instability and decline, many new democracies in Latin America, Eastern Europe, Asia, and Africa will probably break down in the medium to long run unless they can reduce their often appalling levels of poverty, inequality, and social injustice and, through market-oriented reforms, lay the basis for sustainable growth. For these and other policy challenges, not only strong parties but effective state institutions are vital. They do not guarantee wise and effective policies, but they at least ensure that government will be able to make and implement policies of some kind, rather than simply flailing about, impotent or deadlocked.

Robust political institutions are needed to accomplish economic reform under democratic conditions. Strong, well-structured executives, buttressed by experts at least somewhat insulated from the day-to-day pressures of politics, make possible the implementation of painful and disruptive reform measures. Settled and aggregative (as opposed to volatile and fragmented) party systems—in which one or two broadly based, centrist parties consistently obtain electoral majorities or near-majorities—are better positioned to resist narrow class and sectoral interests and to maintain the continuity of economic reforms across successive administrations. Effective legislatures may sometimes obstruct reforms, but if they are composed of strong, coherent parties with centrist tendencies, in the end they will do more to reconcile democracy and economic reform by providing a political base of support and some means for absorbing and mediating protests in society. Finally, autonomous, professional, and well-staffed judicial systems are indispensable for securing the rule of law.

These caveats are sobering, but they do not nullify my principal thesis. Civil society can, and typically must, play a significant role in building and consolidating democracy. Its role is not decisive or even the most important, at least initially. However, the more active, pluralistic, resourceful, institutionalized, and democratic is civil society, and the more effectively it balances the tensions in its relations with the state—between autonomy and cooperation, vigilance and loyalty, skepticism and trust, assertiveness and civility—the more likely it is that democracy will emerge and endure.

NOTES

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1. Guillermo O'Donnell and Philippe C. Schmitter, *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies* (Baltimore: Johns Hopkins University Press, 1986), ch. 5.

2. This conceptual formulation draws from a number of sources but has been especially influenced by Naomi Chazan. See in particular Chazan, "Africa's Democratic Challenge: Strengthening Civil Society and the State," *World Policy Journal* 9 (Spring 1992): 279-308. See also Edward Shils, "The Virtue of Civil Society," *Government and Opposition* 26 (Winter 1991): 9-10, 15-16; Peter Lewis, "Political Transition and the Dilemma of Civil Society in Africa," *Journal of International Affairs* 27 (Summer 1992): 31-54; Marcia A. Weigle and Jim Butterfield, "Civil Society in Reforming Communist Regimes: The Logic of Emergence," *Comparative Politics* 25 (October 1992): 3-4; and Philippe C. Schmitter, "Some Propositions about Civil Society and the Consolidation of Democracy" (Paper presented at a conference on "Reconfiguring State and Society," University of California, Berkeley, 22-23 April 1993).

3. Samuel P. Huntington, "Will More Countries Become Democratic?" *Political Science Quarterly* 99 (Summer 1984): 204. See also Seymour Martin Lipset, *Political Man* (Baltimore: Johns Hopkins University Press, 1981), 52.

4. Bronislaw Geremek, "Civil Society Then and Now," *Journal of Democracy* 3 (April 1992): 3-12.

5. Alexis de Tocqueville, *Democracy in America*, 2 vols. (New York: Vintage Books, 1945 [orig. publ. 1840]), 2:124.

6. María Rosa de Martini and Sofía de Pinedo, "Women and Civic Life in Argentina," *Journal of Democracy* 3 (July 1992): 138-46; and María Rosa de Martini, "Civic Participation in the Argentine Democratic Process," in Larry Diamond, ed., *The Democratic Revolution: Struggles for Freedom and Pluralism in the Developing World* (New York: Freedom House, 1992), 29-52.

7. Georgina Waylen, "Women and Democratization: Conceptualizing Gender Relations in Transition Politics," *World Politics* 46 (April 1994): 327-54. Although Waylen is correct that O'Donnell and Schmitter speak to the dangers of excessive popular mobilization during the transition, her criticism of the democracy literature as a whole for trivializing the role of civil society is unfairly overgeneralized and certainly inapplicable to work on Africa. Moreover, accepting her challenge to treat civil society as a centrally important phenomenon in democratization does not require one to accept her insistence on *defining* democracy to include economic and social rights as well as political ones.

8. Jonathan Fox, "Latin America's Emerging Local Politics," *Journal of Democracy* 5 (April 1994): 114.

9. Dette Pascual, "Organizing People Power in the Philippines," *Journal of Democracy* 1 (Winter 1990): 102-9.

10. Tocqueville, *Democracy in America*, 2:126.

11. Philippe C. Schmitter, "Still the Century of Corporatism?" in Wolfgang Streeck and Schmitter, eds., *Private Interest Government: Beyond Market and State* (Beverly Hills: Sage Publications, 1984), 96, 99-100.

12. Ibid., 126. See 102-8 for the important distinction between societal (democratic) and state corporatism.

13. Célestin Monga, "Civil Society and Democratization in Francophone Africa" (Paper delivered at Harvard University, 1994). This paper will appear in the same author's forthcoming French-language work, *Anthropologie de la colère: Société et démocratie en Afrique Noire* (Paris: L'Harmattan, 1994).

14. Juan J. Linz, "Change and Continuity in the Nature of Contemporary Democracies," in Gary Marks and Larry Diamond, eds., *Reexamining Democracy: Essays in Honor of Seymour Martin Lipset* (Newbury Park, Calif.: Sage Publications, 1992), 184-90.

1

Introduction: the Problem of Capitalist Development and Democracy

This book examines the relation between capitalism and democracy or, more precisely, between the transformations of society that came with capitalist economic development and the long-term chances of democratic forms of rule. We will review past research, offer a new theoretical framework that can account for the apparent contradictions of earlier findings, and put the framework to the test in three sets of broad historical comparisons – of the advanced capitalist countries, of Latin America, and of Central America and the Caribbean islands.

That capitalism and democracy go hand in hand is a widely held belief. Indeed it is a commonplace of western political discourse. Editorials and political pronouncements insist regularly that capitalist development – economic development driven by capital interests in competition with each other – will also bring about political freedom and democratic participation in government. In fact, democracy and capitalism are often seen as virtually identical.

The East–West confrontation gave this proposition a special quality of proud assertiveness. And the downfall of the state socialist regimes of eastern Europe is celebrated by many as the final proof. Ironically, a quite similar proposition was central to the views of Lenin, though he gave it a very different slant. "Bourgeois democracy" was for him the constitutional form that perfectly fits the capitalist economic order. But in this view capitalism and democracy go hand in hand because democracy, while proclaiming the rule of the many, in fact protects the interests of capital owners. Whatever their differences in the conception and valuation of democracy, both these views share an important claim: the unrestrained operation of the market for capital and labor constitutes the material base of democracy. Democracy is the characteristic political form of capitalism.

The classics of nineteenth-century political theory also tended toward the view that the transformations wrought by capitalist development would bring democracy. But their reactions to this prospect were very different from what

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Capitalist Development and Democracy

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one might expect knowing the thought of their twentieth-century heirs. Alexis de Tocqueville and John Stuart Mill were apprehensive about full-fledged democracy, and they were not alone in this. Their fear of "false democracy" (Mill) and of the "tyranny of the majority" (de Tocqueville) expressed the anticipations of many Liberals and bourgeois conservatives of the time. By contrast, at the left of the political spectrum Marx opted for full democracy and saw in universal suffrage a major step in the transition from capitalism to socialism. His "dictatorship of the proletariat" was not so very different from de Tocqueville's "tyranny of the majority," except that for Marx this was a vision of hope while for de Tocqueville it was one of disaster.

These reactions give us a first sense that the questions surrounding the relationship between capitalism and democracy may be more complex than current orthodoxies allow. Actually, the twentieth century has made this even more clear than it was already in the nineteenth. Our century offers many examples of capitalist political economies that prospered without democracy; many were in fact ruled by harshly authoritarian political regimes. South Korea and Taiwan after World War II come to mind as well as, in recent decades, such Latin American countries as Brazil and Chile. And even Nazi Germany and the various Fascist regimes in Europe between the two Word Wars do not exhaust the list. On the other hand, virtually all full-fledged democracies we know are associated with capitalist political economies, and virtually all are creatures of the twentieth century. If this is the century of repressive regimes vastly more burdensome than any known in history, it is also the century of democracy.

Even a cursory review of history suggests some generalizations that point to an association between capitalist development and democracy but do not settle the question. An agrarian society before or in the incipient stages of penetration by commercial market relations and industrialization is unlikely to gain or sustain a democratic form of government. Democracy by any definition is extremely rare in agrarian societies – both in the agrarian societies that constitute the bulk of recorded history and in today's less developed countries that still rely largely on agriculture for their subsistence. The ancient Greek democracies, of which Athens was the most famous, were at best rare exceptions in the pre-capitalist history of Europe.[1] Whether or not we accept them (as well as a few other cases) as true exceptions, the typical forms of rule in agrarian societies are and have been autocracy and oligarchy.

To this one must add immediately that government in the agrarian societies of history was almost invariably inefficient and weak when compared to the power and capacity of modern states. The most tyrannical regimes of history did not have the capacity to shape and transform society that we take for granted even in today's democracies. It is this increase in the capacities of states that accounts for the fact that ours is also the century of totalitarian and very repressive authoritarian rule.

The relationship between capitalist development and democracy has not only been the object of political argument and broad speculation in political philosophy. For several decades now, it has been subjected to careful and

systematic empirical research in sociology, political science, and history. It is this research that constitutes the foundation on which our own work builds.

Empirical research on democracy has in fact been a major concern of social science in the post-World War II era. After World War II, when Nazi Germany was defeated, when Stalinist rule had conquered eastern Europe, and when virtually all former colonies became independent "new states," social scientists devoted very considerable energies to identifying the conditions that make democracy possible and likely. The rise of authoritarian regimes in relatively advanced countries of South America stimulated a new wave of research (see e.g. O'Donnell 1973 and Collier 1979). More recently, the return of democracy to such countries as Spain, Portugal and Greece as well as advances of democratization in Latin America gave this research another impetus (see e.g. O'Donnell, Schmitter and Whitehead 1986).

The results of these decades of research are in many ways impressive. We can with confidence go beyond quite a few commonplace views that still inform much of the public discussion on democracy and its chances. But neither are the results of these nearly two generations of research conclusive. In particular, the impact of capitalist development on the chances of democracy is still controversial.

Two distinctive traditions of research have come to quite different and as yet unreconciled results. They employed radically different research strategies and methods, so different that scholars in either camp often barely took notice of the work of the other side. Quantitative cross-national comparisons of many countries have found consistently a positive correlation between development and democracy. They thus come to relatively optimistic conclusions about the chances of democracy, not only in the advanced capitalist nations but also in the developing countries of today. By contrast, comparative historical studies that emphasize qualitative examination of complex sequences tend to trace the rise of democracy to a favorable historical constellation of conditions in early capitalism. Their conclusions are therefore far more pessimistic about today's developing countries.

The contradictory results of the two research traditions represent a difficult problem precisely because they derive from different modes of research. Given contrasting methodologies, by which criteria is one to evaluate the inconsistent findings? Our own work takes off from this impasse. It builds on the research of both traditions and seeks to reconcile their methodological and substantive contradictions.

In chapter 2, after describing and evaluating the two research traditions, we develop a methodological approach which, when combined with the theoretical ideas developed in chapter 3, promises to transcend the impasse. In the following three chapters, we put these ideas to the test in fresh analyses of the complex evidence. Based on an integrated theoretical and methodological framework, we present our own comparative historical investigations of a large number of cases. These will, we submit, resolve the controversy about the relationship between development and democracy. And since this controversy has been at the center of empirical democracy research, our study will do more

than merely resolve an esoteric scholarly debate; it will throw new light on the major conditions favoring and inhibiting democracy.

We are convinced that the main finding of the cross-national statistical work – a positive, though not perfect, correlation between capitalist development and democracy – must stand as an accepted result. There is no way of explaining this robust finding, replicated in many studies of different design, as the spurious effect of flawed methods. Any theory of democracy must come to terms with it. At the same time, such a correlation, no matter how often replicated, does not carry its own explanation. It does not identify the causal sequences accounting for the persistent relation, not to mention the reasons why many cases are at odds with it. Nor can it account for how the same end can be reached by different historical routes. The repeated statistical finding has a peculiar "black box" character that can be overcome only by theoretically well grounded empirical analysis.

Comparative historical studies, we argue, carry the best promise of shedding light into the black box. This is not only because comparative historical work has been particularly rich in theoretical argument. Far more important, historical research gives *insight into sequences* and their relations to surrounding structural conditions, and that is indispensable for developing valid causal accounts. Causal analysis is inherently sequence analysis.

At the same time, comparative historical research is able to go beyond conventional history's preoccupation with historical particularity and aim for theoretical generalization. Analytically oriented comparative history builds on a series of case analyses. It seeks to establish satisfactory explanatory accounts that do justice to each case and at the same time are theoretically coherent and consistent with each other. In the process it develops a body of theorems of proven explanatory power.

Such comparative historical case analysis must be guided from the beginning by a framework of theoretical ideas. Without that, the analysis lacks orientation in the face of an endless multitude of possibly relevant facts. The framework which we develop in chapter 3 builds on past research, it informs the accounts of individual cases and gives them theoretical unity and coherence, yet it is in turn subject to revisions suggested by the case analyses.

A framework of theoretical concepts and propositions also mitigates another problem that haunts the comparative historical study of large-scale phenomena – the fact that only a limited number of cases can be studied in the required detail. We tackle this problem directly by stretching the scope of our own investigations to the limit. We analyze a large number of cases, close to the universe in the three groups of countries selected, and we trace their development over relatively long periods of time. In fact, our comparative historical studies include more cases than quite a few cross-national statistical studies. Yet the cases are still too few in number to allow, by themselves, secure analytic conclusions. For this there are too many possibly relevant factors and too complex interrelations among them. It is here that a carefully built theoretical framework makes a critical contribution. It represents in an important sense the findings of a vast body of previous work, and it thus enlarges the reach and validity of the analysis substantially.

Our theoretical framework incorporates the major findings of the cross-national quantitative studies. However, we depart from the theoretical underpinnings of much of the cross-national statistical work, which often adopted the then current models of modernization theory. In this structural–functional conception of social order, society, polity, and economy are seen as more or less well-functioning systems integrated primarily by shared values and cultural premises. Democracy arises due to its functional fit with the advanced industrial economy. To the extent that the development of democracy is attributed to an agent, as in Lipset's (1959) classic article, it is the middle class that is seen as the primary promoter of democracy. The upper-class, and especially the lower class, are seen as the enemies of democracy.

By contrast, we employ, like most of the comparative historical work from Max Weber to Guillermo O'Donnell, a "political economy" perspective that focuses on actors – individual as well as collective actors – whose power is grounded in control of economic and organizational resources and/or of coercive force and who vie with each other for scarce resources in the pursuit of conflicting goals. While such a perspective does recognize the role of ideas, values and non-material interests, especially when they are grounded in institutions and collective organization, it differs sharply from the functionalist and culture-centered premises of modernization theory.

How, then, do we conceive of democracy and its conditions? Our most basic premise is that democracy is above all a matter of power. Democratization represents first and foremost an increase in political equality. This idea is the ground upon which all of our work stands. The central proposition of our theoretical argument virtually follows from this: it is power relations that most importantly determine whether democracy can emerge, stabilize, and then maintain itself even in the face of adverse conditions.

There is first the balance of power among different *classes and class coalitions*. This is a factor of overwhelming importance. It is complemented by two other power configurations – the structure, strength, and autonomy of the *state apparatus* and its interrelations with civil society and the impact of *transnational power relations* on both the balance of class power and on state–society relations.

A focus on class and class coalitions may be surprising to some, while it is perhaps too easily accepted by others. We emphasize social class, first, because the concept is in our view a master key to understanding the social structuring of interests and power in society, and second, because the organization of class interests is constitutive of major collective actors. The organization of class interests is, however, a complex process in which not only the forms of collective action but the very interests actually pursued are socially and historically constructed. Thus, the subjective understanding and political posture of class actors cannot be read off the underlying class structure in any one-to-one fashion.

None the less, the political postures of given classes are not infinitely variable either. Based on our theoretical understanding and past historical and sociological research, we expected classes to exhibit definite central political tendencies in the struggle for political democracy. One central axis was defined by what benefits and losses classes could expect from extensions of political

inclusion; the other was the class's ability to organize itself and engage in collective action in defense of class interests. This led us to the hypothesis, following Barrington Moore, that large landlords engaged in "labor repressive" agriculture would be the most implacable opponents of democracy. However, in contrast to Moore, as well as to Leninists and liberal social scientists, we also expected the bourgeoisie[2] to oppose suffrage extension to the working classes as such a move posed a potential treat to their interests. We expected the urban working class to be the most frequent proponent of the full extension of democratic rights because this promised to include the class in the polity where it could further pursue its interests and because the working class, unlike other lower classes, had the capacity to organize itself. It is the capacity to organize and express its interests that differentiated the working class from the small peasantry. We hypothesized that the middle classes would favor their own inclusion, but would be ambivalent about further extensions of political rights, perhaps swinging to one side or another on the basis of possible alliances. Thus, in a given historical case, one would have to examine the *structure of class coalitions* as well as the *relative power of different classes* to understand how the *balance of class power* would affect the possiblities for democracy.

Class power is in our view intimately related to the development of, the increasing organizational density of, civil society. This proposition seems at first glance similar to – but in reality is quite distinct from – claims of modernization theorists and pluralists that the growth of intermediate groups and associations tends to be supportive of democracy. Civil society, in our conception, is the totality of social institutions and associations, both formal and informal, that are not strictly production-related nor governmental or familial in character. Capitalist development furthers the growth of civil society – by increasing the level of urbanization, by bringing workers together in factories, by improving the means of communication and transportation, by raising the level of literacy. Strengthening the organization and organizational capacity of the working and middle classes serves to empower those classes and thus to change the balance of class power. A dense civil society also has an importance for democracy on its own, because it establishes a counterweight to state power.

In modern societies the state – the set of organizations involved in making and implementing binding collective decisions, if necessary by force – is invariably one major component of the overall landscape of power in society. There is no contemporary society in which the structure of domination can simply be understood by looking at the distribution of economic and social power in civil society. And the state is in varying degrees set off from and independent of other power centers. Since the state is not only an apparatus of implementation and enforcement but also the arena in which binding collective decisions are arrived at, it is of obvious importance to an understanding of the conditions of democracy. The shape of state structures and their relations to other power concentrations are therefore a second cluster of conditions shaping the chances of democracy.

A third cluster of conditions is constituted by transnational power relations. Obviously, power relations do not stop at the borders of politically organized societies. States stand in close interaction with power centers beyond their

borders. In fact they often derive much of their autonomy vis-à-vis their own societies from this involvement in external relations. In addition, economic relations and economic organizations have increasingly transcended national borders. These, too, are likely to be modified by state action. Yet, however modified, the impact of powerful interests – political as well as economic – beyond a country's borders also enters the balance of power that determines the chances of democracy. In varying degree, they influence the balance of class power and they affect states and state–society relations.

One critical aspect of all three clusters of power, as well as of their interrelations, is the fact that social patterns, once forged, often persist beyond their original conditions. This negates the possibility of a "presentist" explanation of democracy, one that involves only factors observably active in the present moment of history, and it voids any mechanical account of the impact of class, state, and transnational power on constitutional form. Here is another powerful rationale for engaging in comparative *historical* analysis, which can take such persistencies into account and respond sensitively to alternative paths of causation.

Our own comparative investigations not only cover a very large number of cases in historical depth but also focus on the areas of the world most important for the history of democratization. We first turn to the advanced capitalist countries focusing on how democracy was first fully established as well as how democratic rule subsequently fared in the critical period between the two World Wars. We secondly study the complex processes of democratization – often only partial democratization – and of reversals of democratic rule in the countries of Latin America. Thirdly, we compare the countries of Central America with the island societies of the Caribbean. The whole set of cases examined represents the areas with the most extensive democratic experience. At the same time, there are many examples of stable non-democratic regimes as well as of breakdowns of democratic political systems that can be analyzed comparatively side by side with instances of democratization and stable democratic rule, giving ample opportunity to use the analytical comparative historical method to the fullest extent.

What is the upshot of our analyses? First, it is not an overall structural correspondence between capitalism and democracy that explains the rise and persistence of democracy. Some have conceived of such a correspondence as a simple mutual reinforcement between a free market for goods and services and a market for political outcomes. Others (as for instance Cutright 1963) have seen democracy more diffusely as a highly "differentiated" political form that fits the more differentiated social structures produced by capitalist development. Our analyses do not lend support to such overall correspondence propositions. Neither do they confirm the view of the bourgeoisie as the main agent of democracy that has been central to both classic liberal and marxist–leninist theory. Rather – we conclude – capitalist development is associated with democracy because it transforms the class structure, strengthening the working and middle classes and weakening the landed upper class. It was not the capitalist market nor capitalists as the new dominant force, but rather the contradictions of capitalism that advanced the cause of democracy.

A brief summary of our main findings should help to prepare and guide the eader through the theoretical arguments and the historical evidence presented n the following chapters. We found that social classes behaved in a quite ystematic manner across our historical cases and in accordance with our xpectations. The working class was the most consistently pro-democratic orce. The class had a strong interest in effecting its political inclusion and it vas more insulated from the hegemony of dominant classes than the rural lower classes. Exceptions to the pro-democratic posture of the working class occurred where the class was initially mobilized by a charismatic but authoritarian leader or a hegemonic party linked to the state apparatus.

The landed upper-classes which were dependent on a large supply of cheap labor were the most consistently anti-democratic force. Democratization for them posed the possibility of losing this labor supply. The bourgeoisie we found to be generally supportive of the installation of constitutional and representative government, but opposed to extending political inclusion to the lower classes. For the landed classes as well as the bourgeoisie threat perception was important both at the time of the initial installation of democratic rule and for its later consolidation. If these classes felt acutely threatened in their vital interests by popular pressures, they invariably opposed democracy and, once democratic rule was installed, attempted to undermine it.

The middle classes played an ambiguous role in the installation and consolidation of democracy. They pushed for their own inclusion but their attitude towards inclusion of the lower classes depended on the need and possibilities for an alliance with the working class. The middle classes were most in favor of full democracy where they were confronted with intransigent dominant classes and had the option of allying with a sizeable working class. However, if they started feeling threatened by popular pressures under a democratic regime, they turned to support the imposition of an authoritarian alternative.

The peasantry and rural workers also played varied roles, depending on their capacity for autonomous organization and their susceptibility to the influence of the dominant classes. Independent family farmers in small-holding countries were a pro-democratic force, whereas their posture in countries or areas dominated by large landholdings was more authoritarian. Peasants living on large estates remained by and large unmobilized and thus did not play a role in democratization. Rural wage workers on plantations did attempt to organize, and where they were not repressed, they joined other working-class organizations in pushing for political inclusion.

As anticipated, we did observe systematic variation across regions in the class structure and therefore in class alliances and the dynamics of democratization. Most importantly, the working-class was smaller and weaker and the landed class stronger in Latin America and the Caribbean, which made for a balance of class power less favorable for democratization than in the core countries. Due to the relative weakness of the working class, the middle classes played here the leading role in pushing for democratization, with the result that democracy often remained restricted.

We also found systematic variation across regions and time periods in the role of the state. Consolidation of state power was an essential prerequisite for democratization. This process was more difficult in Latin America than in the other regions we investigated, and this contributed to the long delay of even an institutionalization of contestation in many cases.

The state was stronger relative to civil society in Latin America and the Caribbean than in the core countries. This was partly related to the comparative weakness and heterogeneity of the dominant classes and partly to the history of state formation and to external support for the military in the post-World War II period. The effects of this lopsided balance of power were greater state autonomy and intervention into politics, or outright imposition of authoritarian rule by the coercive apparatus of the state.

The impact of transnational structures of power on democratization also varied across our regions, being stronger in Latin America and the Caribbean than in the core countries. Economic dependence had negative effects, though mostly in indirect ways. It shaped the class structure in ways inimical for democratization. Economic growth led by agrarian exports reinforced the position of large landholders. Industrialization with imported capital intensive technology kept the working class small and weak. Geo-political dependence relations were even more important. Geo-political interests of core countries generated direct interventions and support for the repressive apparatus of the state and thus created an unfavorable balance of power between state and civil society for democratization. The effects of British colonialism, though, deviated from this negative pattern in so far as the colonial presence prevented the dominant classes from using the state apparatus to repress the emerging organizations of subordinate classes. Instead, it allowed for the gradual emergence of a stronger civil society, capable of sustaining democracy after independence.

Political parties emerged in a crucial role as mediators in both the installation and consolidation of democracy. Strong parties were necessary to mobilize pressures from subordinate classes for democratization, but if their programs were too radical, they stiffened resistance among the dominant classes against democracy. Once democracy was installed, the party system became crucial for protecting the interests of the dominant classes and thus keeping them from pursuing authoritarian alternatives. Democracy could be consolidated only where there were two or more strong competing political parties at least one of which effectively protected dominant class interests, or where the party system allowed for direct access of the dominant classes to the state apparatus.

The main focus of our analysis allowed us to reinterpret the central, and robust, finding of the cross-national statistical studies that economic development is associated with democracy. In the course of our comparative work, we were also able to provide reinterpretations of other findings of these studies: the positive association of democracy with a legacy of British colonialism and Protestantism and the negative association of democracy with ethnic diversity. In each case, the comparative historical analysis showed that the modernization interpretation was inadequate and that the relations of class, state, and

international power were essential in understanding why these societal characteristics aided or impeded the development of democracy.

One last issue has to be taken up in this brief introduction to the problems we intend to pursue. The concept of democracy has been given very different meanings. Clarifying one's conception of "democracy" is not just a question of finding an adequate and precise operational definition. Rather it involves more complex issues of meaning. The marxist critique of "bourgeois democracy" raises perhaps the most central issue: is the claim of democracy to constitute the rule of the many real, or is this claim a sham that makes the de facto rule of the few more effective and secure behind a screen of formally democratic institutions? To anticipate our position and put it with apodictic brevity: no actually existing democracy can claim to constitute in a realistic sense the rule of the many; but "bourgeois" or formal democracy does make a difference for the process of political decision-making and for the outcomes of that process.

This position has methodological consequences. The concepts of democracy used in our research – as well as in virtually all other empirical studies – aim to identify the really existing democracies of our world and to distinguish them from other forms of rule. Our operating concepts are therefore not based on the most far-reaching ideals of democratic thought – of a government thoroughly and equally responsive to the preferences of all its citizens (Dahl 1971) or of a polity in which human beings fulfill themselves through equal and active participation in collective self-rule (Macpherson 1973). Rather, they orient themselves to the more modest forms of popular participation in government through representative parliaments that appear as realistic possibilities in the complex societies of today. Our definitions of democracy focus on the state's responsibility to parliament (possibly complemented by direct election of the head of the executive), on regular free and fair elections, on the freedom of expression and association, and on the extent of the suffrage. Robert Dahl, whose careful conceptualizations probably had the greatest influence on empirical democracy research, reserved the term "polyarchy" for this more modest and inevitably somewhat formal version of democracy (Dahl 1956, 1971).

Why do we care about formal democracy if it considerably falls short of the actual rule of the many? This question assumes particular saliency in the light of two of our findings, namely that democracy was a result of the contradictions of capitalist development and that it could be consolidated only if the interests of the capitalist classes were not directly threatened by it. The full answer to this question will become clear as we proceed with our analysis. But it is possible to anticipate our conclusion briefly already here. We care about formal democracy because it tends to be more than merely formal. It tends to be real to some extent. Giving the many a real voice in the formal collective decision-making of a country is the most promising basis for further progress in the distribution of power and other forms of substantive equality. The same factors which support the installation and consolidation of formal democracy, namely growth in the strength of civil society in general and of the lower classes in particular, also support progress towards greater equality in political participation and towards

greater social and economic equality. Ultimately, we see in democracy – even in its modest and largely formal contemporary realizations – the beginning of the self-transformation of capitalism.

The structure of this volume is simple and follows the line of reasoning just sketched. Chapter 2 offers a review of existing research, describing and evaluating the two traditions of research on development and democracy. It concludes with reflections on the methodological problems of reconciling contradictory results of research employing very different methods. Chapter 3 develops our theoretical framework for the study of development and democracy focusing on the three power clusters of class, state, and transnational relations. Chapter 4 presents the comparative analyses of advanced capitalist countries. Chapter 5 deals with democratization in Latin America, and chapter 6 compares the Caribbean islands and the countries of Central America. The concluding chapter 7 reviews the theoretical positions developed at the outset in the light of these comparative historical investigations. It ends by exploring the implications of our findings for the future of democracy.

2

Capitalist Development and Democracy: The Controversy

In the comparative study of macro-social phenomena two radically different research traditions coexist with each other – cross-national statistical work and comparative historical studies. This may be – and is often – seen as just another instance of the age-old opposition between quantitative and qualitative inquiry or, more radically, between social science and humanistic scholarship.

A minority of scholars – among them Jeffery Paige (1975), John Stephens (1979c), and Charles Ragin (1987) – have insisted that the two research modes should complement and be integrated with each other rather than treated as irreconcilable opposites. In research on development and democracy, the opposition between the two modes of work has a particularly intense character. Here we encounter not just a divergence of method but sharply contradictory findings. As noted, this constitutes a difficult dilemma unless one is prepared to dismiss one mode of research out of hand as inadequate. This chapter describes and evaluates the two bodies of research and seeks to lay the basis for a way to reconcile and transcend the contradictions.

Comparative Historical and Cross-national Quantitative Research on Development and Democracy

The contradictions between these two research traditions did not often lead to actual controversy and debate. Many who worked in the more qualitative, comparative historical mode hardly became aware of the other side, because they simply could not conceive of a research strategy that claims to come to valid results by taking a few pieces of information about many countries and subjecting them to statistical, correlational analysis. In turn, the emphasis on historical particularity and the small number of cases to which the historical approach could be applied, appeared radically unsuited for an exploration of the causal conditions of democracy in the eyes of students who conceived of the

quantitative analysis of a large number of cases as the only viable substitute for the experimental approach that is impossible in macro-social analysis; they therefore searched for ways of studying the conditions of democracy through statistical inference from cross-national research covering many countries. The gulf between these methodological conceptions was – and is – so deep that the work of the other side was easily dismissed if it was noticed at all.

Ignorant dismissal was especially frequent among the historically minded students of democracy. The quantitative analysts paid more attention to the comparative historical work, though, as we will see, they often disregarded the more sophisticated theoretical ideas advanced by the other side, especially if these could not be tested with the crude measures suitable for macro-quantitative statistical analysis. This asymmetry has little substantive justification. Both sides grapple with difficult, yet fundamental methodological issues that are hard to do justice to at the same time; and each side makes different strategic decisions on which issues are to be given the most attention and which are to be treated with relative neglect.

We will first offer a selective account of both research traditions. This will introduce not only the problems at issue in the contrast between comparative historical and statistical investigations of the conditions of democracy but also a large number of ideas used in our own account. The chapter then turns to reflections on the questions raised by the divergence of the two research traditions. We will offer methodological arguments for an approach that can transcend the impasse and reconcile the contradictory findings.

Early quantitative cross-national studies

Seymour Martin Lipset published in 1959 a now classic paper linking democracy to economic development. It opened a long line of increasingly sophisticated quantitative cross-national studies. Lipset's theoretical position derived from the nineteenth-century classics of social theory, especially from Durkheim and Weber but also from Marx, combining a systemic conception of society with a revised version of social evolutionism. In many ways, his approach to the problems of development resembled that of modernization theory. At the same time, Lipset did not subscribe to the value determinism and the equilibrium assumptions that came to characterize especially later versions of modernization theory as well as his own later work. He combined a systemic view of social change with a resolute focus on divergent class interests and conflict.

Lipset begins with the observation that greater economic affluence in a country has long been thought of as a condition favorable for democracy: "The more well-to-do a nation, the greater the chances that it will sustain democracy" (Lipset 1959/1980: 31). He then proceeds to put this idea to the test by cross-national comparison.

He compares European and Latin American countries on the interrelated dimensions of wealth, industrialization, education, and urbanization and demonstrates that European stable democracies scored on average higher in all

of these dimensions than European dictatorships. Examples of the indicators he uses are per capita income, telephones per 1,000 persons, percent of people employed in agriculture, percent literate, and percent living in cities of different sizes. A comparison of democracies and unstable dictatorships with stable dictatorships in Latin America comes to very similar results at a lower level of development.

In his theoretical account for these relationships, Lipset focuses on moderation and tolerance. Education, he contends, broadens one's outlook, increases tolerant attitudes, restrains people from adopting extremist doctrines, and increases their capacity for rational electoral choice. Increased wealth moderates the lower classes and thus makes them more prone to accept gradual change. Actually, it is the discrepancy in wealth rather than its overall level that is decisive, but since there is generally more inequality in poorer countries these two factors are closely related. In countries with great inequality of wealth, the poor are more likely to be a threat to the privileged and the established order. The rich in turn tend to be hostile to democracy, both because they feel threatened and because they often view it even as morally wrong to let the poor and the wretched participate in political decisions – an arrogant attitude which in turn feeds the resentment of the poor. Thus, the middle class emerges as the main pro-democratic force in Lipset's analysis, and this class gains in size with socioeconomic development. In sum, Lipset argues that industrialization leads to increases in wealth, education, communication, and equality; these developments are associated with a more moderate lower and upper class and a larger middle class, which is by nature moderate; and this in turn increases the probability of stable democratic forms of politics.

Subsequent studies employed far more refined statistical techniques. But they confirmed the positive relation between development and democracy. While they explored alternative as well as complementary hypotheses and sought to detail the causal mechanisms underlying the connection between development and democracy, they added little to a more comprehensive interpretation of this relationship.

Phillips Cutright (1963) brought correlational – and more generally multivariate – analysis to bear on these problems. He argued that averages of different social and economic indicators are far too crude a measure of development, discarding the more precise information available. Furthermore, differences in the character of the political order must not be just crudely classified because they then cannot be related with any precision to the quantitative information on social and economic conditions: "It makes little difference that in the verbal discussion of national political systems one talks about shades of democracy if, in the statistical assessment, one cannot distinguish among nations" (Cutright 1963: 254).

Cutright constructed scales of economic development, of "communications development" as well as of "political development" or, in effect, democracy, each combining several specific measures.[1] He then subjected these quantitative scores for 77 countries to a correlational analysis.

The correlation between the indices of communication development and democracy (or political development) was r = 0.81, while the correlation of

democracy with economic development was 0.68, significantly lower. Cutright concluded that his main hypothesis – that political institutions are interdependent with the level of social and economic development – was confirmed.

The theoretical account Cutright offered for these findings is simple and not fully developed. More strongly than Lipset's it reflects the assumptions of modernization theory – of evolutionism and functional system integration. National societies are conceived as interdependent systems with sttrong equilibrium tendencies. Greater division of labor and structural differentiation in economy and society demand more complex and specialized political institutions, if the system as a whole is to be in equilibrium. He considers representative democracy as the form of government sufficiently complex to deal with a modern, increasingly heterogeneous social order. This identification of representative democracy with political differentiation is also the reason why the title of his paper speaks of "political development" rather than democracy.

In any less than perfect correlation, many countries will stand significantly above or below the regression line. Relative to its level of social or economic development a country may have "too much" or "too little" democracy. Commenting on this, Cutright offered on the one hand a number of ad hoc hypotheses explaining such "deviations" from a presumed equilibrium. For instance, he speculated, democracy may have flourished in the western hemisphere more than in Europe because of the absence of large-scale international conflict. And he suggested that case studies focus on deviant cases in order to gain further insights into the particular conditions favoring or hindering "political development".

On the other hand, he turned the mathematical equation representing the overall relations between social, economic and political development in all 77 countries into a "prediction equation:"

> The concept of interdependence and the statistical method of this study (lead) us to consider the existence of hypothetical equilibrium points toward which each nation is moving. It is possible for a nation to be politically overdeveloped or underdeveloped, and we suggest that either political or non-political changes will occur to put the nation into equilibrium. (Cutright 1963: 264)

This prediction presupposes an extremely tight integration of national systems. It furthermore implies the assumption that the social and economic development indicators represent the structural conditions that in the long run are decisive for the chances of democracy. However, these factors cannot explain on their own why any deviations from the predicted configuration should exist in the first place. Other conditions, such as those considered in the ad hoc hypotheses, become then by implication merely temporary obstacles to representative democratic forms of government or passing favorable circumstances.

Six years later, Cutright and Wiley (1969) published a study that responded to a number of questions raised by critics. It constituted a significant advance in quantitative comparative research on democracy. They selected 40 countries that were self-governing throughout the period from 1927 to 1966, thus excluding the effects of foreign occupation and colonial rule on the form of

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government. This represents a small, but significant advance toward the ideal of employing units of analysis that are independent of each other – a technical presupposition of causal inference from correlational analysis that can never be fully met for human societies, especially in the twentieth century.

With this sample of countries they studied democracy in relation to social and economic development in four successive decades, 1927–36, 1937–46, 1947–56, and 1957–66. In this way they were able not only to examine the same relationships in four different periods but also to subject the question of causal direction to a "cross-lagged" correlational test. Their conclusion: the positive association between social and economic development and democracy holds for all four decades, and the data suggest a causal priority especially for economic development.

The analysis then turned to the conditions of change in political representation over time. What accounts for stability of regime form in the face of social and economic change? And which factors are associated with declines in political representation, which occur in spite of the fact that literacy rates and energy consumption, the indicators of social and economic development, hardly show similar declines? Here a simple measure of social security provisions, based on the age and number of national social security programs, proved illuminating.

Changes in political representation were virtually confined to nations that rated low in the provision of social security and at the same time high in literacy. This led Cutright and Wiley to a revision of Cutright's earlier equilibrium theorem which predicted that countries with a political representation "too high" or "too low" in view of their level of social and economic development would decline or increase in political representation. Only nations high in literacy and low in social security provisions conformed to this expectation. Where literacy as well as social security were low, little or no change was observed. Neither did any significant political change occur in countries with high social security, whatever their levels of literacy.

The interpretation of these results given by Cutright and Wiley stayed as close as possible to the original equilibrium model: economic development entails division of labor and social differentiation to which representative democracy is the most adequate constitutional response. This functionalist argument is now complemented by a causal hypothesis concerning *social* development: increasing literacy and related aspects of social change foster a population's interest and capability in political participation and thus engender pressures for democratization.

The stabilizing effect of social security provisions, which constitutes the main new finding, is explained by two ideas, the second of which is only obliquely hinted at. First, satisfying major economic interests of the population strengthens people's allegiance to the political status quo, independent of constitutional form. Demands for democracy, in this view, derive their strength from unmet economic needs.

The second explanation can be combined with the first, but it is a sharply distinctive argument once fully developed. The capacity of a government to deliver soc[illegible]curity programs can be taken as an indication of a strong and

effective state apparatus, and – so we interpolate the argument – such state apparatuses may be strong enough to maintain the constitutional status quo: strong enough to defend itself against forces in society demanding a voice in collective decision-making, effective enough to "bribe" them into quiescence, and even powerful enough to crush them.

Retreat from comprehensive theoretical interpretations

Subsequent studies changed and refined the indicators for democracy[2] as well as the measures of social and economic development; they analyzed different samples of countries, and examined constitutional change over time. More important, however, was a subtle but significant shift in the relation of these studies to issues of theory. Typically, they explored propositions derived from alternative theoretical views of the relation between development and democracy, considering now in addition to modernization theory also the more conflict-oriented ideas of world-system and dependency theories. At the same time, they tended to refrain from such broader theoretical interpretations as offered by Lipset and Cutright and focused more and more on specific testable hypotheses.

Ken Bollen's work, arguably the most careful of this type, brought further methodological refinements together with confirmation of the basic empirical generalizations. Bollen also responds to a wider range of theoretical arguments. His paper on "Political Democracy and the Timing of Development" (Bollen 1979) takes off from the skepticism about any clear-cut relationship between socioeconomic development and democracy that we will encounter when we turn to the comparative–historical studies. To anticipate, this view sees favorable conditions for democracy rooted in the particular historical constellation of early capitalism and it maintains that such favorable conditions are not going to be repeated.

Bollen formulated this as the hypothesis that "the earlier a country begins to develop, the higher its level of democracy," noting that one could well argue the opposite by virtue of a diffusion of the democratic ideal over time which would exert more pressures for democracy in late developing countries. Using two different measures for the "beginning" of development, he found no significant association between the timing of development and political democracy. The interpretation of this negative finding is carefully left open. It could, for instance, be the result of the opposite – and mutually canceling – effects of different factors associated with the timing of development.

His analysis demonstrates again a rather robust association between economic development and democracy. This is especially significant because he examines a very large sample of 99 countries and because he employs a different set of indicators for political democracy. The association between political democracy and economic development was fundamentally unaffected by this different operationalization.

Bollen's study also throws light on the role of cultural factors and on the impact of state strength on democracy. He found political den[illegible]cy to be

positively associated with the proportion of Protestants in a country and negatively with the fraction of domestic economic production used for government expenditures. In subsequent publications, Bollen explored the interrelations between political democracy and income inequality as well as between democracy and the degree of a country's dependence on other countries in transnational economic relations. To these issues we now turn.

The relation between income inequality and democracy had been a central issue for Lipset (1959/1980) as well as for some of the classic authors on whose work he built his own argument. If these arguments lead us to expect chances for democracy to be more favorable under conditions of reduced inequality, the reverse direction of causation is equally plausible: wherever democracy is more than a mere formal sham, it should over time contribute to a reduction of inequality. Either or both of these relationships between inequality and democracy should result in fairly clear-cut negative correlations, although both are likely to involve time-lags the length of which is not easily specified. Empirical analyses have had trouble identifying clear-cut patterns.

A number of early quantitative studies came to contradictory results. Bollen and Jackman (1985b) concluded from their review of these studies as well as their own analysis that no relationship could be established once the level of development was taken into account. Muller (1988) argued that this was true only if democracy and inequality are measured at a single point in time. He found that the length of a country's experience with democracy has a significant negative impact on income inequality – independent of level of development, position in the world system, and the population's age structure. This is a gradual impact, measurably effective only after about two decades of democratic experience. Conversely, while the degree of income inequality does not seem to affect the *inauguration* of democracy, it does show a close relation to the chances of *maintaining* a democratic form of government.

The issue is far from settled. Muller's findings were challenged by Weede (1989) who introduced literacy in addition to level of development and the age structure of the population as control variables; this eliminated the central finding of Muller – the negative correlation between inequality and democratic experience. In turn, Muller (1989) replicated his earlier findings even with literacy as a control, using new measures for democratic experience and literacy.[3]

The exploration of the relation between democracy and economic dependence led to results one must judge ambiguous. Various authors had argued, on the basis of qualitative assessments and theoretical considerations, that the impact of advanced "core" countries on the political economy of dependent, "peripheral" countries would diminish the chances of democracy. "Outside the core, democracy is a rarity" (Chirot 1977: 22). Thomas and others (1979) drew from several, not altogether consistent, empirical tests the conclusion that economic dependence was indeed associated with political centralism.[4] However, Bollen (1983: 476, n.13) found no significant effect modifying the relation between democracy and level of development when he introduced such variables as penetration by multinational corporations, foreign trade concentration and US foreign aid. A complex classification distinguishing countries at the

core of the capitalist world system, peripheral countries and semiperipheral countries, which was based on political as well as economic considerations – on treaty memberships, military interventions, and diplomatic relations as well as trade flows – did lead to the conclusion that democracy had, independent of a country's level of economic development, worse chances in peripheral and – to a lesser extent – in semiperipheral nations.[5] This finding suggests that geopolitical international configurations may be more important than economic dependency as determinants of the chances of democracy. Shifting the focus to political international relations is also suggested by the results of Muller (1985), who found no evidence that breakdowns of democracy were the result of economic dependence, but observed a significant negative relation between aid, especially military aid, by the United States, and the stability of democracies.

Quite a few other cross-national statistical studies have also dealt with specific conditions or consequences of democracy – investigating further its relation to economic inequality and to a country's dependence on other countries in transnational economic relations or examining for instance the impact of democratic rule on economic performance. The details of these complex and often contradictory research findings need not detain us here. research findings need not detain us here.

A last quantitative study to be reviewed here departs from the cross-sectional mode of analysis of earlier work. Hannan and Carroll (1981) seek to identify social and economic correlates of *transitions* from one formal political structure to another. This "event–history method" partially confirms, partially modifies and complements the findings of cross-sectional research. Hannan and Carroll found that in the 90 countries studied for the period from 1950 to 1975, only a few of the variables examined had significant effects on the transitions from one of four political forms to another. High levels of economic production were negatively, ethnic diversity positively associated with overall rates of change in political form. The most stable political structures were multi-party systems: of the 39 countries with multi-party political structures in 1950, 28 had such a system still (or again) in 1975. In line with what one would expect from cross-sectional analyses, Hannan and Carroll's event–history analysis showed that richer countries are less likely to move from multi-party politics to political centralism, but the same holds for transitions away from centralized political forms: "Stated loosely, successful countries retain their political strategies." (Hannan and Carroll 1981: 30–1). Ethnic diversity was not only found to destabilize formal political structures in general, but had a particularly negative effect on democracy: it was especially associated with transitions *out of* multi-party systems and with changes *into* one-party regimes.

The whole gamut of quantitative cross-national research was dismissed by many and attacked as inadequate by a few. Its empirical conclusions as well as its – generally sparse – theoretical grounding, primarily in modernization theory, were sharply contradicted by investigations that focused on the histories of a few countries and analyzed them in the light of more complex theoretical arguments. These studies were critical of the a-historical quasi-evolutionary generalizations that informed modernization theories. Their own common ground in theoretical conception has been characterized by a focus on

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long-term effects of past conflicts and historical structures, by a search for the critical collective actors in historical change, and by an emphasis on the changing world historical environment of national histories. We offer a sketch of some of these comparative historical works before turning to an evaluation of both strands of research.

Early comparative historical investigations

Karl de Schweinitz (1964) formulated a theoretical position that sharply contradicts the notion that today's advanced capitalist countries represent the future state toward which less developed countries will travel on roads roughly similar to the paths taken by the "early developers". Democracy as known in the West was in his view the privilege of the original capitalist countries. Here economic development was slow. Its decentralized character encouraged liberal political conceptions and ideals. The working class was not yet mobilized. There was no demonstration effect from neighboring more advanced countries that would have stimulated individual and collective consumption demands. Thus, it was far easier than in today's developing nations to impose the disciplines of consumption, of work, and of public order that are necessary for economic development.

Later developing countries need a stronger state also for a number of other reasons – among them a very different international economic environment, which is likely to trap the less advanced countries in unfavorable positions in the transnational division of labor, and new technological options that can be exploited only with larger lumps of investment than private savings can sustain. The pressures toward greater centralization go beyond economic considerations and necessities. States in late developing countries also have more reason to intervene repressively because their rapidly changing societies are more mobilized. At the same time, they have more effective means – military and police technology, modern systems of communication and transportation, as well as better forms of organization – to impose the three disciplines of consumption, work, and public order. If that imposition succeeds, democracy is not very likely since democratization now depends largely on the values and intentions of the ruling groups. If it does not succeed, neither development nor democracy have good prospects. De Schweinitz concludes (1964: 10–11): "The development of democracy in the nineteenth century was a function of an unusual configuration of historical circumstances which cannot be repeated. The Euro-American route to democracy is closed. Other means must now be devised for building new democratic states." The remainder of the book makes clear that he sees the possibilities of developing democratic political structures as limited indeed.

Two generations earlier, in 1906, Max Weber voiced an opinion on the chances of bourgeois democracy in Russia that is similarly skeptical and roughly akin in its reasoning. While his passionate sympathies lay with the struggle of the liberal democrats in Russia, his analysis of the impact of capitalism on the

Russian economy and especially on the Russian agrarian structure led him to a rather negative prognosis.

True, the bureaucracy of the autocratic regime of the Tsar would hardly survive the tensions and conflicts of capitalist transformation: "As far as the negative side of the problem is concerned, the view of the 'developmental theorists' will be right. The Russian autocracy of the past has ... by any human estimate no choice but to dig its own grave" (Weber 1906: 350). But that does not mean that it will be replaced by a democratic regime. The project of democratization would have to rely primarily on the power of Western ideas, while it faces overwhelming structural obstacles. These obstacles are in Weber's view firstly grounded in the conditions of the Russian political economy, particularly in its agrarian problems. But the progress of democratization is also not favored by the character of advanced capitalism itself, which begins to penetrate the Russian economy. Capitalism in the twentieth century represents in Weber's judgement an increasingly hostile environment for freedom and democracy: "It is completely ridiculous to attribute to today's advanced capitalism an elective affinity with 'democracy' not to mention 'freedom' (in *any* meaning of the word)." Successful democratization in Russia now has to overcome obstacles that derive from the political and economic problems of late and uneven capitalist development as well as from the changed character of capitalism anywhere. Its only hopes are in Weber's view the *ideals* of bourgeois liberal reform – a slender reed to lean on.[6]

An even more skeptical view of the relation between capitalism and democracy that applies to early capitalism as well can be inferred from his analysis of the role of law and bureaucracy in the rise of capitalism. Here Weber (1922/1968) argues for a functional correspondence or "elective affinity" between early, competitive capitalism and the predictability of formally rational law and bureaucratic administration. Formal rationality and thus predictability are compromised by substantive demands of justice. Democracy, however, is in Weber's view precisely the institutional arrangement through which such substantive demands are invading and transforming the pure formalism of law. In critical ways, then, democracy and even early capitalism were at odds with each other.

More recent comparative historical work

Guillermo O'Donnell (1979b) sought to explain authoritarian developments in South America during the 1960s and 1970s that seemed at odds with the optimism implied in modernization theory. Argentina, Brazil, Uruguay, and other countries turned away from democratic constitutional forms at fairly high levels of development and, he argued, for reasons precisely related to their comparatively advanced stage of development. O'Donnell's analysis was based on a political economy framework, roughly comparable to that of Max Weber and de Schweinitz. He gave particular attention to the economic and political dependence of a late developing country on the developed core of the capitalist

world economy and to the responses of the state and of class-based politics to the problems engendered by this dependency.

Import substitution industrialization (ISI) had expanded the urban middle and working classes and brought to power populist coalitions which deliberately activated popular forces, particularly through labor organization, and included them in the political process. Economic growth underwrote the costs of social welfare policies. However, the progress of "easy," or "horizontal," i.e. consumer goods import substitution behind high tariff walls depended on growing imports of capital goods, paid for by exports of primary goods. This development strategy ran into trouble when the foreign exchange reserves accumulated during World War II were exhausted and both prices and demand for Latin America's primary exports declined in the 1950s. The severe balance of payments problems caused domestic inflation. Attempts to impose stabilization policies hurt the popular sectors, divided the populist coalitions, and created political crises.

The growth of ISI had also enlarged the number and range of technocratic roles in the public and private sectors. Prominent on the minds of these technocrats was the "deepening" of industrialization, i.e. the creation of a capital goods industry. However, successful pursuit of this strategy entailed reduction of popular consumption in order to generate higher domestic investment levels (as taxation of the wealthier sectors was not even considered as a realistic alternative), and attraction of foreign capital. The crucial obstacles in this path were militant labor movements and populist politicians. This constellation led to the formation of a coup coalition among civilian and military technocrats and the big bourgeoisie. They discarded democracy as incompatible with further economic development and installed bureaucratic–authoritarian regimes. These regimes insulated economic policy makers from popular pressures and deactivated unions and left-wing political parties, by force if necessary. Thus, it was exactly in the more advanced of the Latin American countries that particularly harsh authoritarian rule was imposed in the 1960s and 1970s.

O'Donnell asserted on the basis of these findings an "elective affinity" between advanced capitalist development in dependent political economies and bureaucratic authoritarian rule. Though the wider and longer-term significance of such developments is treated with caution, his perspective is radically different from the optimism of much of modernization theory: "It is impossible to say, without systematic comparative research, but it is a disquieting possibility that such authoritarianisms might be a more likely outcome than political democracy as other countries achieve or approach high modernization (O'Donnell 1979b: 90).

O'Donnell places great emphasis on a country's dependent position in the international economic system. Dependency theory – as well as its close cousin, world system theory (see Wallerstein 1974 and 1976) – generally tends to see economic dependence as creating pressures toward authoritarian rule (see, e.g. Chirot 1977; Thomas 1984).

Seven years before O'Donnell's book, Barrington Moore, Jr., had published *The Social Origins of Dictatorship and Democracy* (1966). This was without doubt the most important comparative historical research on development and

political form, and it achieved paradigmatic influence in the field. Through historical case studies of six countries – England, France, the United States, Japan, India, and China – and extensive research on two more, Germany and Russia, Moore identifies three distinct paths to political modernity, each characterized by specific conditions: the path to parliamentary democracy, the path to fascist dictatorship, and the path to communist dictatorship. These three routes, he argues, are not alternatives that are in principle open to any society. Rather, they are tied to specific conditions characteristic of successive phases of world history. Thus he sees the conditions favorable for democracy – like Weber and de Schweinitz – bound up with the historical constellation of early capitalism: "the route that ended up in capitalist democracy ... was itself a part of history that almost certainly will not be repeated" (Moore 1966: 5).

A strong concern with historical particularity and process leads Moore to a principle that informs all of his interpretations and explanations: past conflicts and institutional structures have long-term effects and are of critical importance for later developments. Any attempt to explain current change without attention to these continuing effects of past history – any "presentist" analysis – is doomed to fail.[7]

Moore's specific analyses proceed in the by now familiar political economy framework: economic change, state structures and state actions, and social classes are the central categories. Basically marxist in orientation, the study focuses on peasants and lords, though the bourgeoisie is given a critical role as well. Moore's emphasis on the role of the rural classes derives, of course, from the principle of long-term effects of past history. It is noteworthy, however, and it will occupy us later, that the working class is virtually absent from the picture he gives of the rise of democracy.

In his conceptions of rural class conflict, the distinction between labor-repressive and market-dominated modes of labor control plays a crucial role. This has found striking support in a study of agrarian social movements in contemporary developing countries by Jeffery Paige (1975). Paige found that the most radical agrarian movements emerged when a landlord class relied on coercive labor policies while facing a cultivating class that derived its income primarily from wages rather than directly from the land and that was able to organize for collective action.

Moore asks of his cases a number of central questions, and it is these questions that constitute the core of his theoretical framework. The analysis focuses (1) on the strength of the state in relation to the power of landlords and bourgeoisie, (2) on the incidence of repressive agriculture for which the landlords need the help of the state, (3) on the relative strength of the rural and the urban dominant classes, (4) on the alliances of domination among the crown and the dominant classes, alliances shaped by the relative strength and the interests of these partners in power, and (5) on the chances of the peasantry to come to collective action depending on the presence or absence of solidary village and work structures.

The conditions for the route to communist revolution can now be listed in skeletal fashion: a highly centralized state, a weak bourgeoisie, a land owning class that relies on political means of labor repression, and a peasantry with

good chances of collective action that are due to solidary village communities and weak ties to the – often absent – landlords. This picture bears a striking similarity to the sketch of the factors Weber considered relevant in the early stages of the Russian revolution. The communist take over occurred in Russia only after the system of domination broke down in the revolution at the end of World War I, which was fueled by peasant discontent.

Moore's view of the conditions for the reactionary revolution from above that ends in fascist dictatorship can be put in similarly apodictic form as follows: a coalition led by a strong state and powerful landowning classes includes a bourgeoisie that is not without some strength but depends on the support of the state through trade protectionism, favorable labor legislation and other measures that in different combinations characterize top-down, state-sponsored industrialization. Agricultural labor remains significantly controlled by repressive means rather than primarily through the market. Owing to village and work structures that do not favor solidarity, the peasant revolutionary potential is low. The internal tensions and contradictions of industrialization under reactionary sponsorship lead to experiments with democracy that do not, however, yield results acceptable to the dominant classes. Fascist repression is the final outcome. The similarity of this path to the developments in Argentina and Brazil in the 1960s and 1970s did not escape the notice of O'Donnell. In fact, he explores the broader theoretical implications of his own analysis precisely by linking it to Moore's work and by extending Moore's ideas beyond the cases of Japan and Germany (O'Donnell 1979b: 88–90).

The emergence of parliamentary democracy represents the oldest route to modernity. The picture Moore offers here is more complex than in the case of the other two routes. Conflict and a fairly even balance of power between the lords and the crown are a first condition. A strong bourgeoisie, at odds in its interests with the rural dominant class and even able to entice landlords into commercial pursuits, is of critical importance: "No bourgeoisie, no democracy" (Moore 1966: 418). Moore also notes that in all three cases of democratic development studied there was a revolutionary, violent break with the past, unsettling the established domination of landlords and crown. Other conditions that emerged as significant in the rise of communist revolution and fascist dictatorship show, however, no clear-cut pattern in the histories representing the democratic route: while labor repressive agriculture was present in France and the United States, English agriculture relied rather exclusively on the market. The capacity of rural labor for collective action – the revolutionary potential of the peasantry – was high in France but low in England and the United States.

On the case of India, Moore takes a similar position as de Schweinitz: there are complex conditions that allow the institutional legacy of post-colonial democracy to survive. But due to the limited compatibility of freedom and efficiency under current conditions, Indian leaders have to face cruel choices between effective democracy and effective development. The argument reveals a conviction that informs Moore's analysis of all routes into the modern world: "The tragic fact of the matter is that the poor bear the heaviest costs of modernization under both socialist and capitalist auspices." Therefore, modernization is not possible without "either masked coercion on a massive scale, as in the capitalist model including even Japan, or more direct coercion approaching the socialist model" (Moore 1966: 410).

In her incisive review of *Social Origins*, Skocpol (1973) takes Moore to task on a number of points, among them his neglect of the variably autonomous role of states and his lack of an intersocietal perspective.[8] She argues that a strong state with a capacity for repression – something absent in England for example, due to the reliance on the navy for military power – is an essential element of the authoritarian class coalition. Her argument for the importance of the intersocietal perspective is, in part, a plea for integrating Moore's domestic class analysis with the central ideas of dependency theory and Wallersteinian world-system theory. But at the same time, it is an argument for the importance of interstate relations in analyzing domestic politics and the variably autonomous role of the state. Conceptualizing states as standing at the intersection of domestic and international power relations proved to be exceptionally fruitful in her own comparative study of social revolutions (Skocpol 1979).

Moore's analysis is open to quite important other criticisms. One was briefly noted earlier and will occupy us later at some length: the role of the working class in democratization is rather radically neglected. This is in part a consequence of Moore's focus on long historical gestation periods. In addition, it follows from his definition of democracy which focuses on public contestation of political issues rather than on inclusive participation in the political process. The democratic struggles of the working class then appear only to extend an otherwise already largely established pattern. We will argue for a very different view.

Another important critique takes off from the apparently innocuous fact that the time periods taken into account for the different countries vary considerably in length. While the cases of democratization are pursued over very long time periods, the discussion of Japan and Germany breaks off with the establishment of Fascism. This can be defended only by arguing that post-war democratization in these two countries was exclusively a result of foreign imposition, which in turn is – like all questions of international context in Moore's analysis – excluded from the explanatory framework.

If this exclusive focus on domestic developments is modified and if the time periods considered are adjusted in theoretically meaningful ways, it is possible to argue that the reactionary path to political modernity has some potential for leading – by tortuous detours – to democratic political forms. This argument goes far beyond the cases of Japan and Germany. France came at various points in the nineteenth century quite close to the reactionary path model, yet it rightly figures as one of the main cases of democratization.[9] Spain, Portugal, and Greece as well as Argentina and Brazil may well be seen as instances of a similar development toward democracy in the twentieth century (Rueschemeyer 1980).

Yet, these as well as other critiques notwithstanding, Moore's book represents a towering achievement. It helped transform the social sciences by reestablishing the comparative historical mode of research as the most appropriate way of analyzing macro-social structures and developments.

Two modes of research – contradictory results

Our review of quantitative cross-national and comparative historical studies on the relation between capitalist development and democracy has shown us results that rather consistently contradict each other. We are faced with a serious dilemma because the two research traditions are separated by two things at once: by opposite findings and by different methods.

The first research tradition covers many countries, takes for each country only a minimum of standardized, aggregate, but not always reliable information into account, and translates that information – on occasion not with great delicacy – into numerical expressions in order to subject it to complex mathematical operations. It sees the quantitative analysis of a large number of cases as the only viable substitute for the experimental approach that is impossible in macro-social analysis.

The other tradition studies only a few countries at a time, and while the complexity of such analyses far exceeds the possibility of testing the explanatory propositions with so small a number of cases, these works are attentive to many factors suggested as relevant by common sense and theoretical argument, they treat historical particularity with care, they give weight to the historical genesis of social and political structures and developments, and they betray an attractive awareness of long-term historical developments in different parts of the world.

Taken together, the two research traditions highlight fundamental methodological issues that are hard to do justice to at the same time. Faced with difficult dilemmas, each makes different strategic decisions on what to give priority.

The quantitative cross-national research, which we respect for its breadth of coverage, the objectivization of analysis, and the quantitative testing of specific hypotheses, has come to a number of consistent results. The outstanding finding is that there exists a stable positive relationship between socioeconomic development and democracy.

The comparative historical tradition of research, which we respect for its analyses of historical process and for the sophistication of theoretical argument, is by contrast extremely skeptical of the chances of democracy in contemporary developing countries. These authors do not only deny that there exists a consistent and theoretically plausible relationship between democracy and development, capitalist or otherwise, but they also see the odds of democracy especially in developing countries as extremely unfavorable. They find the main reasons for this world historical change since the first rise of capitalism in the different and more powerful role of states (including the expansion and transformation of the military forces) in both less developed and advanced industrial countries, in the different balance of power between dominant and subordinate classes and different patterns of class alliance in less developed countries, and in the different transnational environment in which late-coming nations have to advance their projects of development.

How can this dilemma – created by contradictory results of different research methods – be resolved? Before that question is approached, one point should be made clear. This is not a conflict between divergent quasi-

philosophical, "meta-theoretical" positions, as was argued for different theories of the state by Alford and Friedland (1985). In that case the conflicting analyses would simply talk past each other. The contradictory results at issue here can in our view be confronted with each other much more directly; they are in principle open to resolution on the basis of empirical evidence. This, too, is the way in which they have been treated in the past – by Max Weber no less than by the quantitative methodologists of today. We will first turn to some methodological arguments and reflections, giving emphasis to those that challenge the widely accepted monopoly of the quantitative cross-national methodology, and then seek to arrive at a judgement about the best foundations of a strategy of resolving the contradictions.

Methodological Reflections

Critique and countercritique

A convenient starting point for examining the contradictions between the two research traditions is O'Donnell's critique of cross-national statistical research, one of the rare responses from a comparative historical scholar to the other side. O'Donnell argues, first, that causal inferences from quantitative cross-national evidence imply the assumption that the causal conditions which affect the chances of democracy today are the same as those which shaped democratic developments during the early rise of capitalism, an assumption that may well be wrong. This, of course, invokes the fundamental claim made by all the comparative historical analysts we reviewed – that democratic developments were rooted in a historical constellation not likely to be repeated. However, quantitative research results make it difficult to sustain the lines of argument that have been advanced so far. Bollen (1979), as we have seen, found no consistent relationship between the timing of development and democracy or, more precisely, none that overrides the association between democracy and level of development. Furthermore, the statistical association between democracy and level of development holds even if the most advanced industrial countries are excluded from the analysis (see e.g. Cutright 1963: 258; Marsh 1979: 238). That means it cannot be "explained away" by a strong association between democracy and the highest levels of development achieved by the early modernizers. [10]

Next O'Donnell charges that if "deviations" from the central tendency identified by multivariate analysis are dismissed as due to idiosyncratic obstacles, "the basic paradigm is rendered immune to empirical falsification" (O'Donnell 1979b: 5). This objection seems rooted in the comprehensive interest in each case characteristic of comparative historical research; rather than dismissal, the deviant case deserves special attention. The objection is plausible in the context of comparative historical analysis. It is not convincing as a critique of the statistical approach, which focuses on a number of variables while randomizing the effects of others. True, in the early work of Cutright

(1963) we encountered interpretive arguments, wedded to the neo-evolutionism and the equilibrium assumptions of modernization theory, that fit O'Donnell's charge rather exactly. However, Cutright himself adduced the evidence for very important modifications of the assumed equilibrium tendency (see Cutright and Wiley 1969). And later studies no longer viewed the statistical associations as confirming complex macro-trends, but used them rather to test specific hypotheses.

O'Donnell also charges the quantitative studies with what he calls the "universalistic fallacy" – the assumption that since in a set of all or most contemporary countries "some positive correlation between socio-economic development and political democracy can be found, it may be concluded that this relationship holds for all the units (say, regions) included in that set" (O'Donnell 1979: 6). This raises the same question about uniform conditions of democracy across different regions as we just considered for different periods of time. The argument is central to O'Donnell's view of South America, where it seemed at the time that "political authoritarianism – not political democracy – is the more likely concomitant of the highest levels of modernization" (O'Donnell 1979: 8). Though nothing is wrong with this idea of regionally variant conditions in logic or theoretical principle, it is contradicted by the evidence of quantitative studies that varied in regional inclusiveness but not in the dominant result of a positive association between level of development and democracy. Given our present knowledge, it may be more reasonable to warn regionally specialized scholarship – such as Latin American studies – against the "particularist fallacy" of disregarding the results of more comprehensive analyses than to press the dangers of a universalist fallacy against the claims of quantitative cross-national research.

O'Donnell makes a quite valid point when he argues that variations within a country are not taken into account when cross-national analyses are based on average per capita figures for domestic production, educational attainment etc. It is quite true, for instance, that the growing wealth of some segments of the population affects national averages quite strongly even though nothing may have changed in the economic condition of the vast majority; in fact, such a development renders the groups that do not participate in the higher standard of living even less – rather than more – capable of making their interests count in political decisions.

However, one may see such inattentiveness to intra-country variation as a discrepancy between the indicators used and the theoretically relevant variables – an error in measurement. And it is well known that measurement error, unless it systematically favors the hypothesis under review, has the counter-intuitive effect of deflating correlations. This also applies to the – often quite debatable – indicators of social and economic development and political democracy. Bad measures make it harder, not easier, to confirm a hypothesis.

Another argument of O'Donnell constitutes, however, a powerful critique with far-reaching consequences: it is highly problematic to draw *diachronic* conclusions – about changes over time and thus about causation – from *cross-sectional* analyses. The same idea – that genetic, causal questions require historical information about processes rather than cross-sectional data on a given point (or short period) of time – was the starting point of a seminal paper by Dankwart Rustow (1970) that developed a simple process model of democratization whose phases moved from prolonged and inconclusive struggle through elite compromise to habituation. The systematic exploration of causal conditions through comparative analysis of historical sequences is a cornerstone of our own approach.

It is true that several quantitative cross-national studies did take the historical dimension into account, however minimally and crudely (Cutright and Wiley 1969; Bollen 1979; Hannan and Carroll 1981). The findings of these studies are suggestive for further analyses that search for genetic, processual explanations. Nevertheless, there is little doubt that causal explanations cannot be tested directly with cross-sectional studies and that it is diachronic propositions and studies of historical sequence that are needed for settling the issues of a causal interpretation of cross-sectional findings.

Where, then, do these rather complex arguments leave what we may take as established conclusions of the quantitative cross-national studies? One massive result of these studies still stands: there is a stable positive association between social and economic development and political democracy. This cannot be explained away by problems of operationalization. A whole array of different measures of development and democracy were used in the studies under review, and this did not substantially affect the results.

This result cannot be invalidated either by arguing that it may not apply to certain regions of the world. Nor can it be explained by diffusion from a single center of democratic creativity, though some associations of democracy with former British colonial status as well as the proportion of Protestants were found by Bollen (1979). It also cannot be explained by a particularly close correlation between development and democracy at the highest levels of development, because samples consisting only of less developed countries exhibited substantially the same patterns. Finally, the close concatenation of level of development and democracy cannot be accounted for by a special association between early modernization and democracy since the explicit inclusion of measures of the timing of development did not significantly affect the relationship between level of development and democracy.

Yet as the tale of storks and babies often told by statisticians suggests, any correlation – however reliably replicated – depends for its meaning on the context supplied by theory and accepted knowledge. The relation between statistical finding and theoretical account is decidedly asymmetrical. The theoretical explanations we encounter in the cross-national studies do not gain any particular credibility from the sturdiness of the findings for which they give an account. They are, to put it most starkly, pure conjecture. This is so by logical necessity, though it also finds support in well-founded reservations about the theoretical models most often used. In sum, the quantitative findings are compatible with a wide range of explanatory accounts.

The causal forces that stand behind the relationship between development and democracy remain, in effect, in a black box.[11] The explanations offered in the early quantitative research adopted the then prevailing assumptions of modernization theory. But nobody can maintain that this in any w followed

from the statistical results. The correlations between development and democracy constitute *an empirical generalization* – not more and not less. In regard to the theoretical account of the conditions of democracy, this empirical generalization plays a role that is critically important and at the same time strictly limited: It has a veto power over certain explanations – those that are at odds with it; but it does not determine the choice between various theoretical accounts that are compatible with it.

If we must consider the association between development and democracy a fundamental given in any theoretical argument about the conditions of democracy, the quantitative cross-national research has yielded also a number of results that have less definite and often quite ambiguous implications. We can best treat them as important suggestions for further analysis, because the relationships emerged only in one or a few studies and were contradicted by others or because it is not clear what exactly is measured by the empirical indicators used. Among the more important suggestive findings are the following:

the possible negative impact of state strength on the chances of democracy,
the association between stability of political form and the provision of social security,
the negative relation between central control of the economy and democracy,
the negative effects of ethnic and linguistic fragmentation on democracy.
the possible role of cultural tradition and diffusion (British influence, percent Protestant),
the supportive relation of literacy and literacy gains to democracy,
the possible impact of economic and especially geo-political dependency,
and the long-term mutually supporting relation between democracy and lowered economic inequality.

There are no similarly explicit and refined critiques of the comparative historical approach as O'Donnell mounts against the cross-national quantitative work. That does not mean that comparative historical research is generally held to stand above such criticism. To the contrary, the very self-understanding of many quantitative social scientists is built on a dismissal of qualitative evidence as merely anecdotal – interesting for illustration and perhaps inspiration, but worthless when it comes to establishing results. The critical claims about comparative historical research implied by this view are easily listed. Comparative historical research, while theoretically often very complex, covers too few cases to come to any definitive results about these theoretical arguments. The choice of cases is often arbitrary, and there is no protection against a case selection that favors the author's line of theoretical argument. In fact, theories are rarely tested in any meaningful sense, because they are typically developed from facts known in advance. Finally, the lack of methodological self-consciousness in much comparative historical research is taken as the symptom not only of a profound unconcern but also of fatal substantive flaws.

We will take up some of the specifics of this critique in our discussion below. Here it is sufficient to make only a few fundamental points. The first, already

made earlier, is excellently developed in Ragin's recent examination of comparative methods, both quantitative and qualitative (Ragin 1987): both comparative historical case studies and variable-oriented quantitative research must answer to the same fundamental standards, and both meet them – imperfectly – in different ways and with different strengths. The second is that the near-consensus of the comparative historical studies on the extremely limited chances of democracy after a favorable phase in the course of world history is at odds with the most robust finding of cross-national quantitative research. That consensus opinion must be dismissed, and the contrary result of the quantitative studies must be considered an established empirical generalization with which all accounts of democratization have to come to terms. This does not, however, follow from inherent flaws of comparative historical research; rather, it is our considered judgement after comparing the two traditions of research. Our third and final claim is that in principle comparative historical research is equally able to come to similarly pivotal results.

The comparative advantage of historical analyses

How are we going to develop an empirical theory about development and democracy that is credible in the light of general sociological knowledge, capable of accounting for the central relationship between development and democracy established by the cross-national quantitative research, and promising for further research into the conditions of democracy and for the interpretation of ambiguous and opaque findings? It is our conviction that we must turn to the richer theoretical reasoning of the comparative historical tradition if we want to lay the groundwork for an adequate theory of the conditions of democracy. We take this position in spite of the fact that so many of the qualitative historical works came to conclusions about the relation of democracy to development in today's world that are at odds with the quantitative empirical evidence. That their conclusions went far beyond the evidence actually examined in these studies may or may not be taken as an indictment; it does point to the problem inherent in theory-oriented comparative history just mentioned: the number of cases is too small for the number of variables considered. The contrast between intellectual complexity and the limited number of cases is indeed a basic dilemma of the comparative historical search for explanation and theory.

There are several reasons why nevertheless the comparative historical tradition of research on democracy appears to offer the best foundation for constructing a satisfactory theoretical account of the conditions of democracy. First, it is far richer in theoretical argument and analysis than the macro-quantitative studies. This is true whether we compare it with the quantitative studies that – like Cutright's – seek to support a broad systemic interpretation or with the later research trying to test specific hypotheses. This theoretical richness is not an accident: "One of the most valuable features of the case-oriented approach ... is the fact that it engenders an extensive dialogue

between the investigator's ideas and the data" (Ragin 1987: 49). Second, and more specifically, the political economy orientation of the works reviewed has proved fruitful in a number of similar areas of inquiry – for instance in comparative work on inequality, on socioeconomic development, and on state intervention in civil society.

Finally, these studies developed their explanatory ideas grappling with historical sequences; and we are convinced that it is in sequences of change that we will find the key to the black box that mediates the relation between development and democracy. Historical sequence studies are generally best attuned to the necessities of a genetic, causal explanation. This claim will appear to many social scientists at first sight counterintuitive. Further reflection will perhaps make it more plausible.

What are the specific chances of insight, which the particular blind spots of the two modes of research? Our basic position on the methodological side of the impasse between them was already stated: neither side has an obvious superiority in principle, and neither can be dismissed. Rather, each has made choices when confronted with a situation that did not allow obedience to all mandates of methodology – not even to all major mandates – at the same time. Each side had to pay for its peculiar strengths with equally characteristic weaknesses.

Further reflection may usefully begin with the theoretical implications of a single case pursued over time. All too often it is taken for granted that the theoretical utility of studying one single case is extremely limited. It can inspire hypotheses, this argument says, but so can sheer imagination. It can perhaps force a reconsideration of those propositions contradicted by this singular set of unique facts, but it cannot go beyond that. This view overlooks that a particular sequence of historical development may rule out a whole host of possible theoretical accounts, because over time it typically encompasses a number of different relevant constellations. The continuity of a particular system of rule can for instance invalidate – by its very persistence under substantially changing conditions – quite a few claims about the conditions of stable domination. Such an effect presupposes, of course, that there are reasoned expectations, that the interrogation of the historical record is theoretically informed. This impact of a single case analysis is strengthened by the fact that for one (or a few) cases it is possible to match analytic intent and empirical observations much more precisely than in an analysis covering many cases with the help of standardized indicators. Case-centered research can examine the particular context of seemingly simple facts and take into account that their analytic meaning often depends on that historic context. It is these two features of historical analysis that led E. P. Thompson to insist on the "epistemological legitimacy of historical knowledge ... as knowledge of causation" and to speak – somewhat obliquely and perhaps extravagantly – of "history as a process inscribed with its own causation" (Thompson 1978: 225, 226).

Yet if the theoretical utility of the narration and analysis of even a single case must not be dismissed, a focus on historical lines of change does carry its own problems. Studying change within the same society implicitly holds constant those st[illegible]ral features of the situation that do not actually change during the

period of observation. It is for this reason that process-oriented historical studies – even if they transcend sheer narrative and are conducted with theoretical, explanatory intent – often emphasize the role of voluntary decision and tend to play down – by taking them as givens – structural constraints that limit some options of historical actors and encourage others.

This consideration may throw a revealing light, for instance, on the recent controversy about the relation of German big business to the rising National Socialist party. Turner's analysis (1985) is a good example of the focus on process and agency and he comes to rather innocuous results about the role of big business in the rise of Hitler, while Abraham (1986) who uses a theoretical framework centered on structural analysis comes to very different conclusions. Similar questions are raised if O'Donnell and Schmitter (1986: 19) claim that in recent transitions from authoritarian rule "what actors do and do not do seems much less tightly determined by 'macro' structural factors during the transitions we study here than during breakdowns of democratic regimes". They may indeed offer us a fascinating empirical generalization. But the fact that their conclusion to the studies of "Transitions from Authoritarian Rule" (O'Donnell, Schmitter and Whitehead 1986) emphasizes themes congenial with a voluntarist perspective – such as political divisions within the authoritarian regime, pacts of "soft-liners" in government with parts of the opposition, and the sequences and turns of liberalization that could have taken a different course – may also derive from the design of this project, which had at its center a series of country monographs covering a relatively short period of time.[12]

If we entertain serious reservations about the voluntaristic bias that seems associated with the study of single instances of historical process or with analyses covering relatively short time periods, we do not intend to counterpose the focus on the *longue durée* of the French *Annales* school to a dismissed *histoire évènementielle*. Our aim is rather to construct a framework of inquiry that is in principle equally well attuned to the study of process and to the recognition of structural constraints. This does not seem a utopian goal. Within this broader framework, our own interests do center on the structural conditions of democracy rather than on a process analysis of regime transitions.

Ragin claims that comparative historical case studies are generally inhospitable to structural explanations while "wide-ranging cross-national studies, by contrast, are biased in favor of structural explanations" (Ragin 1987: 70). There is little doubt about the latter assertion. In fact, cross-national statistical research has no choice but to be structurally oriented.[13] The former, however, truly holds only for single-case historical accounts. The voluntaristic bias of case oriented research is counterbalanced by comparison. Even in single-case studies comparative awareness and especially a longer time span of investigation can – logically analogous to cross-country comparisons – make the structural conditions of different event sequences more visible.

It is, however, actual comparison of cases featuring different structural conditions that really turns things around. Even a few comparisons have a dramatic effect in disciplining explanatory accounts. Moore's (1966) classic study does not stand alone as a case-oriented comparative inquiry that illuminates the role of structural constraints. In fact, most of th[illegible]mparative

historical studies we have reviewed share a strong focus on structural conditions. Clearly the strategy of case selection acquires critical importance here, because the range of cases examined determines which outcomes and which potential causal conditions can be comparatively studied. Certain case selections and choices of time horizon can also favor a focus on process and agency. This is demonstrated by O'Donnell and Schmitter's (1986) work on redemocratization and Linz's (1978) work on breakdown of democracy. Linz's extended essay compares cases in which the democratic regime collapsed and focuses on the events which led up to the demise of the regime. His emphasis on process (e.g. "the constriction of the political arena") and agency (e.g. mistakes made by the supporters of the democratic regime) are direct results of the short time horizon and the case selection. Had he compared breakdown cases with those in which democracy survived and/or selected a longer time horizon, for example comparing the breakdown with later returns to democracy, structural differences would have appeared as much more important in the analysis. Precisely the same observations could be made about O'Donnell and Schmitter's essay on redemocratization.

Case selection is a more important concern in comparative historical research than in quantitative cross-national studies because the latter typically reach for the largest number of cases for which the relevant information is available. Rational case selection depends primarily on a sound theoretical framing of the issues.

Ragin (1987) sees the special strength of comparative historical research in its particular aptitude to deal with two phenomena – multiple causal paths leading to the same outcome and different results arising from the same factor or factor combination, depending on the context in which the latter operates. He sees this as a powerful advantage because he considers multiple and "conjunctural" causation as the major reasons for the peculiar complexity of social phenomena and especially of large-scale social phenomena.

Why should the comparative case strategy have a special strength in dealing with this causal complexity? Since each case is viewed both on its own terms and in comparison, alternative causal conditions for the same or similar outcomes stand out with special clarity in comparative historical work, while macro-quantitative studies tend to view their cases as a causally homogeneous population of units. This is closely related to what we observed about the relation between indicator and analytical concept. The case-oriented approach has a strong comparative advantage in taking context into account – both in assessing the character of an event – say an insurgent social movement – and in evaluating its causal impact within a historical situation. Again, it is clear that good, theoretically guided case selection is critical for making full use of these advantages.

Finally, the comparative historical method allows the exploration of sequence and this, as claimed earlier, is indispensable for causal analysis. The claim deserves more comment. While a causal condition obviously has to precede its result in time, historical depth is not so obviously required. It is logically quite conceivable that the outcomes we wish to explain result from conditions located in the most immediate past. However, macro-social research has taught us two

lessons, which make it problematic to take this logical possibility for granted. We have learned that (1) sequence often matters and (2) structural conditions, once settled, often resist transformation. It may, for instance, matter a great deal for the outlook and the organization of the working-class whether universal suffrage came early or late in the process of industrialization (Katznelson and Zolberg 1986), and – once set – different patterns of class consciousness and readiness to organize may be hard to change.

Neither sequence effects nor historical persistence can be counted on a priori. We need to know much more about the conditions under which lasting patterns form, change and break down before we can use historical persistence as an *explanatory* principle; and the same goes for sequence effects. We do, however, have sufficient knowledge to treat them as *heuristic* principles. As heuristic principles they privilege certain research strategies and cast doubt on others. What we know about sequence effects and structural persistencies in large scale social change make "presentist" explanations profoundly problematic. Therefore causal exploration in macro-social analysis requires the study of fairly long time periods, it requires comparative *historical* work.

Our insistence on the importance of comparative historical sequence studies for developing and testing genetic and causal theories will not go unchallenged. There is not only the argument of "too few cases, too many variables". There are also arguments presenting cross-sectional quantitative studies as particularly suitable for causal inference. These consider the factors that in a large cross-sectional set of cases are associated with a dependent variable as those most important in the longer run (see Bollen 1979: 583; also Bollen and Jackman 1989). If the number of cases is large enough for "accidental" variations to balance each other out, this argument maintains, it is precisely a cross-sectional analysis that will best reveal the major structural determinants of variation in the dependent variable – here democracy.

It is clear that this assertion presupposes a causal homogeneity of the universe of cases as well as long-run equilibrium tendencies. It also assumes a close correspondence of diachronic and synchronic relations among variables. Without such premises, which make the sharp differentiation between short-run and long-run, "accidental" and "major" causal factors possible, the goal of "reading off" the major causal factors from cross-sectional statistical patterns is logically impossible. Even with these presuppositions, that project remains deeply problematic. If there is more than one way to account for the same results, we encounter again the black box character of these findings. Quantitative research can sometimes help to adjudicate between competing theories (which more often than not were developed and given credible standing in qualitative research), but often this hypothesis testing runs into tremendous difficulties because such research must work with crude and ambiguous indicators the context of which is necessarily excluded from the analysis.

All this is not to deny the very considerable value of quantitative research results. It is certainly true – and bears repetition – that established cross-sectional results represent limits with which any genetic, causal explanation has to be reconcilable. This must be added to the obvious and powerful argument that cross-sectional studies – the prime case of available large-scale quantitative

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work – reduce even if they do not fully avoid the perennial problem of macro-social research that the number of cases is small and the number of potentially relevant variables large. This remains a major difficulty of the comparative historical strategy, a difficulty put into perspective but not eliminated by the arguments just developed.

A methodological strategy outlined

We can now describe the design of our own project. We will employ a strategy that takes the results of cross-national studies seriously but gives more weight to comparative historical research. It will be informed by a theoretical framework that builds on past research and theoretical argument and focuses attention on structural constraints as well as on process and decision. We want to develop a theoretically adequate account of the causal conditions of democracy that is sensitive to the insights of comparative historical research and capable of explaining the persistent statistical relationship between development and democracy. This account is to be further tested and developed in a series of comparative investigations that seek to combine a relatively large number of cases with qualitatively adequate information on each case. The cases and comparisons are chosen so as to elucidate critical questions about the relationship between development and democracy. We are confident that this combination of theory and research strategies will render the implications of both comparative historical findings *and* cross-national quantitative results more far-reaching.

Our strategy will be the strategy of "analytic induction," a strategy that can be observed in practical use in several of the comparative historical works reviewed.[14] It breaks with the conventional view that research based on one or a few cases can at best stimulate some hypotheses, while only research on a large number of cases can test them. In this view, case studies – even careful comparative case studies – are irrelevant for the validation of theoretical ideas. They belong to the "context of discovery" rather than the "context of validation" – along with anything else that might stimulate intelligent ideas, from reading novels and philosophical treatises to the enjoyment of food, wine and bright conversation. Yet this radical separation of validation from an essentially arbitrary process of "discovery" is manifestly at odds with the ways we come to reasonably reliable knowledge in everyday life or to historical knowledge that transcends the single case at hand and can be used in historical explanation.

Analytic induction employs in a self-conscious and disciplined way the same strategies we see used in everyday life and in sophisticated historical explanation. Yet it has a more explicitly analytic orientation. It begins with thoroughly reflected analytic concerns and then seeks to move from the understanding of one or a few cases to potentially generalizable theoretical insights capable of explaining the problematic features of each case. These theoretical generalizations are th[illegible]sted and retested in other detailed case analyses.

Committed to theoretical explanation and generalization, analytic induction builds its arguments from the understanding of individual histories. The complex features of successive cases – with each factor remaining embedded in its historical context and therefore more adequately interpretable – serve as empirical "road blocks" that obstruct arbitrary speculative theorizing. In the overall process of theory building, they are the logical equivalent of the standardized coefficients relating a few selected variables in large-scale quantitative research.

The speculative element, and even arbitrariness, can never be fully eliminated from such case-based theory building. But neither does the opposite strategy, quantitative cross-national research, ever really lose its black box character when it seeks to account for its findings. In our own analysis, we will include as many cases as possible in the same analytically inductive project. In addition, building as we do on the results of both research traditions, we incorporate the empirical generalizations of quantitative cross-national studies into the premises of our own project.

A critical feature of successful analytically inductive research is the initial theoretical reflection. This may take the form of an explicitly developed theoretical framework of concepts, questions, guiding ideas and hypotheses. Yet even if the theoretical foundation is not announced with special fanfare, we can usually identify it with little difficulty. Barrington Moore, for instance, clearly worked with a consistent conceptual grid centered on economic change, the state, and social classes (and especially rural social classes); he used such ideas as the long-term consequences of past conflicts and developments as orientations for all his case analyses; he asked of each case a set of theoretically grounded questions: about the relative strength of the major historical actors and about their pacts and conflicts; and he deployed certain hypotheses – for instance about the chances of revolutionary collective action of peasants – repeatedly as he then turned to the main task: the case-by-case analyses from which he arrived at the three models of political routes into the modern world.

In her justly famous critique of "Origins," Skocpol, a student and critic of Moore, made these intellectual structures visible and subjected them to a searching evaluation. In her own book on social revolutions (Skocpol 1979), she begins with a critical assessment of alternative theoretical approaches and in effect constructs a full-scale theoretical framework that insists on a structural rather than voluntarist explanation of revolutions, on the salience of international and world-historical contexts, and on the potentially autonomous role of the state. It is with this set of concepts and theoretical premises that she then enters the analysis of the French, the Russian, and the Chinese revolutions as well the non-revolutionary developments in Britain, Prussia/Germany, and Japan.

Such a theoretical foundation of analytically inductive research has not only the function of stating explicitly which questions are asked, how they are framed conceptually, and what the theoretical premises of the analysis are. By giving reasons – preferably empirically grounded reasons – for these decisions and premises, it establishes continuity with earlier scholarship. It is cr[illegible] to fully

appreciate this point, because here lies one reason why the credibility of analytic induction is far greater than one could possibly justify with the few cases studied. As in everyday life we can gain powerful insights from a few encounters because these are assessed against the experience of a life-time, so the theoretical framework – when informed by previous thought and research – provides the background against which the picture of the cases studied yields more telling results. To put it slightly differently, a carefully developed theoretical foundation also eases the thorny problems of any macrosocial analysis that derive from the small number of cases; for it taps the results of earlier inquiries.[15]

The theoretical framework does not represent unchangeable assumptions. It does not constitute a "metatheory" in the sense of a set of premises upon which the validity of any finding is contingent. True, any theoretical framework, whether explicitly recognized or not, structures analytic attention and thus is more open to some findings than others. But we certainly do not wish to claim for the framework developed below a privileged status by which our findings would be protected from criticism that is based on other premises. Developing our theoretical framework in self-conscious detail should in fact make it easier to identify possible blind spots in the subsequent analyses.

The theoretical framework, once developed on the basis of earlier research and argument, then informs the comparative case investigations, and it will in turn be specified and modified through these analyses. The result is, on the one hand, a set of historical cases accounted for with a coherent theory and, on the other, a set of propositions about the conditions of democracy that have been progressively modified and are consistent with the facts of the cases examined as well as with the preceding research taken into account. We will develop our own theoretical framework for the study of democracy in the next chapter before we turn to three comparative analyses – of South America and Mexico, Central America, and the Caribbean, and advanced capitalist societies – in the main body of this volume.[16]

Our case comparisons are far-flung, stretching to the limits what can be done by comparative case analysis, but they are not exhaustive. The case selection – while it inevitably derives in part from the particularity of our intellectual journeys – seeks to accomplish specific analytic purposes. The set of cases examined, focusing on advanced capitalist societies, Latin America and the Caribbean, represents the areas with the most extensive democratic experience. At the same time, there are many examples of stable non-democratic regimes as well as of breakdowns of democratic political systems that can be analyzed comparatively side by side with instances of democratization and stable democratic rule, giving ample opportunity to use both John Stuart Mill's "method of agreement" as well as his "indirect method of difference."[17] The advanced core countries and South America also offer long stretches of recorded and analyzed history in which the question of democracy was a live issue. They thus give us the chance to explore the conditions of democracy in some historical depth.

The chapter on the advanced capitalist societies takes as its central problems a comparative review of democratization processes and the question of which

democracies broke down in the interwar period and which did not. In taking on the latter question, it directly confronts Moore's analysis on some of the same cases which he studied. Since European democratization has been studied most extensively, it is most directly reflected in our theoretical framework. This gives the chapter on South America a special significance for the further development of our theoretical account of democracy and development. South America is also of special interest, because political independence here came earlier than in other parts of the Third World and liberal ideas had a strong political appeal in this area during the nineteenth century, while the fate of democracy was very different from the liberal centers of Europe. This gives an opportunity to explore the relevance of factors that could not be studied in a more limited set of comparisons. The chapter on Central America and the Caribbean, finally, analyses a startling contrast between the Spanish- and the English-speaking countries; yet it comes to conclusions quite different from a simplistic explanation in terms of the difference in cultural heritage.

3

Capitalist Development and Democracy: A Theoretical Framework

This chapter develops the analytic framework for the comparative analyses in the following chapters. It roughly represents our thinking prior to the completion of these comparisons. Our theoretical premises stand in a tradition of social theory that is roughly characterized by the questions, if not the answers, of Marx and Weber. The framework is informed by the theoretical reflections that anticipated and accompanied the process of democratization in Europe since the early nineteenth century and by the comparative research on democracy in our own time. Central to any analysis of systems of rule must be the relation between the specifically political realm and the broader structure of power. Questions of power therefore underlie virtually all the problems to be discussed in the construction of the theoretical framework for our analysis.

In four areas of inquiry we will develop and justify the conceptions, questions and hypotheses that inform the subsequent comparative studies. First, we will inquire into the *meaning of "democracy"* and relate it to social and economic inequality. Second, we will inquire into *social class divisions* – into the structure of antagonistic socioeconomic interests, their articulation in parties and other organizations which turn classes into social and political actors, and the balance of power between them. Third, we will inquire how different *state structures* affect the chances of democracy. And fourth, we will inquire into *transnational power constellations* likely to effect democratization. In systematically investigating the interplay of these three clusters of power, this study exemplifies a recently emerging research program which Evans and Stephens (1988) term the "new comparative political economy." The conclusion reviews briefly how the analytical framework can account for previous findings.

Democracy and its Relation to Social Inequality

The possibility of democracy

Political democracy inevitably stands in tension with the system of social inequality. However we define democracy in detail, it means nothing if it does not entail rule or participation in rule by the many. Yet in a class-divided society, the many have less income and wealth, less education, and less honor than the few. Above all, they have – individually – less power. Democracy, then, is a rather counterintuitive state of affairs, one in which the disadvantaged many have, as citizens, a real voice in the collective decision making of politics.

From this tension between democracy and social inequality follows a first, minimal condition of democracy: democracy is possible only if there exists a fairly strong institutional separation – the technical term is differentiation – of the realm of politics from the overall system of inequality in society. Only then is it even conceivable that those who stand at the bottom of the scales of power, wealth, and cultural participation will – by themselves or through their representatives – significantly shape collective decisions that are binding for all. A feudal agrarian society, in which control over land – the primary means of production – entails ipso facto political authority over the population living on the land, is not compatible with democracy. Except in theatrical rituals like carnival, it has no institutional provisions for such an inversion of the social order in the political realm.

The differentiation of government and politics from other spheres of social life, which is – in one form or another – characteristic of all modern societies, is often taken for granted as part of a teleological design of history. Yet it was itself the outcome of historically varied power struggles; it cannot be understood if one approaches it as the political aspect of a universal evolutionary process aiming for greater efficiency (Rueschemeyer 1986).

The conflict between democracy and social inequality does not end with the differentiation of state institutions from the overall structure of power, honor, and wealth in society. Power and privilege are mutually supportive, even if the sphere of the state and the exercise of formal political power are institutionally set off from the wider system of social inequality. It would be foolish to overlook, for instance, that the distribution of land in El Salvador creates insolvable problems for democracy in that country. This leads into complex questions about "real" and merely "formal" democracy.

In the extreme, there is indeed the possibility – and it is not a theoretical possibility only – that democratic institutions are nothing more than an ineffective pretense, a sham. Democracy takes on a realistic character only if it is based on significant changes in the overall distribution of power. Where that occurs, an egalitarian critique may still point to the distance between actual decision-making and an ideal model in which collective actions are equally responsive to the preferences of all citizens – Robert Dahl's definition of full democracy in contrast to the less demanding and more realizable version he

calls "polyarchy" (Dahl 1971). Yet it is extremely problematic, intellectually and politically, to denounce and dismiss such less than perfect forms as merely formal.

The really existing democracies of today diverge without exception from such ideal models.[1] First, even majority rule – commonly seen as the very embodiment of democracy – violates, in a literal sense, the principle of an equal responsiveness of state action to the preferences of all citizens. Deciding things by majority is a tool of efficient governance, a compromise between full consent and the need for decisive action. The indirect exercise of legislative power by elected representatives is a second and more obvious limitation of "full" democracy. Third, in varying but always substantial degrees, important political decisions are made in all modern societies by the administrative state apparatus and by judicial courts. These decisions are thus removed not only from democratic discussion and decision but largely even from indirect democratic control. We will later encounter other, more subtle constraints that are related to the autonomy of such organizations as parties, unions and other interest associations vis–à-vis their own members. Such limitations deriving from the structures of the state apparatus and of the political process are ultimately unavoidable in any complex society.

At least equally important is, finally, the impact of the social and economic power structure on political decision-making. More variable perhaps across countries than the constraints of representation, administration and expertise, it depends to some extent on the institutional differentiation of politics from social structure and process. But beyond that it is shaped by the balance of power in society. The impact of social and economic power on politics and state action can be counterbalanced in varying degree, but it can never be erased completely.

Yet representative democracy – embedded in the wider structures of social and economic power, animated by party and interest group politics, and joined to a complex state machinery – did give the many *some* share in political decision-making. And in most cases this added significantly to whatever power they had in society. It did not bring that broad-based active participation in public affairs that was the essence of democracy for John Stuart Mill, nor did it even approach an equal responsiveness of state action to the preferences of all citizens. Nevertheless, it often secured very real advantages for the many: to begin with a by-product, it typically brought them more secure civil liberties – a requisite of democracy better appreciated in this century than ever before. Without reducing those liberties, it has also often resulted in substantially redistributive state action, especially where democratic socialist parties gained sufficient strength (Hewitt 1977; Stephens 1979c; Hicks and Swank 1984)[2]. In addition to material gain and protection against arbitrary power, democracy has thirdly brought a change that may be called "symbolic" but that it is unrealistic to belittle: it has made possible the dignity of full adult participation in politics that was denied to those excluded on the basis of social status or property. That this denial was felt as an insult, is not left in doubt by the histories of labor, of race, and of women.

Democracy may soften, but it certainly does not eliminate the differences of power, wealth and status in class-divided societies. Even the very premises of its own functioning have been compromised by class-inequality. Central among these premises is the axiom that all actors are fully aware of their own real interests. Offe and Wiesenthal (1980) critically examine this liberal axiom of an identity of actually expressed and enlightened interests. They raise radical questions about interest articulation and social class that are worth pondering:

> To what extent do the political forms of liberal democracy provide asymmetrical chances to the members of different classes to be able to articulate enlightened interests?
>
> To what extent do they leave room for those mechanisms to become effective that are required to overcome the specific obstacles to nondistorted interest-awareness that we find in the ranks of the working class?
>
> Or, conversely, to what extent are liberal democratic forms of political conflict, which favor the accurate articulation of bourgeois interests and impede the organizational practices that facilitate the articulation of undistorted working-class interests, imposed upon the working class?
>
> If it is true that political forms are not neutral, but are rather schemes for the preferential recognition of certain class interests (as we believe the above arguments strongly suggest), then they must themselves be considered as part of, and as objects of, the class conflict which they appear to merely regulate and to channel.

We recognize these as serious problems. But we do not agree with the conclusion of Leninists – and even of Rosa Luxemburg – that democracy is essentially an imposition on the working-class that works against its well understood interests. One does not have to subscribe to all premises of liberal political philosophy to see in really existing democracies the chance for a promising pursuit of subordinate class interests. Embracing democracy as promising was also the position taken by the vast majority of labor movements in different countries and in very different historical situations.[3]

The concept of democracy

The concept of democracy that guides our research, then, can and will be quite conventional. It entails, first, regular, free and fair elections of representatives with universal and equal suffrage,[4], second, responsibility of the state apparatus to the elected parliament (possibly complemented by direct election of the head of the executive), and third, the freedoms of expression and association as well as the protection of individual rights against arbitrary state action.

The first and the second of these dimensions, universal suffrage and responsibility of the state, define in our view the essence of democracy. If participation is limited to a few (as in mid-nineteenth-century England), the

regime may be liberal because issues are openly discussed or because state action is limited by solid individual rights, but it remains an oligarchic regime; one cannot speak of democracy. If the state apparatus is not made responsible (as in the Germany of Bismarck and Wilhelm II), the most inclusive system of suffrage and the best protection of civil rights are not sufficient to create a "rule of the people" in any meaningful sense.

The third dimension of civil rights – which embodies the idea of political freedom – does not in itself constitute the exercise of democratic power; it is rather, on the one hand, a necessary condition of stable democracy and, on the other, a limitation of state power without which individual and collective liberty is not secure – under democratic or other forms of domination.[5]

All three dimensions are a matter of degree. This leads into issues of the classification of different regime forms of which we will give only a sketch at this point.[6] While minor deviations from the definition may be neglected when we identify a regime as a *democracy*, regimes that rank near zero on the first two dimensions will be called *authoritarian* regimes, those very low on all three, *totalitarian* ones. *Constitutional* or *liberal oligarchies* are those that rank low on inclusion while the state apparatus is fairly responsible to parliament and political liberties are more or less secured.

We will speak of *restricted democracies* when the stipulated conditions are met to a large extent, but significant sectors of the population are excluded (for example by suffrage restrictions through literacy or similar qualifications), responsiveness of government is significantly reduced (for example through frequent military interventions or political pacts), and/or limitations of the freedoms of expression and association significantly narrow the range of articulated political positions (for example through the proscription of political parties). Clearly this is a large and complex category that requires further differentiation. At the same time, clear distinctions are often difficult to draw because restrictions in one dimension may also have effects in one or both of the other two.

The comprehensive right to participation seems to be the most obvious component of any conception of democracy. Yet we emphasize it to an extent that is not common. It is far more common to treat inclusiveness of participation as secondary to the other dimensions – to the effectiveness of control over the state (its responsibility to parliament), and the institutionalization of opposition rights (freedom of association and expression, free and fair elections). First democracy is set up, this view holds, and then it is extended to broader and broader parts of society. The process of inclusion is not denied importance, but all too often it is merely viewed as the extension of a democratic pattern that already existed before. This view is diametrically opposed to the idea introduced earlier – that democracy means nothing if not a share of political power controlled by the many. We make the extent of the suffrage, and in particular the extent to which the right to vote transcends class boundaries, central to our concept of democracy. The justification of this decision goes beyond mere questions of definition and leads toward basic theoretical orientations that inform our analytic model.

Democracy and class-inequality

The history of thought about democracy underlines the critical relation between social class and democracy (see e.g. Macpherson 1973, 1977; Held 1987). Until the nineteenth century, it was nearly without exception assumed that democracy was a one-class arrangement, that class division could not be bridged by democracy. Aristotle as well as Rousseau not only stressed that socioeconomic inequality was a condition hostile to democracy; they also took for granted that the non-propertied classes were excluded from participation, as did most theorists before the nineteenth century. Jefferson rejected such exclusion but he, too, held that a democratic society had to be a one-class society. He viewed his own America as a case in point, a society in which the emergence of other classes than the prevailing class of independent "husbandmen" were transitory or marginal developments and therefore negligible.

Jeremy Bentham and James Mill differed from the earlier consensus. Even though they did not consider it politically feasible actually to extend democratic rights to the working class, they did think democracy possible in their own class-divided society. They took this position on the assumption that working people would be either deferential to their betters or would think of themselves as potential capitalists and act accordingly.

The tension between democracy and class inequality came to a head in the thought of John Stuart Mill, the son of James Mill (see Broadbent 1966, as well as Macpherson 1973, 1977). John Stuart Mill saw democracy as inevitable. Growing prosperity, spreading literacy and the ever more widely ranging means of transportation and communication were increasing people's mobility and their chances to organize. As a result, the future system of governance would be democratic. But it would not necessarily be a good system of government – because the society was class-divided. Under the impact of the Chartist unrest and also influenced by the thought of Alexis de Tocqueville, Mill feared class rule by the working masses, Tocqueville's "tyranny of the majority." To avoid such "false democracy," he proposed a number of special arrangements including a system of multiple votes for the educated and the skilled. His conception of true or rational democracy combined active participation of the many with the leadership of an intellectual elite that was not bound by class.

Even though few of the special measures he proposed were implemented, John Stuart Mill's fears did not materialize when the vote was gradually extended to the working class. This has been variously explained – in a marxist vein, with the overwhelming social and cultural power of the dominant classes or, following a lead of Dorothy Thompson (1984: 335), by arguing that the extensions of the suffrage were paralleled by extensions of administrative and judicial decision-making more favorable to class privilege. Other explanations argue that the very instruments of collective action – of parties, unions and other organizations, which became stronger during the same time period – had a demobilizing effect (Macpherson 1977: 64–9), that the socially responsible and politically judicious actions of conservative politicians like Disraeli were of

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crucial importance (Lipset 1980: 297–9), or that the rising standard of living that became apparent during the same years had moderating consequences (Therborn 1977).

If Mill's position of a profound incompatibility between democracy and class-inequality proved to be wrong, the history of democratization cannot be understood without reference to class. And once democracy was established, the political behavior of both upper and working classes was such that Lipset (1980: 230–300) could analyze elections as "expressions of the democratic class struggle."

It is a central thesis of our theoretical framework that democratization was both resisted and pushed forward by class interest. It was the subordinate classes that fought for democracy. By contrast, the classes that benefited from the status quo nearly without exception resisted democracy. The bourgeoisie wrested its share of political participation from royal autocracy and aristocratic oligarchy, but it rarely fought for further extensions once its own place was secured.

Neither was democracy extended because of the universalist logic of the ideas that gave it rationale and legitimation. True, when taken at face value these ideas did not tolerate exclusions on the basis of class. But the historical record shows that such contradictions between reality and legitimating ideal had a healthy and long life, camouflaged even in sophisticated writings by a silent acceptance of various forms of exclusion. On occasion the vote was extended in order to serve the competitive electoral interests of established parties and institutions. But fundamentally, democracy was achieved by those who were excluded from rule and who acquired the social power to reach for a share in the political process. However much the democratic ideas were taken up and used by these excluded strata and classes, the notion that it was their universalist character that pushed democratization forward is an idealist illusion. Only within this process of empowerment of the subordinate classes did ideas play a role, too.

In the twentieth century, the democratic ideal has triumphed around the globe. Clearly this is largely a rhetorical triumph – open to contradictory interpretations and compatible with massive repression. Yet due to this development, the institutional forms of democracy may be introduced in order to gain a modicum of regime acceptance within the country and abroad; and this development has made it more difficult to limit the suffrage openly by class, race, or gender. However, where democratic institutions rest primarily on such bases rather than on the demand and power of formerly excluded classes, they will be more vulnerable to authoritarian reversals and they are more likely to be merely formal trappings, subject to restrictions such as a dominant influence of the military, bureaucracy, or hegemonic party.

It is ironic that not only liberal historians but also the orthodox marxist accounts of the rise of democracy see the bourgeoisie as *the* protagonist of democracy. In these views, the bourgeoisie drew strength from the growing dominance of the capitalist mode of production and thus was able to eliminate progressively feudal and absolutist political forms and finally establish democratic rule. This position can be maintained only if the issue of universal

suffrage is neglected or if democracy is considered inevitably "bourgeois democracy" – irrelevant or even hostile to working-class interests. That was not Marx's own view, who considered the achievement of universal suffrage the historical task of the working-class (Marx 1852/1964; Marx and Engels 1848/1976). Therborn (1977) recovered this insight of Marx about the central role of the working class in the process of democratization for the comparative historical study of democracy.[7]

The chances of democracy, then, must be seen as fundamentally shaped by the balance of class power. It is the struggle between the dominant and subordinate classes over the right to rule that – more than any other factor – puts democracy on the historical agenda and decides its prospects. Capitalist development affects the chances of democracy primarily because it transforms the class structure and changes the balance of power between classes. The core of our analytic framework is therefore a "relative class power" model of democratization.

Our view of the tension between class inequality and democracy bears some similarity to that of Marshall (1950) and, following him, Rokkan (1970), exemplified in Marshall's (1950: 29) frequently quoted remark that in modern British history "citizenship and social class have been at war." However, in the work of Marshall and Rokkan, the advance of citizenship rights at the expense of property rights appears as an almost actorless process. Much closer to our view is that of Bowles and Gintis (1986: 27–63) and Therborn (1977) who see democracy as a product of the contradictions of capitalism, and the process of democratization as primarily a product of the action of subordinate classes.

How central is social class?

Making social class a central category of our analysis of democratization is bound to encounter reservations and objections. Is it really possible to grasp the diversity of life situations, interests and aspirations with such roughly classifying concepts as working class and bourgeoisie, rural cultivators and landlords? Are other dimensions of political goals and conflicts not equally or more important than the differences in power and privilege? We will not engage in extended argument with the positions that stand behind these questions. A few elementary points must suffice.

Social class has been an extremely powerful explanatory tool in the classic analyses of social science during the last two hundred years. In its broadest sense, class refers – if in the marxist conceptualization only indirectly – to the structured and cumulatively unequal distribution of the objects of near-universal desire: of the material necessities of life and other economic resources, of respect and honor, and of power and influence. (Power may appear an unlikely candidate for being an object of near-universal desire – until one realizes that it takes a modicum of power to even eschew direct subjection to the whim of others or to have a chance of success in any social undertaking, however small.) Given this character of class in its broadest conception, it is

·d to imagine any social science analysis in which it does not occupy a central ce – in whatever disguise.

The marxian concept of class does not focus on distribution. It searches for lective actors that make a decisive difference in history. Though closely ated to the structure of inequality, they are defined by their relation to the ganization of production – that aspect of social formations Marx considered cisive for long-term historical change. Again, it is hard to fault this strategy of arx in its fundamentals. Any study of social change gains much if it can ntify collective actors of historical significance. And these are usefully nsidered in relation to the major factors otherwise seen as decisive for the rsistence and change of social structures. To maintain – and if necessary rieve – this idea of classes as potential historical actors seems to us of great portance, because social class in this sense is a concept that allows us to link uctural change and political developments.

Class inequality does not exhaust the forms of social and economic equality. Are other forms of inequality, especially those based on race and nicity and on gender, not equally important? Exploring the impact of these visions and antagonisms offers a chance to define our conception more arply and contrast it to others.

Gender relations may well be of critical importance for future developments democracy, but they were far less important in the known histories of mocratization. Vastly less blood was shed in the struggles for women's litical inclusion, and their inclusion did not give rise to regime changes signed to re-exclude them. Some of the reasons for this seem clear. Power lations between social classes typically began to change well before changes in lative gender power. And the transformation of class relations are far more timately linked to state interventions in society. This expresses itself also in e fact that when women were finally enfranchised – in a few countries before Vorld War I, in many in the wake of that war, in some (for instance Switzerland nd Liechtenstein) not until recently – their voting participation did not gnificantly change the political spectrum in any country. It is these considera-ons that led us to choose for our historical investigations universal male voting ghts, rather than truly universal suffrage, as a critical threshold that allows us speak of democracy.[8]

Racial and ethnic divisions become particularly important where they are nked to class and/or where racial and ethnic groups are differentially linked to e state apparatus. As sharp and often rigid distinctions of status, they can einforce and deepen class differences as well as cut across class lines and eaken class cohesion. In the limiting case, these divisions may constitute social egments that must be treated much like classes themselves. Finally, racial and thnic divisions may also affect the chances of democracy directly, especially here they put the unity of the country into question.

These propositions on ethnicity and race do not seem, at first sight, to differ trikingly from the views expressed in functionalist modernization theory and luralist political analyses. We do believe, however, that the political economy pproach we advance here – emphasizing the interrelationship between ethnic livisions and the class structure and the state – will prove more fruitful than the

functional/pluralist alternative. The functionalist view basically sees ethnic divisions as contributing to the breakdown of democracy because they undermine social integration and societal consensus. While we do not dismiss this, we argue that even deep ethnic divisions are not likely to be fatal for democracy if they are not strongly related to class alignments, as the cases of Switzerland and Belgium illustrate. The pluralists have handled this with the hypothesis that if various social cleavages crosscut one another, this is more favorable to national integration than if they align with one another. The emphasis in this approach is on how strongly the individual identifies with various collectivities; if cleavages reinforce one another, the identification with the group may overpower national identity and endanger compromise and national integration. For our analysis the strength of group identification is also important, since it affects the propensity of groups to organize and therefore affects the balance of power between various groups. However, the functionalist approach peripheralizes what is at the center of our analytic frame: that is, the distribution of limited resources in a society and the competition of ethnic/class segments for power in the economy and polity in order to influence or control that distribution.

These differences in the treatment of ethnicity are mirrored in the analysis of the organizational density of society as a condition of democracy. If we see capitalist development and democracy primarily related through changes in the class structure, modernization theorists and pluralists typically build on an alternate conception that became prominent in diagnoses of the origins of totalitarianism (see, most recently, Huntington 1984: 202–3). It is grounded in de Tocqueville's analyses of democracy in America and post-revolutionary France and in the consensus-oriented sociology of Emile Durkheim and his ideas on the role of secondary groups. In this view, democracy is facilitated primarily by social mobilization and by the development of relatively autonomous groups that are arising in an ever more differentiated social structure. What is typically missed in these theories (or feared and criticized as destabilizing) is the shift in the power of conflicting class interests that is the correlate of social mobilization and pluralization – precisely the aspect of socioeconomic development we deem most important. Yet while we view the balance of class power as the factor of pre-eminent importance in the process of democratization, we do consider the density of autonomous organizations as relevant on three counts: as a way in which the empowerment of subordinate classes is realized, as a shield protecting these classes against the hegemonic influence of dominant classes, and – aside from the balance of class power – as a mode of balancing the power of state and civil society.

The Tocquevillean ideas are closely paralleled in the marxist literature by Gramsci's contention that rule through consensus is made possible by the development of a "dense civil society". A denser and stronger civil society is a by-product of capitalist development. Civil society, in this conception, is the totality of social institutions and associations, both formal and informal, that are not strictly production-related nor governmental or familial in character.[9] The concept includes, then, everything from the informal card playing group to the parent–teacher association, from the local pub to the trade union, from church groups to political parties. A dense civil society – one rich in such institutions,

associations, and social interactions – should facilitate the development of democracy, first and foremost, because it creates favorable conditions for the classes previously excluded from the political arena to organize for collective action and to overcome the perennial "free rider" problem obstructing effective political organization on a large scale (Olson 1965).

In this view, the emphasis on social mobilization and pluralization of society is quite compatible with the relative class power model of democratization. Here it is not primarily the density of civil society per se, but the empowerment of previously excluded classes aided by this density that improves the chances of democratization. In fact, Gramsci emphasizes in addition that in the absence of a working-class movement, civil society can act as a conduit for the ideological hegemony of the dominant classes.[10]

From this we derive propositions that simply add specificity to the "relative class power model" of democratization: it is the growth of a counter-hegemony of subordinate classes and especially the working class – developed and sustained by the organization and growth of trade unions, working-class parties and similar groups – that is critical for the promotion of democracy. Even without a relatively strong labor movement, a dense civil society facilitates the political inclusion of the middle classes, especially of small independent farmers and the urban petty bourgeoisie, and in some cases this may be the decisive democratic breakthrough. The autonomy of these organizations is decisively important. Only quite autonomous organizations protect the subordinate classes from the ideological hegemony of the dominant classes – a necessary condition for a strong democratic impulse. This condition is of special importance for organizations of peasants and the urban middle class because they are often more easily co-opted by established elites than the working class.

Finally a dense civil society does also have an importance for democracy on its own, because it establishes a counterweight to state power, a condition favorable for democracy in conjunction with the balance of social and economic power. The impact of state structures and of their interrelations with the structure of power in society on the chances of democratization constitutes the second major component of our analytic framework, which will be discussed below.

A last contrast between our political economy approach and the theoretical strategies of functionalism concerns the role of culture and in particular of religion. Ideologies, value traditions, and religious orientations play a central role in most versions of structural functionalism and modernization theory. Such an approach seems validated for the particular issues of development and democracy by some cross-national statistical findings; Bollen (1979) reported, for instance, that the proportion of a country's population that is Protestant is positively associated with the incidence of democracy, giving credence to the hypothesis that a "Protestant-based culture" aids the diffusion of democracy and legitimizes democratic values.

As will become clear as we develop our framework further, we prefer to link values, ideologies, and religious orientations to structural and organizational realities. In particular, they must be seen in relation to the historical articulation of class interests. Much of what appears as culture in structural functional

analysis can be more precisely identified as the values and views characteristic of different classes as they were historically formed through autonomous organization as well as hegemonic influence of one class on another.

The historical articulation of class interests does not exhaust all aspects of "culture." But for other cultural phenomena, too, we opt for a strategy of focusing on symbols, ideals and views of reality that are *organizationally and institutionally grounded*. We choose this strategy for two reasons. First, as we conceive of democracy as a matter of power, we focus on those ideas we consider most socially powerful, that is – we believe – those embedded in organizations and institutions. Second, our option has also methodological reasons; it is much more difficult to identify, and to assess the strength of, cultural phenomena that are not in such ways socially grounded.

Thus, cultural traditions that are embodied in state structures can be of great importance and will be considered in the comparative historical investigations. This includes most crucially the relationship of organized religion to the state. Finally, religious affiliation can be in its own right an important factor in collectivity formation. Group formations on the basis of religion will be treated in much the same way as ethnic groups: they can reinforce or weaken class cohesion; they may contribute to or weaken the cohesion of society; above all they, too, operate in the context of a struggle for control over limited resources.

Class Structures, Classes, and Class Organizations

Before we can enquire more specifically into the role of different social classes in the process of democratization, we must enter into a discussion of the concept of class. Without a careful and differentiated conceptualization, the idea of class can indeed be a rather blunt tool, one that can do more damage than it helps the analysis.

The analytic discourse about social class has become extremely complex – in large part because it is animated as well as divided by intertwined intellectual and ideological interests. Therefore, though a number of remarkably convergent developments ease our task significantly, a condensed treatment as we necessarily will present here is not without hazard. We will nevertheless simply stress a number of ideas that seem specially important, without engaging in extended explanation, justification, and critique of alternative positions. In particular we are concerned to come to a realistic conception of classes as historical actors that are grounded in the structures of antagonistic socioeconomic interests and their change.

Conceptualizations

At the most abstract level, we can begin with the definition of social class by Elster, who seeks to "make sense of Marx." It is couched:

> in terms of endowments and behaviours. The endowments include tangible property, intangible skills and more subtle cultural traits. The behaviours include working vs. not working, selling vs. buying labour power, lending vs. borrowing capital, renting vs. hiring land, giving vs. receiving commands in the management of corporate property. These enumerations are intended as exhaustive. *A class is a group of people who by virtue of what they possess are compelled to engage in the same activities if they want to make the best use of their endowments.* (Elster 1985: 330–1. Italics added.)

This definition does not spell out – though it clearly implies – that classes are shaped in their fundamental characteristics by the structure of capitalist economic production and its development. For realistic historical analysis, that entails a conclusion often overlooked: different courses of economic development will lead to different class structures, some fundamental similarities of capitalist development in any historical situation notwithstanding. The United States and France never had, for instance, as large a working class as England or Germany did.[11] And dependent development today seems to sharply limit the expansion of the working class in almost all Third World countries.

As the last point already adumbrates, such differences in economic development do not simply arise out of technological and economic conditions internal to a society but are also shaped by the transnational division of labor as well as by state structures and the political constellations mediating state and society. We encounter here another instance of the interrelations between the different components of our analytic frame of reference. These will not become fully apparent until the end of this exposition.

Elster's definition also does not tell us whether and under which conditions classes have distinct boundaries or, by contrast, form a continuum and merge imperceptibly into each other. This question is of great interest because such distinctness seems to be a necessary condition for the emergence of collective action on the basis of class. For Marx this was not problematic because he predicted a polarization of classes in the course of capitalist development. But this prediction proved wrong. Following Weber (1922/1968) and Giddens (1973) we can locate distinct classes by introducing two factors – the range of social mobility and the spread of social interaction and communication. For Weber a *social* class is characterized by easy and typical mobility – within and between generations – among similar class positions. A social class is set off from others by greater difficulty of mobility. To this *mobility closure* we add as a secondary criterion *interaction closure* – a strong tendency for meaningful interaction to be confined within class boundaries (see Stephens 1979a).

With these analytic tools we can make the distinctions necessary for a meaningful class analysis of advanced as well as less developed capitalist societies.[12] We can distinguish the owners of capital who employ labor on a sizeable scale – the bourgeoisie proper – from the urban petty bourgeoisie. We can identify the lower non-manual employees – such as clerical workers and sales clerks without much of a supervisory role – as a class distinct from middle-level managers and professional experts outside the chain of command. Similarly, these tools allow us to analyze with some specificity the coalescence

of skilled craftsmen and unskilled workers into a more or less unified working class or – under different historical conditions – their continued separation. We can examine whether landlords and industrial capitalists are separate classes or merge into a single class. And we can study differentiation or class unity in the peasantry.

Up to this point, the conceptualization takes class as an objective given. Class is a social category determined, in the extreme, by the observer and analyst. It is a category for analyzing the structure of conflicting interests. This objective conception of class must be complemented by an analysis of the subjective mentality, ideas, and dispositions found among members of a class and, equally important, by an analysis of the conditions of collective organization and action on the basis of class position. Neither class consciousness nor class organization and collective action follow with any simple necessity from class position. Nor do collective organization and action have a one-to-one relationship to the ideas and attitudes found among the class members. This means: not all classes are collective actors in history; nor do they become eventually such actors with any generalized necessity. It also means that the interests pursued by organizations acting on behalf of a class are not with any necessity "the" interests of that class.[13]

We distinguish, then, three levels of class analysis: (1) the class structure grounded in the organization of production and modified by patterns of mobility and interaction, (2) the ideas and attitudes of the members of a class, and (3) the determination and pursuit of collective goals through organized action on behalf of a class. These are interrelated, but one cannot derive typical ideas and outlooks or the existence and the goals of collective organization from the structural class position in any teleological fashion.

Class interests and collective action

Classes may indeed have *objective* interests, but in historical reality class interests are inevitably subject to *social construction*. The following comments focus on the working-class. They apply – appropriately modified – to all other classes as well. The interests actually pursued by landowners and peasants, industrial entrepreneurs and urban middle classes are historically articulated and cannot be deduced from their objective class situation.

Even those who are quite aware that one cannot take the organized expression of class interests for granted often assume that what these interests are is not really problematic. The deservedly famous (as well as deservedly criticized) analysis of collective action by Mancur Olson (1965) provides an example that this fallacy is not confined to Marxists blinded by hope. Olson treats the "public goods" that require collective action as obvious or, if not obvious, as objectively given. He assumes that unions function, if they come into being at all, as wage cartels rather than aiming for other goals – for a different authority structure at work, for example, for broad political class interests, or for national political goals virtually unrelated to class interests.

Yet it can easily be shown that the goals of different movements claiming to act on behalf of the same class differ considerably from each other. Communist, social democratic, liberal, Catholic, and even outright conservative organizations have competed with each other for the allegiance of the working class, and all have claimed to represent the best interests of labor. It is possible to argue about the validity of such claims, and one can probably reach agreement that some claims – for instance that of the Tories to act on behalf of the working class – do not stand up to any reasonable examination. Within narrower limits, however, such evaluations turn on ideas of what is historically possible and what is ultimately desirable. Class interests are an "essentially contested concept" (Lukes 1967, 1974). One can still reason about them, but not prove or disprove them in a more stringent sense.

Offe and Wiesenthal (1980) have argued convincingly that the interests of the working class are in a peculiar way undetermined (and thus subject to what we have called the social construction of class interests). They contrast working class and bourgeoisie and show that, while the interests of capital fall fundamentally into a single dimension, the interests of labor inevitably involve a whole array of partly contradictory goals because labor is never simply a commodity and the whole human being cannot be eliminated from the factor of production that is labor.[14] The resolution of these contradictions among potential goals or class interests is inevitably uncertain and conflictual. This is compounded by the fact that the subordinate classes face particular problems of collective organization. They cannot hope to overcome the problem of "free riding" – the individualist calculus that leads to withdrawal from the common effort – by the utilitarian means of individual incentive and threat alone:

> No union can function for a day in the absence of some rudimentary notions held by the members that being a member is of value in itself, that the individual organization costs must not be calculated in a utilitarian manner but have to be accepted as necessary sacrifices, and that each member is legitimately required to practice solidarity and discipline, and other norms of a nonutilitarian kind. (Offe and Wiesenthal 1980:79)

From these considerations they come a to conclusion that seems but is not in reality paradoxical: that a subordinate class's "*interests can only be met to the extent that they are partly redefined*" (ibid.). This redefinition is likely to be a process of tension and conflict.

One of the major factors shaping the social construction of class interests is the process of organization itself. Organization is the main means of empowering the many. At the same time, organization is inherently ambiguous in its consequences. Only through organization can the disadvantaged many develop conceptions of structural change to fundamentally alter their situation. As Mann (1973) puts it: "Socialism is learned." Neither socialism nor any other ideological orientation arises spontaneously out of the conditions of working-class life.

Any stable form of collective action creates an organizational core whose members tend to acquire a certain independence from the rank and file. Robert

Michels (1908/1949) called this the "Iron Law of Oligarchy." In its weak version just formulated, this tendency is inherent in any form of organized collective action. It follows from the variety of individual ideas and goals and from the advantages specialization can bring to collective organization as to so many other pursuits. Robert Michels and many later followers understood his law in a more rigid fashion than is justified – as an "iron law" virtually without exception. The autonomy of the organizational representatives vis-à-vis their constituents is in fact quite variable and depends on different conditions, some of which are by now quite well understood (see e.g. Lipset, Trow and Coleman 1956).

The variable autonomy of the leadership of an organization from the rank and file must be seen together with the necessity of co-operating with other power centers. The consequences of such co-operation – of worker representatives with owners and managers, of union leaders with middle-class party leaders, or of the leaders of the most varied organizations with a domineering state – are again quite variable. They are contingent on a variety of factors, and they range from co-optation through direct bribes to acceptance of outside help in making the organization more effective and to common bonds of status, ethnicity or religion that link an organization's elite to other power holders. Social and cultural bonds between organizational elites shape the formation of an organization's goals without any conscious intent on the part of the other side to seek a strategic advantage in the pursuit of interests. It is even reasonable to include here also the case of negotiators from opposed interest organizations who agree on a compromise because it is expected to yield advantage for both sides – whatever the judgement of an outside observer about who got the better bargain. It is quite clear that in such bargaining relations the ability to act independently of consultation with the rank and file and to deliver their acquiescence later is an invaluable asset.

The relations of an organizational elite to other power holders and to their own rank and file – elite co-operation and oligarchy – are of critical importance for our understanding of the social construction of class interests as they are actually pursued. From a grass roots point of view, it seems reasonable to speak of an *inherent ambiguity of organized collective action*. We use the word ambiguity advisedly, so as to underline the variability of the component mechanisms. Thus, there is a great difference in the responsiveness to their members' preferences between an industrial union, say, in Sweden and its counterpart in Argentina under Peron. Any interest organization, even one turned around by an outside power center to become a means of controlling its members, must serve some interests of the rank and file in order to remain effective. At the same time, it is hard to think of a large organization representing subordinate class interests that does not have any trace of both oligarchy and cooptation.

Insisting that class interests are socially constructed and that the forms of collective organization critically affect this social construction of interests does not imply that the "real" interests are found at the grass roots, ready to be expressed in pure or distorted form by different organizations. Unions, mutual aid societies, and political parties can be, and often are, decisive in articulating class interests that otherwise would remain inchoate or completely dormant.

Even organizations without a clear-cut class program can play this role of interest articulation and political mobilization. In turn, radical parties may find it extremely difficult to create a broad following for goals that transcend the current situation. The immediate interests of the potential rank and file and their articulation in unions and other organizations may well be resistant to appeals of radical transformation. The tensions between socialist programs and a "trade union consciousness" focused on concrete gains in working conditions and income represent a well-known illustration.

The indeterminacies and ambiguities of collective action are of course not the only source of different outcomes in the social construction of class interests. The mentalities, outlooks, and ideological inclinations of the members of a class are not irrelevant for the character of class organizations and for their course of action, even though they are not simply reflected in – and are in fact partly shaped by – collective organization and action. The ideas and inclinations of class members are also influenced by a variety of other factors. They are related to their place in a particular class structure and to their chances of mobility within that structure, but they are also shaped by geographic patterns, cultural traditions, and, last not least, by the structure of politics and by state action.

The structure of the economy and its development have strong direct effects on the organizational formations of a class. For instance, whether craft unionism prevails in a working class or is replaced by more inclusive industrial unionism, depends in part on the timing and speed of industrialization and on its location in the international division of labor, since these conditions affect the relative role of small workshops and mass industrial production (Ingham 1974). Similarly, centralization of capitalist enterprises encourages centralization of labor organization; and union centralization is related to labor movement hegemony and leftism because it leads to a concentration of resources in the labor movement and forces the leadership to take a more class-wide view (Stephens 1979a: 399; see also 1979c).

We have touched briefly on the ethnic and racial composition of a class earlier. The most obvious effects are on the intermediate level of class-wide attitudes and behaviors. Here these communal identifications and divisions may reinforce class boundaries or – as is more often the case, and especially so in subordinate classes – lead to divided loyalties, weaken class identification and possibly establish communal links to opposite class segments of the same color or ethnicity. As factors that powerfully shape both mobility and interaction, race and ethnicity may in fact redraw the boundaries of social classes as we have defined the concept. In the United States, ethnic divisions of the working-class coincided to a large extent with differences in skill. Massive immigration of less skilled labor both made it harder to organize the unskilled and fostered hostile reactions on the part of native-born skilled workers. It thus strengthened craft unionism and inhibited a transition from craft to industrial unions similar to developments in continental Europe (Bridges 1986; Zolberg 1986: 442–3; Erickson 1957).

The economic, social, and political situation in which an organization – a party, a union, pressure group association, or a whole cluster of organizations – finds itself will also affect the goals of class organizations if only by determining what makes sense under the circumstances. Here the organization and actions of opponents as well as the availability of allies are critically important.

These situational determinants must not be seen in too narrow a national frame. External influences – for instance through international affiliation of unions and parties – were and are still important in the formation of class organizations. The Second International is a great example of such diffusion. Variants of the marxist Erfurt Program of the German Social Democrats were adopted by a large number of other member parties. Furthermore, the way a situation and its future development is assessed will be shaped by historical precedent and diffusion across national boundaries. Theories – like Keynesianism for instance – have a different impact once they are tested as policy. Large events – like the French and the Russian revolutions – redefine for long periods and for many countries what is considered as great promise or an unacceptable danger. And even complex cumulative developments – like the incorporation of the working class into the politics of advanced industrial societies by class compromise and democratization – affect the perception of democracy as a realistic possibility in other countries.

Finally, the course of organized collective class action is often constrained by past choices and decisions. In fact, the initial organization of class interests typically has effects that outlast the historical constellation of its origins. Here lies a major cause for the different political orientations adopted by working-class organizations and parties in different countries and different historical periods. Of particular importance for the working class have been decisions about the relative role of economic and political action and thus about affiliations with political parties and about relations to the apparatus of the state.

In the short run, the actions and organizational structures of the past come close to determining the immediate future, while in the longer run other factors come more to the fore. There are, of course, critical turning points of long-term significance, such as the decisions about war and peace in socialist parties before World War I that tipped the balance of class and national identifications, fractured the carefully developed internationalism of labor organizations, and contributed to the split of the labor movement into a social democratic and a communist party.

Class constellations and democratization

The baseline for our analysis of the relation between class and democracy is quite simple: those who have only to gain from democracy will be its most reliable promoters and defenders, those who have the most to lose will resist it and will be most tempted to roll it back when the occasion presents itself. Elementary historical knowledge supports this proposition as a basic principle. It is a telling fact that revolutions from below, marxist–leninist or otherwise, are always carried out against authoritarian systems, not democracies and

seizures of power in democracies virtually always occur from the right, not the left.

The basic proposition has implications that are less obvious. In particular, it denies the bourgeoisie that decisive role in the struggle for democracy which both marxist and liberal historians have attributed to it. The owners of the capital for the new forms of production that undermined feudalism did wrest – though in varying degrees – a significant share of control over political decisions from the aristocracy and the crown; and often this took the form of liberal oligarchy. But at least for every case in which the bourgeoisie included the working-class in the political system (sometimes with apparent willingness, in most cases only in response to actual or anticipated pressure), there is at least one other in which the bourgeoisie participated in rollbacks of democracy in order to defend economic interests against those classes that used to be called *les classes dangereuses*. Support for Pinochet's regime in Chile is only one in a long line of examples. Even disregarding such later reversals, it is only if we make no distinction between democracy and liberal forms of rule, however restricted by class, that we can assign to the bourgeoisie the role of the main historic promoter of democracy.

It is true that large landowners – especially those who still enjoy their privileges as remnants of a feudal social order immune to democracy – have a historical record of an even more systematic opposition to democracy. As we will see, this negative role of the landlord class is not confined to brief periods of transitions; in many cases it affected the constellations of class antagonism and alliance for long periods after landownership had lost its preeminent economic role. Barrington Moore has taught us the important lesson that an analysis of democratization can ignore agrarian class relations only at substantial intellectual peril.

We retain, then, in our theoretical framework Moore's emphasis on agrarian class relations and on landlord–bourgeoisie–state coalitions; but we combine this emphasis with an equally strong focus on the role of the subordinate classes in the new capitalist order. The role of different classes in the struggle about the form of government must be analyzed historically in terms of their conflicting interests, the transformation of economy and social order by capitalist development, and the changing opportunities for class coalitions and compromises.

Capitalist development is associated with the rise of democracy primarily because of two structural effects: it strengthens the working class as well as other subordinate classes, and it weakens large landowners. The first of these must be further specified: capitalist development enlarges the urban working class at the expense of agricultural laborers and small farmers; it thus shifts members of the subordinate classes from an environment extremely unfavorable for collective action to one much more favorable, from geographical isolation and immobility to high concentrations of people with similar class interests and far-flung communications.

Another major outcome of the capitalist transformation of the class structure – and in a sense the first, its premier outcome – is, of course, the rising power of the owners and managers of capital, of the bourgeoisie. Where

bourgeois power came to constitute a counterbalance to the power of the nobility, the result was liberal oligarchy, possibly open to extensions toward the subordinate classes, more often closed to such an opening for long periods of time. In many cases, however, an oligarchic alliance with large landowners and the state – an alliance that guaranteed the institutional framework for continued capitalist accumulation without institutionalizing contestation – was a significant historical alternative to liberal oligarchy.

It is especially the working class that has often played a decisively pro-democratic role. Labor's role was concealed to the superficial eye precisely because in many countries workers were long excluded from the political process and thus from visible participation in democratic politics. This role becomes clear, however, if one looks at the struggles that led to an extension of political participation beyond the social circles surrounding the dominant classes. The particular politics of working-class organizations took different forms and often expressed reservations about participation in a political process biased against subordinate class interests. That rhetoric, however, which can for instance easily be found in the debates in the German Social Democratic Party before World War I, must not be allowed to obscure the basically democratic thrust of working-class interests; there was hardly a more reliably pro-democratic force in Germany than the SPD. And the SPD was not a marginal case but was typical of other national working-class parties (Therborn 1977; Zolberg 1986).

In the relative class power model of democratization that stands at the center of our analytic framework, it is a crucial hypothesis that the relative size and the density of organization of the working class – of employed manual labor outside of agriculture – are of critical importance for the advance of democracy. At the same time, the conditions under which the social construction of working-class interests takes a non-democratic form – as it did in Leninism and in Peronism – also deserve close attention.

The working class was – contrary to socialist expectations – far too weak to achieve by itself democratic rights for the subordinate classes.[16] If this was true of the countries of early capitalist development, it is an even more significant consideration in the analysis of the late developing countries of the Third World. In late developing countries the relative size of the urban working class is typically smaller because of uneven, "enclave" development, because of changes in the overall transnational structure of production, and because of the related stronger growth of the tertiary sector. That means that alliances across class boundaries become critically important for the advance of democracy.

The potential allies of the working class do not, however, emerge independently of the class structure. They can hardly be understood as groupings in a class-neutral political structure that happen to present themselves as allies of labor because of the accidental play of politics or by reason of democratic principle. It is primarily other previously excluded classes that constitute such potential allies. Historically, it was the urban and the rural petty bourgeoisie – merchants, craftsmen, farmers and other self-employed groups with at most a few employees – who were the most significant allies of the working class in Europe. In Latin America, the employed middle classes were more

important. To play this role, however, it was necessary that they had considerable autonomy from dominant interests. This was of special importance for small farmers where large landowners constituted a politically significant force.

The specific patterns of alliance and conflict in class relations are contingent on the variable construction of class interests. A radicalization of working class struggle may, for instance, not only divide the working-class; it may also significantly reduce the chances of building a broad pro-democratic coalition between different segments of the middle classes and the working class. In turn, the degree of intransigence of elites may open or close alliance options for other classes.

The urban and rural middle classes also can take the lead in the struggle for democracy, with an often still small working class in a secondary role. Even professionals and entrepreneurs may play a significant role, provided that they see their interests sufficiently protected and anticipate gains from a more inclusive democratization. Yet the particular pro-democratic character of working-class interests shows itself not only in labor's role in the original process of democratization; we would also expect it to express itself in the defense of democratic institutions when these come under attack, as they did in Europe in the 1930s or in Latin America in the 1960s and 1970s.

Landlords stand at the opposite pole from the working class in their constitutional interests. A first cause of this lies in the fact that landlords were the dominant class of agrarian feudalism, which in all its varieties was incompatible with democratic rule. This typically had lasting effects on the political orientations of the landlord class well beyond the transformation of the economic system.

These historical causes are paralleled and reinforced by the current political and economic interests of large landlords. Any class that is dominant both economically and politically will not be eager to dilute its political power by democratization. More important than this near-universal tendency of the powerful to preserve their position, is – for a certain kind of agriculture – a specific interest linking the economic and political interests of landlords: Large landowners will be the more anti-democratic the more they rely for the control of their labor force on state-backed coercion rather than on the working of the market. This anti-democratic consequence of "labor repressive agriculture" was a central point of Moore's (1966) comparative historical analysis, and it received confirmation in the quantitative cross-national study of Paige (1975) that examined similar assumptions. Finally, peasants with small or no land holdings often represent a greater threat to the interests of large landowners than workers to the interests of employers, because they demand land far more frequently than workers insist on control of the means of industrial production.

A large and politically significant landlord class, especially one that relies on labor repressive agriculture, inhibits democratization in several ways. It often shapes the character of the state apparatus so as to make democratization more difficult; to this we will turn in the next section. It may be able to "co-opt" the emerging bourgeoisie or parts of it and establish an anti-democratic coalition composed of elements of both the old and the new dominant classes. It is likely to have a strong hegemonic influence on dependent peasants and often also on

the rural middle classes. And it can, of course, wield its own considerable economic and social power in more direct ways.

The bourgeoisie is a much less consistently and radically anti-democratic force – similar to large landowners who are not historical descendants of a feudal aristocracy and who do not rely on repressive means of labor control. Reflection on the modal class interests of the bourgeoisie reveals its liberal potential but also indicates its limitations as an agent of democratization beyond liberalism.

The primary economic interest of the bourgeoisie as a class lies in the development and guarantee of the institutional infrastructure of capitalist development – in the institutions of property and contract, in the predictability of judicial decisions, in the functioning of markets for capital, goods and services, and labor, and in the protection against unwelcome state intervention. At the same time, the common class interest stands against the collective organization of labor and other subordinate classes – the premier mode of empowerment of the many. Furthermore, different fractions of the bourgeoisie have always had interests that involved directly favorable state action beyond the formal guarantees of property and market functioning – such as protection of monopolies, tax-financed subsidies, or tariff barriers against foreign competition.

The first set of bourgeois class interests demand a state that concentrates on formally universalistic institutions and largely limits itself to that. This state conception is liberal in its self-limitation and in its regard for individual liberties. It cannot be too democratic, however, because it cannot be responsive to interests that are at odds with the formalism of liberal law and of state bureaucracy and with the impersonal functioning of the market. The major contrary force here are the subordinate classes insisting on democratic participation and demanding that their interests be protected against injuries from the market, enforced by formalist law and a minimalist state. This clash of interests has repeatedly led to capitalist political interventions obstructing democratization or – in a later phase – suspending existing democratic institutions. The last set of bourgeois interests, finally, the interest in state action directly aiding particular forms of capital accumulation, creates a similar, though typically less strong dependence on supportive state action as we observed as a consequence of labor repressive agriculture for the landowning class.

Historical reality is, of course, far more complex than these observations on the modal interests of different classes suggest. It is more varied across countries and historical constellations. The factors that account for this complexity will therefore have to have a central place in the comparative historical analysis. The major factors relevant here are, in our view: first, the social construction of class interests in the process of collective organization; second, the persistence of organizational forms, alliances, and ideological orientations beyond the causal conditions of their original formation; and third, the perceptions of immediate and anticipations of future opportunities and threats, which are shaped by historical experience both within and beyond the borders of one country.

How these factors modify the historical articulation of class interests and result in quite contrasting constellations of alliance and conflict can be indicated here only by a few illustrative arguments. The classic (though not typical) historical sequence – represented by the English process of democratization – is the slow expansion of democratic rights from aristocracy to gentry and bourgeoisie, to petty bourgeoisie and upper working-class, to all male adults, and then to the whole adult population. This sequence may have favored the maintenance and the continuous development of liberal political institutions, but it favored at the same time the pursuit of dominant class interests and it undercut as well as shaped the articulation of subordinate class interests. We think here both of the coercive defeat of the Chartist demands for universal male suffrage and of the subsequent phased extensions of the vote, which put the Conservatives and the Liberals in competition for the new electorate but also gave them a chance to put their imprint on the organized expression of working-class interests for some time to come.

One may well consider this historical development as a deformation of working-class interests. It certainly protected dominant interests from radical threats. But the role of bourgeois-led parties can also be seen as critically positive for the mobilization of subordinate classes and the articulation of their interests. Which of these – on their face contradictory – views one adopts, depends presumably on counterfactual assumptions about the particular case. Measured against the desolate subordination, small size, and disorganization that characterize the working class in quite a few Third World countries, even bourgeois-led parties may help articulate working-class interests and advance their chances of organization far more than a class-based collective action ever could. By contrast, their impact may be judged as demobilizing on the strength of a very different evaluation of working-class organizational potential in a particular historical situation.

The English sequence of democratization is instructive in quite another way. Often taken as the paradigmatic path of political development, it actually is a precedent that was followed by more deviant than conforming cases. This is no accident. The pace of capitalist development, its timing relative to that of other countries (which affects the horizons of historical experience), and the rise of organized expression of different class interests are not chained to each other in invariant relations.

In fact, both historical learning and the changing impact of one political economy on the other make these relations systematically different from each other across time. The German bourgeoisie took a far less open and liberal political position than its English counterpart. This cannot be understood without attention to the facts that Germany was a latecomer to capitalist development (if an early latecomer), that its pace of industrialization was faster, and that the bourgeoisie already felt threatened by the emergent working-class when it was still engaged in fighting for its own right to political participation. In other countries, for instance in Latin America, we expect to find constellations of class interests and their articulations that are again very different from both England and European latecomers.

Perceptions of threat, especially those guiding the organizations acting on behalf of dominant class interests, are critically important for the chances of

democratization. In many cases, the dominant interests are strong enough to foil advances in democratization if they perceive radical threats to their interests. These perceptions are not simply reflections of objective conditions but represent symbolic constructs that are subject to hegemonic and counter-hegemonic contention. Once established, they often remain a potent force for long periods of time. An obvious contemporary illustration is the fear of communism in many Third World countries that are in the midst of struggles about democratization.

State Structures and Democracy

The relative class power model of democratization has to be modified by "bringing the state back in" (Evans et al. 1985). If the struggle for democracy is a struggle about power, we cannot confine our attention to the structure of power in civil society and the economy. Any modern state is on its own a significant part of the overall landscape of power. The state apparatus is furthermore of special relevance because it is always a major actor in that field in which democratic rule must prove itself as effective and real – the power to shape authoritative decisions, binding for all.[17]

State autonomy and democracy

When we initially discussed the very possibility of democracy, we encountered a first condition without which democracy cannot exist – a fairly strong institutional differentiation of the political realm of formal collective decision making from the overall system of inequality in a society. Without it, a significant role of the many in governance is inconceivable. Such institutional differentiation – in some measure characteristic of all modern societies – gives government and politics a certain autonomy from social power and privilege, but it certainly does not make structured inequality irrelevant.

The relations between the structure of social and economic power and the state have been the subject of protracted debate, especially among marxist scholars. At the center of these discussions was the issue of the "autonomy of the state".[18] We take the position that this autonomy is variably determined by historical conditions that do not stand in a one-to-one relationship to capitalist development. The rise of the modern state cannot be explained adequately by the needs of emergent capitalism; it had its own roots and determinants, even if its relations to the capitalist transformation of economy and society quickly attained central importance for both sides – for the new state apparatuses as well as the new economic forms and elites (Weber 1922/1968; Tilly 1975).

Furthermore, modern states cannot be understood merely in relation to their own societies. Each must be seen as part of a system of states. The relations among states have their own dynamics of challenge and response, ascendancy and defeat (which give the discipline of international relations its remarkably

self-contained character). Involvement in this field of interstate relations is one of the bases of the state's partial independence from the internal constellations of socioeconomic interest and power (Hintze 1975). This means that states must be seen in both contexts at once – as "potentially autonomous organizations located at the interface of class structures and international situations" (Skocpol 1979: 33).

The modern state, then, has in our view a *potential* autonomy that is far greater than most varieties of marxist conceptions of the state allow, conceptions that for instance see the state as an instrument in the hands of the dominant classes or assign it a "relative" autonomy that does exist vis–à-vis even the dominant classes but is limited to maintaining the capitalist system in good working order. However, if the modern state has indeed a very considerable potential autonomy, the actual autonomy of concrete states varies widely, depending on a constellation of factors as yet rather incompletely understood.

While this variable autonomy of the state can hardly be stressed enough, another proposition is equally important: the state is almost inevitably part of any pact of domination that in effect determines the substance of the major collective decisions. The system of domination in all modern societies includes the state; and the articulation of state power with the power structure of the society is decisive for the overall system of domination.

The colonial state represents a special case because it typically had greater autonomy from the indigenous society than virtually any other state. This is of great importance for the "new nations" of the Third World, since state structures and their articulations with civil society often persist once firmly set. True, decolonization often constituted a radical break, and one certainly cannot count on simple continuities – the "colonial inheritance" – in state–society relations in new nations. But the transformations of decolonization and their impact on state autonomy take a different form depending on the level of economic development, the density of civil society, and the relative strength of different social classes.

How is state autonomy related to democracy? One may be tempted to give the apparently obvious answer: They stand in opposition to each other. The more autonomous the state apparatus and its managers from the forces of society, the less the chances of democracy, or if democratic forms exist, the more likely that they are merely formal, a pretense.

This is a seriously incomplete view, because it treats "the forces of society" without any differentiation. Some distinctions focusing on class will make this clear. In most marxist discussions, the autonomy of the state means first and foremost autonomy from the dominant class, in capitalism from the bourgeoisie. We do not accept this as the exclusive meaning of autonomy. The concept of state autonomy must retain a more comprehensive meaning to be put to full use, but autonomy from dominant interests is clearly one facet of critical importance. Some autonomy of the state from the dominant classes, from the bourgeoisie and especially – where it still exists – from the landlord class, is a necessary condition for democracy to be possible and meaningful. If the state is simply a tool of the dominant classes, democracy is either impossible or a mere form. Such autonomy of the state is in fact but one aspect of the differentiation

between political collective decision making and the wider structures of inequality.

This consideration suggests that pre-democratic pacts of domination, especially those involving – in addition to state and bourgeoisie – a landlord class that relies on labor repressive agriculture, probably have to break up before democratization has a serious chance. That hypothesis is in accord with Moore's analysis, and it is reminiscent of a condition of social revolutions which voluntaristic theories of revolution have always neglected – that revolutionary situations can hardly occur unless the system of domination is seriously damaged, that they cannot be understood just as the result of pressures from below, however desperate (Skocpol 1979).

The autonomy of the state from the dominant classes can, obviously, never be complete. Where the landowning aristocracy has close relations to the state apparatus, as is typical of landlords relying on coercive means of labor control, the interests of landowners have often been firmly imprinted on governmental organization and its corps of civil servants. Once institutionalized, this orientation and the associated anti-democratic proclivities can well persist even after the economic power of landlords has waned.

Such patterns of recruitment for top positions and the peculiar esprit de corps of higher civil servants and military officers are critical for linking the state apparatus to – or insulating it from – the interests and orientations of different classes. At the same time, recruitment patterns and esprit de corps are decisive for the degree and the character of the state apparatus's corporate identitity and its ability to act coherently.

In the context of capitalism, the state relies for its own revenue on the health of the economy. That entails a special dependence on the interests of capital owners and managers. It is above all their reactions and anticipations that represent the "business climate," which is so often decisive for the success of state policies. And it is their investment decisions that determine future economic growth, stagnation, or recession and with that the level of employment and the development of tax revenue. This is the basic dependence constraining state autonomy in capitalist societies.

These constraints do leave space for significant state action. The state apparatus may have accumulated enough power on its own to act with some autonomy even against dominant interests. Equally important, the power constellations in economy and society may have shifted so as to make state action less dependent on dominant, and more responsive to subordinate class interests. Thus, if and to the extent that working-class organizations and socialist parties acquired sufficient strength, as they did especially in the small democracies of western Europe, state–society relations were transformed and the interests of the subordinate classes were better served by the state (Stephens 1979c).

The intuitive plausibility of an inverse relation between state autonomy and democracy makes more sense if we use a broader conception of state autonomy. A state apparatus that enjoys considerable autonomy vis-à-vis the mass of the population – the petty bourgeoisie, small farmers as well as the working-class – is unlikely to be a factor favorable for democratization. The more

resourceful and powerful the state apparatus, the less likely that the subordinate classes of the population are strong enough to impose democratic rule on the system of domination.[19]

Taken together with the previous point, these considerations suggest that while state autonomy vis-à-vis the dominant classes is a necessary condition of effective democracy, the same state strength that contributes to this outcome may enable the state to overpower the pro-democratic forces in the rest of the society. Processes of democratization, then, must steer between the Scylla of a dependence of the state on the dominant classes that is incompatible with democracy and the Charybdis of a state machinery too strong to be democratically tamed.

State and civil society

Is the autonomy of the state vis-à-vis the population as a whole not limited, in any political order, by the need of the system of rule to be legitimate in the eyes of its citizens? And does this need not by its very nature hand a sort of quasi-democratic control over the state to the mass of the population? Though the position expressed in these questions is rarely argued explicitly, it is quite commonly taken for granted. Yet it is fundamentally mistaken. It turns the values of democracy into empirical assumptions about the functioning of all systems of domination. The reality of history shows a quite different pattern:

> a system of domination may – as often occurs in practice – be so completely protected on the one hand by the obvious community of interest between the chief and his administrative staff . . . as opposed to the subjects, on the other hand by the helplessness of the latter, that it can afford to drop even the pretense of a claim to legitimacy. (Weber 1922/1968: 214)

Legitimation as well as other, weaker forms of consent are important only where people already have significant social power. Only if the subordinate classes have acquired significant power does it make any difference whether a state is legitimate in their eyes or not.

The many acquire power primarily through organization. As we have seen, capitalist development has two consequences that are relevant here. It makes generally for a denser civil society, and that eases the problems of organization for collective action. And it shifts agricultural workers and small farmers into the urban labor force, where they have far better chances of collective organization.

High organizational density in society – among all classes but especially among the subordinate classes – is an important counterweight to the power of the state apparatus. A dense civil society widens the passage between the Scylla of a state so dominated by landlords and bourgeoisie that democracy becomes impossible or meaningless and the Charybdis of an authoritarian leviathan strong enough to overwhelm all democratic forces in society.

At the same time, the state has many ways of shaping the development of civil society. It can ease or obstruct the organization of different class interests; it can empower or marginalize existing organizations; it may succeed in co-optation and, in the extreme, use whole organizational networks as conduits of hegemonic influence. The complex interdependence of state and civil society creates a wide variety of possible relations between the state and different social classes and, consequently, of conditions conducive or hostile to democracy.

The ways in which organized religion is related to the state is of great importance for our inquiry. Whether there is religious division, whether a church is closely allied with the state and/or dominant classes, whether a strongly organized church stands apart from and possibly in opposition to the state apparatus, whether religious movements and sects have developed an autonomous and dense organizational network – these questions are critical in analyzing the overall relations of state and civil society. Again, we will emphasize the impact these differences have on the chances of dominant classes to gain and maintain cultural hegemony as well as on the chances of subordinate classes to retain some autonomy. As indicated earlier, we will seek to relate earlier scholarly work that took its cues from different theoretical orientations to the class analytic framework we develop here. Especially relevant is the comparative historical work of Lipset and Rokkan (in particular Lipset and Rokkan 1967; Rokkan 1970) which examined the lasting imprints of state formation, church-state relations, and class on political alignments.

The monopoly of violence

The modern state claims a monopoly on the use of coercion and violence. It denies these means of power to any other actor in society. Even where this policy does not succeed fully, it leads to a massive concentration of the coercive tools of power in the hands of the state. At the same time, the monopoly of the use of coercion is the basis of authoritative decision making binding for all. It is, in fact, yet another aspect of that differentiation of collective political decision-making from the wider structures of inequality we have touched on repeatedly. Where the consolidation of this authority of the state is seriously in question, where it is challenged by armed conflict and where its reach is uncertain, democratic forms of rule are impossible.

The particular role played by the means of coercion in a given state structure and in its relation to the wider society can be decisive for the chances of democratization (Stepan 1988). If the organizations of coercion and violence – the police and the military – are strong within the overall state apparatus, the situation is quite unfavorable for democracy. Even in advanced capitalist, democratic societies, a large and powerful military establishment reduces the sphere of decisions subject to democratic decision-making. Not only is the ethos of the armed forces – an ethos of command and obedience, of order and loyalty – typically at odds with democratic values, but their organizational interests and often their class position as well also predispose them against rule of the people. In the Third World, a strong military is one of the

major obstacles to successful democratization. And the export of weaponry and other military technology – stimulated by East-West tensions and often supported with military aid – is one of the major ways in which western democracies undercut democratization in the Third World.

"Tocquevillean" effects of state structures

State structures and state policies have effects other than those intended by policy makers; the patterns of state organization and state action may have an impact on society that is often not noticed by the actors themselves and even more rarely intended. These "Tocquevillean" structural effects[20] profoundly influence all forms of collective action in society. They have complex and contradictory relations to democratization particularly as they affect the articulation of state and civil society and influence the formation of classes and their interrelations.

A counterintuitive example of the restructuring of state–society relations is found in European absolutism. The autocratic rule of absolutism is hardly, on its face, a phenomenon favorable to democracy. Yet it is arguable that the bureaucratic universalism of the modern state had egalitarian consequences. The equality of the subjects of absolutism in continental Europe can be analyzed as one of the foundations of democratic citizenship. By the same token, absolute rule advanced the differentiation of state and society.

State structures and the unanticipated consequences of state action are also closely interrelated with developments in the class structure. This applies with special force to landowners and the bourgeoisie because their role in the system of domination links them closely to the state. Not only are state structures imprinted with the interests and views of dominant classes, but these classes in turn are shaped in their organization and outlook by their relations with the state in the context of the wider system of domination. Yet, the same basic proposition holds also for the subordinate classes, for changes in their outlook and organization. Jürgen Kocka has, for instance, raised the possibility that the German working class was more united and broadly organized in part because of unintended consequences of state action: "Government supervision and repression did not focus on specific occupations but on journeymen and workers in general. Probably this helped them to identify as workers instead of as members of particular crafts or special skill groups" (Kocka 1985: 291). In addition, measures of control and repression were in this case complemented by social security policies that also focused on workers as such, inscribing a unitary class conception into these new institutional structures. "Tocquevillean," unintended effects shade over into intentional and consciously conceived policies. If German social policy contributed unwittingly to a unification of the working-class, many states – Germany included – carefully underline and protect in their legislation the distinction between blue collar working-class and white collar employees, however routine the work of the latter – clearly a policy of dividing the working-class.

Finally we can point to effects that democratization itself may have on the patterns of class formation. Here historical sequence matters decisively. Working classes that had to fight for democratic participation tend to be more cohesive and more politically radical than working-classes that faced less struggle or – as in the North American case – that constituted themselves structurally after the struggle for more or less inclusive democracy was won (Katznelson and Zolberg 1986).

Democracy and the Transnational Structures of Power

To the relative power of classes and the partially autonomous state we must add a third dimension of power relations: transnational power structures and their impact on the internal system of rule. Countries – their states and their political economies – do not exist in isolation from each other. The relations to other states are always a central element on the agenda of state policy. In fact, it is only as part of a *system of states* that the modern state and its development can be understood.

Equally important, no modern economy is limited to its country's borders. Increasingly, national economies have become involved in worldwide economic relations and found – or were forced into – a place in the worldwide division of labor. This integration in the transnational economy has a significant impact on the internal class structures, and international capital interests become a significant factor in internal class relations. It is quite plausible, then, to consider transnational structures of power – both political and economic international relations – as vitally important for the internal power balance of a country and thus for the chances of democracy.

The impact of the worldwide economy is not merely a matter of market forces. While the international market is much less open to economic intervention and intentional structuring than the internal economy, states as well as transnational corporations do exert a significant influence by command and agreement rather than merely through market exchange. The more powerful among them put their stamp on the world economy and relegate weaker political economies to a position of dependence.

The three broad components of our analytic framework introduced so far – relative class power, the state as a partially autonomous block of power, and the transnational power structure – are complexly intertwined with each other. We have seen that the state's involvement in transnational relations is one important basis of its very autonomy vis-à-vis the internal structure of social and economic power. Transnational relations affect the development of national economies. And the position of a country in the international division of labor is a major determinant of the relative size and power of its dominant and subordinate classes. Within often harsh constraints, states – even small states – do have some freedom of action on the international scene. They even can modify the impact of transnational economic relations on the national

political economy though, to be sure, their capacity for such action varies tremendously. Finally, internal class relations and in particular the nature of the overall system of domination, which now often includes international capital as a significant actor, are in turn one major determinant of the capacity of states to act effectively in the transnational scene.

Rather than turning immediately to the effects of transnational dependence and interdependence, we begin our discussion of international power relations with the impact of the most radical disruption of transnational interdependence – the consequences of war.

War and democratization

The most dramatic manifestation of inter-state power relations certainly is war. That warfare has a close relation to democratization has often been noted. Previous arguments have prepared the explanation: any major war strengthens the hand of the state vis-à-vis its partners in the existing system of domination, and this may loosen the coherence of that coalition. More important, modern mass-mobilization warfare involves the willing participation of the many, both in the field and at home. It has therefore typically led states to make major concessions to the subordinate classes. Working-class organizations often had to be included in the ruling coalition, and the pressure to extend the vote to women and excluded racial groups mounted. Even though such social mobilization for war can also be achieved under authoritarian auspices and even though after the conclusion of a war we frequently see attempts to contain and reverse such gains (as was the case after both World Wars in the United States), modern mass warfare tends to give a powerful momentum to already existing pro-democratic pressures. A now nearly forgotten US Senator, Barkley of Kentucky, gave eloquent expression to this in 1946 in a debate on civil rights:

> I voted, Mr. President, to extend the arm of the Federal Government into every home and into every city and into every town in the United States and take from the homes and communities every able-bodied man available for military service without regard to race, color, creed, religion, ancestry, or origin. . . . I do not see how I, having voted to subject men to compulsory service in behalf of our institutions in wartime, can refuse to vote for the same kind of democracy in peace when the war has been won. (Quoted in Leuchtenburg 1986: 592)

If the economic exertions of a major war are overwhelming and especially if the war is then lost, the earlier ruling coalition may not merely be transformed in its internal balance, it may *break up* – creating profound political instability and the potential for rapid advances toward democracy. This is often overlooked when subsequent constitutional change is simply attributed to imposition by the victorious powers – the commonsense view of democratization in Japan and Germany after World War II.[21] We do, of course, not deny that foreign imposition – in colonies as well as in defeated countries – may have some effect and even constitute a lasting imprint. But the outcome is inevitably

shaped, especially in the longer run, by the internal structure of power, by the relations of power among the classes, and by the articulation of state structure with the patterns of economic and social power in society.

The power vacuum created by such a break-up of the system of domination need not, of course, be an opening for democracy. The outcome may well be a different form of authoritarian rule, as it was in Russia after 1917. If the power vacuum is primarily filled by an expansion of the role of the state, non-democratic outcomes are virtually inevitable. This depends partly on the international environment, but the critical question here reverts again to relative class power. If the subordinated classes have – or can develop – organizations strong enough to control the state apparatus, they can take advantage of the weakening of the dominant classes, and advances toward democracy become more likely. An important further question is whether the antagonisms between different potentially pro-democratic groups are seen as bridgeable or, alternatively, whether earlier divisions and cleavages are so deep as to preclude coalition building as well as even antagonistic co-operation.

There are other reasons why war has by no means unambiguously positive consequences for democracy. One of its major effects may be a strengthening of the military apparatus, which under most conditions is a development hostile to democracy. A heightening of nationalism, another likely correlate of war, often eases the hegemonic influence of dominant over subordinate classes.

The impact of economic and geo-political dependence

The less developed countries find themselves typically in positions in the international division of labor that severely affect their internal development. If this combines with an unfavorable position in the geo-political interstate relations, one can speak of sovereignty only in a very reduced and formal sense. We have seen in the previous chapter that many analysts have viewed such a condition of dependency as radically inhibiting democratization. Yet we have also seen that the empirical cross-national evidence does not support these radical claims. It is at best ambiguous.

Recent developments in dependency theory, which focus on the consequences of dependence for economic development, have led to a paradigmatic shift away from radical claims that were both rigid and unhistorical. The new views no longer see dependency as a unitary phenomenon which has homogeneous consequences – the obstruction of development and the creation of underdevelopment – across a wide range of historical situations, but adopt a more complex conception. In this conception dependence remains central but can take different forms, can interact with significant technological developments, can be counterbalanced by state action, and can lead to a variety of outcomes (Cardoso and Faletto 1979; Evans 1979; Evans and Stephens 1988). This new conception of dependency appears also best suited for the comparative study of its impact on the chances of democracy.

A dependent niche in the worldwide division of labor does not leave the class structure untouched, because it affects the internal economic development.

Therborn (1977: 31–2) offers a succinct description of the modal consequences. Though it probably paints too homogeneous a picture, it gives a powerful indication of the kinds of changes a comparative historical analysis will have to consider:

> First, dependent capitalist development has severely restricted the internal differentiation of the capitalist class, making it instead largely dependent on one external centre .... Secondly, the lopsided, externally dependent growth of petty and generalized commodity production has rendered the economic base extremely fragile and vulnerable to international crises, thus leaving the indigenous bourgeoisies little room for manoeuvre vis-à-vis the exploited classes .... The frequent intertwining of capitalist with feudal, slave or other pre-capitalist modes of exploitation, as well as the combination of enclave capitalism with subsistence farming, has impeded the development of impersonal rule of capital ... and a free labour market, thereby seriously limiting the growth both of the labour movement ... and of an agrarian small and petty bourgeoisie.

In this view, dependent capitalist development, then, weakens the two effects of development on the class structure we identified earlier as most favoring democratization: an expansion and strengthening of the working-class and a reduction of the large landowning class in size as well as political power. It also tends to conserve labor repressive agriculture and to weaken the autonomy of subordinate classes such as the peasantry and petty bourgeoisie from the landlords' anti-democratic hegemonic influence. More generally, dependent development has been shown to increase consistently the degree of socioeconomic inequality (Chase-Dunn 1975; Rubinson 1976; Bornschier and Chase-Dunn 1985), and that can – though it does not regularly – inhibit democratization.

Whatever the consequences of dependent development for the relative size and strength of different classes, dependency often but not always creates strong bonds of common interest between the dominant classes in core countries and their counterparts in the dependent country. The state in the dependent political economy may then become the third part, and an important instrument, of a "triple alliance" (Evans 1979) that stands in a fairly strong position against the interests of subordinate classes.

There are quite a few reasons to expect that dependent states have strong incentives to buttress as much as possible their autonomy, among them the unfavorable position of their political economies in the worldwide division of labor and the chance to modify this insertion into transnational economic relations to the country's advantage by state action. At the same time, the strengthening of civil society that may counterbalance such state strength in internal state–society relations is likely to be retarded by structural effects of dependence – for instance by the divisive effects of greater income inequality and uneven development. This would be another reason to expect negative effects of dependence on democracy.

We must remember, however, that neither Muller (1985) nor Bollen (1983) found in their quantitative cross-national studies any overall relationship between democracy and such measures of economic dependence as the

presence of transnational corporations and the concentration of foreign trade on one or a few partners. Bollen did find a negative correlation between democracy and dependence – independent of level of development – only when he used a measure for dependence that included, in addition to trade flows, a number of political variables such as treaty memberships and military interventions.

This suggests that the effects of economic dependency as such are far less clear-cut than the impact of radically unequal interstate relations. On that interpretation of Bollen's results it would be problematic to assume a generalized negative effect on democracy via the impact of dependent development on the class structure. This does not imply that an unfavorable development of the class structure becomes irrelevant nor that there are no powerful anti-democratic alliances of international capital and the local dominant classes. Rather, these effects may be less than uniform consequences of economic dependency, and they may possibly be counteracted by other factors. Furthermore, where economic dependency is joined with geo-political dependence, Bollen's results would support a fairly generalized negative conception of the effects of dependency on democracy. Such a combination of economic and political factors is likely wherever a dependent state plays a strong role in its political economy (as in the triple alliance analyzed by Evans 1979) and a core state takes a strong geo-political interest.

It seems plausible, however, both on theoretical grounds and on a rough comparative purview, to see the impact of unequal geo-political relations on the chances of democratization also as contingent on specific situational factors. East–West tensions and the fear of communism have given especially American interventions an anti-democratic cast that it may be imprudent to generalize beyond a particular world-historical constellation (Muller 1985). Even within this overall constellation, geo-politically motivated pressures and interventions differed strikingly across regions. Thus, since the early twentieth century, the role of the United States has been overwhelmingly negative in its Central American "backyard:" with rare exceptions, US interventions supported anti-democratic forces against the threat of radical social transformation. But pressures of the northern European democracies (and in part also of the United States) supported very different, democratizing developments in Spain, Portugal, and Greece (Whitehead 1986b). This may be related to the different social base of European democracies; but it is conceivable that the future American role in East Asia might resemble these latter cases more than the part played by the United States in Central America.

On these grounds we will adopt an "agnostic" position on any generalizable overall relationship between democracy and political/economic dependence in transnational relations. This does not mean, however, that the position of a country in the transnational division of labor and inter-state relations is irrelevant for its chances of democratization. It does mean that these chances are dependent on power relations among groups and institutions whose interests stand to benefit or suffer by democratization. Transnational power relations are an integral part of these constellations that interact with the other forces and developments. It is because of the variability of these interactions

that simple generalizations based on transnational power configurations alone are bound to fail.

Transnational cultural flows

Dependency and world system theory have recently attempted to include also the cultural sphere (e.g. Meyer 1980). Cultural premises and ideals are certainly relevant to the process of democratization. However, the critical question concerns the extent to which they are effectively grounded in social forces and institutional structures. To include cultural traditions and innovations as a major component of our analytic framework presupposes that they have a strong enough effect on the relevant constellations of power to make a clear-cut difference for the chances of democracy.

Democratic aspirations certainly were ideals that traveled across international borders. Such transnational cultural flows had, however, little effect if the structural conditions were not favorable. For instance, the diffusion of democratic ideals to Latin America in the nineteenth century did not significantly advance democratization at that time.

As noted earlier, democracy is today an internationally accepted ideal, however variably "democracy" may be interpreted. This acceptance is based largely on the experience with Fascism and its defeat as well as on the rejection of Stalinism. Though one may be skeptical about the real meaning of that rhetorical triumph, this worldwide near-consensus is not without effect. In the second half of the twentieth century it has become difficult for dictators to promise a "Thousand Year Reich"; more often than not they rather choose to legitimate their regime as "preparing the country for democracy". Similarly, when democracy is introduced it is much harder than in the nineteenth century to privilege certain classes of voters or to institute formal limitation of the suffrage and exclude whole segments of the population. But other types of restrictions remain exceedingly common.

Clearly this worldwide cultural hegemony of democratic ideals is tied to a specific historical constellation. Its effects become more significant when it is backed by powerful transnational pressures. These may develop on a small scale from the training of professionals abroad. On a larger scale, pressure from significant foreign partners can have a powerful effect. But, as we just saw, it is hardly assured that such pressure will be forthcoming even from the most established democratic political systems, and where it does exist it cannot be expected to compensate for missing internal conditions.

On its face more appealing is the idea that specific transfers of ideas and *institutions* from a cultural "cradle of democracy" have a positive effect on the chances of democracy even in societies with a radically different social structure. One could point to England and its former colonies and cite the preponderance of democracies among the latter as support for the hypothesis. Cross-national research confirmed commonsense notions of the relation between colonial status in the British empire and later democratization (Bollen 1979; Bollen and Jackman 1985a). As argued earlier, however, it is possible to

give such quantitative associations very different interpretations. Broad correlations do not explain causality – they do not explain for instance why democracy broke down in the former British possessions in Africa.

That these examples all involve pro-democratic transnational flows does of course not deny the existence of other currents that affect the chances of democracy negatively. The spread of Fascist ideas between the World Wars and the impact of the Cold War ideology after 1945 are two powerful instances.

While we remain open to the possibility of direct cultural effects, especially if they have institutional grounding, we maintain that it is the interaction of different clusters of power and interests that are decisive for the prospects of democracy.

Comparative Research on Democracy in a New Framework

The analytic framework outlined deals with the structural conditions favoring and inhibiting democratization. It does not focus on the political constellations and sequences involved in particular transitions toward or away from democracy. It conceives of democracy as a political form that must be seen first and foremost as a matter of power. In the institutionally differentiated sphere of formal political decision making it gives the many an effective share of power even though they do not rank high in the scales of wealth, honor, and social power as individuals.

We maintain that this is a realistic conception even when applied to the actually existing representative democracies, defined by free and fair elections with a suffrage inclusive of all classes, responsibility of the state apparatus to the elected parliament, and civil rights protecting freedom of expression and association. At the same time, it must be recognized that formal democratic institutions can coexist with very different degrees of real political power of the many.

Both the development of democratic institutions and the effective role of the many in collective decision-making depend on power constellations. We have distinguished three clusters of which we consider the first of paramount importance: the balance of class power, the power and autonomy of the state apparatus and its articulation with civil society, and the transnational structures of power. All three interact with each other in complex ways.

In all three clusters, we insist on the historical, sequential character of the required analysis. This is of critical importance, first, because many structures and constellations persist and are influential beyond the historical configuration of their origin. Previous state structures and regime forms shape later political developments; the original shape of class organization and the related social and political constructions of class interests are powerful determinants of later forms of class-based collective action; critical events – such as brutal repression, a successful coup, or civil war – shape the perceptions of opportunity and

threat for long periods of time. A related, second, reason lies in the fact that institutionalization of most significant patterns takes time – often generational turnover. Actually, elapsed time is not the critical factor. What is essential is the experience of successful responses to challenge.

Both points significantly apply to democracy itself. Especially the civil rights of free expression and association but also the rules of the political game, which channel conflict and give procedural protection to powerful interests, require a prolonged process of habituation and institutionalization to become robust and fully effective. At the same time, once effectively grounded these institutions of mutual toleration protect the chances of oppositional forces to (re)gain political power, and they enhance the opportunities for organizing the subordinate classes. This underlies the fact that democracy itself has tendencies to persist: democracy begets democracy, at least under propitious conditions. If democracy itself is one of the phenomena that tend to persist beyond the conditions of their origin, an important methodological rule follows: one must be prepared to distinguish the causal conditions of the first installation of democracy from those that maintain it after consolidation and even from those that determine the chances of redemocratization after an intervening authoritarian regime. This rule does of course not deny that other, constant causes – such as the balance of class power – remain critically important throughout.

Finally there is a third reason – again closely related to the first two – to insist on a genetic, historical analysis. To put it simply: sequence matters. Among the many examples that spring to mind are the relative timing of state building and class formation, different sequences of industrialization and the first democratic initiatives, and worldwide historical developments that give a different character to internal changes in a set of countries which are similar except for their different world historical context.

Taken together, these reasons for insisting on historical sequential analysis entail another conclusion: except at a very high level of abstraction, we cannot expect similar forms of rule to be the result of a single set of causes, identical across a wide range of countries and historical configurations. Rather, once the analysis goes beyond the salience of the three clusters of power constellation we identified – the balance of class power, the power and autonomy of the state, and the transnational configuration of power – we must expect to find patterns of multiple causation and, historically speaking, different paths leading to democracy.

How does our framework, developed in the same political economy approach that guided most comparative historical research, account for the major finding of the cross-national statistical research – the robust correlation between socioeconomic development and democracy? The major explanation is found in the changing balance of class power. Socioeconomic development enlarges the size of the working class and it increases the organizational power of subordinate classes generally. At the same time, it erodes the size and the power of the most anti-democratic force – the large landowning classes, especially those that rely on coercive state power for the control of their labor force.

There are other relevant correlates of socioeconomic development. The state tends to gain resources and acquires greater importance for the economy.

Where the power of the bourgeoisie counterbalances the power of large landlords, the state also has a chance to become more autonomous from dominant interests. At the same time, the growing organizational density of civil society not only constitutes an underpinning for the political organization of subordinate classes, but it also represents a counterweight to an overwhelming power of the state apparatus.

The major difference between our framework and those comparative historical studies that came to results at odds with the positive relationship between development and democracy lies in our emphasis on the empowerment of the subordinate classes, especially the working class. This is closely related to another contrast. Barrington Moore and others focused primarily on the public contestation of political issues and the institutions of mutual toleration as the major features of democracy and tended to give second place only to inclusive political participation, which for us is pivotal.

The persistent association of development and democracy in today's Third World countries may be seen as raising critical questions about our emphasis on the empowerment of the subordinate classes. If indeed the size and role of the urban working class is typically smaller, how is this continuing effect of development on democratization to be explained? While we do not think that this objection invalidates the balance of class power approach, there is little question that democratization in the early developing countries of Europe was quite different in its specifics than similar developments in the Third World of today. The particular role of the working class, and the patterns of opposition and potential alliance varied even among the European countries, and these differences become greater when the analysis includes the less developed countries of the twentieth century. Yet while the working class is typically smaller in today's Third World countries, the urban population with its better chances to communicate and organize very often is not; in fact, the urban subordinate classes in peripheral countries today may well be larger than their counterparts in the countries that developed earlier.

The relations between the different clusters of conditions may, as we just noted, change over time and vary across countries. In addition to different class constellations and different articulations of state and society, it is possible that transnational influences in the second half of this century play a greater role in favoring democracy. If this were a major substitute for a diminished role of the working class, however, we would expect to find also that democratic institutions more often are merely formal and would not represent a corresponding real role of the many in political decision-making. While such cases may in cross-national statistics appear as full-fledged democracies, a closer contextual analysis could well reveal significant restrictions of democratic rule, especially in the responsiveness of state action to elected parliaments.

It is important to remember that the correlation between development and democracy is far from perfect. This is clearly at odds with a simple functionalist teleology as we encountered in the early theoretical arguments of Cutright (1963). It is easily accounted for in our theoretical framework. First, if the struggle for democracy is indeed a struggle for power, it is contingent on the complex conditions of subordinate class organization, on the chances of forming

alliances, on the reactions of dominant interests to the threats and opportunities of democratization, on the role of the state, and on transnational structures of power.

Furthermore, the chances of consolidating and institutionalizing democracy do not seem as closely related to development effects as the changing balance of class power and the resultant efforts to put democracy on the political agenda. In his sequential model of transitions to democracy, Rustow (1970) begins with an important background condition: a national unity which provides a taken-for-granted sense of mutual social and institutional attachment; this does not entail a comprehensive value consensus but rather constitutes a shared collective identity and a minimal sense of solidarity that encompasses all potential political actors. It is the social counterpart to the consolidation of state authority discussed earlier. Ethnic, linguistic, and religious fragmentation are among the main obstacles of such cohesion. These do not yield – at least not in the short and medium run – to the most obvious correlates of economic development, to more dense and far-flung communication and mobility along lines dictated by economic considerations. To the contrary, economic development may generate the resources with which these old and fragmented social identities can be maintained and refurbished (Geertz 1963; Rueschemeyer 1969).

Finally, the installation of democracy requires complex class compromises that become embodied in new institutional arrangements. These have to meet unknown tests in the future for democracy to become consolidated. Quite clearly the skills and the luck of the institutional architects do not have any direct relation to socioeconomic development.

Given the realities of differential class power, democracy is a fragile phenomenon. Democratic institutions can at their best offer subordinate classes a real voice in collective decision-making, while protecting the dominant classes against perceived threats to their vital interests. This is a delicate balance with many chances for failure.

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Advanced Capitalist Countries

Introduction

We open our comparative historical study with an analysis of the transition to democracy in the set of countries which first made that transition, the advanced capitalist countries of the contemporary world. The cases analyzed include the universe of Western European cases which experienced some period of democracy before World War II, as well as the four British settler colonies of North America and Australasia. The analysis of the European cases focuses on the period 1870–1939. We begin our analysis in 1870 for two reasons. First, only one of these countries, Switzerland, was a democracy by our definition at that point in time. Second, the economic crisis beginning in the 1870s set off a chain of political events, particularly with regard to the tariff issue, which consolidated or reorganized class, sectoral, and party coalitions. In most countries, these coalitions affected the transition to democracy and, in some cases, its breakdown decades later in the interwar period. This depression, the European-wide industrial spurt of the subsequent decades to World War I, the war itself, and then the Great Depression form pegs around which the historical experience of almost all of the western European countries can be organized. By contrast, due primarily to geographic isolation, these events had much less if any impact on the democratic transitions in the four British settler colonies.

Twelve of the sixteen countries discussed here experienced no major reversal of democratic forms after the transition to full democracy. Four countries – Austria, Germany, Italy, and Spain – did experience such reversals and we single them out for special attention. These cases, particularly the German one, are deviations from the general rule that advanced core capitalist countries are democratic, and thus an analysis of their development promises to tell us something about the long-term structural features that condition such an historical trajectory. Though three of these modern authoritarian regimes were short lived, they were only broken by war and it is arguable that they would have lasted much longer had they avoided war.

THE CENTER FOR DEMOCRACY AND GOVERNANCE (G/DG)
TRAINING WORKSHOP ON DEMOCRATIZATION THEORY & PRACTICE
APRIL 16-19, 1996

Presentation by Fazlul Karim of USAID/Bangladesh
on Mission's Country Democracy Strategies

I. Introduction:

I welcome all participants to this G/DG sponsored training workshop to share USAID/Bangladesh's experience with reinventing its democracy program.

My participation in this forum is unique to my profession and, perhaps, a bit strange to you. I am a financial advisor who is a core member of the Mission's Responsive Government (RG) strategic objectives achieving team (AT). However, true to Vice President Gore's "just do it" advice I have participated in all aspects of the Mission's reengineering of its democracy program which is why the the RG team sent me to represent the Mission in this forum. I have been chosen, though not ironically, in the true spirit of democratic norms/values by the Mission's RG multi-functional AT.

The RG AT is responsible for implementation and managing the results with its partners, the two democracy strategic objectives (SO) of the Mission. This credit originates and goes to the visionary foresight of the Agency's Administrator and his mandate to I quote "build opportunities for participation into the development processes in which we are involved" and molding of this theme and adaptation by the Mission in its operational philosophy the five new core values Agency reengineering thrust has indoctrinated and embodied.

There were two phases to our democracy reengineeering. The first, with USAID/Bangladesh being designated as one of the CEL, created the Exploration Team (E-Team in late Nov/94). The E-team was able to complete the design framework or model to develop new programs/projects more efficiently/effectively by streamlining the steps/stages in normal project design process and cutting down design completion time span from the inordinately long 18-24 months to a breathtaking 6 months only.

During the second phase, the design model was turned over to a newly formed the D-Team (Democracy Team) to put the E-Team's design model into actual/acid test. Within the stipulated target deadline of six months, the new Democracy Initiative Project design was completed, with its implementation phase commencing on October 1, 1995. During the six months design time frame, the activities which were contemplated and completed included: (i) the D-Team's completion of the customer survey (CS) through a rapid appraisal; (ii) induction of appropriate design-cum-implementation partners (The Asia Foundation - TAF and the Bangladesh Rural Advancement

Committee - BRAC) and thus the formation of the Democracy Partnership (DP); (iii) revision/development of the two SOs and the results framework (RF) work based on the CS; (iv) validation of the various Program Outcomes (PO) under the SOs with DP directly going back and obtaining valuable and reassuring feedback, ideas and solutions from its customers to fine tune the POs; and (v) formulation of the DP's operating principles, the monitoring and assessment plan and the Customer Service Plan (CSP). For the new democracy project, the D-Team, and later on, the DP unequivocally and unanimously agreed as to who its customer were i.e., those poor identified as "the socially and economically disadvantaged of voting age".

Governance through Democracy is at the pinnacle of modern age and civilization, as well as a universal citadel of human existence and, for that matter, of nations. Wherever democracy has been given its true recognition, participation/voice of the people influence and shape the way decisions that directly affects their very livelihood and existence are made. In the process, systems, institutions and processes be they political, administrative or civil mature in its form and substance to see ensure that they are responsive and accountable to those who are by definition the dominant centrifugal force in the chain of democratic institutions and processes.

II. Country Background:

Sustainable development demands, rather strongly, that real development can not flourish in societies, communities or countries in the absence of democratic norms/values/forces making provision for broader participation of its citizenry in the decision making process and, in turn, ensuring transparency and accountability in the political, legislative and administrative processes and institutions which are the other side of the equation of "governance".

III. Current Status/Problems:

Bangladesh recently completed and celebrated 25 years of independence. However, it saw its first peaceful transition of power in 1991 with the formation of a care taker government which administered the first elections to be recognized as generally free and fair. As you probably know, we were less successful in managing a second, peaceful transition. Elections for the sixth parliament were not contested, but, even then, some thought it was necessary to stuff the ballot boxes. As a result, the sixth Parliament, elected on February 15, 1996, has been dissolved and new elections must take place before the end of June 1996. What does this say about the status of Bangladesh's democracy.

In the political front, there is little, if any, trust among the major political parties (specifically the ruling political party versus those in the opposition). This mutual lack of trust makes it difficult to reach compromises on important issues - two year's of the opposition's boycott of the Parliament and - months of non-cooperation which paralyzed

the country's economy evidence this lack of trust. This lack of trust also puts standard democratic processes at risk. Fair elections, for example, may be beyond Bangladesh's reach because each party expects the other to cheat and, therefore, feels justified in cheating itself. No party trusts the other to administer fair elections, hence, the opposition's demand for a non-party caretaker government to hold new elections resulted in a constitutional amendment requiring caretaker government to administer national elections in the future.

Notwithstanding these negative developments, the Government's effort to strengthen the administration of the elections elevated the peoples hopes of seeing the Election Commission (EC) as an independent and well organized entity to conduct the national and other elections and ensure enforcement of rules/procedures for conducting polls. With the technical assistance provided by donor agencies, including the USAID through TAF, officials of EC have been trained. With participation and input from all parties (ruling and opposition alike), the EC promulgated a new code of conducts and procedures for compliance by parties and candidates contesting polls. In addition, and although marked by delays in its completion/implementation by considerable margin, for the first time the use of voter ID cards have been adapted to make all future elections more credible. However, the EC's roles/responsibilities and its performance as an independent body during the 6th parliamentary election left a lot to be desired and there have been subsequent calls to reconstitute it.

With close cooperation with NDI and IFES (USAID financed US recipients) and other donors, a consortium of 180 local NGOs called the Fair Election Monitoring Alliance (FEMA) was formed. In addition, another local NGO called the CCHRB also is working in its watchdog role of election monitoring with support from TAF and other donors. FEMA and CCHRB have developed their capacity to observe elections, and did so as best as they could during the February 1996 elections despite resistance from the ruling party. has been trained in performing their watchdog /monitoring role and in parallel tabulation by NDI. However, government's approval for FEMA to conduct its role during the 6th parliamentary election was a rather lengthy one and only came through at the eleventh hour and that too restricting FEMA's election role only to observation.

With respect to Party/Elite/Popular Agreement, in the last week of March, 1996, the 6th parliament, mostly consisting of ruling BNP members, which came to existence following the very controversial national parliamentary election of February 15, 1996, did yield to the major demand of the allied opposition parties by passing a bill that has ensured/guaranteed all future parliamentary elections are held under the administration of a neutral non-party caretaker government. This clearly marks a precedent for Bangladesh and an overwhelming agreement of all the political parties and the people of the country as a whole. As stated earlier, the combined opposition's non-cooperation movement finally as recent as March 30, 1996 did result in dissolution of the 6th parliament and resignation of the BNP government which paved the way for formation

of a caretaker non-party neutral government to administer the next national elections, scheduled to be held sometime in May-June, 1996, free/fair and impartially.

IV. What is democracy, how prevalent and pervasive it is in terms of delivering its intended benefits in the Bangladesh context and what, why and how USAID/Bangladesh was prompted to make the recent shift in its democracy goal and objectives:

In the social and economic front, not surprisingly, however, the gap between the well to do middle class and the elite segment of the society with that of the lower to very poor segment seems to be widening. What remains alarmingly high intricately touches upon the strategic importance of what, where and how *Democracy* is heading in Bangladesh, a country confronted with so many other development challenges, in the midst of current political turmoil and imbalance, as it attempts to emerge out of a least development country (LDC) status to one that of a developing country.

The USAID/Bangladesh's emphasis (under the Mission's FY 95-97 strategic action plan following the prism excersize) on building democracy program was a top to down approach with very little to no connection as to what actually was the felt need of the vast majority of the poor. Democracy for the poor even until now remain a dubious, luxury commodity as our customers put it or something which they do not understand or something that has failed to produce any tangible/intangible direct/indirect results and benefits for them.

V. Analysis USAID/Bangladesh Conducted:

USAID/Bangladesh's D-Team embarked on a new way of looking into developing and designing a democracy project. With the design model, focussed fully on customers or end users in its various steps and stages, the D-Team's foremost design task at the beginning was to complete a survey through rapid appraisal (RA) method. The required training and exposure to RA techniques was imparted to the Mission staff by an AAAS fellow, Ann Sweetser, by profession an anthropologist. The D-team used RA techniques to discover what actually the customer wanted or felt as their most perceived unmet democracy needs that they thought were important and, at the same time, they were deprived of. The RA entailed, exclusive participation of USAID/Bangladesh D-Team and other Mission staff in a direct face to face contact with its ultimate customers (those identified as the socially and economically disadvantaged).

You have copies of USAID/Bangladesh's D-Team's Democracy Needs Customer Survey (CS) result and report of May 2, 1995. I need not repeat its findings, therefore, but it must be mentioned that all who participated felt a sense of being able to actually hear and see the living conditions, the environment, the lack of opportunities and resources and many other needs in the form of complaints or subtle aggression ranging from: non-responsive, non-transparent, unaccountable local elected bodies, inadequate

representation and opportunity for women representation in local elected bodies, inefficient/corrupt local administration, unfair elections as a result of intimidation and coercion by influential and political quarters to exercise right to franchise freely, lack of voter education, very little to non-existence of adequate fora to raise/promote customer needs/concerns/voice through advocacy and formation of associations, lack of income generating schemes, lack of legal rights awareness and the inept/corrupt court system to redress conflicts with local elite/powerful segment dominating the proceedings and outcomes of conflict/alternate dispute resolutions at the local level.

The findings/results of the customer appraisal provided adequate insight and the foundation to thrust the DP to formulate a draft analytical results framework and, in the process, to develop the two new SOs. The DP was formed as part of the design process and consisted of the Asia Foundation and the Bangladesh Rural Advancement Committee(BRAC), the largest Bangladeshi NGO. Appropriate intermediate results or program outcomes (5 POs) along with rationale/indicators and key assumptions were also developed and put in place, as the next step saw these SOs and POs actually being put to test when the Democracy Partnership mobilized its members again to visit and establish direct contacts with its customers to validate the POs developed under each SO. All the 5 POs were vetted with the customers who confirmed its framing being in the right direction; however, the customers did express priority/importance of certain POs over others but backed and acknowledged fully the POs and activities that will achieve the intended results. The RF containing the Mission's Democracy goal, the SOs and POs along with the rationale, indicators and key assumptions were also taken around a few think tankers and scholars in academia, government, and the private/NGO sector to see their receptivity and suggestions on loopholes that the DP may have overlooked. Upon completion of the validation, the results framework was finalized with full consensus of the DP members leading to identifying a number of activities under POs as activities packages.

The DP had ensured that gender based analysis was properly reflected and carried out in order that SOs, POs and activities packages developed would give adequate orientation/coverage to the gender issue. One SO that DP developed *"More accessible and equitable justice, especially for women (this SO has 2 POs under it)"* specifically puts emphasis on women. In addition to striking gender balance in all the POs, indicators and activities packages of the two SOs, the indicators and activities packages reflect rather eloquently the gender concerns of the Democracy Partnership. Moreover, 50% of our customers directly contacted during the CS/RA and the validation process were women. In addition to also having access to the CS Democracy needs and the validation report, G/DG also has access to the USAID/Bangladesh's Democracy RF that was approved in USAID/Washington this January 1996 by AA/ANE. Should you need to see the RF, please touch base with G/DG for copies.

In its implementation phase of the new democracy project as well, USAID/Bangladesh RG team, has continued the DP with TAF and BRAC both NGOs and actively envisage

carrying out the implementation of the activities through other implementors who are local NGOs. Currently the DP is in the process of reviewing proposals from local NGOs who have shown avid interest to implement activities under various POs towards contributing achieving the results contemplated under the SOs.

VI. The Mission's SOs, how it expresses the Mission's objective; how current intermediate results address identified problems/move the country toward democratization/kind of progress or problems seen/faced:

From the perspective of agency's goal of Building Democracy, the Mission's Democracy Goal statement prior to the new Democracy Initiative Project read "Responsive representative government" and the two SOs under this goal were:

1# Citizen access to public policy information increased;
2# Citizen participation in processes for achieving public policies increased.

The two new recently approved SOs under the Mission's new democracy goal statement of " Broadened participation by the socially and economically disadvantaged in democratic institutions and processes" are:

1‡ Enhanced participation in local decision making (this SO has 3 POs under it); &
2‡ More accessible and equitable justice, especially for women (this SO has 2 POs under it).

Prior to launching of the new Democracy Initiative Project, USAID/Bangladesh's ongoing projects in the area of democracy, civic participation and private rural initiatives, which are or will be nearing completion, which are complementary in terms of their strategic fit with the newly developed democracy SOs, were geared towards: strengthening the capacity of national level institutions, parliament, the election apparatus; NGO institutional and strategic planning capacity building; administration of justice, especially for women; and labor law and organization, especially for women in the garment industry. Within the context of the ongoing projects/activities and those launched/planned under the two newly developed SOs, a summary and analysis of performance of the newly developed Strategic Objectives follows.

STRATEGIC OBJECTIVE : Enhanced Participation in Local Decision-making

Summary and Analysis of Strategic Objective Performance
1995 witnessed a profound reorientation of our democracy portfolio in terms of both program emphases and management style. Two new strategic objectives, developed by the mission as a country experimental laboratory, were approved by USAID/W in January 1996, and an expanded strategic objectives team was created to achieve these objectives. The expanded team includes The Asia Foundation (TAF), the Asian-American Free Labor Institute (AAFLI),PRIP Trust, and the Bangladesh Rural

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Advancement Committee (BRAC). As new activities begin under these strategic objectives, we anticipate including in the expanded team the NGO Affairs Bureau, the Election Commission, and the Ministry of Local Government. Our current partners participated fully in the preparation of the results reports for SOs 7 and 8.

Our pre-1996 objectives related to enhanced participation in decision-making emphasized improving the: (a) efficiency of the national parliament, (b) administration of elections; and (c) the institutional and strategic planning capacity of Bangladeshi NGOs. We were relatively successful with regard to election administration and NGO capacity building; we were less so with respect to improving the efficiency of parliament.

With regard to parliament, we achieved our intermediate results. That is, the capacity of the parliamentary library to conduct research in support of legislative actions has been strengthened as has parliament's capacity to publish its reports and deliberations within six months. Draft legislation as well as position descriptions to strengthen the ability of the parliamentary secretariat to support the legislative work of parliament's members are ready for parliamentary consideration. Moreover, through USAID supported workshops and fora, a consensus developed among the parliamentarians on the legislative reforms necessary to make the committee system more effective. However, the political impasse which led to an extended boycott of parliament kept it from taking the legislative actions necessary to carry out and benefit from these reforms. Hence, we were unable to achieve our objective of improving the efficiency of parliament. However, the new parliament will have access to what it needs to make itself a more responsive institution; it must choose to do so.

Our support enabled the Election Commission to experiment successfully with automated voter registration lists, voter identification cards, and the administration of local elections by community members rather than deputed government officials. It also enable the Commission to develop training materials for election officials and to train more than 1000 election officials including, for the first time, officials responsible for election security. The Commission's experiments, particularly the administration of elections by community members, generated wide interest and support among the public. Unfortunately, the political crisis surrounding the February 15, 1996 national elections pushed all of the Commission's experiments to the side and reinforced the public's lack of confidence in the government's ability to administer free and fair elections. Hence, we did not achieve our objective of improved election administration, but the Election Commission expects to replicate its experiment with citizen administration of elections during the 1997 local elections which are free from the intense party competition which characterizes national elections.

On the bright side, our support for domestic election observers paid a bonus in that a coalition of 184 Bangladeshi associations came together in the Fair Election Monitoring Alliance (FEMA), stayed together and observed the February elections despite

resistance from both the ruling and opposition parties to its existence and its right to observe the elections. Similarly, our support also helped the Coordinating Council for Human Rights, Bangladesh (CCHRB) observe and report on the February elections. Both groups are now well positioned to plan and execute a national observation program for the next round of national elections expected before the end of June 1996.

Also on the bright side, our efforts to enhance NGO institutional and strategic planning capacity paid off handsomely. With our support and that of **number** of other donors, the Association of Development Agencies, Bangladesh (ADAB), an apex body of **several hundreds** of NGOs providing a variety of development services to the socially and economically deprived of Bangladesh, has become an effective voice for the interests of NGOs. It was, for example, able to mobilize government support for NGO schools and development projects after they were attacked by anti-NGO groups. Subsequently, a GO-NGO joint working group was formed to exchange opinions about issues of importance to both the government and NGOs. Moreover, our support enabled the Private Rural Initiatives Project (PRIP) to institutionalize itself as an indigenous provider of NGO capacity building programs. One of the services the PRIP Trust will be providing to NGOs in the future is training related to customer appraisals and the development of customer service plans.

Expected Progress

1996 marks the first year of implementation. During the final months of 1995, the Democracy Partnership, consisting of USAID, TAF and BRAC, received approximately 30 sub-grant applications from small to medium sized Bangladeshi NGOs to undertake activities related to planned intermediate results for this SO. All applications received required further development, and the Partnership decided to focus attention initially on improving those applications related to the first intermediate result, "advocacy of customer interests strengthened." Three types of activities will be undertaken with regard to this result. The capacity of local associations to advocate their members' interests before locally elected bodies or government agencies will be strengthened. The capacity of national organizations to develop bottom-up rather than top-down advocacy agendas will be enhanced. Finally, public interest litigation as a means of advocacy will be developed. We expect to have four Bangladeshi NGOs working of the first of these activities and two beginning public interest litigation activities by June 1996. However, we have not received good applications related to election administration (intermediate result 2) or improving the competence of locally elected bodies to identify and meet customer needs.

Accordingly, we hope to identify and recruit Bangladeshi groups willing to work to achieve these results during 1996. Accordingly, we do not expect significant progress against this SO's indicators in 1996.

Nevertheless, several interesting events have already occurred in 1996 which may affect our overall results. First, the Ford Foundation has agreed to fund several participants of the Partnership's choice to an advocacy training program in the United States and offered to pay a portion of the Partnership's administrative costs for TAF and BRAC. Moreover, the Bangladesh democracy program has been approved by USAID/W as a leading edge mission for expanded cooperation with the European Commission. While field level discussions have taken place between USAID/B and the Bangladesh Mission of the European Commission, formal talks between Washington and Brussels to finalize arrangements were still pending as of this presentation. If the European Commission joins the Democracy Partnership and funds additional activities, the Partnership will be able to set more ambitious targets with regard to program results.

STRATEGIC OBJECTIVE: More Accessible and Equitable Justice, Especially for Women

Summary and Analysis of Strategic Objective Performance
With regard this SO, our pre-1996 objectives related to this SO emphasized improving the administration of justice, especially for women and labor law and organization, especially in the garment industry 90 percent of whose employees are women. We were relatively successful with regard to labor law and organization in the garment sector, but less so with respect to making justice more accessible and equitable, especially for women.

We believe we have turned the corner with regard to labor law and organization. With our support through the Asian-American Free Labor Institute, an informal group representing nine other Bangladeshi labor unions together considered updated labor legislation and presented the draft to the Minister of Labor for submission to parliament. A lengthy boycott by the political opposition kept parliament from considering the draft labor legislation in 1995, the next parliament will be able to do so following its election in June 1996. Moreover, the first truly democratic and independent labor union, the Bangladesh Independent Garment-workers Union (BIGU), was formed in late 1994 to represent the country's approximately one million garment workers. BIGU currently has a paid membership of **XXX**, pledges signed by more than 50,000 garment workers, and has organized **XXX** garment factories. **XX** percent of BIGU's members are women. Its **XX** directors are all paid garment workers to ensure they represent their members interests, and **XX** are women. Our current support is geared to helping BIGU expand its worker services and consolidating its position as an independent and democratic union.

Our support has provide legal awareness training to approximately **XXX** people, **XX** percent of whom are women. It has helped mediate more than **XXX** disputes at the family and community levels, and increased the number of skilled mediators in local communities. Nevertheless, our customers tell us that justice remains largely

inaccessible and inequitable from their perspective. Accordingly, we have adjusted our approach to achieving this objective.

We will continue to support community level mediation programs, but we will also undertake new activities targeted on community elites to improve the enabling environment for mediation. To expand the geographic coverage of our program, we will encourage three NGOs more experienced with mediation programs to offer their technical and training skills to other NGOs interested in opening legal aid programs with their own resources. And, we will change our institutional relationships with the three NGOs offering technical assistance and training in legal aid. In the past, we interacted with them as standard sub-grantees; in the future, we will interact with them as training institutions by helping them develop a tuition fee basis for their services.

Expected Progress

As with the other SO, 1996 marks the first year of implementation under this SO, During the closing months of 1995, the Democracy Partnership received about 35 sub-grant applications from small to medium sized Bangladeshi NGOs to implement activities related to increasing knowledge of people's legal rights and obligations and to improve the quality of alternate dispute resolution. As with the applications received for the other SO, the sub-grant applications for this SO required further development and the Partnership decided to focus attention initially on those related to the SO's second intermediate result, "quality of alternated dispute resolution improved." Accordingly, it expects to have four sub-grants related to this intermediate result approved by June 1996. The Partnership will then focus on approving applications related to its second intermediate result, increasing legal awareness.

With regard to the third intermediate result, "capacity of garment workers to bargain collectively increased," we expect an **XX** percent increase in BIGU's membership and an **XX** percent increase in the percent of BIGU members benefiting from the full application of labor law in their factories. We also expect an increase in their confidence to negotiate directly with factory owners.

We do not expect significant progress against the SO indicators in 1996 because those activities which will affect them most directly will be just getting underway.

Conclusion:

The missions's overall goal is to increase the proportion of Bangladeshis living above the poverty line. If one looks the way Bangladesh has used its public resources, relatively small amounts have been invested in poverty reduction programs; e.g., primary education, health and family planning. That is relatively few public resources have been targeted at the needs of USAID's customers, the socially and economically disadvantaged. The assumption underlying our democracy program and the mission's overall strategic goal is that if the poor's participation in the country's political institutions and processes is increased, and that public resources will be better

targeted on poverty reduction. Our strategic objectives are geared to increasing this participation.

We believe, once implementation gets underway, our immediate results will address problems identified directly by our customers. For example, our customers told us that, for them, justice was not easily accessible or necessarily equitable. Accordingly, we will be undertaking activities to improve the alternate dispute resolution techniques used by community and village mediators and to make community leaders and elites more aware of the inequities resulting form current dispute resolution practices. The linkages between all of our intermediate results (program outcomes) and objectives are clearly established in our results framework.

We have not yet seen a lot of progress, since we are still in the early stage of identifying subgrant recipients who will actually carry out our democracy activities. The only problems we have seen so far have to do with the quality of sub-grant applications we have received form the groups which want to become implementors. To address this problem, we have held several follow-up conversations with the applicants to sharpen the focus of their work and plans to collect results information based on the program and strategic indicators we have adopted.

Since the DP's new Democracy Project is in its infancy, nothing substantial has not been accomplished as of now (what we thought we could achieve in line with work plan developed was thwarted by the political/civil unrest that had crippled Bangladesh for most part of the first quarter of 1996). Nevertheless, an analysis of the two SOs' performance and intermediate results (POs) that preceded demonstrates that we are in the right track.

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DELEGATIVE DEMOCRACY

Guillermo O'Donnell

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Here I depict a "new species," a type of existing democracies that has yet to be theorized. As often happens, it has many similarities with other, already recognized species, with cases shading off between the former and some variety of the latter. Still, I believe that the differences are significant enough to warrant an attempt at such a depiction. The drawing of neater boundaries between these types of democracy depends on empirical research, as well as more refined analytical work that I am now undertaking. But if I really have found a new species (and not a member of an already recognized family, or a form too evanescent to merit conceptualization), it may be worth exploring its main features.

Scholars who have worked on democratic transitions and consolidation have repeatedly said that, since it would be wrong to assume that these processes all culminate in the same result, we need a typology of democracies. Some interesting efforts have been made, focused on the consequences, in terms of types of democracy and policy patterns, of various paths to democratization.[1] My own ongoing research suggests, however, that the more decisive factors for generating various kinds of democracy are not related to the characteristics of the preceding authoritarian regime or to the process of transition. Instead, I believe that we must focus upon various long-term historical factors, as well as the degree of severity of the socioeconomic problems that newly installed democratic governments inherit.

Let me briefly state the main points of my argument: 1) Existing

theories and typologies of democracy refer to *representative* democracy as it exists, with all its variations and subtypes, in highly developed capitalist countries. 2) Some newly installed democracies (Argentina, Brazil, Peru, Ecuador, Bolivia, Philippines, Korea, and many postcommunist countries) *are* democracies, in the sense that they meet Robert Dahl's criteria for the definition of polyarchy.[2] 3) Yet these democracies are not—and do not seem to be on the path toward becoming—representative democracies; they present characteristics that prompt me to call them *delegative* democracies (DD). 4) DDs are not consolidated (i.e., institutionalized) democracies, but they may be *enduring*. In many cases, there is no sign either of any imminent threat of an authoritarian regression, or of advances toward representative democracy. 5) There is an important interaction effect: the deep social and economic crisis that most of these countries inherited from their authoritarian predecessors reinforces certain practices and conceptions about the proper exercise of political authority that lead in the direction of delegative, not representative democracy.

The following considerations underlie the argument presented above:[3]

A) The installation of a democratically elected government opens the way for a "second transition," often longer and more complex than the initial transition from authoritarian rule.

B) This second transition is supposed to be from a democratically elected *government* to an institutionalized, consolidated democratic *regime*.

C) Nothing guarantees, however, that this second transition will occur. New democracies may regress to authoritarian rule, or they may stall in a feeble, uncertain situation. This situation may endure without opening avenues for institutionalized forms of democracy.

D) The crucial element determining the success of the second transition is the building of a set of institutions that become important decisional points in the flow of political power.

E) For such a successful outcome to occur, governmental policies and the political strategies of various agents must embody the recognition of a paramount shared interest in democratic institution building. The successful cases have featured a decisive coalition of broadly supported political leaders who take great care in creating and strengthening democratic political institutions. These institutions, in turn, have made it easier to cope with the social and economic problems inherited from the authoritarian regime. This was the case in Spain, Portugal (although not immediately after democratic installation), Uruguay, and Chile.

F) In contrast, the cases of delegative democracy mentioned earlier have achieved neither institutional progress nor much governmental effectiveness in dealing with their respective social and economic crises.

Before elaborating these themes in greater detail, I must make a brief

excursus to explain more precisely what I mean by institutions and institutionalization, thereby bringing into sharper focus the patterns that fail to develop under delegative democracy.

On Institutions

Institutions are regularized patterns of interaction that are known, practiced, and regularly accepted (if not necessarily normatively approved) by social agents who expect to continue interacting under the rules and norms formally or informally embodied in those patterns. Sometimes, but not necessarily, institutions become formal organizations: they materialize in buildings, seals, rituals, and persons in roles that authorize them to "speak for" the organization.

I am concerned here with a subset: *democratic* institutions. Their definition is elusive, so I will delimit the concept by way of some approximations. To begin with, democratic institutions are political institutions. They have a recognizable, direct relationship with the main themes of politics: the making of decisions that are mandatory within a given territory, the channels of access to decision-making roles, and the shaping of the interests and identities that claim such access. The boundaries between what is and is not a political institution are blurred, and vary across time and countries.

We need a second approximation. Some political institutions are formal organizations belonging to the constitutional network of a polyarchy: these include congress, the judiciary, and political parties. Others, such as fair elections, have an intermittent organizational embodiment but are no less indispensable. The main question about all these institutions is how they work: are they really important decisional points in the flow of influence, power, and policy? If they are not, what are the consequences for the overall political process?

Other factors indispensable for the workings of democracy in contemporary societies—those that pertain to the formation and representation of collective identities and interests—may or may not be institutionalized, or they may be operative only for a part of the potentially relevant sectors. In representative democracies, those patterns are highly institutionalized and organizationally embodied through pluralist or neocorporatist arrangements.

The characteristics of a functioning institutional setting include the following:

1) *Institutions both incorporate and exclude.* They determine which agents, on the basis of which resources, claims, and procedures, are accepted as valid participants in their decision-making and implementation processes. These criteria are necessarily selective: they fit (and favor) some agents; they may lead others to reshape themselves in order to meet them; and for various reasons, they may be impossible

to meet, or unacceptable, for still others. The scope of an institution is the degree to which it incorporates and excludes its set of potentially relevant agents.

2) *Institutions shape the probability distribution of outcomes.* As Adam Przeworski has noted, institutions "process" only certain actors and resources, and do so under certain rules.[4] This predetermines the range of feasible outcomes, and their likelihood within that range. Democratic institutions, for example, preclude the use or threat of force and the outcomes that this would generate. On the other hand, the subset of democratic institutions based on the universality of the vote, as Philippe Schmitter and Wolfgang Streeck have argued, is not good at processing the intensity of preferences.[5] Institutions of interest representation are better at processing the intensity of preferences, although at the expense of the universalism of voting and citizenship and, often, of the "democraticness" of their decision making.

3) *Institutions tend to aggregate, and to stabilize the aggregation of, the level of action and organization of agents interacting with them.* The rules established by institutions influence strategic decisions by agents as to the degree of aggregation that is more efficacious for them in terms of the likelihood of favorable outcomes. Institutions, or rather the persons who occupy decision-making roles within them, have limited information-processing capabilities and attention spans. Consequently, those persons prefer to interact with relatively few agents and issues at a time.[6] This tendency toward aggregation is another reason for the exclusionary side of every institution.

4) *Institutions induce patterns of representation.* For the same reasons, institutions favor the transformation of the many potential voices of their constituencies into a few that can claim to speak as their representatives. Representation involves, on the one hand, the acknowledged right to speak for some relevant others and, on the other, the ability to deliver the compliance of those others with what the representative decides. Insofar as this capability is demonstrated and the given rules of the game are respected, institutions and their various representatives develop an interest in their mutual coexistence as interacting agents.

5) *Institutions stabilize agents/representatives and their expectations.* Institutional leaders and representatives come to expect behaviors within a relatively narrow range of possibilities from a set of actors that they expect to meet again in the next round of interactions. Certain agents may not like the narrowing of expected behaviors, but they anticipate that deviations from such expectations are likely to be counterproductive. This is the point at which it may be said that an institution (which probably has become a formal organization) is strong. The institution is in equilibrium; it is in nobody's interest to change it, except in incremental and basically consensual ways.

6) *Institutions lengthen the time-horizons of actors.* The stabilization of agents and expectations entails a time dimension: institutionalized interactions are expected to continue into the future among the same (or a slowly and rather predictably changing) set of agents. This, together with a high level of aggregation of representation and of control of their constituencies, is the foundation for the "competitive cooperation" that characterizes institutionalized democracies: one-shot prisoner's dilemmas can be overcome,[7] bargaining (including logrolling) is facilitated, various trade-offs over time become feasible, and sequential attention to issues makes it possible to accommodate an otherwise unmanageable agenda. The establishment of these practices further strengthens the willingness of all relevant agents to recognize one another as valid interlocutors, and enhances the value that they attach to the institution that shapes their interrelationships. This virtuous circle is completed when most democratic institutions achieve not only reasonable scope and strength but also a high density of multiple and stabilized interrelationships. This makes these institutions important points of decision in the overall political process, and a consolidated, institutionalized democracy thus emerges.

A way to summarize what I have said is that, in the functioning of contemporary, complex societies, democratic political institutions provide a crucial level of mediation and aggregation between, on one side, structural factors and, on the other, not only individuals but also the diverse groupings under which society organizes its multiple interests and identities. This intermediate—i.e., institutional—level has an important impact on the patterns of organization of society, bestowing representation upon some participants in the political process and excluding others. Institutionalization undeniably entails heavy costs—not only exclusion but also the recurring, and all too real, nightmares of bureaucratization and boredom. The alternative, however, submerges social and political life in the hell of a colossal prisoner's dilemma.

This is, of course, an ideal typical description, but I find it useful for tracing, by way of contrast, the peculiarities of a situation where there is a dearth of democratic institutions. A noninstitutionalized democracy is characterized by the restricted scope, the weakness, and the low density of whatever political institutions exist. The place of well-functioning institutions is taken by other nonformalized but strongly operative practices—clientelism, patrimonialism, and corruption.

Characterizing Delegative Democracy

Delegative democracies rest on the premise that whoever wins election to the presidency is thereby entitled to govern as he or she sees fit, constrained only by the hard facts of existing power relations and by a constitutionally limited term of office. The president is taken

to be the embodiment of the nation and the main custodian and definer of its interests. The policies of his government need bear no resemblance to the promises of his campaign—has not the president been authorized to govern as he (or she) thinks best? Since this paternal figure is supposed to take care of the whole nation, his political base must be a movement, the supposedly vibrant overcoming of the factionalism and conflicts associated with parties. Typically, winning presidential candidates in DDs present themselves as above both political parties and organized interests. How could it be otherwise for somebody who claims to embody the whole of the nation? In this view, other institutions—courts and legislatures, for instance—are nuisances that come attached to the domestic and international advantages of being a democratically elected president. Accountability to such institutions appears as a mere impediment to the full authority that the president has been delegated to exercise.

Delegative democracy is not alien to the democratic tradition. It is more democratic, but less liberal, than representative democracy. DD is strongly majoritarian. It consists in constituting, through clean elections, a majority that empowers someone to become, for a given number of years, the embodiment and interpreter of the high interests of the nation. Often, DDs use devices such as runoff elections if the first round of elections does not generate a clear-cut majority.[8] This majority must be created to support the myth of legitimate delegation. Furthermore, DD is strongly individualistic, but more in a Hobbesian than a Lockean way: voters are supposed to choose, irrespective of their identities and affiliations, the individual who is most fit to take responsibility for the destiny of the country. Elections in DDs are a very emotional and high-stakes event: candidates compete for a chance to rule virtually free of all constraints save those imposed by naked, noninstitutionalized power relations. After the election, voters/delegators are expected to become a passive but cheering audience of what the president does.

Extreme individualism in constituting executive power combines well with the organicism of the Leviathan. The nation and its "authentic" political expression, the leader and his "Movement," are postulated as living organisms.[9] The leader has to heal the nation by uniting its dispersed fragments into a harmonious whole. Since the body politic is in disarray, and since its existing voices only reproduce its fragmentation, delegation includes the right (and the duty) of administering the unpleasant medicines that will restore the health of the nation. For this view, it seems obvious that only the head really knows: the president and his most trusted advisors are the alpha and the omega of politics. Furthermore, some of the problems of the nation can only be solved by highly technical criteria. *Técnicos*, especially in economic policy, must be politically shielded by the president against the manifold resistance of society. In the meantime, it is "obvious" that

resistance—be it from congress, political parties, interest groups, or crowds in the streets—has to be ignored. This organicistic discourse fits poorly with the dry arguments of the technocrats, and the myth of delegation is consummated: the president isolates himself from most political institutions and organized interests, and bears sole responsibility for the successes and failures of "his" policies.

This curious blend of organicistic and technocratic conceptions was present in recent bureaucratic-authoritarian regimes. Although the language (but not the organicistic metaphors) was different, those conceptions were also present in communist regimes. But there are important differences between these regimes and DDs. In DDs, parties, the congress, and the press are generally free to voice their criticisms. Sometimes the courts, citing what the executive typically dismisses as "legalistic, formalistic reasons," block unconstitutional policies. Workers' and capitalists' associations often complain loudly. The party (or coalition) that elected the president despairs about its loss of popularity, and refuses parliamentary support for the policies he has "foisted" on them. This increases the political isolation of the president, his difficulties in forming a stable legislative coalition, and his propensity to sidestep, ignore, or corrupt the congress and other institutions.

Here it is necessary to elaborate on what makes representative democracy different from its delegative cousin. Representation necessarily involves an element of delegation: through some procedure, a collectivity authorizes some individuals to speak for it, and eventually to commit the collectivity to what the representative decides. Consequently, representation and delegation are not polar opposites. It is not always easy to make a sharp distinction between the type of democracy which is organized around "representative delegation" and the type where the delegative element overshadows the representative one.

Representation entails accountability: somehow representatives are held responsible for their actions by those they claim to be entitled to speak for. In institutionalized democracies, accountability runs not only vertically, making elected officials answerable to the ballot box, but also horizontally, across a network of relatively autonomous powers (i.e., other institutions) that can call into question, and eventually punish, improper ways of discharging the responsibilities of a given official. Representation and accountability entail the republican dimension of democracy: the existence and enforcement of a careful distinction between the public and the private interests of office holders. Vertical accountability, along with the freedom to form parties and to try to influence public opinion, exists in both representative and delegative democracies. But the horizontal accountability characteristic of representative democracy is extremely weak or nonexistent in delegative democracies. Furthermore, since the institutions that make horizontal accountability effective are seen by delegative presidents as unnecessary

encumbrances to their "mission," they make strenuous efforts to hamper the development of such institutions.

Notice that what matters is not only the values and beliefs of officials (whether elected or not) but also the fact that they are embedded in a network of institutionalized power relations. Since those relations may be mobilized to impose punishment, rational actors will calculate the likely costs when they consider undertaking improper behavior. Of course, the workings of this system of mutual responsibility leave much to be desired everywhere. Still, it seems clear that the rule-like force of certain codes of conduct shapes the behavior of relevant agents in representative democracies much more than in delegative democracies. Institutions do matter, particularly when the comparison is not among different sets of strong institutions but between strong institutions and extremely weak or nonexistent ones.

Because policies are carried out by a series of relatively autonomous powers, decision making in representative democracies tends to be slow and incremental and sometimes prone to gridlock. But, by this same token, those policies are usually vaccinated against gross mistakes, and they have a reasonably good chance of being implemented: moreover, responsibility for mistakes tends to be widely shared. As noted, DD implies weak institutionalization and, at best, is indifferent toward strengthening it. DD gives the president the apparent advantage of having practically no horizontal accountability. DD has the additional apparent advantage of allowing swift policy making, but at the expense of a higher likelihood of gross mistakes, of hazardous implementation, and of concentrating responsibility for the outcomes on the president. Not surprisingly, presidents in DDs tend to suffer wild swings in popularity: one day they are acclaimed as providential saviors, and the next they are cursed as only fallen gods can be.

Whether it is due to culture, tradition, or historically-structured learning, the plebiscitary tendencies of delegative democracy were detectable in most Latin American (and, for that matter, many post-communist, Asian, and African) countries long before the present social and economic crisis. This kind of rule has been analyzed as a chapter in the study of authoritarianism, under such names as caesarism, bonapartism, *caudillismo*, populism, and the like. But it should also be seen as a peculiar type of democracy that overlaps with and differs from those authoritarian forms in interesting ways. Even if DD belongs to the democratic genus, however, it could hardly be less congenial to the building and strengthening of democratic political institutions.

Comparisons with the Past

The great wave of democratization prior to the one we are now witnessing occurred after World War II, as an imposition by the Allied

powers on defeated Germany, Italy, Japan, and to some extent Austria. The resulting conditions were remarkably different from the ones faced today by Latin America and the postcommunist countries: 1) In the wake of the destruction wrought by the war, the economic expectations of the people probably were very moderate. 2) There were massive injections of capital, principally but not exclusively (e.g., the forgiving of Germany's foreign debt) through the Marshall Plan. 3) As a consequence, and helped by an expanding world economy, the former Axis powers soon achieved rapid rates of economic growth. These were not the only factors at work, but they greatly aided in the consolidation of democracy in those countries. Furthermore, these same factors contributed to political stability and to stable public policy coalitions: it took about 20 years for a change of the governing party in Germany, and the dominant parties in Italy and Japan held sway for nearly half a century.

In contrast, in the transitions of the 1970s and 1980s, reflecting the much less congenial context in which they occurred, victory in the first election after the demise of the authoritarian regime guaranteed that the winning party would be defeated, if not virtually disappear, in the next election. This happened in Spain, Portugal, Greece, Argentina, Bolivia, Brazil, Ecuador, Peru, Uruguay, Korea, and the Philippines. But this pattern appears together with important variations in the social and economic performance of the new governments. Most of these countries inherited serious socioeconomic difficulties from the preceding authoritarian regimes, and were severely affected by the worldwide economic troubles of the 1970s and early 1980s. In all of them, the socioeconomic problems at some point reached crisis proportions and were seen to require decisive government action. Yet however serious the economic problems of the 1970s in Southern Europe may have been, they appear mild when compared to those besetting the newly democratized postcommunist and Latin American countries (with Chile as a partial exception). Very high inflation, economic stagnation, a severe financial crisis of the state, a huge foreign and domestic public debt, increased inequality, and a sharp deterioration of social policies and welfare provisions are all aspects of this crisis.

Again, however, important differences emerge among the Latin American countries. During its first democratic government under President Sanguinetti, the Uruguayan economy performed quite well: the annual rate of inflation dropped from three to two digits, while GNP, investment, and real wages registered gradual increases. The government pursued incremental economic policies, most of them negotiated with congress and various organized interests. Chile under President Aylwin has followed the same path. By contrast, Argentina, Brazil, and Peru opted for drastic and surprising economic stabilization "packages": the Austral Plan in Argentina, the Cruzado Plan in Brazil, and the Inti Plan

in Peru. Bolivia, too, adopted this kind of stabilization package in the 1980s. Although this program—closer than the previously mentioned ones to the prescriptions of the international financial organizations—has been praised for its success in controlling inflation, GNP and investment growth remain anemic. Moreover, the brutality with which worker protests against the program were suppressed hardly qualifies as democratic.

These "packages" have been disastrous. They did not solve any of the inherited problems; rather, it is difficult to find a single one that they did not worsen. Disagreement lingers about whether these programs were intrinsically flawed, or suffered from corrigible defects, or were sound but undone by "exogenous" political factors. However that may be, it is clear that the experience of these failures reinforced the decision by the democratic leaders of Chile to avoid this ruinous road. This makes Uruguay—a country that inherited from the authoritarian regime a situation that was every bit as bad as Argentina's or Brazil's—a very interesting case. Why did the Uruguayan government not adopt its own stabilization package, especially during the euphoria that followed the first stages of the Austral and the Cruzado plans? Was it because President Sanguinetti and his collaborators were wiser or better informed than their Argentinean, Brazilian, and Peruvian counterparts? Probably not. The difference is that Uruguay is a case of *redemocratization*, where Congress went to work effectively as soon as democracy was restored. Facing a strongly institutionalized legislature and a series of constitutional restrictions and historically embedded practices, no Uruguayan president could have gotten away with decreeing a drastic stabilization package. In Uruguay, for the enactment of many of the policies typically contained in those packages, the president must go through Congress. Furthermore, going through Congress means having to negotiate not only with parties and legislators, but also with various organized interests. Consequently, against the presumed preferences of some of its top members, the economic policies of the Uruguayan government were "condemned" to be incremental and limited to quite modest goals—such as achieving the decent performance we have seen. Looking at Uruguay—and, more recently, Chile—one learns about the difference between having or not having a network of institutionalized powers that gives texture to the policy-making process. Or, in other words, about the difference between representative and delegative democracy.

The Cycle of Crisis

Now I will focus on some South American cases of delegative democracy—Argentina, Brazil, and Peru. There is no need to detail the depth of the crisis that these countries inherited from their respective

authoritarian regimes. Such a crisis generates a strong sense of urgency and provides fertile terrain for unleashing the delegative propensities that may be present in a given country. Problems and demands mount up before inexperienced governments that must operate through a weak and disarticulated (if not disloyal) bureaucracy. Presidents get elected by promising that they—being strong, courageous, above parties and interests, *machos*—will save the country. Theirs is a "government of saviors" (*salvadores de la patria*). This leads to a "magical" style of policy making: the delegative "mandate" supposedly bestowed by the majority, strong political will, and technical knowledge should suffice to fulfill the savior's mission—the "packages" follow as a corollary.

The longer and deeper the crisis, and the less the confidence that the government will be able to solve it, the more rational it becomes for everyone to act: 1) in a highly disaggregated manner, especially in relation to state agencies that may help to alleviate the consequences of the crisis for a given group or sector (thus further weakening and corrupting the state apparatus); 2) with extremely short time-horizons; and 3) with the assumption that everyone else will do the same. In short, there is a general scramble for narrow, short-term advantage. This prisoner's dilemma is the exact opposite of the conditions that foster both strong democratic institutions and reasonably effective ways of dealing with pressing national problems.

Once the initial hopes are dashed and the first packages have failed, cynicism about politics, politicians, and government becomes the pervading mood. If such governments wish to retain some popular support, they must both control inflation and implement social policies which show that, even though they cannot rapidly solve most of the underlying problems, they do care about the fate of the poor and (politically more important) of the recently impoverished segments of the middle class. But minimal though it may be, this is a very tall order. These two goals are extremely difficult to harmonize, at least in the short run—and for such flimsy governments little other than the short run counts.

Governments like to enjoy sustained popular support, and politicians want to be reelected. Only if the predicaments described above were solvable within the brief compass of a presidential term would electoral success be a triumph instead of a curse. How does one win election and how, once elected, does one govern in this type of situation? Quite obviously—and most destructively in terms of the building of public trust that helps a democracy to consolidate—by saying one thing during the campaign and doing the contrary when in office. Of course, institutionalized democracies are not immune to this trick, but the consequences are more devastating when there are few and weak institutions and a deep socioeconomic crisis afflicts the country. Presidents have gained election in Argentina, Bolivia, Ecuador, and Peru

by promising expansionist economic policies and many other good things to come with them, only to enact severe stabilization packages immediately or shortly after entering office. Whatever the merits of such policies for a given country at a given time, their surprise adoption does nothing to promote public trust, particularly if their immediate and most visible impact further depresses the already low standard of living of most of the population.

Moreover, the virtual exclusion of parties and congress from such momentous decisions has several malign consequences. First, when the executive finally, and inevitably, needs legislative support, he is bound to find a congress that is resentful and feels no responsibility for policies it had no hand in making. Second, the congress is further weakened by its own hostile and aloof attitude, combined with the executive's public condemnations of its slowness and "irresponsibility." Third, these squabbles promote a sharp decline in the prestige of *all* parties and politicians, as opinion polls from many Latin American and postcommunist countries abundantly show. Finally, the resulting institutional weakness makes it ever more difficult to achieve the other magical solution when the packages fail: the socioeconomic pact.

From Omnipotence to Impotence

If we consider that the logic of delegation also means that the executive does nothing to strengthen the judiciary, the resulting dearth of effective and autonomous institutions places immense responsibility on the president. Remember that the typical incumbent in a DD has won election by promising to save the country without much cost to anyone, yet soon gambles the fate of his government on policies that entail substantial costs for many parts of the population. This results in policy making under conditions of despair: the shift from wide popularity to general vilification can be as rapid as it is dramatic. The result is a curious mixture of governmental omnipotence and impotence. Omnipotence begins with the spectacular enactment of the first policy packages and continues with a flurry of decisions aimed at complementing those packages and, unavoidably, correcting their numerous unwanted consequences. This accentuates the anti-institutional bias of DDs and ratifies traditions of high personalization and concentration of power in the executive. The other side of the coin is extreme weakness in making those decisions into effective long-term regulations of societal life.

As noted above, institutionalized democracies are slow at making decisions. But once those decisions are made, they are relatively more likely to be implemented. In DDs, in contrast, we witness a decision-making frenzy, what in Latin America we call *decretismo*. Because such hasty, unilateral executive orders are likely to offend

important and politically mobilized interests, they are unlikely to be implemented. In the midst of a severe crisis and increasing popular impatience, the upshot is usually new flurries of decisions which, because of the experience many sectors have had in resisting the previous ones, are even less likely to be implemented. Furthermore, because of the way those decisions are made, most political, social, and economic agents can disclaim responsibility. Power was delegated to the president, and he did what he deemed best. As failures accumulate, the country finds itself stuck with a widely reviled president whose goal is just to hang on until the end of his term. The resulting period of passivity and disarray of public policy does nothing to help the situation of the country.

Given this scenario, the "natural" outcome in Latin America in the past would have been a successful coup d'etat. Clearly, DDs, because of their institutional weaknesses and erratic patterns of policy making, are more prone to interruption and breakdown than representative democracies. At the moment, however—for reasons mostly linked to the international context, which I cannot discuss here—DDs exhibit a rather remarkable capacity for endurance. With the partial exception of Peru, where the constitutional breakdown was led by its delegative president, no successful coups d'etat have taken place.

The economic policy undertaken by DDs is not always condemned to be widely perceived as a failure, particularly in the aftermath of hyperinflation or long periods of extremely high inflation.[10] This is the case in Argentina today under President Menem, although it is not clear how sustainable the improved economic situation is. But such economic achievements, as well as the more short-lived ones of Collor (Brazil), Alfonsín (Argentina), and García (Peru) at the height of the apparent successes of their economic packages, can lead a president to give the ultimate proof of the existence of a delegative democracy. As long as their policies are recognized as successful by electorally weighty segments of the population, delegative presidents find it simply abhorrent that their terms should be constitutionally limited; how could these "formal limitations" preclude the continuation of their providential mission? Consequently, they promote—by means that further weaken whatever horizontal accountability still exists—constitutional reforms that would allow their reelection or, failing this, their continuation at the apex of government as prime ministers in a parliamentary regime. Oddly enough, successful delegative presidents, at least while they believe they are successful, may become proponents of some form of parliamentarism. In contrast, this kind of maneuver was out of the question in the cases of the quite successful President Sanguinetti of Uruguay and the very successful President Aylwin of Chile, however much they might have liked to continue in power. Again, we find a crucial difference between representative and delegative democracy.[11]

As noted, among the recently democratized countries of Latin America only Uruguay and Chile, as soon as they *re*democratized, revived earlier political institutions that the other Latin American countries (as well as most postcommunist ones) lack. This is the rub: effective institutions and congenial practices cannot be built in a day. As consolidated democracies show, the emergence, strengthening, and legitimation of these practices and institutions take time, during which a complex process of positive learning occurs. On the other hand, to deal effectively with the tremendous economic and social crisis faced by most newly democratized countries would require that such institutions already be in place. Yet the crisis itself severely hinders the arduous task of institutionalization.

This is the drama of countries bereft of a democratic tradition: like all emerging democracies, past and present, they must cope with the manifold negative legacies of their authoritarian past, while wrestling with the kind of extraordinarily severe social and economic problems that few if any of the older democracies faced at their inception.

Although this essay has been confined largely to a typological exercise, I believe that there is some value in identifying a new species, especially since in some crucial dimensions it does not behave as other types of democracy do. Elsewhere I have further elaborated on the relationship between DDs and socioeconomic crisis and on related theoretical issues,[12] and I intend to present more comprehensive views in the future. Here I can only add that an optimist viewing the cycles I have described would find that they possess a degree of predictability, thus supplying some ground on which longer-term perspectives could be built. Such a view, however, begs the question of how long the bulk of the population will be willing to play this sort of game. Another optimistic scenario would have a decisive segment of the political leadership recognizing the self-destructive quality of those cycles, and agreeing to change the terms on which they compete and govern. This seems to me practically the only way out of the problem, but the obstacles to such a roundabout but ultimately happy outcome are many.

NOTES

This essay is a revised and abridged version of a text of the same title published in Portuguese by *Novos Estudos CEBRAP* 31 (October 1991): 25-40, and as Kellogg Institute Working Paper No. 172 (March 1992). Some of the ideas in this essay originated in conversations I had in the 1980s with Luis Pásara concerning the emerging patterns of rule in several Latin American countries. For the preparation of the present version I was privileged to receive detailed comments and suggestions from David Collier.

1. Terry Lynn Karl and Philippe C. Schmitter, "Modes of Transition and Types of Democracy in Latin America, Southern and Eastern Europe," *International Social Science Journal* 128 (May 1991): 269-84.

2. See Robert A. Dahl, *Polyarchy: Participation and Opposition* (New Haven: Yale University Press, 1971); and idem., *Democracy and Its Critics* (New Haven: Yale University Press, 1989). I draw further distinctions concerning various characteristics of polyarchies in a recent paper entitled "On the State, Democratization and Some Conceptual Problems (A Latin American View with Glances at Some Post-Communist Countries)," *World Development* 21 (1993): 1355-69 (also published as Kellogg Institute Working Paper No. 192 (April 1993).

3. For a more detailed discussion, see my essay "Transitions, Continuities and Paradoxes" in Scott Mainwaring, Guillermo O'Donnell, and J. Samuel Valenzuela, eds., *Issues in Democratic Consolidation: The New South American Democracies in Comparative Perspective* (Notre Dame, Indiana: University of Notre Dame Press, 1992), 17-56.

4. Adam Przeworski, "Democracy as a Contingent Outcome of Conflicts," in Jon Elster and Rune Slagstad, eds., *Constitutionalism and Democracy* (Cambridge: Cambridge University Press, 1988), 59-80.

5. Wolfgang Streeck and Philippe C. Schmitter, "Community, Market, State—and Associations? The Prospective Contribution of Interest Governance to Social Order," in Wolfgang Streeck and Philippe C. Schmitter, eds., *Private Interest Government: Beyond Market and State* (London: Sage Publications, 1985), 1-29.

6. See James March and Johan Olsen, *Rediscovering Institutions: The Organizational Basis of Politics* (New York: The Free Press, 1989).

7. A prisoner's dilemma exists when, even if all of the agents involved could make themselves better off by cooperating among themselves, it nonetheless proves rational for each of them, irrespective of what the others decide, not to cooperate. In this sense, institutions may be seen as social inventions that serve to make cooperation the rational preference.

8. Arturo Valenzuela, "Latin America: Presidentialism in Crisis," *Journal of Democracy* 4 (October 1993): 17, notes that "all of the countries (except for Paraguay) that drafted new constitutions in the 1980s and early 1990s (Guatemala, El Salvador, Colombia, Ecuador, Peru, Chile, and Brazil) instituted the French system of a *ballotage*, or second round, for presidential races." Of these countries, Guatemala and El Salvador did not qualify as polyarchies, Chile's constitution was a product of the Pinochet regime, and Ecuador, Peru, and Brazil are among the purest cases of DD.

9. Giorgio Alberti has insisted on the importance of *movimientismo* as a dominant feature of politics in many Latin American countries. See his "Democracy by Default, Economic Crisis, and Social Anomie in Latin America" (Paper presented to the Twenty-fifth World Congress of Political Science, Buenos Aires, 1991).

10. I discuss these themes in my essay "On the State, Democratization, and Some Conceptual Problems," cited in note 2 above.

11. I do not ignore the important discussions currently underway about various forms of presidentialism and parliamentarism, of which recent and interesting expressions are Scott Mainwaring and Matthew Shugart, "Juan Linz, Presidentialism, and Democracy: A Critical Appraisal," Kellogg Institute Working Paper No. 200 (July 1993); Alfred Stepan and Cindy Skach, "Constitutional Frameworks and Democratic Consolidation: Parliamentarism versus Presidentialism," *World Politics* 46 (October 1993): 1-22; and Arturo Valenzuela, "Latin America: Presidentialism in Crisis," cited in note 8 above. In the present text I discuss patterns that are independent of those institutional factors, although they may be convergent in their consequences. Clearly, presidentialism has more affinity with DD than parliamentarism. However, if delegative propensities are strong in a given country, the workings of a parliamentary system could be rather easily subverted or lead to impasses even worse than the ones discussed here.

12. I must refer again to my essay "On the State, Democratization, and Some Conceptual Problems," cited in note 2 above.

PROCESS-ORIENTED/INSTITUTIONAL APPROACHES

Summary

- Writers divided democratic development into three stages: pre-transition, transition, and consolidation. These were stages in the collapse of an authoritarian regime and the formation of a democratic regime.

- Institutions and rules formed by elites during times of transition ultimately determine the success or failure of the subsequent democratic regime.

- Compliance with institutions and rules depends on three related factors:
  1] the degree of elite participation in their formation;
  2] their capacity to limit the power of elites; and
  3] their capacity to provide security for competitors.

- The key to successful democratic consolidation is creating an institutional incentive structure that can peacefully resolve political conflicts.

Possible lessons for donors:

- Points to the importance of rules and institutions in shaping political behavior.

- Describes many of the institutional characteristics and rules that promote compliance with democracy (e.g. the rule of law, an independent judiciary) and specifically why they are important.

- Identifies an important factor in the shaping of new democratic regimes: the nature of elite choices and agreements.

- Identifies transitions as a critical moment in the democratization process, and

- Implies for donors the importance of a certain sequencing of interventions: in the critical early stages of democratization, getting the rules right and agreed upon by elites may be the most important task; donors should therefore potentially seek to promote elite negotiation, pacting, and collaboration in constitution-writing.

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"The Democracy Needs of USAID/Bangladesh's Customers: A Report of the USAID/Bangladesh 'D Team'", May 1995.

consensus on economic reform and privatization. But by year's end, critical economic measures continued to be held up in a backlog of legislation.

In September President Iliescu thanked President Clinton for helping Romania's 1993 return to Most Favored Nation (MFN) trading status after a five-year hiatus. The U.S. topped the list of overseas investors with $107 million in direct investment and 1,800 U.S.-Romanian joint-ventures.

In January Romania became the first former Warsaw Pact nation to join NATO's Partnership for Peace.

Political Rights and Civil Liberties: Citizens of Romania have the right to change their government democratically. After the 1992 elections, the opposition claimed irregularities, particularly in light of a high number of invalid votes.

A 1992 law on reorganizing the judiciary established a four-tiered system, including the reintroduction of appellate courts. Administrative hierarchy of the magistrature permits superiors to exert pressure on junior judges. Establishing a fully staffed and qualified judicial corps has proved difficult, many professionals being attracted to more lucrative private practice.

A new law on police adopted in April 1994 represents a first step in demilitarizing the Romanian police. The nongovernmental Romanian Independent Society of Human Rights (SIRDO) has developed a program aimed at enforcing international standards in the penal system. Nevertheless, prison conditions are generally poor and inmates face abuses.

The Law on Broadcasting Media stipulates that freedom of the press is guaranteed; at the same time it forbids the defamation of country, dissemination of classified information, and production of materials offending public morals. In 1994 President Iliescu blocked legislation that journalists said would insure independence of the broadcast system. Romanian State Television remains the only broadcaster with nationwide facilities. Independent newspapers offer a wide range of views and commentaries, though government control of most newsprint and printing facilities has created problems for some. In February police freed on bail a reporter arrested for writing an article that likened President Iliescu to a fairy-tale pig; he was accused of "offending state authority." In April, the U.S.-based Christian Broadcasting Network protested state television's decision not to broadcast Easter programs the government judged to be Protestant fundamentalist proselytizing.

Free expression has also been undermined by amendments to the penal code. One amendment provides for one to five year's imprisonment for "spreading false information that undermines state security and foreign relations." A proposed new law on slandering the nation would make raising the Hungarian flag or singing the Hungarian national anthem punishable by prison terms ranging from six months to three years.

Ethnic minority rights continue to be an issue. Anti-Hungarian sentiments are rooted in the ideologies of several political parties. In November Lajos Monus, a leader of the Hungarian Democratic Union, was illegally sentenced in the Transylvanian city of Cluj to one month's imprisonment for trying to help stop Romanian authorities from an action that would have removed a statue of King Mathias, a fifteenth-century Hungarian monarch. Hungarians have been denied permission to march in Cluj. Hungarian-language education remains a contentious issue.

Gypsies (Roma) continue to be victims of racist violence and discrimination. In May

villagers in northwestern Romania torched Roma houses after two Roma youths were charged with killing a shepherd. Authorities frequently fail to investigate and prosecute violence against the Roma. Roma interests are represented by the nongovernmental Romani International Union and other NGOs. A National Minorities' Council was established in 1993, but its duties and powers remain vague.

Few official restrictions are placed on travel, either domestic or foreign, and citizens have the right to emigrate. In October, President Iliescu refused entry to deposed King Michael after he landed at Bucharest airport, declaring that the king posed a threat to the country's political system.

The constitution provides for freedom of religion; there are some fifteen officially recognized religions whose clergy may receive state financial support, and another 120 denominations and faiths have received licenses entitling them to juridical status as well as certain tax exemptions. Tensions remain between the Orthodox Church (nominally, some 86 percent of Romanians are Orthodox) and Uniate Catholics over church property confiscated by the state. Jews face a barrage of anti-Semitism from the extremist press. Easter programs by a U.S.-based religious broadcaster were banned for allegedly fundamentalist Protestant proselytizing.

A labor superstructure, NCRFTU-Fratia National Trade Union Confederation was created in 1993. Workers have, and frequently exercise, the right to strike, as evinced by the numerous massive work stoppages in the country since 1989.

Russia

Polity: Presidential-parliamentary democracy
Economy: Mixed statist transitional
Population: 147,820,000
PPP: $6,930
Life Expectancy: 70.0
Ethnic Groups: Russian, over 100 ethnic groups
Political Rights: 3
Civil Liberties: 4
Status: Partly Free

Overview: President Boris Yeltsin's decision to send troops to the separatist autonomous republic of Chechnya in late 1994 drew sharp criticism from the public as well as moderate and democratic forces, capping a year in which the embattled president alienated key reformers over economic policies. The election of extreme nationalists and Communists to the State Duma (parliament) in December 1993 led to the resignations of several well-known reformers.

Key domestic issues included demands for greater autonomy by several regions, crime and corruption, and the economy. In foreign policy, Russia became more assertive, deploying troops to former Soviet republics—the "near abroad"—opposing NATO's eastward expansion, and sparring with the West over Bosnia.

With the USSR's collapse in December 1991, Russia—the only constituent republic not to declare sovereignty—gained *de facto* independence under President

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Yeltsin, directly elected in June 1991. In 1992, Yeltsin was repeatedly challenged by a hostile anti-reform legislature. Parliament replaced acting-Prime Minister Yegor Gaidar, a principal architect of reforms, with Viktor Chernomyrdin, a Soviet-era manager.

In 1993 the Yeltsin-parliament struggle intensified over presidential powers and a new constitution. In an April referendum, voters supported the president and his policies, but questions on new presidential and parliamentary elections did not get the necessary 50 percent of eligible voters. On 12 August parliament, chaired by hardliner Ruslan Khasbulatov, moved to amend the Soviet-era constitution and strip Yeltsin of most of his powers. The next day, Yeltsin opened a summit with leaders of the country's eighty-nine republics and regions, which established a 178-member Federation Council. Yeltsin was accused of trying to bypass parliament. In September, Yeltsin suspended hard-line Vice President Rutskoi, dissolved parliament and set parliamentary elections for December. Opposition deputies barricaded themselves in the parliamentary complex. In early October, after riots by extremists supporting the parliamentary protesters, troops crushed the uprising, arresting Khasbulatov and Rutskoi.

In November Yeltsin approved a new draft constitution giving the president considerable power to appoint senior members of the executive and judicial branches and dissolve the lower house of parliament if it repeatedly declined his choice of prime minister or repeatedly voted a lack of confidence in the president. The draft proclaimed Russia "a democratic, federative, law-governed state," and guaranteed the full spectrum of human rights, including the right to private property. It established a bicameral Federal Assembly: a Federation Council (Upper House) consisting of two representatives from the country's eighty-nine regions and territories, and a 450-member State Duma.

Before the election the Russia's Choice bloc, an umbrella group of radical economic reformers headed by Deputy Prime Minister Gaidar and backed by Yeltsin, split with the more moderate Russian Unity and Accord movement under Deputy Prime Minister Sergei Shakhrai and supported by Prime Minister Chernomyrdin.

In December voters approved the constitution but elected extreme nationalists, including Vladimir Zhirinovsky and the Liberal-Democratic Party, and Communists. The Liberal-Democrats got 22.79 percent of the vote and the most seats, 59; Russia's Choice, 15.38 percent and 40 seats; the Communist Party, 12.35 percent and 32 seats. The centrist Women of Russia won 21 seats; the Agrarian Party, 21; the Yavlinsky-Boldarev-Lukin Bloc, 20 seats; the Russian Party of Unity and Accord, 18; and the Democratic Party, 14.

In January 1994 the rift between radical reformers and the Communists/ultra-nationalists widened, illustrated by the election of Ivan Rybkin (Agrarian) as parliamentary speaker with support from Communists and far-right nationalists. The Federation Council barely elected First Deputy Prime Minister Vladimir Shumeiko, a Yeltsin supporter, as chairman. Deputy Prime Minister Gaidar, in charge of the economy, and Finance Minister Boris Fyodorov resigned, charging a lack of responsible economic policy. Prime Minister Chernomyrdin, who had sparred with Gaidar over anti-inflationary measures and with Privatization Minister Anatoly Chubais, declared the era of "shock reforms" over.

The government consisted mainly of industrialists and farm lobbyists, including First Deputy Prime Minister Oleg Soskovets, formerly responsible for heavy industry, and Minister of Agriculture Aleksandr Zaveryukha, a former collective farm boss known by Western bankers as the "king of state credits." In a move that negated previous deficit targets, the prime minister announced additional spending in the form of writing off debts to enterprises, mostly in the defense and agro-industry sectors.

Even as parliament amnestied 1993 coup plotters, including Rutskoi and Khasbulatov, in late February, there were indications of improved relations between Yeltsin's government and the Duma, partly due to the mediating efforts of Speaker Rybkin. Opposed to radical reforms, Rybkin insisted parliament would not fuel inflation through state subsidies, and indicated he supported limited privatization.

In March, Chernomyrdin's insistence on tight credit policy, commitment to land privatization, and his statement that inefficient industries must be allowed to go bankrupt, heartened Western and Russian reformers. So did the appointment of free-marketeer Alexander Livshits to Yeltsin's team of hand-picked economic advisers. The prime minister persuaded the IMF to unlock a new $1.5 billion loan to help support new budget expenditure.

In June, re-asserting his role in economic policymaking, President Yeltsin announced a series of decrees, including measures to introduce home mortgages to Russia and to regulate the wild and fraud-ridden securities markets. Earlier decrees promised a loosening of government export controls, tax reduction, and procedures for liquidating bankrupt state-owned firms. Yeltsin also resisted attempts to expand the military budget, and chastised the government for its "bias" in favor of bloated and failing state enterprises.

The Duma failed to pass the 1994 Rbs 183,000 billion budget at a third reading and came out strongly against a Yeltsin anti-crime decree that impinged on civil liberties. The budget was rejected earlier by the Federation Council, which demanded increased military spending. A majority of deputies voted for the budget, but it failed to secure the required 226 votes.

In June Privatization Minister Chubais announced the second wave of mass privatization. In the first phase, some 14,000 medium- and large-scale enterprises had been privatized by Russian and foreign investors under a voucher program in which all citizens received investment coupons which they could exchange for shares in more than 100,000 formerly state-run companies. In the second stage, the state would offer shares for cash to the highest bidder, including 51 percent to individual investors. The plan would have led to extensive privatization, but it ran into immediate political difficulties in the Duma. In July, after G-7 countries embraced Russia as an equal partner, President Yeltsin decreed the continuation of the privatization program but made concessions to deputies who had blocked the plan in parliament. In late September Chubais announced foreign investment of $1 billion a month in Russian companies.

The government's gradualist approach failed to fully address key structural problems such as inter-enterprise debt, where companies churned out goods they were unable to sell and took delivery on goods they could not pay for. Relaxed monetary controls and renewed flows of credits to state enterprises weakened the ruble, which had dropped by 20 percent in September. On 10 October the ruble suffered its steepest one-day plunge, losing 25 percent of its value against the

dollar, forcing the government to step in to stabilize its value. The crisis led to the resignation of the conservative central bank chairman, Viktor Gerashchenko, and the sacking of acting Finance Minister Sergei Dubinin.

After the ruble rebounded, the finance and economy ministries urged the cabinet to adopt a "big bang" approach to fiscal reform. They proposed a draft budget aimed at bringing inflation down to 1 percent a month in the second half of 1995. Alexander Shokhin, deputy prime minister for the economy, said the continuation of gradualism would "mean periodic crises like...the one when the ruble fell." The cabinet approved the austere budget amid criticism from the IMF that the government had failed to control spending and the macro-economic fundamentals behind the ruble's crash.

On 27 October, after a strong speech to parliament by the prime minister defending the 1995 budget draft, the government survived a no-confidence vote even though 194 deputies voted against the government, thirty-two short of the required majority of 226. To placate conservatives, Yeltsin named Alexander Nazarchuk, a leading member of the Agrarian faction, as the agriculture minister.

In early November, President Yeltsin unnerved Western creditors and reformers with a rush of new appointments that promoted both conservatives and reformers in roughly equal measure. Yevgeny Yasin, a market reformer, became economics minister. The new finance minister was Vladimir Panskov, a deputy minister in the former Soviet government and senior presidential economic adviser jailed in 1993 before bribery charges were dropped. Panskov's appointment led to the resignation of Economic Minister Shokhin. Privatization Minister Chubais was made first deputy prime minister, putting him in overall charge of economic policy.

In late December, after thirteen votes over three days, the budget was approved. However, the Chechnya intervention threatened to bust the budget. The government jeapordized Western aid by reneging on promises to remove controls on domestic energy prices. And on 30 December the new head of the main privatization agency said he was preparing a law to renationalize key enterprises such as oil and gas, aluminum and the military-industrial complex.

In politics, there was a measure of stability, due partly to the constitution, which gave the president the power to dissolve the Duma and call for new elections, and the Duma the power to bring down the government through a no-confidence motion. Neither members of the Duma nor President Yeltsin were keen on new elections. The Duma was essentially hung: conservatives could rarely muster more than 200 votes, the reformers about 170. The balance of power rested with about 100 centrist deputies. In 1994 the working relationship between the president and prime minister and the speakers of the two houses, although often testy, precluded the type of upheaval that spurred the October 1993 crisis. Throughout the year, after a series of long public absences and embarrassing incidents attributed to alcohol, concerns were raised publicly about the president's health and his drinking habits.

The escalating war in Chechnya, a Muslim-dominant Caucasus republic that declared independence in 1991, had political as well as economic consequences. In August Chechen President Dzokhar Dudayev, a former Air Force officer, declared a state of emergency, accusing Moscow of backing forces seeking to overthrow him. On 29 November President Yeltsin threatened military action because

Moscow's "vital interests and national security" were in peril. Amid public opposition, as well as criticism from the media and all political groups save for the ultra-nationalists, by mid-December 40,000 troops invaded Chechnya. At year's end, bombers and artillery pounded the capital city, Grozny, and Russian troops fought pitched battles with Chechen militias.

President Yeltsin confronted calls for greater autonomy from several other regions. In February, Russia signed a treaty with oil-rich Tatarstan, which retained its own constitution, but said it was "united" with Russia. A similar treaty was signed "defining the areas of competence" between Moscow and the Bashkortostan autonomous republic. Several of Russia's sixty-eight regions also sought status as ethno-territorial republics.

In foreign affairs, Russia grew more assertive about the "near abroad." While troops left Latvia and Estonia in August, and negotiations continued with Ukraine over the Black Sea Fleet, Russian forces were active in Georgia and Tajikistan. In Georgia, which had accused Russia of fomenting the violent Abkhazian secession, Moscow got approval for five military bases in exchange for aiding the government in defeating armed supporters of former President Zviad Gamsakhurdia. In Tajikistan, Russia got control of several key industries as payment for stationing troops along the Afghanistan border to prevent incursions by Tajik refugee militias. Kazakhstan and Uzbekistan were pressured to deal with Moscow in the energy sector.

Though Russia agreed to closer military cooperation with NATO, President Yeltsin told the Budapest summit of the Conference on Security and Cooperation in Europe (CSCE) that NATO's eastward expansion would divide Europe. A member of the five-nation "Contact Group" on Bosnia, Moscow frequently supported the Serbs and dissented over NATO air strikes and related issues.

Political Rights and Civil Liberties: Russians have the means to change their government democratically. The 1993 constitution established a strong presidency, but decentralization and institutional checks put limits on executive authority.

All but one of nineteen judges for the Constitutional Court have been chosen. Legal reforms, however, are incomplete. A July 1993 law allows for the choice of a trial by jury for crimes such as treason, rape and murder in five oblasts. A controversial presidential anti-crime decree allowed detention of suspects for thirty days without charge, the search of premises and company books and accounts without a warrant, and the use of evidence obtained by phone-tapping and infiltration of criminal gangs.

In early 1994 an independent commission report claimed serious, widespread human rights violations, citing ethnic and religious discrimination (particularly against Caucasians and central Asians), labor exploitation, attacks on the media and on prisoners' rights. The Tel Aviv-based Women's Organization for Political Prisoners documented abuses, lack of medical care and torture at the Moscobiyeh Detention Center. There are labor camps run by North Korea in Siberia, where 15,000 Korean prisoners are routinely tortured and forced to work at logging.

A multitude of political parties and groupings, as well as nonpolitical civic, human rights, social, youth, cultural, and women's organizations, operate freely. Certain extremist groups were banned after the October 1993 crisis.

Although press freedom is guaranteed by law, in 1994 the media came under increased pressure from the government, particularly after the Chechnya crisis, and from organized crime. In Chechnya, Moscow's tactics ranged from warning journalists to leave Grozny to seizing of war footage. Troops fired on Western journalists and several were detained. Misinformation was disseminated by state-run media and progovernment newspapers, and President Yeltsin publicly claimed some parts of the mass media were supported by Chechen money. Nevertheless, even though many are state-funded, dailies as well as the weeklies reported candidly on events. In October, a journalist from *Moskovsky Komsomolets* was killed by a bomb before he was to testify to parliament about Russian troops illegally selling weapons while withdrawing from Germany. Journalists faced threats, beatings and shootings to discourage reporting on criminal activity.

In December President Yeltsin ordered the government to sell shares of Russia's largest state television and radio company, Ostankino, with 51 percent of the stock to remain in state hands. There are several independent TV and radio stations, as well as foreign cable broadcasts and satellite dishes in large cities.

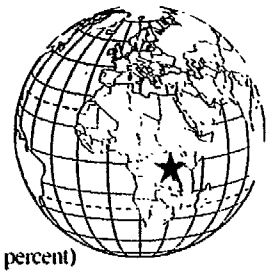
Freedom of religion is generally respected in this primarily Russian Orthodox country. There were reports of violence and intimidation directed at Evangelical Christians, especially in Muslim regions and southern Russia. Incidents of anti-Semitism were also reported, including a bombing attempt at Moscow's Chorale Synagogue.

While most restrictions on foreign and domestic travel have disappeared, freedom of movement is often circumscribed by "residency permits" and bureaucratic impediments. In September the Clinton administration announced Russia was in full compliance with emigration requirements to enable it to receive Most Favored Nation (MFN) trading status without seeking annual waivers.

Women are entitled to the same legal rights as men, and are well represented at many levels of the general economy. However, women face discrimination in such areas as equal pay and promotions. Women's groups have raised such issues as domestic violence and women's role in society.

The Federation of Independent Unions of Russia, a successor to the Soviet-era federation, claims 60 million members (estimates put the figure at 39 million). Newer, independent unions represent between 500,000 and 1 million workers, including seafarers, dockworkers, air traffic controllers, pilots and some coal miners. There were several strikes, including a walkout by coal miners in March.

Rwanda



Polity: Dominant party (military dominated)
Economy: Mixed statist
Population: 7,664,000
PPP: $680
Life Expectancy: 46.5
Ethnic Groups: Hutu (85 percent), Tutsi (14 percent), Twa (1 percent)
Political Rights: 7*
Civil Liberties: 7*
Status: Not Free
Ratings Change: *Rwanda's political rights rating changed from 6 to 7 and its civil liberties rating from 5 to 7 because of widespread genocide in 1994.

Overview:

With the murder of President Juvenal Habyarimana of the National Republican Movement for Democracy and Development (MRND) in April 1994, Rwanda plunged into a bitter and bloody ethnic war that has left an estimated 500,000 to one million dead. Up to 300,000 Rwandese fled for neighboring countries, with an estimated 2.5 million displaced within the country. Habyarimana, a Hutu, died in a suspicious plane crash along with Burundian President Melchior Ndadaye of the Burundi Front for Democracy (or FRODEBU), also a Hutu. As the world watched, ethnic cleansing and mass slaughter occurred on a massive scale. With no civil authority and with the country's infrastructure in ruins, the Rwandan civilian population continues to face death, starvation and displacement. Despite the enormity of need, the international community has remained complacent. Reluctant to call the mass killings that have taken place since April genocide (as to do so would compel the signatories to the Convention for the Prevention of Genocide to act), the international community has quietly witnessed the slaughter of over 500,000 men, women and children.

Against a background of ethnic division and tension between the majority Hutu population and the minority Tutsi population, Rwanda gained independence from Belgium in 1962. During the colonial period, the Tutsi were selected by the colonizers to administer the country. In exchange, the Tutsi elite were given educational and political opportunities denied to the Hutu. By the end of colonial rule, however, the tides had changed. Shortly before Rwanda gained independence, the Hutu seized government control. Fearing reprisals, a number of prominent Tutsi fled the country. Throughout the postcolonial period, ethnic division and violence continued to plague Rwanda. Beginning in 1962 until the late 1980s, continued ethnic violence caused thousands to flee Rwanda for neighboring countries. Most of the refugees were Tutsi fleeing ethnic violence and reprisals from the Hutu population.

Upon seizing control in a bloodless coup in 1973, Habyarimana promised to restore national unity. In the years that followed, however, Habyarimana's policies increasingly benefited the Hutu of his own region in northwest Rwanda. It was not until the late 1980s that the Rwandan government began the process of democratic reform. A poor economy coupled with internal dissent and pressure from foreign donors forced the Habyarimana regime to agree to political reforms that included the creation of a multiparty system.

The reforms coincided with an invasion by the Rwandan Patriotic Front (RPF) in October 1990. The RPF, comprised mostly of Tutsi with several Hutu leaders, claimed that their objective was to force the Rwandan government to allow thousands of refugees (most

torture and extrajudicial executions. In March 1994, Amnesty reported the execution of 500 civilians, all Hutu (including women and children), in the Kamenge district of Bujumbura. The killings were reportedly carried out by the Tutsi-dominated security forces. In May 1994, nine people, Hutus and Zairian nationals, were arrested by the security forces and have since disappeared. Also in May an additional twenty-eight residents of the Kamenge district were arrested by security forces during an operation to disarm the region. It is alleged that these detainees were subsequently subjected to torture. In June 1994, eighteen civil servants were arrested by security forces in the Karuzi and Gitega provinces of central Burundi. Reportedly, the men were subject to severe torture, and one of the detainees was close to death. In September 1994, Amnesty reported that thirteen men were executed extrajudicially by members of the security forces in Bujumbura, and an additional five men had reportedly disappeared after being arrested.

Burundi's media are not free and independent, and it remains unclear whether this will change under Ntibantunganya. Amnesty International has reported that one of those extrajudicially executed in September 1994 was a journalist. Burundians do not have access to an independent judicial system. During August 1994, Amnesty International asserted that the criminal justice system "has all but completely broken down."

In Burundi's fragile climate, it is unlikely that the new government will allow freedom of assembly or demonstration. Previously, while serving as interim leader, Ntibantunganya jailed opposition leader Mathias Hitimana, a Tutsi and leader of the PRP, after Hitimana allegedly called for a protest march through Bujumbura in March 1994. In demonstrations that followed his arrest, at least fifteen people were killed by security forces.

Cambodia

Polity: Monarchy, constituent assembly, and Khmer Rouge occupation
Economy: Statist
Population: 10,265,000
PPP: $1,250
Life Expectancy: 50.4
Ethnic Groups: Khmer (93 percent), Vietnamese (4 percent), Chinese (3 percent)
Trend Arrow: Growing lawlessness in the countryside and the government's authoritarian tendencies indicated a downward trend.

Political Rights: 4
Civil Liberties: 5
Status: Partly Free

Overview: Following a two-year, $2 billion United Nations operation that led to Cambodia's first free elections in May 1993, the country's human rights and security situation deteriorated sharply in 1994. Fighting continued between the army and Khmer Rouge guerrillas, the countryside reverted to lawlessness and the governing coalition, wracked by corruption and infighting, became increasingly authoritarian.

Cambodia achieved independence from France in 1953 under King Norodom

Sihanouk. The king abdicated in 1955, becoming Prince Sihanouk, to serve as head of government. In 1970 army general and prime minister Lon Nol ousted the prince in a bloodless coup. In April 1975 the Maoist Khmer Rouge overthrew Lon Nol's right-wing regime. Led by Pol Pot (Brother Number One), the Khmer Rouge ruthlessly emptied cities in a genocidal attempt at creating a classless agrarian society. More than one million Cambodians died through torture or starvation. Vietnam invaded in December 1978 and installed the Communist Kampuchean People's Revolutionary Party (KPRP), led largely by Khmer Rouge defectors.

In 1982 three anti-Vietnamese groups joined in an uneasy coalition to fight the government and the occupying Vietnamese. Led by Prince Sihanouk, the three groups were the Chinese-backed Khmer Rouge; the Prince's Sihanouk National Army; and the Khmer People's National Liberation Army, led by a former prime minister, Son Sann. Vietnam removed its last main contingents of troops in September 1989.

In 1991 several rounds of internationally supervised talks led to a peace accord signed in Paris on 23 October. Signatories included Prince Sihanouk, Son Sann, nominal Khmer Rouge leader Khieu Samphan, Cambodian prime minister Hun Sen, and representatives of eighteen countries. The Paris Accord called for a United Nations Transitional Authority in Cambodia (UNTAC) to run five key ministries in advance of national elections to be held in May 1993. To reduce the threat of armed conflict, UNTAC planned to place troops in temporary cantonments and return 70 percent of each of the armies' soldiers to civilian life.

In 1992 the process threatened to unravel as the Khmer Rouge continued fighting and refused to comply with the cantonment and demobilization phase of the peace process, claiming that Vietnamese soldiers and advisers remained in the country and controlled the government. The Khmer Rouge removed itself from the political process by ignoring the January 1993 deadline for party registration.

The 23-28 May election opened with some 22,000 UNTAC troops bracing for Khmer Rouge rocket and mortar attacks on polling stations. But throughout the vote, violence was minimal and random. An astonishing 89 percent of the 4.7 million registered voters cast ballots, and twenty political parties participated. Final results for the 120-seat National Assembly gave 58 seats to the royalist opposition United Front for an Independent, Neutral and Free Cambodia (FUNCINPEC), headed by Prince Sihanouk's son, Prince Norodom Ranariddh; the government's Cambodian People's Party (CPP), 51; Son Sann's Buddhist Liberal Democratic Party, 10; and Moulinaka, a FUNCINPEC offshoot, 1.

On 12 June Prince Norodom Chakrapong, another Sihanouk son and a CPP official, unexpectedly led a secession attempt in seven eastern provinces. The movement collapsed on 15 June, but it served notice to FUNCINPEC that it would have to share power with Hun Sen's CPP, which still carried substantial clout through the loyalty of thousands of soldiers and police, and its control of the country's administrative apparatus.

A compromise announced on 17 September made Prince Ranariddh first prime minister and Hun Sen second prime minister of a new government. The National Assembly adopted a constitution on 21 September that created a constitutional monarchy in which the king "reigns but does not rule," has the power to make governmental appointments after consultation with ministers, and can declare a state of emergency if the prime minister and cabinet agree. On 24 September

Sihanouk formally returned to the throne after thirty-eight years and ratified the constitution, having gained power without standing in any election.

In early February and March 1994 the newly integrated CPP-FUNCINPEC national army suffered a pair of humiliating defeats at the hands of the Khmer Rouge, taking the strategic northwestern towns of Anlong Veng and Pailin only to lose both to guerrilla counterattacks. As the guerrilla group increased its attacks on government positions in the western provinces of Battambang and Banteay Meanchey in the spring, some 55,000 civilians temporarily fled their homes to escape the fighting.

By the summer the fragile governing coalition appeared ready to unravel in the face of its impotence in confronting the Khmer Rouge. A new crisis erupted on 3 July as the government announced that it had foiled a coup attempt by Prince Norodom Chakrapong and senior general Sin Song. The failed coup led to fresh accusations that CPP hardliners permeated the governing coalition.

On 7 July Parliament overrode King Sihanouk's advice and passed a law outlawing the Khmer Rouge. Sihanouk and others had favored bringing the rebels into a unity government. The Khmer Rouge responded by declaring a Provisional Government based in the jungle. Meanwhile, throughout the summer Hun Sen's plan to investigate the aborted coup led to a widening interparty rift between himself and two powerful CPP leaders, National Assembly President Chea Sim and Deputy Premier Sar Kheng.

On 20 October the National Assembly approved a cabinet reshuffle, sacking Finance Minister Sam Rainsy, who had won international approval for his reformist policies but had made too many enemies within the government for his attacks on official corruption. Three days later Foreign Minister Prince Norodom Sirivuddh resigned to protest Rainsey's dismissal, meaning that the government had lost its two most competent and honest officials.

Political Rights and Civil Liberties:

Cambodians elected a new government in May 1993 in what was easily the freest vote in the country's history. Prior to the election, the U.N. registered 95 percent of the eligible voters, and repatriated most of the 370,000 refugees who had fled to Thai border camps during the civil war.

The Cambodian People's Party (CPP), nominally the junior member of the coalition government, effectively runs the country due to the numerically superior position of its soldiers in the newly integrated army and through its control of the police, the bureaucracy and the provincial governorships. The Khmer Rouge controls at least 15 percent of the country's territory, and citizens living in these areas are denied most basic rights. Villagers are frequently caught up in indiscriminate shelling by the both the government and the Khmer Rouge.

Outside of the capital, Phnom Penh, a state of lawlessness exists throughout most of the country. Soldiers from both the national army and the Khmer Rouge frequently rape women and are accused of summarily executing enemy prisoners. Government soldiers, often unpaid for months at a time, roam the countryside committing acts of banditry, extortion, widespread looting, forced conscription and illicit commerce. Khmer Rouge guerrillas use civilians for portering and frequently attack trains and kidnap civilians, including at least nine foreigners in 1994. Three Westerner[illegible]napped by the Khmer Rouge in July were later executed; overall the Khmer R[illegible]eportedly killed hundreds of civilians in 1994.

In August a confidential U.N. report surfaced detailing a campaign of terror by the army's B-2 intelligence units in northwestern Cambodia beginning prior to the May 1993 elections. The report implicated soldiers in widespread arrests, torture and extrajudicial executions, often while extorting money from merchants and traders. The report also identified a secret detention center in Cheu Kmao village in Battambang Province where, between August 1993 and May 1994, military intelligence officers reportedly executed at least thirty-five civilians.

Between November 1992 and the May 1993 election, UNTAC documented political killings of seventy-four opposition party members, carried out mostly by the CPP, with 126 others injured. Other estimates suggest a much higher figure, perhaps upwards of 200 party workers, along with sixty-five U.N. personnel.

Although political violence dropped off in 1994, the government appeared unable or unwilling to safeguard the wide range of rights guaranteed in the September 1993 constitution, particularly in the area of press freedom. In May the government suspended the newspaper *Sokal* (Universe) for publishing articles and cartoons critical of King Sihanouk and arrested Noun Nonn, editor of *Dom Ning Pei Prek* (Morning News), for an article suggesting that top Interior Ministry officials may have been involved in the recent coup attempt. On 7 September gunmen killed Nuon Chan, the editor of *Sam-leng Yuachun Khmer* (The Voice of Khmer Youth) who had criticized official corruption. At least two other journalists were killed during the year.

In November the government announced plans to introduce a press law that would impose prison terms of up to one year and a fine for writing an article considered defamatory, and up to three years and a fine for insulting the king. Parliamentary approval is expected.

Prior to its departure UNTAC revamped the country's legal system, but there is a severe shortage of judges, lawyers and court administrators, and due process rights are still inadequate. Overall the judiciary is not independent of the government. Prison conditions have reverted to the abysmal state they were in prior to UNTAC's arrival. Government officials routinely search homes without proper authorization.

A key human rights issue is the treatment of the country's Vietnamese minority. Many of the estimated 200,000-500,000 Vietnamese in Cambodia have roots in the country going back several generations, although perhaps half entered following Vietnam's 1978 invasion of Cambodia. Since the 1991 Paris Accord, Khmer Rouge guerrillas, in a blatant effort to tap nationalist sentiment, have massacred scores of Vietnamese living along the Tonle Sap Lake and the Mekong River, including more than forty villagers in 1994. Some 30,000 Vietnamese have fled to Vietnam. Some 6,000 others who tried to flee remain stranded on the border after Vietnam refused to let them in, while the Cambodian authorities refuse to allow them to return to their villages.

The September 1993 constitution extends human rights guarantees only to ethnic Khmer (Cambodian) people. In addition, an immigration law signed in September 1994 allows the government to summarily expel undocumented foreigners, and in the absence of a nationality law defining citizenship observers fear the new law will be used to arbitrarily expel ethnic Vietnamese.

In recent years there has been a noticeable increase in street children and child prostitution in Phnom Penh and other cities. Travel within much of t[illegible]untry is restricted by land mines and banditry, and the Khmer Rouge tightly [illegible]cts travel

in its areas. Trade unions and collective bargaining are guaranteed in the constitution, although in practice independent unions have not formed and collective bargaining is not practiced.

Cameroon

Polity: Dominant party (military-dominated)
Economy: Capitalist
Population: 13,132,000
PPP: $2,400
Life Expectancy: 55.3
Ethnic Groups: Adamawa, Bamiléké, Beti, Dzem, Fulani, Mandari, Shouwa, other—over 100 tribes and 24 languages

Political Rights: 6
Civil Liberties: 5
Status: Not Free

Overview: In 1994, anglophone and other opposition parties demanded that President Paul Biya's two-year-old government advance the constitutional reform process. Previous attempts to organize national conferences to address constitutional issues in 1993 had failed.

After President Biya legalized opposition parties and adopted democratic reforms, he and his ruling Cameroon People's Movement (CPDM) and the main opposition parties agreed in 1991 to hold multiparty parliamentary elections in the fall of 1992. However, Biya scheduled the elections for March 1992, leaving the opposition little time to prepare. Half of the registered parties participated; others, including the strongest opposition group, the Social Democratic Front (SDF), boycotted the elections. The SDF, under the leadership of John Fru Ndi, has its main base in the anglophone, western part of the country. With eighty-eight of the 180 legislative seats, the CPDM formed a coalition with the six elected members of the Democratic Movement for the Defense of the Republic (MDDR). The largely northern and Muslim National Union for Democracy and Progress (UNDP) won sixty-eight seats and formed the chief opposition. Although presidential elections were scheduled for mid-1993, President Biya set the date as 11 October 1992, leaving less than thirty days for campaigning.

According to official results, Biya received almost 40 percent of the vote, while John Fru Ndi, who represented a coalition of opposition groups called the Union of Forces for Change (UFC) received 35 percent. According to the opposition, international observers and even some members of government, the elections were fraudulent. In the ensuing dispute both Biya and Fru Ndi declared themselves winners. Faced with protests denouncing electoral irregularities, Biya declared a state of emergency in the opposition stronghold of western Cameroon, and placed Fru Ndi under house arrest.

Shortly after his election, Biya nominated the first anglophone prime minister, Simon Achidi Achu, from the same constituency as Fru Ndi. Because the powers of the prime minister were circumscribed, the opposition dismissed him as window dressing. Following his release from house arrest in January 1993, Fru Ndi demanded new presidential elections. He also distanced himself from separatist organizations calling for the independence of the anglophone provinces.

At the end of 1993 the government banned a press conference organized by Fru Ndi to evaluate Biya's performance. Thirty-two opposition activists and five reporters on their way to the conference were detained for two days. The government was allegedly offering money to nearly sixty leaders to enter into alliance with the CPDM. Fru Ndi dismissed the SDF secretary general, accusing him of having tried to approach the government for SDF participation in a government of national unity. On 9 January 1994, Jean Michel Tekam, the leader of the SDF, created a new opposition front open to the SDF in preparation against the incumbents in the next municipal elections. However, in October, sixteen opposition parties formed the Allied Front for Change (FAC) bringing together members of the former coalition of the UFC, including the SDF and Jean-Jacques Ekendi's Progressive Movement. On 15 October the FAC held a ghost city operation, shutting down all business, in major English-speaking towns to coerce the government into readopting a democratic timetable and decreasing privatization plans. They held a demonstration during which the police injured several people. The new coalition subsequently held another demonstration in which six SDF members were arrested and released six days later.

The authorities also banned a conference organized by the Cameroon Anglophone Movement (CAM), later renamed the Southern Cameroon People's Conference, which advocates a two-state federation between the majority francophones and the minority anglophones. From 29 April to 2 May at the second All-Anglophone Conference, a final document called the Bamenda Proclamation called for an Anglophone federated state within a federal republic. However, not all anglophone parties advocate this solution. Union of Populations of Cameroon leader Ndeh Ntumazah advocates a decentralized form of government with an elected governor for each of the ten provinces.

In July, for the second time in two years, the government postponed municipal elections on the grounds that it needed more time to reorganize constituency boundaries and that the Nigerian occupation of the Bakassi Peninsula would prevent a complete poll from taking place.

The following month, Biya demoted Joseph Owona from secretary general of the presidency to health minister. The demotion took away Owona's responsibility for constitutional reform and delayed reform. The Consultative Constitutional Review Committee (CCRC) began deliberations on 15 December. The opposition boycotted the debate, claiming it was excluded from drawing up the agenda and some of its members were not selected to participate in the committee.

A border dispute with Nigeria over the oil-rich Bakassi Island intensified because Cameroon applied to the International Court of Justice, claiming other parts of Nigeria. On 22 March violent clashes between the Choa Arab and the Kotoko communities in the north forced over 200 people to flee to Chad. Ten Cameroonian soldiers were killed in mid-September during clashes with Nigeran soldiers.

Cameroon suffered the impact of the devaluation of the franc CFA by half in January 1994. Some 150 teachers were dismissed for demanding better salaries to make up for the consequent loss of buying power.

Political Rights and Civil Liberties: The citizens of Cameroon have not been able to change their government democratically. Despite two elections, the country continues to be ruled by the CPDM, the former

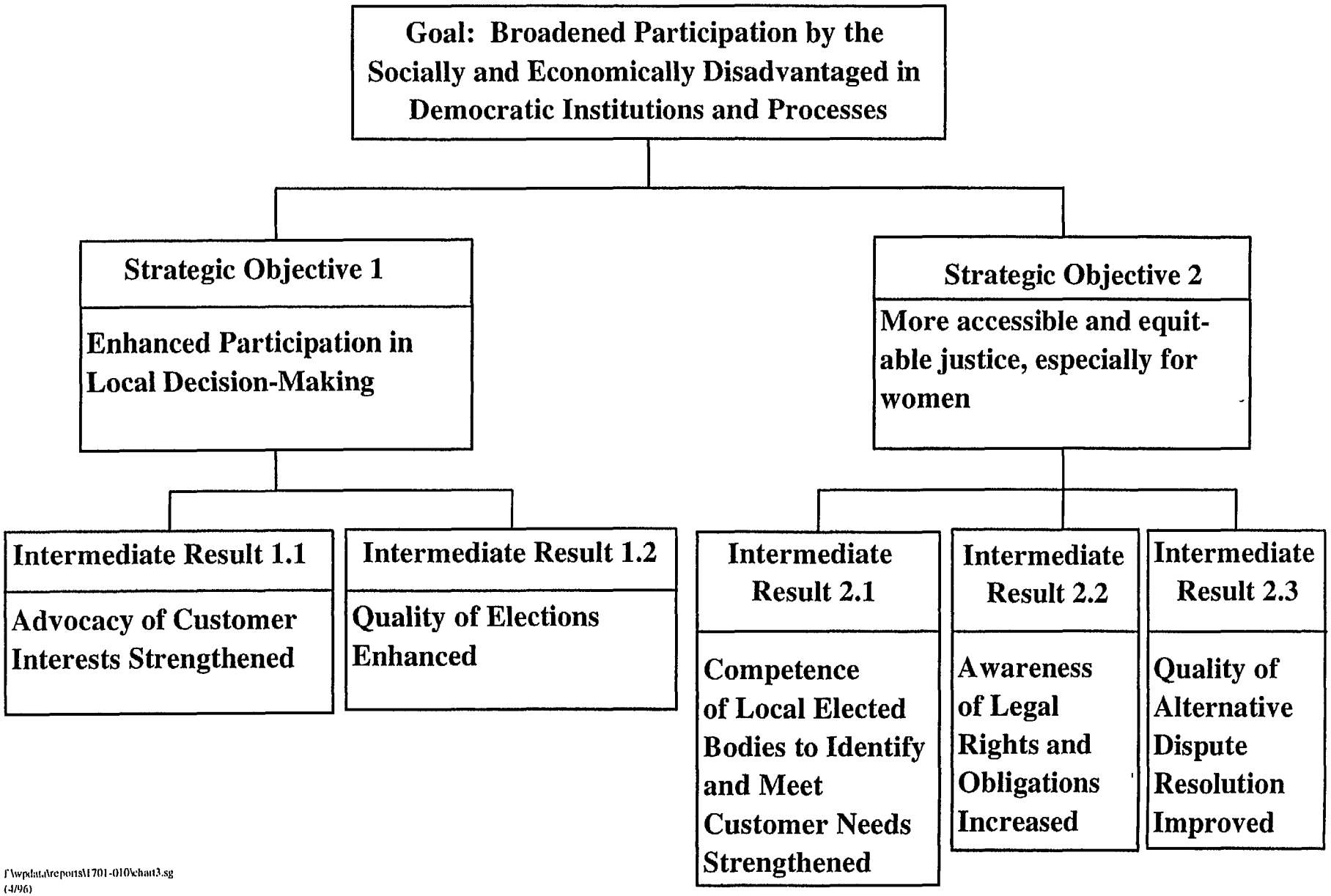
STRATEGIC OBJECTIVES AND PROGRAM OUTCOMES	RATIONALE, ASSUMPTIONS AND INDICATORS
PO 1.2: Quality of elections enhanced	**Rationale:** Participation in local elections is extremely important to our customers. They believe they have a right to choose representatives responsive to their needs, but are not always able to do so for a variety of reasons, including electoral fraud, lack of information about the electoral process, and the marginalization of women and other disadvantaged groups in the political process. This program outcome will promote meaningful political participation through activities that include voter education to ensure that customers understand polling procedures, their voting rights, and the standards to which they should hold political actors accountable; increased understanding on the part of electoral officials and candidates of their responsibilities and authorities; and mechanisms to ensure the freedom and fairness of elections. Special attention will be given to activities that include women more fully in the electoral process. **Indicators:** (1) Increased voter awareness; (2) Quality of election administration improved; (3) Customer confidence in the electoral process increased. **Key Assumptions:** (1) Government and opposition support the principles of free and fair elections; (2) Central government provides necessary resources for the administration of elections.

STRATEGIC OBJECTIVES AND PROGRAM OUTCOMES	RATIONALE, ASSUMPTIONS AND INDICATORS
PO 1.3: Competence of local elected bodies to identify and meet customer needs strengthened	**Rationale:** As the frontline of representative government, local elected bodies are the most immediate democratic institution affecting our customers, particularly those living in rural areas. While attaching great importance to local elected bodies, our customers almost universally express disappointment in their performance. Due to traditional attitudes as well as a lack of effective mechanisms, local elected bodies consult infrequently with their constituents. In general, customers criticize a lack of transparency. Many women customers recommend increased participation by women, who should be competent, honest, and well-trained. Activities under this program outcome focus on ways to enable local elected bodies to be informed about and more responsive to customers' interests (for example, through broadening awareness among elected officials of their roles and responsibilities, establishing fora for constituent relations, and encouraging systems for transparency and accountability). Activities will be coordinated with other donor efforts to improve general skills and better equip and broaden the resource base available to local government. Another area of great potential for expanding customers' direct political participation is encouragement of more female candidates for local office. **Indicators:** (1) Number of local elected bodies (LEBs) in target areas using "best practices" increased; (2) Number of women LEB members/chairpersons who say they more effectively represent customer interests increased; (3) Customer satisfaction with performance of LEBs increased. **Key Assumptions:** (1) Authority of local elected bodies is not decreased; (2) Customers continue to identify union parishads as most important (i.e. the democratic institution of greatest relevance to their lives).

STRATEGIC OBJECTIVES AND PROGRAM OUTCOMES	RATIONALE, ASSUMPTIONS AND INDICATORS
SO 2: More accessible and equitable justice, especially for women	**Rationale:** For democratic institutions and processes to work as intended, the rights of the socially and economically disadvantaged, especially women, must be recognized, and avenues of equitable justice must be open to them. Our customers lack adequate knowledge of their legal rights, and limited incomes prevent many from seeking legal redress through the formal justice system. Furthermore, the formal system is constrained by case backlog and is widely perceived by the poor to be unresponsive to their needs. These problems are especially acute for women, who are subject to social restrictions and male dominance in the family that limit their ability to seek outside assistance. Program outcomes under this strategic objective encompass ways to spread understanding and respect for the rights of the socially and economically disadvantaged, and to broaden the availability and use of local channels to resolve disputes fairly. **Indicators:** (1) Number of women alternative dispute resolution (ADR) clients in target areas increased; (2) Number of women serving on ADR panels increased; (3) Customer confidence in their access to equitable justice increased. **Key Assumptions:** Governing bodies are committed to the rule of law.
PO 2.1: Awareness of legal rights and obligations increased	**Rationale:** Both men and women customers confirm the immediate importance to them of enhanced knowledge of legal rights in order to prevent injustice. Women especially are deprived of equal protection under the law, with isolation, illiteracy, and traditional attitudes constraining popular knowledge of legal rights. Such understanding is essential to identification and enforcement of rights, and to positive change in family and community attitudes regarding the rights of poor women and the poor in general. Informal education on human rights and legal affairs is a powerful tool to enhance awareness of legal rights -- not only among women and other poor citizens, but also among the elite -- and to build customer confidence to demand equitable enforcement. **Indicators:** (1) Number of adults reached by effective legal awareness programs increased; (2) Number of local elites and opinion leaders reached by legal awareness programs increased; (3) Number of marriages registered in target communities increased. **Key Assumptions:** Laws continue to prescribe minimal legal rights and obligations for the socially and economically disadvantaged, especially women.

STRATEGIC OBJECTIVES AND PROGRAM OUTCOMES	RATIONALE, ASSUMPTIONS AND INDICATORS
PO 2.2: Quality of alternative dispute resolution improved	**Rationale:** Our customers prefer to keep the dispute resolution process as close to home as possible. At present the most common recourse for resolution of local disputes is the traditional village *shalish*, in which a council of elders and opinion leaders sits in judgement. Alternative dispute resolution also takes place through union parishads, and in some communities through the auspices of NGOs, either working independently or in conjunction with the village *shalish*. Our customers have little confidence in, or access to, the formal legal system. They would like alternative means of dispute resolution to be strengthened and, especially for women, made more equitable. Realistic possibilities of early reform of the court system are remote, thus making alternative dispute resolution even more important for the disadvantaged. In addition, alternative dispute resolution is more affordable and more likely to be based on mutual consent. While alternative means of dispute resolution are accepted as apropriate for most poor peoples' disputes, most customers criticize the shalish as being biased, as well as ill-informed on the law and procedures. There is a feeling that the rich win over the poor, especially in cases involving property, and that women are consistently discriminated against in cases of family law. Activities under this program outcome will help make dipute resolution through the village *shalish* more equitable and effective. Attention will also be given to improving the quality of dispute resolution conducted through union parishads. **Indicators:** (1) Number of shalishes using improved ADR techniques increased; (2) Number of village courts (LEBs) using improved ADR techniques increased; (3) In target communities, percentage of ADR settlements reopened decreased. **Key Assumptions:** Local elites and opinion leaders permit alternative dispute resolution in their communities.

BANGLADESH RESULTS FRAMEWORK



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Activities Packages
Master List

Goal: Broadened Participation by the Socially and Economically Disadvantaged in Democratic Institutions and Processes

Strategic Objective 1: Enhanced Participation in Local Decision Making

Intermediate Result 1.1.: Advocacy of Customer Interests Strengthened

Activities Package 1.1.1. ***Role of Associations in Advocating Customer Interests Strengthened***

Activity 1.1.1.1. *Identify and Support Innovative Advocacy by Associations*

Activity 1.1.1.2. *Broader Replication of Best Practices*

Activities Package 1.1.2. ***Advocacy Groups Ability to Identify and Represent Customer Interests Strengthened***

Activity 1.1.2.1. *Identify and Support Advocacy Efforts (especially at sub-national levels)*

Activity 1.1.2.2. *Networking Among Advocacy Groups*

Activity 1.1.2.3. *Public Interest Litigation*

Intermediate Result 1.2.: Quality of Elections Enhanced

Activities Package 1.2.1.

Activity 1.2.1.1. *Increase Voter Awareness of Electoral Process, Issues, and Voting Rights*

Activity 1.2.1.2. *Strengthen Election Administration and Monitoring*

Intermediate Result 1.3.: Competence of Local Elected Bodies to Identify and Meet Customer Needs Strengthened

Activities
Package 1.3.1. ***LEB-Customer Relations and Transparency Improved***

Activity 1.3.1.1. *Identify and Support Innovative Customer-LEB Interactions*

Activity 1.3.1.2. *Broader Replication of Best Practices*

Activity 1.3.1.3. *Policy Dialogue on the Role of LEBs*

Activities
Package 1.3.2. ***Women's Representation in LEBs Increased***

Activity 1.3.2.1. *Increase Effectiveness of Existing Members*

Activity 1.3.2.2. *Support Women's Candidacy to Directly-Elected Seats*

Strategic Objective 2: More Accessible and Equitable Justice, Especially for Women

Intermediate Result 2.1.: Awareness of Legal Rights and Obligations Increased

Activities
Package 2.1.1

Activity 2.1.1.1. *Promoting Legal Awareness Programs with the Broadest Possible Outreach*

Activity 2.1.1.2. *Support to Legal Awareness Activities that Target Elites, Opinion Leaders, and Men*

Intermediate Result 2.2.: Quality of Alternative Dispute Resolution Improved

Activities
Package 2.2.1

Activity 2.2.1.1. *Improve ADR Practices of Shalish*

Activity 2.2.1.2. *Improve ADR Practices of Local Elected Bodies*

Country and S.O. Discussions: Bangladesh

Materials providing an explanation of customer surveys and how to conduct them are available from PPC.

The Democracy Needs of USAID/Bangladesh's Customers

A Report of the USAID/Bangladesh "D Team"

May 2, 1995

Introduction

This report provides the results of a rapid appraisal to determine the democracy needs of USAID/Bangladesh's ultimate customers, the socially and economically deprived. Field work, conducted in April 1995, was undertaken by a team of USAID/Bangladesh staff fluent in Bangla, the local language. This team included 20 interviewers, eleven men and nine women, with diverse educational and professional backgrounds. The team benefitted from intensive training in rapid appraisal methodology (including field tests) and team building exercises immediately prior to their work. This training was provided by a skilled anthropologist from USAID/Washington.

The field work was conducted in three weekly rounds. During each week, four teams of four members traveled to different areas of the country. Each team of four was composed of two pairs, one female and one male pair. Each week, each pair conducted about five group interviews (with an average of ten interviewees per group) and three individual interviews. Female pairs interviewed females and male pairs interviewed males. The sample was purposive, in order to capture age and occupational variation and include different ethnic and religious groups. On the whole, about one-third of the respondents were based in urban slums; the remainder were from rural villages. Geographic coverage was broad and touched the country's five divisions.

The methodology specifically called for the full team (all 20 interviewers) to meet at the end of the week to compare their experiences and discuss and distill their most significant findings. In each subsequent week, the team's discussions were more intensive, in order to clarify, give more depth to, and validate previous weeks' findings.

The following synopsis, divided into the categories of associations, local government, justice, elections, information, and governance, represents the team's conclusions on its overall findings.

Associations

* Membership in associations gives women self-confidence, leadership, unity among themselves, a more disciplined life, and a sense of community responsibility. It also leads to

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greater voice and participation in group affairs, and greater respect and influence in community and family decision making. Women want and need access to associations, and want information on how to join and participate in them. Women are more likely to get their rights within the family if they participate in an association (this is due in part to the increase in earning power which comes with association membership, and which brings greater respect from husbands). Associations can teach women about their rights, including family rights; women want and need greater awareness of these rights. Associations can also directly help resolve disputes for women members (as well as for non-members in a community). Some associations are very small and localized, while others are regional or national. Associations must be accountable and operate on democratic principles; accountability problems are more acute with small, inexperienced groups.

* Associations are not as common among men as among women. Men generally see the reasons for this as a lack of mutual trust and fewer opportunities to join well-organized and effective associations. But associations are benefitting some men directly (as members) and many others as a result of their wives' memberships. Men are convinced of their economic benefits and also see associations as an alternate way (vs. wealth or the access to elected officials that it brings) to have influence over local decision making. Most support them and support their wives' participation in them, but some oppose them on religious grounds or because of the independence they give to women.

* Although most NGO programs and associations are formed for economic reasons, they are having an impact which goes beyond their economic function, e.g. an impact on greater participation by poor women and by the poor in general in decisions that affect them. Urban areas are relatively less covered by NGO programs and associations. There is a large unmet demand for increased opportunities to join associations among both men and women. For women, accessibility (e.g. a nearby location) is particularly important. There may be a need for some NGO programs and associations which are established specifically to meet democracy needs.

Local Government

* There is a pervasive sense of frustration about the performance of local officials, both elected and administrative. Poor people, particularly poor women, have little access to local government. People are courted during the elections and neglected afterwards. The general

consensus among both men and women is that the system is corrupt [Bangla, "chor"]. "The system is controlled by dishonest people." Chairmen and local officials "take what should go to the people," for example, by selling relief goods or using them for political favors. Local elected officials are not perceived as responsive to peoples' needs. The problem is felt directly as one of unfair, biased distribution of limited resources, in which the poor are unlikely to benefit from national programs intended to reach them. Some feel that the resource allocation function should be taken away from government officials and that resources from the national level should be allocated to private groups (e.g. local village, NGO, or international organization) for distribution to the beneficiaries.

* Both men and women feel the need to elect good leaders but see a problem in getting good candidates since corruption is systemic. As they put it, the corruption in the system tends to corrupt the elected -- "whoever comes to power, they are changed." People want the systemic problem of corruption to be addressed, and the system to work for them. A repeated concern is the need for there to be some kind of monitoring system that ensures transparency and downward accountability from the "system" to the end user, and that tracks who actually gets resources. People want their representatives to consult with them on development programs and to provide them with information on the programs (such as Food for Education) that affect them. All are more concerned with local government than national politics or government.

Justice

* Access to justice for both men and women is obtained first, through local (traditional, informal) means, then (if the problem is not resolved) through local government leaders, and then (if the problem is not resolved) through the courts. By far, most disputes are resolved through traditional, informal means. The poor feel that they are always disadvantaged (in terms of access and impartiality) in disputes with those who are more well-off. Also, almost universally they feel that the likelihood of corruption and bias against them increases as the level of dispute resolution increases; that is, local government and formal court (thana level) dispute resolution is progressively more problematic and unfair. In the courts, justice is obtained by political influence and/or bought by those who can afford it. Many men agree that women are less likely to obtain justice in a dispute than men.

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* Local, informal dispute resolution is strongly preferred and needs strengthening. But, many have pointed out that such strengthening has to be done outside of formal government channels, as involving the government in the process would threaten its integrity. Some would also like the union council to be strengthened to do a better job at dispute resolution.

* Women feel the need for education on their legal rights, especially rights in marriage and divorce and rights within the family, and are more likely to view problems of justice from the vantage point of family justice. Such education can be provided through associations. Men also need better awareness of women's rights.

* Women and men want specific assistance in helping to solve the problems of dowry payments in marriage, which men agree harms the poor financially and creates severe family problems. Government prohibitions on the practice are not enforceable, given the ineffective legal system, and the practice is flourishing. Mass media to educate both women and men would be one step toward women's desire to eliminate the practice.

Elections

* There is a widespread sense that the 1991 national elections were free and fair, and that in general there has been progress in the electoral process since them. However, there are still a lot of problems, including election violence and fraud. Poor people believe it is important to vote, but feel tremendous pressures to vote for particular candidates. This is true for all levels of elections. Men are pressured by party representatives, politicians, the well-off, family members; women are pressured by their husbands and by other women. Many if not most women want to be able to vote independently of their husbands, and want more information on candidates as a basis for making their own choice in voting. Voter education can help to increase voter independence and reduce biases in voting.

* There is a general perception that qualified, honest people rarely compete in local elections, and that when they do compete they are unlikely to win. And, there is some awareness that by selling their vote, people participate in a corrupt system. There is a sense of frustration with the voting process but also a belief that education on their voting rights will lead to an improvement in it and result in selection of good leaders by the voters. One suggestion was that elections of local officials be held more frequently. Another was for training for elected officials

on their responsibilities to citizens. Some suggested the need for minimum educational qualifications for local candidates, while others pointed out the need for existing rules on election expenditures to be enforced. Many suggested the need for systems to deter electoral fraud, e.g. ID cards. People ultimately believe strongly in voting as their basic right and want a transparent, free and fair system: "the public is the power." Democracy is defined as the ability to freely elect leaders who are responsive to their needs.

* There is a widespread sense among women that local government would be more responsive to them if there were more women members of the union parishad (UP) and more women who were elected as "chairmen" of the UPs. This would be of particular use in dispute resolution, as women would be more accessible to other women (women do not normally approach male officials). This view, and a belief that women have a higher sense of social responsibility and are less likely to be corrupt, is supported by many men, who also feel that a capable female representative will be respected by men. But it is difficult for women to run for office, because of lack of education, social norms, inadequate financing, and restrictions by male family members.

Information

* There is a strong demand for information and education on all aspects of democracy and legal rights and a belief that, through learning, people will be more able to make good decisions, influence local processes, and think of solutions to problems. This includes reaching young girls and boys in school, providing such education in the context of literacy training, targeting the poor with special sessions (for women through associations or for men through night schools), and mass media (radio and television).

Governance and Democracy

* USAID's ultimate customers believe government plays a major role in their lives. They believe that it, personalized through the Prime Minister, has responsibilities towards them, and they towards it. They expect government to keep the prices of major consumer goods including rice and fertilizer at a level ordinary people can afford. They expect it to be fair and equitable in the distribution of public resources including food aid and in the administration of justice. In turn, they believe they should vote for their elected representatives in a responsible manner, but believe they are not always able to do so for a variety of reasons including poverty and a lack

of information. They believe government should be composed of good people who will treat them fairly and honestly. "We are poor and illiterate; we need an honest person to help/guide us."

* Local government units, the Union Parishad and, particularly, the Union Parishad Chairmen, are seen as having the most direct impact on people's lives, because they are the first-line implementors of national programs, policies and laws. This impact has often been negative. Our customers would like to see concrete improvements in the effectiveness of local government institutions; this effectiveness would be demonstrated in terms of access (hearing their needs), performance (visible and fair attempts to meet their needs) and transparency.

Peru

Polity: Presidential-military (insurgencies)
Economy: Capitalist-statist
Population: 22,914,000
PPP: $3,110
Life Expectancy: 63.6
Ethnic Groups: Complex. Indian of Inca descent (45 percent), Caucasian (10 percent). and mixed (45 percent)
Political Rights: 5
Civil Liberties: 4*
Status: Partly Free
Ratings Change: *Peru's civil liberties rating changed from 5 to 4 as a result of the weakening of guerrilla groups and fewer terrorist attacks.

Overview:

President Alberto Fujimori deployed the military and state intelligence. the principal pillars of his regime. in an effort to steamroll opposition candidates, including former United Nations secretary general Javier Perez de Cuellar. in the presidential elections scheduled for 9 April 1995.

Since gaining independence in 1821 Peru has been marked by periods of civilian and military rule. After twelve years of military dictatorship (1968-80) civilian rule was restored with the enactment of a democratic constitution and the election of conservative President Fernando Belaunde in 1980. Alan Garcia of the center-left American Popular Revolutionary Alliance (APRA) was the elected president in 1985-90.

In the 1990 election Fujimori. an obscure agricultural engineer and son of Japanese immigrants. defeated novelist Mario Vargas Llosa by projecting himself as a political outsider. Lacking an organized political party. Fujimori turned to the military to shore up his government. By early 1992 the normally feckless Congress was uniting against his authoritarian style. the Maoist Shining Path guerrillas were mounting a concerted attack on urban centers and the 120.000-man army seemed overmatched.

On 5 April 1992 Fujimori, backed by the military. suspended the constitution. dissolved the Congress and took control of the judiciary. The self-coup was popular because of people's disdain for Peru's corrupt, elitist political establishment. their fear of the Shining Path. and because Fujimori had ended hyper-inflation.

Fujimori's self-coup was orchestrated by Vladimiro Montesinos. the *de facto* head of the National Intelligence Service (SIN), who engineered the support of the military. Montesinos. a cashiered army officer and lawyer. specialized in defending drug traffickers prior to becoming Fujimori's chief advisor in 1989. The U.S. and other industrialized democracies suspended aid and the Organization of America States (OAS) demanded the restoration of democratic rule.

In November 1992 Fujimori held a state-controlled election for an eighty-member constituent assembly to replace the Congress. His patchwork New Majority-Change 90 coalition won forty-four seats and Fujimori stated that the exercise was "the formalization of the 5th of April."

In 1993 the assembly drafted a constitution that. in effect. ratified Fujimori's authoritarian rule. It was narrowly approved in a state-controlled referendum and

enacted at the end of 1993. The process was inherently unfair as Fujimori drew heavily on state resources and the military for a massive "yes" campaign. He made great propaganda use of the 1992 capture of Shining Path leader Abimael Guzman.

Fujimori's political acrobatics assuaged the U.S. and the OAS and Peru was reinserted into the international financial community, which was enamored of Fujimori's economic liberalization.

By mid-1994 polls showed Perez de Cuellar, who vowed to end the Fujimori "dictatorship," running close behind Fujimori. Fujimori responded with a massive nationwide public-spending campaign that utilized all the resources of the state and was supported by the military. The SIN was employed to spy on and discredit the campaigns of Perez de Cuellar and another promising candidate, Alejandro Toledo, a mestizo and internationally trained economist.

By the end of 1994 Fujimori's poll ratings remained at around 45 percent, but Perez de Cuellar had dropped to 20 percent or less. Fujimori also seemed to benefit from the steady decline of the Shining Path since the capture of Guzman. Nonetheless, polls showed an increase in undecideds and local analysts recalled that Peru's notoriously volatile electorate had suddenly turned against Vargas Llosa, who in 1990 had been the clear front-runner only months before the vote.

Fujimori also clashed with his wife, Susana Higuchi. After she criticized his government for alleged corruption, he "fired" her as First Lady. She moved out of the presidential palace and announced she would run against him. When the electoral commission disqualified her for lacking the required number of valid signatures, she charged that the computer list of her newly formed Harmony 21st Century party had been tampered with by the SIN. In December she announced her candidacy for congress and said that she would seek to divorce Fujimori. Her political impact, however, seemed to hinge on whether she could offer proof of alleged official corruption.

Political Rights and Civil Liberties: The Fujimori government is a presidential-military regime dressed in the trappings of formal democracy. The military functions virtually as the president's political party. Military commander Gen. Nicolas Hermoza has remained in his post for over three years even though he has surpassed the age for active duty. Management of the congress and the political landscape is conducted through the National Intelligence Service (SIN), unofficially headed by Fujimori's top aide, Vladimiro Montesinos.

Under the constitution installed in December 1993 the president can rule virtually by decree. In the event of a "grave conflict" between the executive and the legislature, the president can dissolve the congress, as Fujimori did in 1992. The constitution overturned Peru's tradition of no reelection and Fujimori's legal aides say he can stay in power until 2005, because his election in 1995 would mark his first term under the new constitution.

The old bicameral legislature was replaced by an elected unicameral Congress. Municipal governments are still elected, but the former system of semi-autonomous regions governed by elected bodies was abolished in favor of virtual military administration in the nation's twelve administrative areas.

The national election commission was purged in 1992 and brought under the control of the executive. The coalition of political parties and civic groups that

campaigned against the constitution in 1993 were subject to threats and physical intimidation by the military and the SIN.

In 1994 a new, nominally independent election commission was named and it agreed to cooperate with international observers. But the commission's attempts to limit the overwhelming advantages of the presidential-military regime in the 1994-95 campaign were mostly blocked by the regime-controlled Congress. Also, the government limited the commission's budget. That meant the electoral authorities would continue to depend on the military, which traditionally has carried out the electoral legwork—including the distribution and retrieval of ballots—and conducted oversight of polling stations. There was also evidence that the military, which is barred from voting, had come into possession of an undetermined number of voter registration cards, and that the SIN was being used to spy on and sabotage opposition party campaigns.

Fujimori shut down the judicial system in 1992, overhauled it and in effect made it an arm of the executive. Files on military corruption and its involvement in drug-trafficking were removed from the courts.

Under international pressure the government implemented judicial reforms in 1994 and a new Supreme Court was named. But the independence of the judiciary remained suspect, and events earlier in the year involving the "La Cantuta" case indicated the regime remained ready to override any legal or constitutional norms when its interests were at stake.

In 1993 the government systematically tried to cover up the murders of nine students and a professor abducted from La Cantuta University in 1992. Documents leaked to opposition legislators from within the military indicated they were killed by a military death squad with the knowledge and approval of the military high command and the SIN. Under international pressure, a handful of mid-ranking officers and soldiers were arrested and charged in a civilian court. Previously, all rights abuses involving the military were handled by military courts which generally exonerated officers and soldiers.

In February 1994 the government overrode the constitution when Fujimori and the Congress pressured the Supreme Court to divert the Cantuta case to a closed military tribunal. The result was a rapid, scapegoat sentencing of the accused and impunity for Gen. Hermoza and Montesinos and their respective institutions.

Moreover, a draconian anti-terrorist law decreed in 1992 remained in effect in 1994. It practically eliminated judicial guarantees, substituting a system of military tribunals with anonymous judges installed to try alleged guerrillas. Defense lawyers are not allowed to call witnesses, government witnesses are unidentified, and sentences are handed down within hours. In 1994 there were continued reports of torture by police and prison guards. Amnesty International said there were at least two hundred prisoners of conscience in 1994, in addition to nearly 4,000 prisoners jailed under the anti-terrorism law.

The summary-trial system is probably a factor in the reduced number of disappearances (from nearly 200 in 1992 to a dozen or so in 1994) because it performs virtually the same function as physical elimination.

Peru's human rights groups calculate that since 1993 more than 15,000 people have been arrested, with hundreds receiving life sentences for alleged terrorist activities. The office of Public Defender called for by the constitution to protect

constitutional rights had yet to be established by the Congress at the end of 1994.

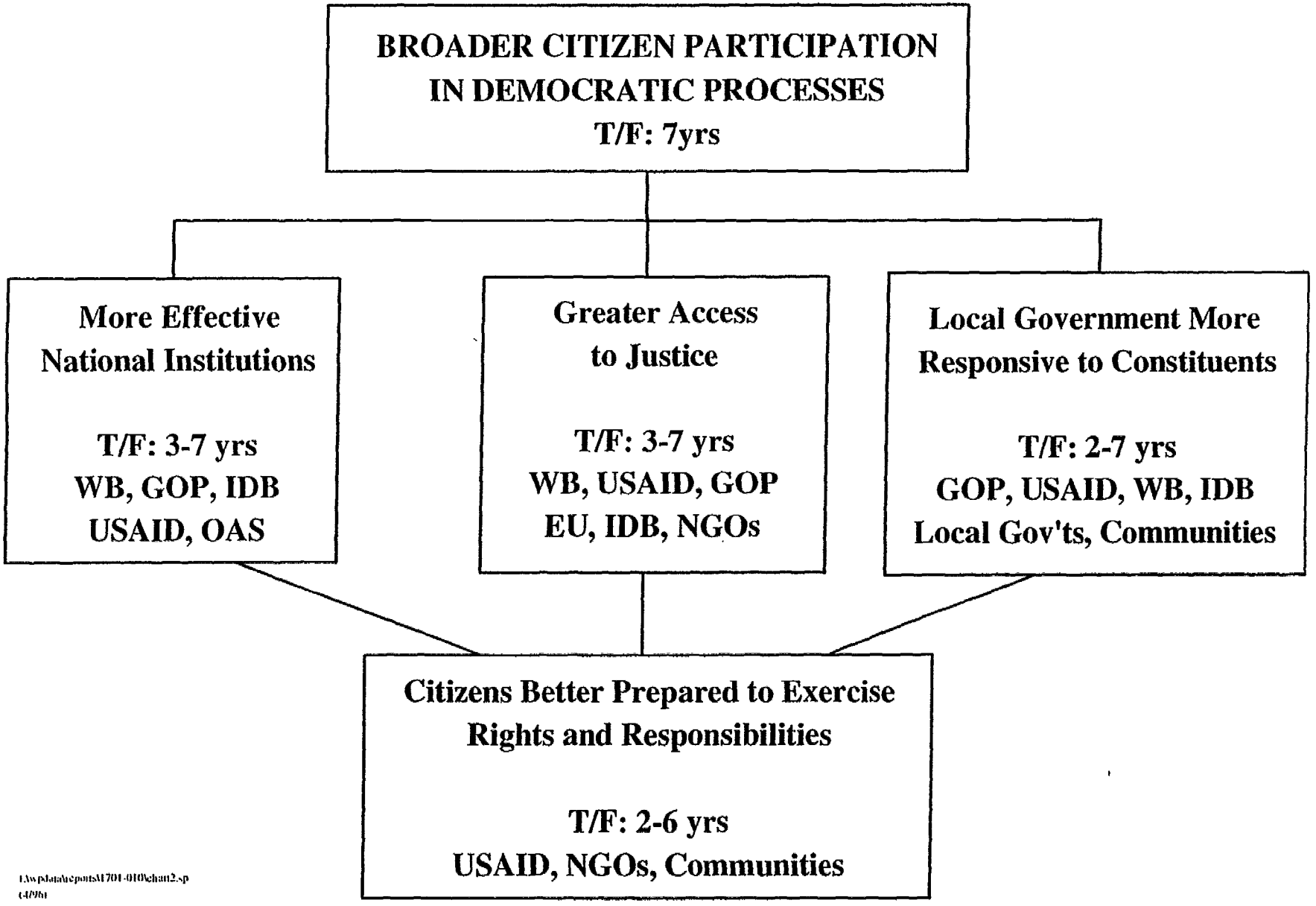
While the government and the military respond to international criticism with commitments to improving respect for human rights, they assail Peru's human rights groups as apologists for the Shining Path, even though rights groups duly report guerrilla violations. Rights activists in 1994 continued to be subject to anonymous threats and violent intimidation by security forces.

The weakening of the Shining Path since the capture of its leader in 1992 has led to a sharp reduction in political violence. Local analysts gauged that guerrilla actions decreased in 1994 by at least 70 percent. The climate of terror that reigned throughout the country for years diminished significantly, particularly in the cities. Nonetheless, a state of emergency remained in place for over half the population.

A new labor code restricts collective bargaining rights and authorizes the government to break up any strike it deems to be endangering a company, an industry, or the public sector. Labor leaders who oppose privatizing state industries are subject to jail sentences of up to six years. In 1994 labor leaders who went to the United States to criticize the government's failure to comply with international labor standards were called "traitors to the state" by government officials and threatened with imprisonment. Labor activists remain targets of the Shining Path but to a lesser degree than in recent years. Forced labor, including that of children, is prevalent in the gold-mining regions of the Amazon.

The press is largely private. Radio and television are both private and public. State-owned media are blatantly progovernment. Since 1992 many media and journalists have been pressured into self-censorship or exile by a broad government campaign of intimidation—death threats, libel suits, withholding of advertising, police harassment, arbitrary detentions and physical mistreatment. Since 1993, between fifteen and thirty journalists have been in jail at any one time, many of them in the provinces, most of them charged with "apology for terrorism."

PERU RESULTS FRAMEWORK



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Freedom in the World
1994-1995

New York: Freedom House, 1995.

Bangladesh

Polity: Parliamentary democracy
Economy: Capitalist-statist
Population: 116,602,000
PPP: $1,160
Life Expectancy: 52.2
Ethnic Groups: Bengali (98 percent), Bihari (1 percent), various tribal groups (1 percent)

Political Rights: 2
Civil Liberties: 4
Status: Partly Free

Overview: In December 1994, following a ten month walkout by opposition lawmakers, Bangladesh Prime Minister Khaleda Zia agreed to resign one month before elections due by February 1996.

Bangladesh won independence in December 1971 after India invaded then-East Pakistan and defeated the occupying west Pakistani troops. In its short history two political leaders have been assassinated, and there have been nineteen coup attempts and two successful military takeovers. The last, in March 1982, brought army Chief-of-Staff Gen. H.M. Ershad to power. The country's democratic transition began with Ershad's resignation on 6 December 1990, following weeks of intense pro-democracy demonstrations.

Bangladesh's freest ever elections were held on 27 February 1991 for the 300 directly elected seats in the 330-member National Assembly. (Thirty seats are reserved for women.) The contest centered on two dominant personalities: the Bangladesh National Party's (BNP) Khaleda Zia, widow of assassinated president Ziaur Rahman, and the secular Awami League's Sheik Hasina, daughter of assassinated independence premier Sheik Mujibar Rahman. The BNP took 138 seats; the Awami League, 89; the jailed Ershad's Jatiya (National) Party, 35; the fundamentalist Islamic League, 19; the remainder split among smaller parties and independents. The Islamic League threw its support behind the BNP, enabling it to name twenty-eight of the thirty women's seats and secure a parliamentary majority. In March, BNP leader Zia became the country's first female prime minister.

In September 1991 a referendum on scrapping the presidential system in favor of a parliamentary democracy won 84 percent approval. Parliament subsequently reappointed Zia as head of government with executive powers, and approved the BNP-nominated Abdur Rahman Biswas for the new, largely ceremonial presidency.

Since Zia took office Bangladeshi politics has been dominated by the intense, personal rivalry between herself and Sheik Hasina. From the outset Hasina attempted to undermine the government by criticizing its tacit alliance with the fundamentalist Islamic League and its controversial leader, Golam Azam, considered by many Bangladeshis to be a traitor for having supported Pakistan during the 1971 war. Hasina has also repeatedly called for the government to resign over alleged corruption and inefficiency.

An important test of the government's support came on 30 January 1994 as the country held mayoral elections in four major cities for the first time in 129 years. In a clear blow to the government, the Awami League won the capital, Dhaka, as well as Chittagong. Many observers attributed the Awami League's success to popular discontent over the country's sluggish economic growth under an IMF-designed austerity program.

In March the BNP won a by-election in the Magura district in western Bangladesh, which had been an Awami League stronghold. The Awami League claimed fraud and began a parliamentary boycott to force Zia to appoint a neutral, caretaker government to preside over the next parliamentary elections, which must be held by February 1996. The government's main parliamentary ally, the Islamic League, defected to join the opposition in the boycott.

Adding to Zia's troubles was the mounting controversy over feminist writer Taslima Nasreen. In July 1993 the government banned Nasreen's book, *Lajja* (Shame), for fear it could provoke communal tensions. The book criticizes Muslim revenge attacks on Hindus in Bangladesh following the December 1992 destruction of a mosque in northern India. In May 1994 the Calcutta-based *Statesman* quoted Nasreen as saying that the Koran should be "thoroughly revised." Although the writer claimed she had been misquoted, fundamentalists called for her death.

On 4 June the government charged Nasreen under a statute banning speech or writings that would offend religious believers. In August Nasreen fled for Sweden, but the country was left to cope with rising fundamentalism. Islamic groups continued to urge the government to pass a blasphemy law, and called for a holy war against Western-financed nongovernmental organizations working to spread literacy and to provide health care, family planning assistance and other aid to women. Fundamentalists also vandalized some 1,400 girls' schools around the country to underscore their demands.

By September, as the parliamentary boycott dragged on, politics consisted mainly of street clashes between the opposition and the police. On 28 December, 147 of the 154 opposition lawmakers resigned from Parliament. The next day Zia agreed to resign one month before the next general election, but the impasse continued as the opposition responded by demanding that she resign immediately.

Another key issue is the low-grade insurgency waged since 1973 by the Chakmas and other Buddhist tribes in the southeastern Chittagong Hill Tracts (CHT). For years the government tacitly encouraged Muslims to settle in the CHT, and by the time it discontinued its policy in 1985 some 300,000 Bengali-speakers had settled in the area. Indigenous Buddhist tribes now make up only 60 percent of the population in the CHT, down from 90 percent four decades ago. Although three local district councils have been set up to give CHT residents greater autonomy, there is still a heavy military presence, and law and order and control over land tenure are still not under local control. In 1994 a cease-fire called one year earlier remained in effect, but several rounds of peace talks between the government and the Shanti Bahini (Peace Force) insurgents failed to make much headway in ending a conflict that has claimed 4,000 lives.

Political Rights and Civil Liberties: Citizens of Bangladesh have the democratic means to change their government. Partisan violence continues to mar political rallies and elections. During the January 1994 mayoral elections, six people were killed and 200 were wounded in Dhaka, and armed activists took control of some polling stations at gunpoint.

Key human rights problems center around the police, army and paramilitary units. Police frequently torture suspects during interrogations, leading to several deaths each year. Abuse of prisoners in the lowly Class "C" cells is rampant. In the Chitagong Hill Tracts (CHT) the indigenous Chakmas accuse the security forces of rape, torture and illegal detention of Buddhist villagers. Cycles of attacks by Shanti Bahini insurgents and reprisals by Muslims living there are common.

The 1974 Special Powers Act (SPA) allows police to detain suspects considered "a threat to the security of the country" for an interim period of thirty days before being formally charged, although suspects are frequently held longer before being charged. In the CHT the government has used the SPA against political opponents and tribal dissidents.

The judiciary is independent of the government. However, the system is weakened by a severe backlog of cases, some dating back ten years, and rampant corruption. Due process rights are occasionally ignored in rural areas, where the population is mainly illiterate and people are often ignorant of their rights.

Women face discrimination in health-care, education and employment opportunities. Domestic violence is reportedly common. In rural areas a *shalish*, an informal council of fundamentalist leaders, often levies unofficial sanctions against women for alleged moral offenses. The *Economist* reported that in punishment for allegedly having sex with a married man in a neighboring village, a fourteen-year-old girl received 74 of a mandated 101 lashes before blacking out. Many observers feel that harsh sentences such as this are a reaction to the growing economic and social power of women in the country.

Freedoms of speech and press are generally respected. Publications can freely criticize the government. However, most are heavily dependent on the government or state-owned enterprises for advertising revenues, and in practice advertising apportionment is politically slanted. The government has periodically floated the idea of formally tying advertising revenue to "objectivity" in reporting. Newspaper offices and journalists are occasionally attacked by fundamentalists and party militants. The broadcast media are state-owned and coverage favors the government.

Freedom of peaceful assembly is generally respected, but political protests frequently degenerate into violence between activists and police. In a surprising move, in September the government temporarily banned rallies in the capital after the opposition called a mass demonstration to demand early elections. More than 100 students have been killed in campus violence over the past three years.

Although Islam is the official religion, Buddhist, Christian and Hindu minorities worship freely. However, Hindus are subject to random violence, and reportedly receive less police protection in some areas than their Muslim counterparts.

Sexual exploitation of children is rampant in urban areas, and throughout the country children are occasionally kidnapped and sold into bondage. On 10-13 September police arrested 540 street children in Dhaka during a wave of political protests to prevent parties from hiring the youths as demonstrators.

Some 240,000 Bihari Muslims, who opted for Pakistani citizenship after independence, live in Bangladesh pending resettlement, mostly in sixty-six refugee camps throughout the country. In the southeast, refugee camps house Rohingya Muslims, who have been fleeing Burma since 1989. At the peak, in 1992, some 265,000 Rohingyas lived in the camps, although the U.N. is confident that a repatriation program will be completed by the end of 1995. The Rohingya refugees are frequently abused by Bangladeshi troops.

Most civil servants are forbidden from joining unions, and are limited to forming associations that cannot engage in collective bargaining. The Industrial Relations Ordinance favors employers' interests, allowing, for example, workers suspected of union activities to be transferred. Strikes are often accompanied by violence. Child labor is a serious problem and laws against it are rarely enforced.

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STRATEGIC OBJECTIVES AND PROGRAM OUTCOMES	RATIONALE, ASSUMPTIONS AND INDICATORS
GOAL: Broadened participation by the socially and economically disadvantaged in democratic institutions and processes	**Rationale:** This partnership focuses on the democracy needs of the socially and economically disadvantaged as identified through rapid appraisals conducted in April and August 1995. The goal has been selected to emphasize the participatory aspect of democracy, recognizing that elite dominance of institutions and processes currently tends to exclude the socially and economically disadvantaged. Support is focused on results that will (1) help empower our customers, the socially and economically disadvantaged, to participate in the democratic process, and (2) encourage democratic institutions to be more open and responsive to expressed customer needs and interests. Our customers expect government to be fair and equitable in the distribution of public resources and in the administration of justice, but feel a widespread lack of influence over decisions about who gets what, when, and how. At the same time, they view local associations and the election process as positive channels for greater influence over the decisions that affect them. Our customers emphasize that it is *local* institutions -- both formal and informal -- that affect them most directly and where they would most like to see positive change. The partnership will thus focus its resources primarily at the local level, with efforts at the national level only where inputs have a direct impact on local empowerment (e.g. national elections or customer-focused policy advocacy). The partnership recognizes that women face special inequities and constraints that must be addressed through program activities. A more inclusive democracy will also require reform of government infrastructure, including local government administration, which is of interest to a number of other donors. Results packages implemented under this goal will complement other donor efforts to improve governance broadly (e.g. reforms to address weak performance incentives within the government personnel system, shortages of required skills, and excessive regulations) and to improve the organization and functioning of local elected bodies. **Indicators:** (1) Customer confidence in the future of democracy in Bangladesh increased; (2) Public investment in basic social sectors as a percentage of total public investment increased. (All indicators will be disaggregated by gender.) **Key Assumptions:** (1) A representative form of government based on popular elections at both the local and national levels will continue; (2) Government policy permits NGO activities, including advocacy; (3) Citizens who support progressive social values remain capable of protecting them.

STRATEGIC OBJECTIVES AND PROGRAM OUTCOMES	RATIONALE, ASSUMPTIONS AND INDICATORS
SO 1: Enhanced participation in local decision making	**Rationale:** More inclusive local government requires the development of channels for active citizen participation in decision making. Participation by our customers, especially women, is currently very limited, but tends to be greater where NGO programs have been more active. To increase the quantity and quality of participation will require pressure and initiative from the grassroots level (the *demand* side of the equation) and concomitant improvements in the governmental system (the *supply* side). The program outcomes related to this strategic objective focus on mechanisms to improve channels for participation, both formal -- through the electoral process -- and informal -- through advocacy by nongovernmental groups or associations. They will also focus on building effective linkages between our customers and the governmental system through strengthening local elected bodies. **Indicators:** (1) Number of women directly elected to local bodies increased; (2) Number of association members elected to local bodies increased; (3) Customer confidence in their ability to influence local decisions increased. **Key Assumption:** National government framework provides sufficient space for local decision making.

STRATEGIC OBJECTIVES AND PROGRAM OUTCOMES	RATIONALE, ASSUMPTIONS AND INDICATORS
PO 1.1: Advocacy of customer interests strengthened	**Rationale:** In Bangladesh and elsewhere, civil society facilitates citizen empowerment and influence, and thus participation in decision making. Local associations, many of which are part of a larger NGO structure, are already bringing development benefits to their members, particularly women, and as a result are viewed positively by our customers. Our customers speak of the increased respect and status achieved by membership in associations, and of the possibility of associations representing their interests to local elected bodies and other agencies. The ability of customers to advocate their interests through associations, however, is largely undeveloped. Although larger NGOs have begun to advocate on behalf of customer interests, formal NGO advocacy is still in a nascent stage. Activities under this program outcome will broaden associations' competencies in assisting their members to be informed about resource flows, policies, and programs that affect them; to interact with local government; to articulate their interests; and to strengthen accountability relationships. The program will also assist larger advocacy groups to promote customer interests at higher levels through customer-informed advocacy agendas. **Indicators:** (1) Number of associations advocating customer interests in target communities increased; (2) Number of advocacy groups with customer-driven agendas increased; (3) Customer confidence in ability of associations to advocate their interests increased. **Key Assumptions:** None

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Types of CSOs
CSO Functions
Political Economy
Steps in Reform
Transition Stages
CSO Strategies for Transition Stages
Political Reform (graph)

Reading:

Hansen, Gary. "Constituencies for Reform: Strategic Approaches for Donor-Supported Civic Advocacy Programs." USAID Evaluation Highlights No. 56, March 1996.

Current Practices by Sector -- Legislative Development

Readings:

Close, David. "Legislatures, Democracy, and Democratization in Latin America." Paper prepared for the USAID Conference on Legislative Strengthening, Bolivia, February 4-7, 1996.

Hansen, Gary. "Pathway on No-Way to Reform: CDIE Assessment of Legislative Assistance Programs." July 14, 1995.

Current Practices by Sector -- Rule of Law

Session Materials:

Coalition/Constituency Building
Structural Reform Strategies
State Building Strategies
Access Creation Strategies

Reading:

Blair, Harry, and Gary Hansen. "Weighing in on the Scales of Justice: Strategic Approaches for Donor-Approaches Rule of Law Programs." USAID Evaluation Highlights No. 27, April 1994.

Current Practices by Problem -- Tactics for Dealing with Corruption

Presentation Summary: Overview

Session Materials -- Overview:

Varieties of Corruption as Functions of Political and Developmental Imbalance
Critical Boundaries and Distinctions for Anti-Corruption Reform
Strategic Changes and Groups for Reform
General Democratic and Anti-Corruption Reform Strategies

Readings -- General:

Johnston, Michael. "'Micro' and 'macro' possibilities for reform." *Corruption and Reform*, 7 (1993). pp. 189-204.

Johnston, Michael. "Corruption as a Process." In Maurice Punch, et al., eds., *Coping with Corruption in a Borderless World: Proceedings of the Fifth International Anti-Corruption Conference.* Deventer: Kluwer Law and Taxation Publishers. Pp. 39-58

Johnston, Michael. "Public Officials, Private Interests, and Sustainable Democracy: Connections between Politics and Corruption." Draft of paper prepared for a conference on Corruption in the World Economy, Institute for International Economics, Washington DC, April 17, 1996.

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Rosenberg, Tina. "Meet the New Boss, Same at the Old Boss: How Poland's Nomenklatura Learned to Love Capitalism." *Harper's*, May 1993, pp. 47-53.

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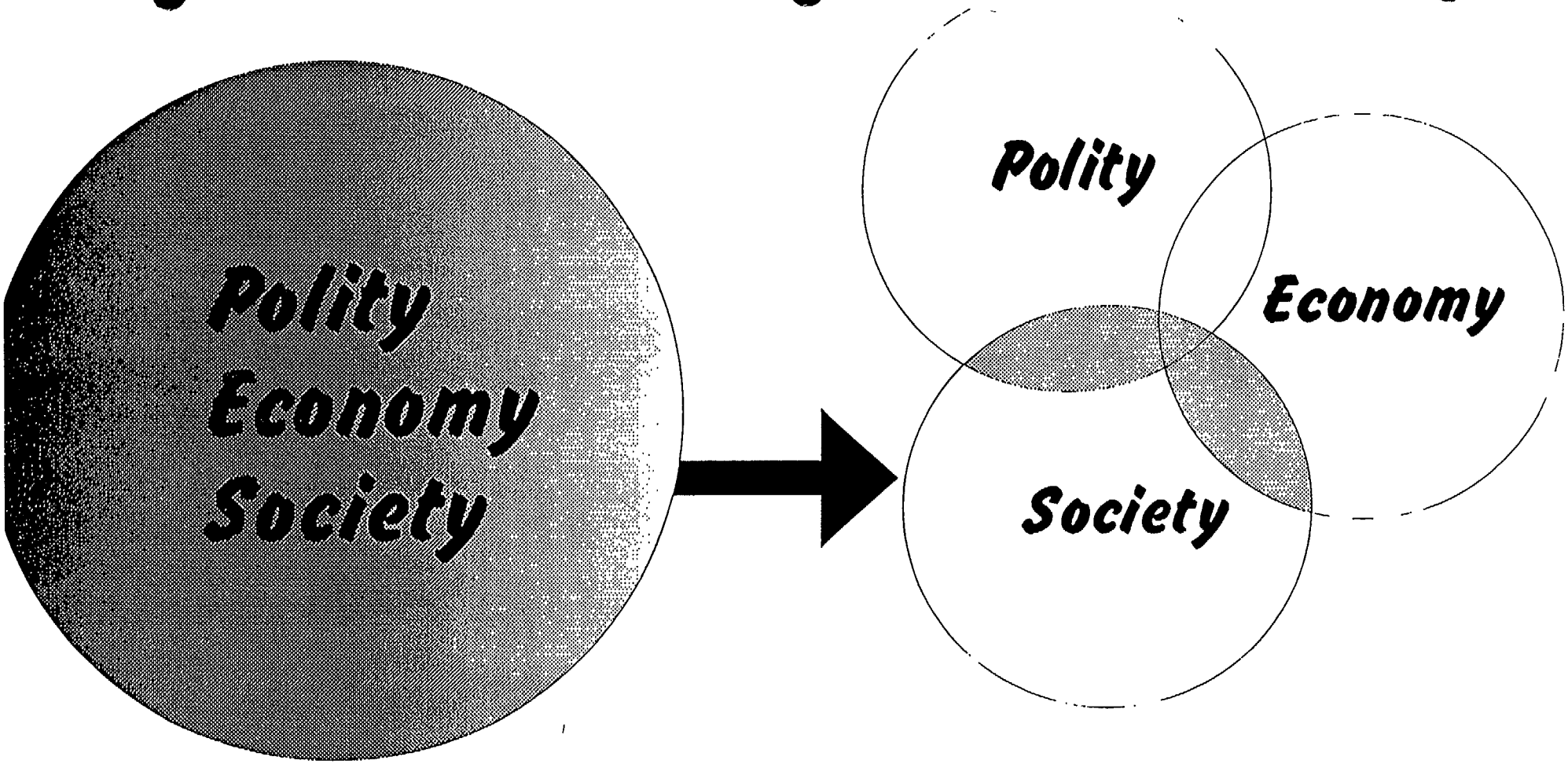
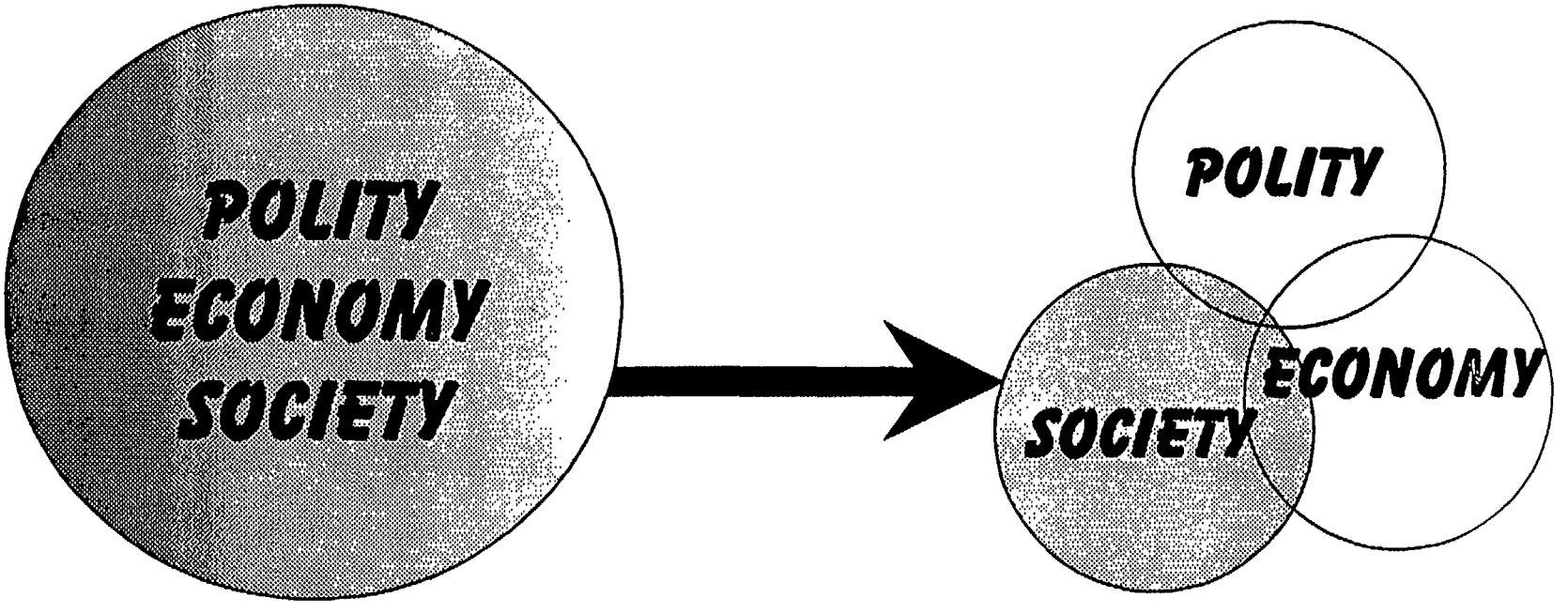


Regime Types

Patrimonial
Totalitarian

Regime Types

Democratic
Governance



REGIME TYPES

PATRIMONIAL
TOTALITARIAN

REGIME TYPES

DEMOCRATIC
GOVERNANCE

DEFINITION

Civil Society is defined as those non-state organizations which are engaged in or have the potential for championing the adoption and consolidation or democratic/ governance reforms.

TYPES OF CSOs

- LABOR FEDERATIONS
- BUSINESS ASSOCIATIONS
- THINK TANKS
- PROFESSIONAL ASSOCIATIONS
- RELIGIOUS INSTITUTIONS
- ENVIRONMENTAL ORGANIZATIONS
- WOMEN'S GROUPS
- HUMAN RIGHTS GROUPS

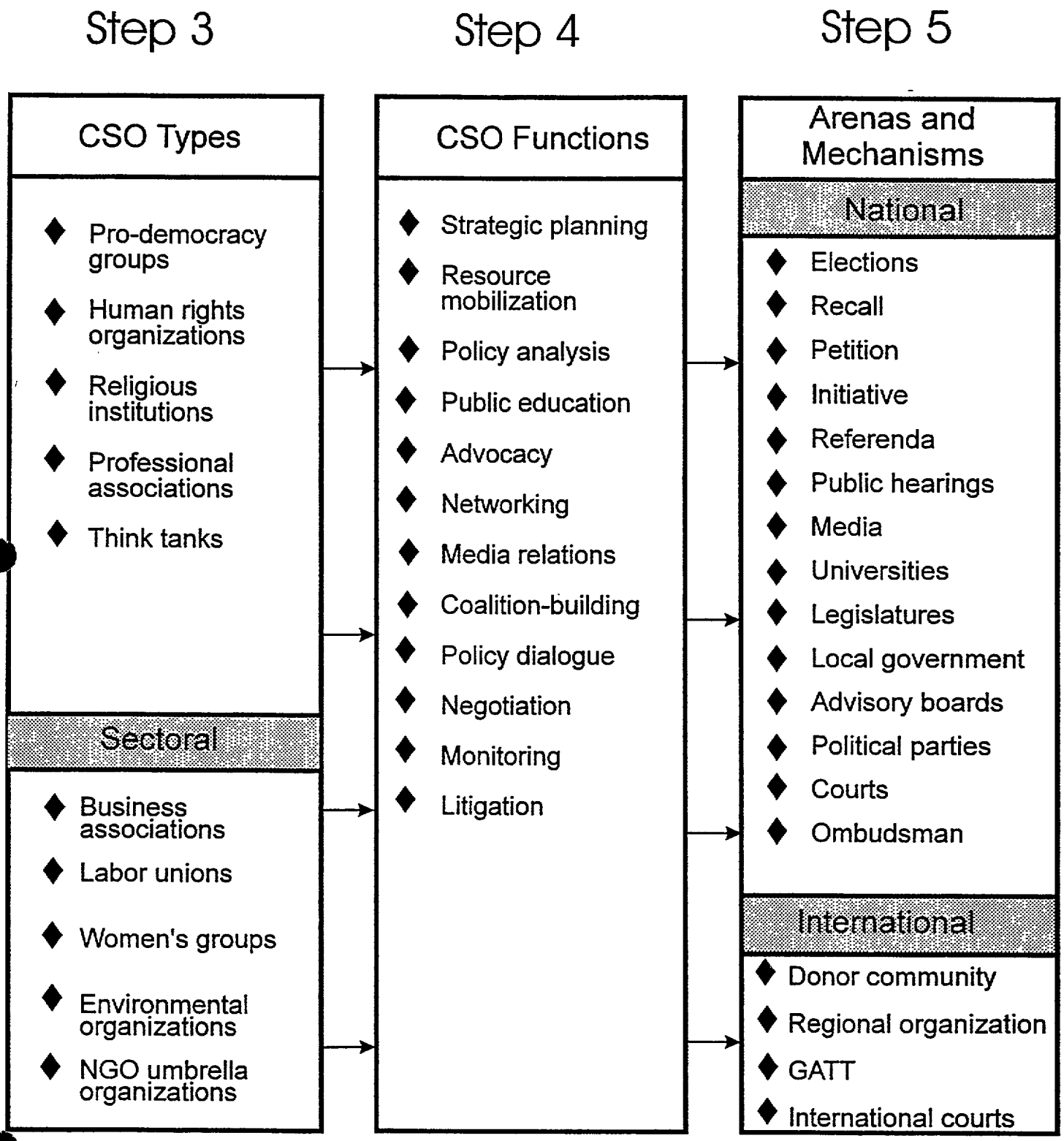
CSO FUNCTIONS

- PUBLIC ADVOCACY
- ANALYZE POLICY ISSUES
- MOBILIZE CONSTITUENCIES
- SERVE AS WATCHDOGS

POLITICAL ECONOMY

- POLITICAL PARTIES
- BUREAUCRACY
- LABOR
- BUSINESS
- MILITARY
- MIDDLE CLASS
- ETHNIC GROUPS
- LANDED OLIGARCHIES
- RELIGIOUS INSTITUTIONS

Step 1	Step 2
Problem Identification	**Reform Agenda**
Systemic	**Systemic**
♦ Unaccountable state ♦ Centralized bureaucracy ♦ Human rights abuse ♦ Unrepresentative political parties ♦ Polarized elites ♦ Closed public realm	♦ Constitutional reform ♦ Revitalized local government ♦ Human rights reform ♦ Electoral reforms ♦ Elite pacts ♦ Legal system reform
Sectoral	**Sectoral**
♦ Statist economy ♦ Exploited labor ♦ Gender inequality ♦ Environmental abuse ♦ Constrained NGOs	♦ Deregulated private sector ♦ Liberalized labor laws ♦ Affirmative action programs ♦ Stronger environmental regulations ♦ More open NGO regulatory regime


Step 3
Step 4
Step 5
CSO Types
Pro-democracy groups
Human rights organizations
Religious institutions
Professional associations
Think tanks
Sectoral
Business associations
Labor unions
Women's groups
Environmental organizations
NGO umbrella organizations
CSO Functions
Strategic planning
Resource mobilization
Policy analysis
Public education
Advocacy
Networking
Media relations
Coalition-building
Policy dialogue
Negotiation
Monitoring
Litigation
Arenas and Mechanisms
National
Elections
Recall
Petition
Initiative
Referenda
Public hearings
Media
Universities
Legislatures
Local government
Advisory boards
Political parties
Courts
Ombudsman
International
Donor community
Regional organization
GATT
International courts

Step 6

Reform Transition Phases

CSO/Donor Roles

Pre Transition

- Protect CSO safehavens
- Build CSO agenda coalitions
- Support sectoral reforms

Early Transition

- Conduct voter education
- Build cross-sectoral coalitions
- Increase CSO Autonomy

Late Transition

- Conduct civic education
- Monitor compliance with D/G reforms

Consolidation

- Monitor compliance
- Build CSO financial base

Pretransition

- Pseudo Democracy
  - One party regime
  - Political opposition repressed
  - Centralized political power

- Threats
  - Elite disaffection
  - Mass protests
  - External pressure

CSO Strategies

Pretransition

- Support safehavens
- Strengthen non-partisan CSOs
- Enhance NGO/CSO enabling environment
- Facilitate elite dialogue on reform agenda
- Support sectoral reform
- Foster inter- and intra-national communication linkages
- Increase donor coordination

Early Transition

- Limited Democracy
  - Elite dialogue on more open political system
  - Constitutional reform
    - political rights
    - parliamentary vs. presidential
  - Institutional roles redefined
    - judiciary
    - legislative

- Threats
  - Centralized political power
  - Lack of elite trust
  - Disaffection from left or right

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CSO Strategies

Early Transition

- Launch voter education campaign
- Undertake election administration and monitoring
- Facilitate elite consensus on systemic reforms
- Support creation of NGO/CSO sector self-governance
- Protect non-partisan CSO base
- Create incentives for CSO financial sustainability

Late Transition

- Inclusive Democracy
  - Peaceful regime turnover
  - Greater institutional autonomy
  - Broader political participation
    - labor
    - minorities

- Threats
  - Decline in governance capacities

CSO Strategies

Late Transition

- Institute civic education
- Build CSO-government partnerships
- Enhance CSO-watchdog roles
- Expand CSO nonpartisan base
- Strengthen CSO organizational capacities
- Support reforms in trailing sectors

Consolidation

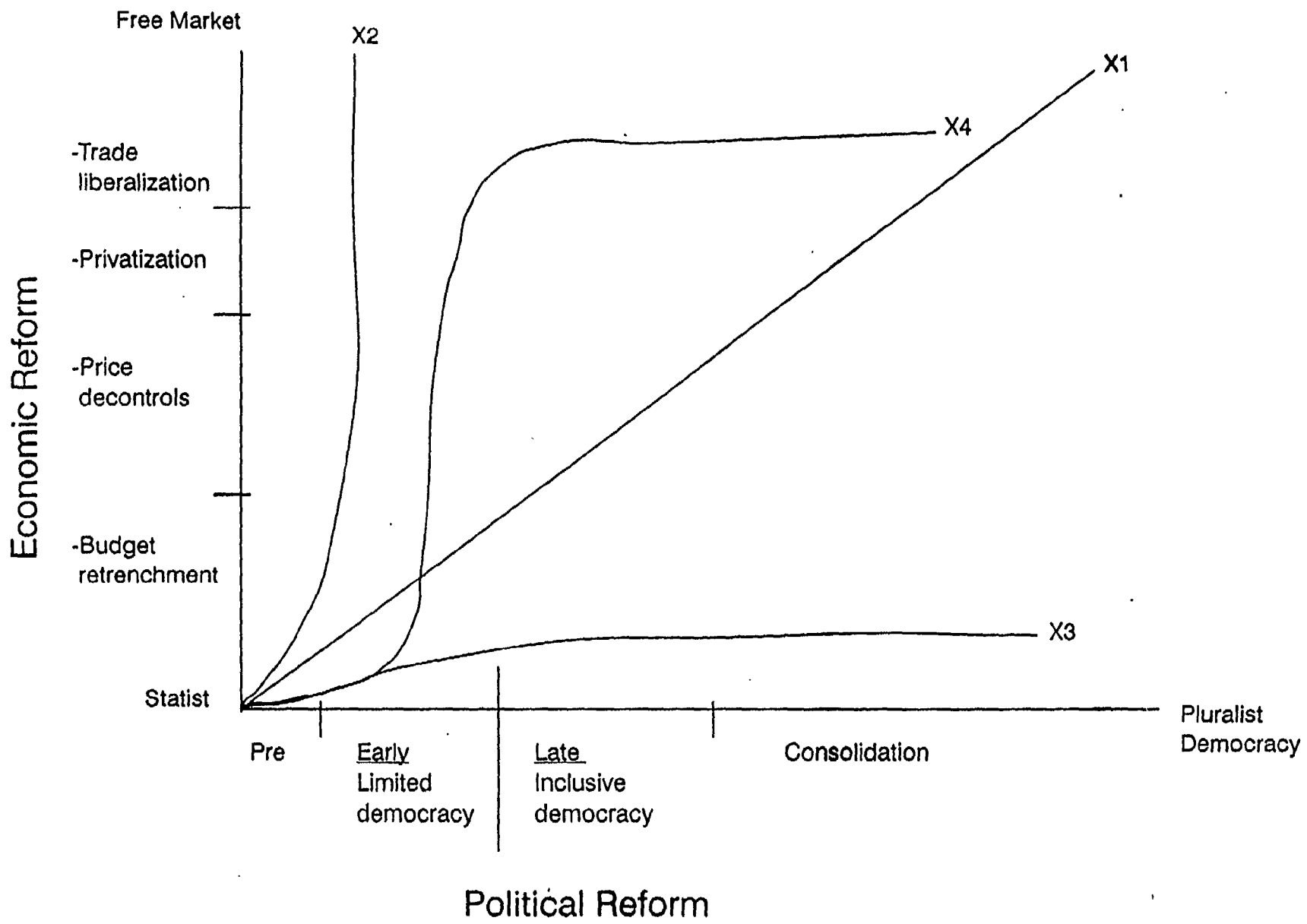
- Consolidated Democracy
  - Institutional checks on political power
  - Democratic political culture

- Threats
  - Fragmented political parties

CSO Strategies

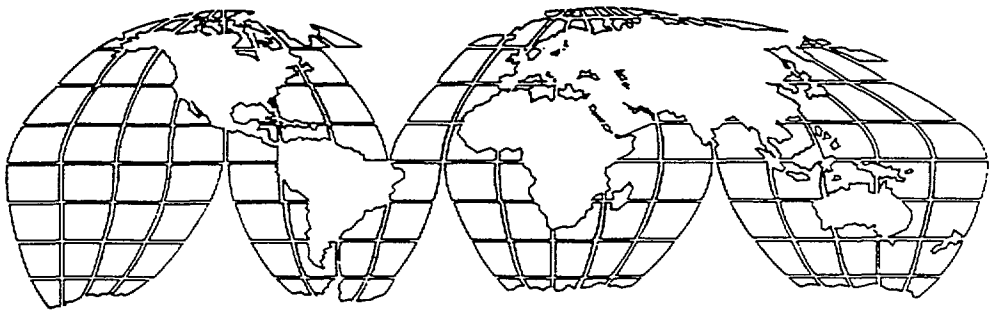
Consolidation

- Strengthen linkages to international community


Free Market
X2
X1
X4
-Trade liberalization
-Privatization
-Price decontrols
-Budget retrenchment
Economic Reform
X3
Statist
Pre
Early
Limited democracy
Late
Inclusive democracy
Consolidation
Pluralist Democracy
Political Reform

USAID EVALUATION HIGHLIGHTS NO. 56 March 1996

Constituencies for Reform: Strategic Approaches for Donor-Supported Civic Advocacy Programs



Center for Development Information and Evaluation
U.S. Agency for International Development (USAID), Washington, D.C. 20523

Overview

By strengthening civic advocacy groups—nongovernmental organizations that champion governmental reform—donors can make a difference in countries moving toward democracy. Support for civil society is a core component of USAID's democracy and governance agenda. It reflects a growing realization of the value to democracy of autonomous centers of social and economic power.

A team from the Agency's Center for Development Information and Evaluation (CDIE) recently undertook a five-country assessment of past and current investments in civil society. Countries studied were Bangladesh, Chile, El Salvador, Kenya, and Thailand. This assessment, the second in a series of inquiries into democracy, examines the role of civic advocacy groups in advancing good governance.

What Is Civil Society?

Civil society consists of nonstate organizations that are engaged in or have the potential for championing adoption and consolidation of democratic reforms. The study found these organizations can generate the public push for political reform, then work to consolidate reform by holding the state accountable for what it does. Such organizations include labor federations, business and professional associations, human rights and prodemocracy groups, environmental organizations, and policy think tanks.

These organizations perform a variety of roles. They

- Advocate on behalf of the public
- Analyze policy issues
- Mobilize constituencies in support of policy dialog
- Serve as watchdogs to ensure accountability in government functions
- Most important, act as agents of reform in strengthening and broadening democratic governance

The Role of Civil Society in Democratic Transitions

While in principle civic advocacy organizations can contribute to strengthening democratic governance, in practice their actual contributions varied considerably in the five countries. They played a preeminent role in some, but had little involvement in others.

What accounts for these differences? It appears that earlier experience with democracy is critical. Chile's long experience with a relatively advanced democratic political system provided a reservoir from which civil society

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could draw in mobilizing people for a "no" vote against continuing the authoritarian regime of President Augusto Pinochet Ugarte in the 1988 plebiscite. Although Thailand's experiences with democracy in the mid-1970s and late 1980s were more fleeting, they provided enough practical experience that activists from those earlier periods could work together in 1992 to spearhead a prodemocracy coalition.

By contrast, in Bangladesh, El Salvador, and Kenya, experiences during very limited democratic openings in the past provided inadequate groundwork for civil society roles in democratic transitions of the early 1990s. In Bangladesh, popular organizations were involved in the 1990 movement against dictator H.M. Ershad, but these groups were mainly student, professional, and labor organizations connected to opposition political parties. They do not conform with the commonplace definition of civil society as operating independently of political parties.

In El Salvador, efforts at civil society mobilization in the 1970s were largely autonomous of both parties and government. This was especially true for advocacy groups mobilized by the Catholic Church in the late 1970s and the Christian communities that promoted grassroots mobilization for social justice and political change. But in the 1980s these and other groups representing nonelites were the targets of death squads and government repression. They were in no position to influence the peace accords of 1992.

Finally, in Kenya, political freedom that existed after independence in 1963 was gradually swallowed up by a movement toward one-party rule that has lasted to the present. That leaves little room for civil society to organize in behalf of reform. Donor pressures to democratize the system did lead to a significant opening in 1991, but dissension among opposition parties and government manipulation of the 1992 parliamentary elections have inhibited progress in the democratic transition.

A Strategic Perspective on Civil Society

What insights can be gained from the five-country study and applied to donor strategies for supporting civil society? First, analysis of civil society and its facilitating role in democratic transition should be an integral part of donor planning for support of a political reform agenda. The agenda might include, for example, constitutional or electoral reforms to make the state more accountable and political parties more representative. Or it could address judicial reform to strengthen the protection of human rights. To revitalize the role of local governments, it might also emphasize decentralization.

At the strategic level the thrust of analysis is to identify how to advance host-country dialog on a reform agenda and on changing the fundamental rules of the political game to make it more democratic. At the tactical level it is important to identify public issues that can serve as a source of energy in driving the reform process. Frequently, issues emanating from particular sectors—for example, labor, women's rights, the environment—can generate spillover effects in support of major political reforms. This has been the case with the environmental movement in Thailand, which gained prominence by aligning itself with the prodemocratic campaign against military rule in the early 1990s.

> *"Analysis of civil society and its facilitating role in democratic transition should be an integral part of donor planning for support of a political reform agenda."*

One aspect of this approach is identifying constituencies that have interests in supporting public dialog and advocacy, particularly those that might share interests and provide a basis for coalition-building. In Bangladesh and Thailand, for example, labor unions and women's organizations may over time, as industry grows, find much in common in advancing the cause of both unions and women's rights. In both countries major industries primarily employ women laborers.

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Some constituencies are easier to organize than others. Labor and business may be able to mobilize constituents for collective action relatively easily. Other groups, such as small farmers, may find it difficult to organize to pursue their own interests, let alone a broad reform agenda. Likewise, some constituencies will be more inclined than others to reach beyond their narrow interests and press for fundamental democratic reforms.

In a particular context, actors in civil society will exhibit varied tendencies toward support of democratic reforms. Some may oppose or remain neutral toward reform efforts. For example, in resisting military rule, the business sector, religious institutions, or labor unions in some instances may move to the front lines, while in other cases they remain relatively neutral.

The art and craft of the democracy strategist, then, lies in building and supporting coalitions of associations that are proreform at a particular point along the democratic path. For donors, support will stress enhancing a range of organizational skills often lacking in civic advocacy organizations. In particular, improvements are usually needed in networking, advocacy, strategic planning, media relations, coalition building, resource mobilization, and policy analysis and dialog.

> ***"Groups such as small farmers may find it difficult to organize to pursue their own interests, let alone a broad reform agenda."***

Strategic Sequencing: Initiating and Consolidating Reform

The case studies indicate that opportunities for civil society to organize and press for reform are conditioned by where a country is in the transition to democracy. To determine how they can tailor their support for civil society, it is important for donors to understand the dynamics of transition. Study findings suggest democratic transitions can be divided into four phases: pretransition, early transition, late transition, and consolidation.

Pretransition

In this phase, civil society generally operates in an environment of government repression and hostility toward political reform. Rights of association and assembly are severely constrained, and civic advocacy organizations may be subject to government harassment or worse. But there may be enclaves—religious institutions, NGOs, universities—that provide a limited space where civic advocacy organizations and their leaders can take refuge and build a network of reform constituencies.

Donor strategies under these constraints should include several elements. First is preservation of existing civil society resources. Donors may need to support safe havens where reform groups take refuge and internally exiled reformers can find employment, protection, and legal aid in the face of government persecution. In Chile, the Ford and Inter-American Foundations, Canada's International Development Research Centre, and European donors provided financial support to civic advocacy organizations that sheltered and employed social scientists and political activists under censure by the Pinochet regime.

The second task is defending the autonomy of civil society in general. Authoritarian governments are aware that nongovernmental organizations often shelter reformist elements, and they may seek to weaken and control these organizations. If so, it is vital that donors support the reformist community in resisting government intrusion. And donors must support the organizations in negotiating a governance regime that empowers them to regulate themselves rather than submit to oppressive government oversight.

A third task is cultivating a dialog within the reformist community to develop coalitions, consensus on action agendas, and strategies for political reform. The Chile case illustrates how civic advocacy organizations created neutral forums and study circles in which leaders of op-

posing factions could work together. They succeeded in dispelling distrust and in finding common ground as they prepared for the early transition phase.

Early Transition

This phase begins with a political opening in which an authoritarian regime concedes in some demonstrable way that legitimate rule requires popular consent, and rival political elites seek a consensus for a more open political system. Free elections are held and constitutional reforms adopted that provide the legal basis for a new order. Most countries where USAID has programs are in the early transition phase, a critical time for laying foundations for a new democratic order.

Regime acceptance of political liberalization opens opportunities for civic advocacy organizations to educate the public and mobilize support for fundamental reforms. However, these organizations must act with vigor and speed, as events often move rapidly in the early transition phase. This is most evident with respect to elections, where civic advocacy organizations may need to initiate a range of labor-intensive voter education and registration programs. They may also monitor or even participate in election administration.

In Chile, seven elections took place in a five-year span. All were crucial in laying the foundations for restoring democratic governance. Several civic advocacy organizations, including the Crusade for Citizen Participation and its successor organization, Participa, (both recipients of USAID support) organized massive voter registration and education campaigns. They also trained more than 5,000 electoral officials and political party representatives working in voting centers. These activities contributed significantly to Chile's peaceful democratic transition.

Aside from labor-intensive activities during elections, a task of the early transition phase is building a network of support for fundamental political reform that reaches beyond the small cadre of activist organizations that survived state repression earlier. Promising allies include labor and women's organizations, student unions, and professional associations. They may be found at both local and national levels.

Mobilizing groups behind a shared reform agenda provides the kind of public visibility and weight needed in negotiations with government. In Thailand, for example, the People's Constitutional Assembly, organized by a group of reform organizations in 1992, hammered out a unified platform. Some elements of it were later reflected in the government's proposed constitutional amendments.

A third task for the early transition phase is creating a favorable enabling environment for growth, autonomy, and effective social action in civil society. Often, authoritarian controls have undermined the institutional mechanisms and arenas that enable civil society to engage the public and the state. Thus, in the early transition phase. donors should attend to enhancing the autonomy of the media and universities, revitalizing the judicial system and municipal councils, and introducing mechanisms (recall, referenda, public hearings, right to petition) enabling civic advocacy organizations to represent the cause of reform.

These tasks are distinct from those of the pretransition phase, and many civic advocacy organizations are unprepared to undertake them. The donor's role can be particularly useful in the early transition phase, whether it is a brief interlude or a protracted period when elite factions negotiate a more gradual process of political liberalization.

Donors can 1) provide technical and financial assistance to civic advocacy organizations involved in voter education, registration, and election monitoring efforts; 2) facilitate public dialog by funding nonpartisan civic advocacy organizations that provide a neutral ground where opposing elites come together to discuss political reform; 3) facilitate this debate by enhancing the capacities of think tanks, the media, and other activist organizations in analyzing and proposing alternative reform agendas.

Late Transition

At this stage a fundamental redirection of a more open political system is under way. New rules for democratic governance have been agreed on in the early transition phase, and the main task is ensuring that political actors and governance institutions conform to them.

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Civic advocacy organizations play a particularly important role in the late transition phase. One of their major tasks is civic education. This involves informing the general public about the rules and institutional features of the new political order, the means by which citizens can influence government, how they can seek redress against arbitrary government actions, and how to take advantage of new opportunities in community empowerment and governance. Civic education should create and strengthen public expectations that hold government and political actors accountable to higher standards of behavior.

A second task is monitoring compliance with new rules for democratic governance. That will help ensure that where noncompliance is discovered, the rules are enforced. Lack of enforcement is all too common in developing countries; civic advocacy organizations can help by assuming a watchdog role in discovering and publicizing infractions by actors both within government and without.

A third task involves building government–civil society partnerships. In Thailand and Chile, for example, business associations have supported governance reforms by financing improvements and streamlining procedures in public agencies that service the business sector.

Donor strategies in the late transition phase include providing technical assistance to civic advocacy organizations engaged in civic education and monitoring. They also include facilitating more partnerships with government agencies. In addition, donors can target assistance to civic advocacy organizations that champion the cause of sectors that remain on the margins of the political arena (labor, women, disadvantaged ethnic groups, for example).

Consolidation

In this phase, systemic and operational rules have essentially been agreed on, and mechanisms to ensure political participation and government accountability are in place. This phase features a deepening of democratic governance within the culture and institutions of society. It signals a growing capacity of society and government to adapt to change and carry out reforms.

An underlying issue is sustainability of civic advocacy organizations—in particular, public interest organizations—as actors in monitoring rule enforcement and mobilizing citizens and communities to support reform agendas. Public interest organizations that advocate reform and address issues of the larger public good are needed for society to engage in effective problem-solving. They take up issues that may not be addressed if left to individual initiatives, largely because the costs for the individual to engage in activist initiatives typically outweigh individual benefits to be accrued. In this regard, unless society establishes financial incentives (usually through tax policies) to support these organizations, it is unlikely advocacy organizations will contribute much to societal problem-solving.

> *'Public interest organizations that advocate reform agendas and address issues of the larger public good are needed for society to engage in effective problem-solving.'*

Ideally, financial sustainability should be addressed in the late transition phase, after more basic political issues have been resolved. But many donors are terminating their assistance in the early transition period (as in Thailand and El Salvador), without devoting sufficient attention to creating a favorable enabling environment for growth and sustainability of civil society.

In the countries studied, few if any government incentives or tax write-offs exist for corporate or individual contributions to public interest organizations. Nor are most public interest associations in the habit of seeking funding from the corporate world or from the general public. Donors need to devote more attention to creating a supportive policy environment and building bridges between public interest organizations and in-country funding sources.

Recommendations

The four-phase transition scheme may seem to imply a linear progression to a democratic nirvana, but in fact the process is uneven, messy, and subject to setbacks. Indeed, many transitions may lead to some new hybrid form of authoritarian rule, and what initially appears to be a democratic transition may turn out to be a false start. Given the nonlinear nature of change, the sequencing of donor activities in each phase must be flexibly managed to cope with unanticipated obstacles or seize new opportunities.

Nonetheless, the scheme provides a basis for advancing the following recommendations on donor investments:

1. *Donors need to follow a disciplined approach in ensuring that investments in civil society do not lose their focus and relevance to the reform process.* There is a risk investments in civil society will be dissipated over a wide range of activities, yielding minimal results. Study findings suggest support for civil society should be viewed less as an end in itself and more as a means for advancing a reform agenda aimed at greater democratic governance. Investments in civil society should aim at attaining structural reforms in the polity, sequenced according to the transition phase under way in the particular country.

2. *Donors need to be prepared to exercise considerable leverage when supporting civic advocacy organizations engaged in fostering democratic transitions in the pre- and early-transition phases.* Many political reforms undertaken in the case countries likely would not have made as much headway without donor pressure and support. This was the case in Kenya, where bilateral and multilateral donors pressured the government to undertake political reforms in 1992. In Chile and El Salvador, without diplomatic pressure on the host country government, there would have been little progress in protection of human rights.

During the pre- and early-transition phases, civic advocacy organizations often are not strong enough to promote reform processes alone. In such situations, the added weight of donor partners (for example, through use of conditionality to press for political liberalization) may well be critical to reform efforts. Donor support may also be critical to the survival of activist organizations. In the pre- and early-transition phases, they operate in high-risk environments in which they are vulnerable to government attack.

3. *Donors need to exercise caution when investing in institution-building efforts in civil society during the early phases of democratic transitions.* Many civic advocacy organizations are small, often with only a few staff members, and directed by a charismatic leader. There may be little internal democracy or leadership turnover, and linkages to potential coalition partners or constituencies may be tenuous. Most are not membership organizations. Because of their fragile base, in the early transition phase many of these organizations will either cease to exist as their leaders move into government positions or they will be submerged within resurgent political parties.

Given the precarious nature of many civic advocacy organizations in the pre- and early-transition period, donors need to exercise caution before investing major resources in any particular organization. There will be exceptions, but institution-building efforts directed at enhanced organizational capacities, greater internal democracy, and broader coalitions and constituencies may need to await some passage of time to determine which organizations are prepared to engage seriously in such changes.

4. *Donors need to devote significant attention to building a favorable policy environment for the growth of civil society, particularly with respect to expanding in-country funding sources for this sector.* Most civil society organizations depend in great part on donor financing. Needed are strategies to promote financial independence and sustainability. Creating an in-country enabling environment for individual and corporate contributions to public interest organizations (for example, by changing tax laws) is one such strategy. Another, in which USAID has pioneered, is providing funds for host country endowments and foundations.

It helps to be creative. In Thailand, for example, the Asia Foundation is helping establish a "green" mutual fund to invest in Thai companies that observe environmental standards. Part of fund earnings will be earmarked for environmental causes, including civic advocacy organizations within Thailand's environmental movement. The mutual fund neatly joins an in-

centive for private profit with support for public interest organizations.

5. *Donors need to be aware of potential trade-offs in countries undergoing political transitions while also engaging in fundamental economic reforms in the move from statist to free-market economies.* Many countries are undergoing significant economic and political reforms simultaneously, although often at different speeds. In these situations donors need to calculate whether vigorous pursuit of reforms in one sector is likely to destabilize and undermine commitment to progress in the other. This is particularly the case with investments in civil society, which for the most part are designed to mobilize public pressure for political reform.

When a ruling coalition demonstrates genuine commitment to painful economic reforms, it may be most appropriate to complement this effort by supporting civil society organizations that can help champion and consolidate these reforms. Although such an approach may delay addressing systemic political reforms, as this report suggests, economic reforms can contribute to development of an autonomous commercial sector—which (if organized collectively) can advocate and advance the cause of good governance. Conversely, care should be taken in pressing for painful economic reforms when a fragile ruling coalition is seeking to introduce fundamental political reforms.

6. *To defend against premature termination, donors should develop policy guidance that establishes criteria for a country to graduate from receiving democracy aid.* Some countries are moving rapidly toward self-sustaining economic growth. In contemporary donor thinking, that often justifies the diminution or termination of development assistance, even though many of these countries are still in the early phases of democratic transition. The potential for political regression and instability will persist in the early transition phase; it can undermine investor confidence and hard-won economic gains. In brief, it may make sense to continue support for democracy efforts even though economic development programs are terminated.

Given the generally low costs of democracy programs, gains from such investments may yield sizable benefits from both a political and economic perspective. Justification of democracy programs in all stages of transition can be strengthened if donors clearly outline the rationale and criteria for such programs and their eventual graduation.

This Evaluation Highlights, *by Gary Hansen of USAID's Center for Democracy and Governance, summarizes the findings of the study* Constituencies for Reform: Strategic Approaches for Donor-Supported Civic Advocacy Programs, *CDIE Program and Operations Assessment Report No. 12, by Gary Hansen. The synthesis report and this highlights can be ordered from the DISC, 1611 N. Kent Street, Suite 200, Arlington, VA 22209–2111; telephone (703) 351–4006; fax (703) 351–4039; Internet docorder@disc.mhs.compuserve.com. Editorial and production services provided by Conwal, Inc.*

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Legislatures, Democracy, and Democratization in Latin America

by Dr. David Close, Professor of Political Science, Memorial University of Newfoundland; editor of Legislatures and the New Democracies in Latin America (1995).

Dr. Close was a keynote speaker at the Conference on Legislative Strengthening in Bolivia, February 4-7, 1996. His paper provided an important historical and theoretical foundation for the conference.

INTRODUCTION

Democracy is a political system where all adults are citizens. Citizens are individuals who may participate in the governing of their society; that is, they are allowed to take part in making the laws that they will have to obey. Citizens exercise this right through voting, holding office, and attempting to influence directly those who hold office. They may do so either as individuals or by acting collectively. Hardly anyone today objects to a political system having these characteristics, yet for most of recorded human history democracy was scorned and despised.

Until the late eighteenth century democracy was not even theoretically respectable, because it was government dominated by the masses. At best, this meant, as to Aristotle, a self-interested rule prejudiced against the upper classes. More often it suggested some form of mob rule and raised specters of bloody peasant revolts or urban riots.

Yet over the course of the nineteenth century the idea of giving increasing numbers of people political rights became less frightening to political elites in North America and Western Europe. This happened for three reasons. First, it seemed more attractive than risking revolutionary upheaval: give the ordinary people some of what they want before they decide to take everything! Second, as the franchise, the clearest expression of citizenship, was extended it became clear that ordinary people behaved reasonably and tolerantly; democracy did not bring demagoguery and punitive legislation. Finally, democracy even worked fairly efficiently. This was because it was channelled through representative institutions.

REPRESENTATIVE INSTITUTIONS AND DEMOCRACY: THE ORIGINS

Though radical democrats from Rousseau onwards have claimed that representative democracy was an oxymoron, there has never been a democratic system that lacked robust representative institutions. We now unquestioningly accept James Madison's view that large countries could only contemplate universal citizenship by abandoning the notion of direct or participatory democracy. But we do

not often reflect that he could stake this claim because, even in 1787, representative institutions had built an impressive record of resisting tyranny and promoting freedom. Representative government did not preclude action beneficial to ordinary citizens.

Even when the only non-noble members of representative assemblies were "knights of the shire and burgesses of the town," these institutions worked to limit arbitrary rule. First, monarchs had to convince these spokesmen of the common majority (they were all males) to vote the money needed to carry on wars and other kingly enterprises. More importantly, the crown had to hear the people's grievances before the deputies of the third estate would grant supply. Further, because these medieval parliaments, etats generaux, cortes, and diets admitted those from outside the nobility, they unwittingly set in train a process that would lead to universal citizenship.

These are the foundations for the democratic claims of legislatures. The edifice takes more recognizable shape in more modern times. Revolutionary assemblies in the United States and France wrote heroic chapters in the history of liberty. Nineteenth-century legislatures in Western Europe and North America pushed to extend the franchise, recognized labor's right to organize, and combatted the new aristocracy of wealth as their forbearers had attacked the old aristocracy of birth. In this century, legislatures completed the work of creating a universal citizenry and wove the social safety nets so vital to human dignity.

That is what legislatures have done to advance democracy. But is there something inherent in the duties and operations of representative assemblies that let them do this? Does a properly working democratic legislature do things that strengthen democracy that otherwise would not be done? To discover this we must see what strong legislatures do in democracies.

LEGISLATURES: EFFICIENT PARTS OF DEMOCRATIC GOVERNMENT

In The English Constitution (1867), Walter Bagehot, a mid-nineteenth century editor of The Economist, distinguished between the "dignified" and "efficient" parts of British government. The former were those things that conferred legitimacy on the system, that inspired people to believe in its justice and obey its laws. The latter were what actually made and enforced the laws. In the historic constitutional democracies of Anglo-America and Western Europe legislatures have been both dignified and efficient parts of government. They have not only contributed to the smooth running of the machinery of state, but more often than not they have done so in ways that reinforced ordinary citizens faith in their government. In Latin America, with a couple of exceptions (Chile and Costa Rica), until recently legislatures were not intended to be efficient parts of government, and have generally failed to perform as dignified

parts either.

Political reformers have little control over whether citizens accept a government's actions as legitimate. The best they can do is try to make the system work well. A well working legislature that is an efficient part of government has five tasks it must perform: legislate; oversee the executive; publicize and communicate; represent the people; and manage conflict. These are each important enough to deserve separate attention.

1. Legislate

The first thing a representative assembly must do to be an efficient part of government is make laws. This is not tautological, but a requirement that most of a country's laws come from bills duly debated and approved by a representative body and not from executive decrees. If it does not or cannot pass this basic test the assembly will fade into irrelevance, having neither useful work to do nor the instruments needed to make its presence felt.

However, this does not mean that the legislature actually has to compose and propose a program of laws, as does the United States Congress. Parliamentary or fusion of power constitutions, the norm in Britain, the Commonwealth, and Western Europe, do not permit this. A useful benchmark, applicable to any system, for knowing when to declare that a legislature is a lawmaker is having legislative bills, not executive orders, be the preponderant source of public law. And a really effective legislature should have the means to review delegated legislation, executive decrees made within the framework of laws passed by the assembly.

2. Representation

An equally important function of a serious legislature is that of representing the people. Exactly how it does this, that is what sorts of constituencies and electoral systems ought to be chosen, goes beyond the scope of this paper, but one thing is clear: no government can systematically exclude important segments of its citizens from effective political participation and be called a democracy. It is even doubtful that such a state would be administratively effective. It cannot know what significant parts of the population want, so it is likely to make bad, unenforceable laws.

A substantial proportion of a legislature's representativeness is beyond its control. Parliaments cannot order political parties to seek the votes or express the interests of those a party chooses to ignore. But an assembly that has some political weight may spur unrepresented groups to either form their own party or become sufficiently evident that existing parties will want to have their votes. This is an important part of the political history of organized labor in Anglo-America and Western

Europe.

3. Controlling the Executive

A third function of an efficient legislature is ensuring that the executive be accountable for its actions. While elections are democracy's ultimate guarantee that rulers must answer to citizens, these occur infrequently. Between elections other institutions take on this task. Although the media report on all areas of politics, and often unearth scandals involving presidents and cabinet ministers, parliaments have always assumed particular responsibility for keeping tabs on the executive's day to day operations. John Stuart Mill says this about the oversight function:

The proper office of a representative assembly is to watch and control the government; to throw the light of publicity on its acts; to compel a full exposition and justification of all of them which any one considers questionable; to censure them if found condemnable.

Legislatures have several instruments to help them fulfil this office. The most recognizable of them is the budget power. An assembly that can defeat or amend a national budget is a potent political force. However, even one that usually only debates the budget, the case in most parliamentary systems, can use the occasion to expose inconsistencies and biases in the executive's financial plans that voters may recall at the next election. The objective of legislative oversight is, in K. C. Wheare's words, "to make the government behave," and different assemblies necessarily secure this objective by different means.

For instance, one familiar way of scrutinizing the executive's actions is through a question period or the summoning of cabinet officials to testify before legislative committees. Not all legislatures possess both tools, but any legislature that is an efficient part of the polity has one of them. Legislative review of delegated legislation -- whether called orders-in-council, executive orders, or simply regulations -- is also a useful form of oversight. All of these powers help throw light on a government's operations.

4. Publicity and Communication

Oversight obviously shades into the publicity and communication function of a legislature. Today this role is often overshadowed by the sophisticated news gathering of the modern media. But a substantial part of the day's news in a representative democracy is generated by what has gone on in parliamentary debates and hearings. Further, following a piece of legislation through the legislature gives citizens a glimpse of their country's policy-making process in action. In fact, legislative proceeding are arguably the most public part of the policy process, and unquestionably the part that generates the most comment and criticism. They draw

politicians into making statements and taking positions, providing the stuff that lets citizens judge their governors.

Professor Bernard Crick has taken this theme a step further and suggested that legislatures in modern states become communication systems linking governments and electorates. He does not mean, though, that executives should be allowed to use their legislatures as publicity agents. Rather, Crick feels that assemblies can focus criticism arising outside them as well as generating their own, and that a sensible government can use these appraisals of its tenure to govern better. Interestingly, then, a strong legislature can even help the executive do its job better.

5. Moderate Political Conflict

The last function we shall assign to an efficient modern legislature is the management of conflict. This may sound strange, given that parliaments are built around opposition, criticism, and fierce debate. Yet John Wahlke believes that an effective legislature must identify society's political conflicts and reduce them to manageable levels. Again, this role will be performed differently in different systems. All legislatures use stylized forms of address that help limit tensions. Where party discipline is weak individual legislators may broker deals on bills. In systems where party discipline is tightly enforced elaborate rules of procedure permit de facto inter-party consultations and give cabinets time and opportunities to adjust their policies.

A legislature that can be considered an efficient part of government necessarily contributes to building and maintaining a democratic polity. This kind of legislature lets citizens know what their government is doing, gives politicians a forum where they can work toward solving public problems, limits the executive's arrogation of power, and assembles a broad enough spectrum of the politically important interests in a nation to reasonably claim to represent all citizens. Citizens of stable liberal democracies have grow to expect this sort of representative body. But in those parts of the world, like Latin America, where constitutional democracy is still a novelty strong legislatures must be created.

STRENGTHENING LEGISLATURES IN LATIN AMERICA

Much of what I shall say here about Latin America applies with equal if not greater strength to other parts of the world, from Africa to Russia to the Far East, caught up in today's "third wave of democracy." The first question to ask about all of these countries is how hard it will be to convert from a strongly executive-centered system (often called "hyper-presidentialist") to one that is more balanced.

One school of thought argues that this is unlikely in Latin America because its

Iberian political tradition so strongly favors centralized political authority. This is a compelling and often elegantly presented position, but I want to raise two points. First, states that were once authoritarian and put great power in the hands of the executive have developed vital legislatures. The list begins with Britain, passes through France, and has recently added the two countries that occupy the Iberian peninsula. If Spain and Portugal can overcome the constraints of Iberian political culture, it's hard to imagine that Latin American countries can't.

The second point deals with the structure of power and political ambition. When the executive part of government is predominant, that is where citizens look for leadership and ambitious politicians for advancement. But if the power that lies with the executive does not respond to or cannot be used by specific interests, practical politicians look elsewhere. In medieval England the knights and burgesses who had no standing at court used Parliament. In contemporary Nicaragua, those unable to influence the president and her advisors have turned the National Assembly into a powerful tool. Frustrated political claimants choose the instrument that falls most easily to hand, and it is better that the instrument be the legislature than the security forces. This takes us back to the problem of creating a serious, effective legislature. Rather than dwell on broad constitutional themes, I want to consider some technical matters and their potential political consequences.

1. Some Suggestions Regarding Technical Matters

No two political systems are alike, so the exact form for addressing these technical issues will vary among countries. Nevertheless, there are some constants. One that is often neglected is members' remuneration.

a. Salaries

Pay for legislators should be high enough to let working class and middle class people contemplate standing for election. That means not just matching the salary someone would earn as, say, an accountant or middle manager, but paying enough to let the person cover the extra costs that go with holding public office. For many deputies, for example, election to the legislature will mean maintaining two homes. As well, salaries should be high enough to let well paid individuals take office without too great a financial loss. However, the pay should not be so high as to induce people to run simply to make money.

This is an area in which Latin American practitioners might want to look at what has happened in Canada and the United States, if only to get a sense of the traps that can await them. Two federal governments, fifty states, and ten provinces provide the interested observer an ample catalogue of how to get legislative pay wrong, and may offer a few hints about how to do it right. In

particular, Latin American legislatures might want to give close attention to how their members' pay scales might be set and whether there might be a way to remove this problem from the realm of partisan politics.

b. Offices and staff

Certain to figure in plans for institutional strengthening is the matter of facilities offered to members. Included under this heading are such things as office space, secretarial assistance, research resources, personal staff, and constituency offices.

Though the British Parliament long disdained even the idea of giving MPs an office, most modern legislatures do allot their members a place to work. This brings certain advantages. For instance, giving a deputy an office in or close to the assembly helps keeps her near her work and adds an aura of professionalism to her job. A legislator without office space may find it inconvenient to come to the house and may lose contact with his peers.

Ideally, this space should be a private office. This makes it easier to receive constituents and gives legislators a quiet place to work. Obviously, the office should have a telephone, filing cabinets, and the like. But what about personal staff? How extensive should the private member's staff be? And what should this staff do?

The answers to these questions will reflect not just the financial condition of the representative body but to some extent the nature of the broader political system. Perhaps all legislative leaders accept that, in principle and resources permitting, each member should get a private secretary. But not all will agree that every deputy needs a research staff or a corps of assistants (executive, communications, constituency relations, etc). If an assembly works under the rules of party discipline these are arguably not needed. The party will do the research and may want to take care of communications, at least beyond the constituency level. Indeed, a member's dependence on the party for these things is one of the bases of party discipline.

Though this is most immediately applicable to parliamentary regimes, we should not forget that it was not that long ago that analysts in the U.S. were promoting "responsible party government" for their country. The point to remember is that parties too have a strong claim to be included in any democratizing mission. At a minimum, they are the agencies that organize voters and set out a broad electoral agenda. But they can also be sources of ideas and instruments that assist the public to control government. Thus, to strengthen legislative institutions in ways that might stifle or distort the development of parties does the cause of constitutional, representative democracy little good.

A seemingly innocuous case, research facilities, shows where problems might lie. Nobody questions the need for a legislative library or a legislative reference service

available to all members. But how much public money should go toward hiring private research staff? Not many Latin American legislatures can afford to give each deputy research assistance, and regimes interested in strengthening parties will question the advisability of giving each deputy such riches. Where parties are historically weak giving individual legislators resources that will permit, even encourage, them to ignore party lines seems to invite the continuance of a personalistic politics. Funding parties might be preferable, and it might be better yet to fund not all parties, but only those that cross some threshold (e.g. ten percent of total seats). At this juncture, what looked like a nice, safe technical reform becomes a highly controversial political question that donors may want to avoid in favor of safer projects.

c. Constituency offices

I remember talking to a friend soon after his election to the Nicaraguan National Assembly. He proposed to revolutionize Nicaraguan politics by setting up an office in the part of Managua where he lived so that his constituents could come to him for help, whether they voted for him or not! Another new deputy decided to champion the interests of the poor and remote part of the country from which he hailed, and made regular trips there to consult his adopted constituents. When I later told this tale to a former student who held a seat in Newfoundland's House of Assembly, he was speechless. He could not conceive of a politician for whom the idea of constituency service was novel.

In his view, a vital part of a legislator's job is fulfilling what has been called the tribune's function. This consists of trying to sort out constituents difficulties with other government agencies, and is particularly important in poor districts where many people feel uncomfortable dealing with officials. As many Latin American legislators will have substantial numbers of the poor in their constituencies, this could be a welcome development. It strengthens the legislature (it does things that help ordinary people), the member (she stands up for us), and the party (they look after their supporters).

Moreover, having constituency offices does not mean having single-member constituencies. The Netherlands, for example, combines proportional representation with representatives actively present at the local level. The most serious objection to this innovation is that it could prove expensive to sustain.

d. Publishing and publications

The last technical items I want to raise concern the printing of a daily record of debates and the publication of regular bulletin of parliamentary affairs. As to the first point, having published debates is not only a boon to researchers (academic and partisan), but to journalists and practicing politicians, too. Preparing the debates, though, requires a sophisticated recording system, a battery of typists to transcribe

the debates, and of course having the debates printed and distributed. In wealthy countries, the norm is for a draft of the debates to be ready the next day so that typographical errors can be fixed; this may be more than a poor country would wish to undertake. Here is another worthy and uncontroversial project.

Publishing a regular parliamentary news bulletin is also a useful undertaking. In Nicaragua, the director of the National Assembly's Press Office, Maria Elena Martinez, began issuing weekly reports several years ago. These are snapped up by the press, who use them for background, and provide a handy summary record of events. The Press Office there also makes sure that the day's agenda is available to reporters, letting them know which committees are meeting and which subjects are slated for debate on the floor of the house. All of this raises the profile of the legislature.

2. More Political Considerations

To conclude this survey of ways to strengthen representative assemblies in Latin America, I want to turn to some more controversial innovations. They are controversial because they carry obvious political effects, both in the partisan or electoral sense and in the sense that they could affect the overall functioning of the political system.

Certain to arise as an issue in discussions of legislative strengthening is financial control of the executive. This means more than the annual review of the national budget. An efficient legislature should have its own auditor who will review the expenditures of the national government over the past year. This individual must be absolutely non-partisan and technically proficient. And as with any auditor, this legislative official comments on the utility and justifiability of the government's spending. Having an official auditor puts a powerful tool into a legislature's hand, even if it is useful mainly to embarrass an administration that spent profligately on last year's Christmas parties. Because this is a politically sensitive change, it probably works best on a legislature-to-legislature basis that avoids official development agencies.

The last of the political strengthening devices that might be considered concerns committees. As it is only in British-style parliamentary systems that the desirability of standing committees is questioned, that is not our concern here. Rather, the question is how to use committees to their, and the legislature's, best advantage.

To that end, it is useful to think about proposing the use of itinerant committees and using legislative committees to undertake investigations. Investigative committees are familiar parts of legislatures in constitutional democracies. Though often used to pursue scandals, they can also be used to collect and develop information for future legislation. This is a relatively widely accepted way to employ

legislators fruitfully and keep the assembly in the public eye. Only where an administration greatly distrusts the legislature will such overtures provoke controversy.

The use of itinerant committees should be equally acceptable, although more costly. Letting legislators travel around the country, hearing submissions, and generally taking the public pulse ensures that interests beyond the capital have a chance to speak out. This is unlikely to benefit the truly marginalized but it does put government in touch with some of the people outside the framework of elections. An administration that would oppose using itinerant committees is probably one so jealous of its perks and powers that it would not tolerate even a reasonably efficient legislature.

Increasing the assembly's capacity for fiscal oversight, giving the power to generate more of its own information, and putting it directly in contact with more of the country may not make it pass more bills with less discussion, but will increase its political centrality. This will shift the balance of power within the political system a little more toward the legislature and those who can influence it. Though the reforms appear at first blush fundamentally legalistic, in reality they are highly political and can produce changes that their sponsors neither foresaw nor wished.

A LEGISLATURE IN A DEMOCRATIC TRANSITION

This current round of democratic transitions in Latin America has produced instances in which parliaments have central to the process (e.g. Bolivia or, in a different way, Guatemala), those where the legislature has had little weight (Argentina), and those where the assembly has been pushed aside in an autogolpe (Peru). Rather than try to summarize the experience of fifteen separate democratizations (all but Costa Rica, Cuba, Venezuela, and Colombia, which continue with their systems unchanged), I shall describe in a little more detail what has happened in Nicaragua. I have chosen this path because (1) I have studied Nicaragua closely for a good while and (2) Nicaragua shows both the promises and perils of building a stronger legislature.

1. A Bit of Background

The Nicaraguan National Assembly dates from 1985. The Sandinista government abolished its first representative assembly, the corporative, appointed Council of State, and replaced it with a fundamentally conventional legislature as part of series of reforms that brought to an end an era of trying to create revolutionary governmental machinery. During the remainder of the Sandinista period (until 1990) the Assembly evolved into an integral part of the governmental process, involved in all facets of law-making and important enough as a source of news to draw a substantial press corps. What it not do was assume any political initiative against the

government. That this was due more to a disciplined, sixty-three percent Sandinista majority than to institutional design became clear under the next administration.

Not all the Sandinistas' legacy was positive, however. After the Sandinistas lost general elections in 1990, the lame-duck legislature acted to protect the interests of the out-going governors. This did not mean the usual "midnight appointments" to judgeships and boards, but rather new and important public laws. While this episode reflects more on those who orchestrated it than on the institution where it was played out, it gave fair warning that the National Assembly would be an important and controversial
player in the future.

In fact, the great lesson of the Sandinista-designed National Assembly is that no one can predict how modernized legislative machinery will be used by future generations of deputies. Operating in a different context and pursuing distinct agendas, members of the next congress may seize on some previously innocuous rule and turn it into a powerful weapon. Outside observers should not, then, be too quick to condemn an assembly for lack of vigor or too quick to applaud it for responsible behavior.

2. The Chamorro Administration and the National Assembly

Whatever the Sandinistas intended in 1985, the legislature they established was flexible and orthodox enough to carry on unreformed under the center-right government of Violeta Chamorro. Though the Assembly has caused the president repeated headaches, this is the result of political decisions taken by legislative leaders, mostly from Mrs. Chamorro's own party. The legislature's rules and structure are unremarkable, except that they do permit the chamber to act with a fair measure of independence. When it fell into the hands of those who disagree with the president, the executive parts of government were in for a rough ride.

Though the president's supporters, an electoral alliance of fourteen parties, controlled the legislature, most of the majority caucus differed with her on most important issues, often passing laws she felt compelled to veto. Despite the fact that the Assembly has not overridden a presidential veto on an important issue, Chamorro has had to spend lots of time and political capital winning eventual legislative acceptance. She is obviously dealing with an efficient legislature. It has the constitutional capacity to do significant work and exercises this capacity in ways that unquestionably affect policy. Yet it is also a representative body that creates political roadblocks and makes Nicaragua more difficult to govern.

In its most recent and successful contest with the president, the National Assembly proposed and passed a set of constitutional amendments that substantially reduce the power of the executive. These were supported by a broad coalition that

included dissident Sandinistas as well as both former supporters and opponents of Chamorro from her original alliance, indicating that new political forces might be forming within the legislature. The amendments themselves ban consecutive presidential terms, forbid the president to be succeeded by a close relative (vital in Nicaragua where Mrs. Chamorro's son-in-law aspires to the nation's top job), and extends the National Assembly 's "advice and consent" powers to cover both a broader range of appointments and agreements with international financial institutions.

Rather than enter into the details of the National Assembly's recent development I wish to evaluate its performance against the five criteria, set out earlier, for determining if a legislature belongs among the efficient parts of government. Most of these can be handled quickly, because the evidence is unambiguous.

Legislate: Though the Nicaraguan president has extensive decree powers, it is the Assembly that handles such complex matters as privatization, property rights, military reorganization, and of the constitutional amendments.

Oversight: Not only does the National Assembly regularly amend the executive's budget, it summons ministers before committees, and now reviews treaties as well as many executive appointments. It has the powers needed to hold the president accountable.

Informing: There is a sophisticated press corps that covers the Assembly and film clips and sound bites from the floor are on the news most nights. Moreover, protesters often make the National Assembly their target, partly because they can expect good coverage.

Representation: The legislature became important in the Chamorro years precisely because it gave a voice to a part of the President's party that she and her executive advisors chose to ignore. Further, the large Sandinista delegation in the Assembly (forty-three percent of the seats) meant that all its clients had a presence.

Conflict Management: This is the National Assembly's weak spot. Not only has it engaged in almost continual conflict with the president, the Sandinistas have often crossed swords with a substantial right-wing faction. Rather than moderate and conciliate conflicts, it seemed at times as if the legislature was focusing them more sharply.

3. Nicaragua's National Assembly and Democratization

How important is it that conflict management is the one area where Nicaragua's legislature falls short of desired standards? Does this convert the Assembly from a force for democracy into a threat to democracy?

To meet the first four criteria for becoming an efficient part of government a legislature has to have the political weight and the political will to make itself heard. It has, that is, to be able to start fights, see them through, and win its share of them. When Congress and the President square off in Washington or the Official Opposition in Ottawa or London uses procedural devices to frustrate the Prime Minister we say that this is democracy at work. We do not worry about system breakdown because in these established representative democracies there is effectively unanimous agreement to follow the basic rules of the game, which are what defines the framework where political conflict takes place.

In consolidating democracies these basic rules either cover fewer contingencies or fewer important political players accept the rules unconditionally. Thus conflict that starts out about a detail of policy can end up calling into question the nature of the regime. This is not a historically unparalleled situation: seventeenth century England and the United States and most of Western Europe in the nineteenth century faced similar challenges.

The issue here is whether a polity comes closer to democracy by repressing conflict, a qualitatively different objective than moderating it, or by trying to channel political disputes so that they might be resolved within the boundaries of the law and without violence. Stifling legitimate conflict in the name of stability, a plausible goal in many concrete instances, too easily becomes standard operating procedure, and soon legitimate outlets for criticism and dissent are closed. This leads us perilously close to where we were when the third wave of democracy first rolled in.

Nicaragua's turbulent last six years offer some hope that contestation need not be destructive.. Though the country has approached economic collapse and faced a wave of criminal violence, political conflict has, in the main, stayed within constitutional bounds. Whether this would have happened if the National Assembly had not been available as an outlet for opposition is questionable.

CONCLUSION

Legislative strengthening upsets historic political balances. Thus, when it works it should generate disputes. This is politics in action. What is essential is to build representative institutions that can contain these new conflicts and convince those embroiled in these disputes to follow the constitutional path to settlement that the legislature offers. A legislature able to do this contributes to both the legitimacy and the effectiveness of a democratic political system.

PATHWAY OR NO-WAY TO REFORM
CDIE ASSESSMENT OF LEGISLATIVE ASSISTANCE PROGRAMS

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07/14/95

Over the past decade USAID has provided assistance to legislatures as part of the Agency's democracy program. In general, these programs have been designed to enhance the stature and role of legislatures in a context of democratic transition where their functions were seriously circumscribed by previous authoritarian regimes. Given the importance of the legislative function, either as a reformist or anti-reformist force in transition countries, it is imperative that USAID assess its efforts and other donor experience in support of legislative development in order to enlighten future investment strategies in this sector. Over the next six months CDIE will undertake a multi-country assessment of legislative projects with the intent of producing a summary report by the end of this calendar year. The report will provide a strategic framework, based on the assessment, which can be used in deciding when and how to invest in legislative programs.

BACKGROUND

USAID investments in legislative development congregate in the following geographical areas: Latin America, Central Europe, Southern Africa and Asia. Some legislative development activities are underway in the former USSR countries, but they are relatively new. In Asia, the Asia Foundation has also funded legislative development efforts. NED, IRI and NDI have also been active in legislative development efforts. At the moment it is not clear what, if anything, other bilateral or non-governmental donors (e.g. the German Stiftungs, Soros Foundation) have been doing in this area.

Much of the USAID assistance has financed the development of basic infrastructure. This has included, for example in East Europe, the provision of automation equipment (copiers, fax machines, office equipment), books, newspapers, CD-ROM subscriptions, and improvements in legislative staff research and analysis capabilities. Assistance has also included the training of legislative representatives and staff in the organization of committees, and in the general procedures required in organizing and conducting legislative business.

Variations on this assistance strategy, particularly by the Asia Foundation, (which has frequently served as the implementing agent for USAID legislative projects) have included the strengthening of policy analysis institutes outside the legislature who then provide their services to the legislature. In other cases, the Foundation

has targeted its support to particular issues (e.g. environmental policy reform) and sought to build support among particular reformist legislators and constituent lobby groups.

In the Philippines, the Foundation has supported Congress Watch, an NGO which observes and reports on the behavior of individual congress members in order to publicly highlight their performance and assure greater accountability. The Foundation has also supported in Manila the Legislative Development and Training Service, an independent organization to train NGOs on how to lobby congress. In Sri Lanka, the Foundation has funded the establishment of an independent policy institute at the University of Colombo to provide policy analysis to the parliament, as opposed to investing in an analytical unit within the parliament.

CONCEPTUAL FRAMEWORK

The opportunities for greater legislative roles has emerged with the demise of authoritarian regimes worldwide over the last decade. The question thus arises as to whether legislatures can respond to these opportunities and if they can become a reformist force in championing polices which address the larger national or collective interest.

What are the critical variables which need to be examined in understanding whether legislative can assume a constructive role in democratic transitions? Table 1 outlines a conceptual framework which identifies some of these variables. It should be stressed that the framework is an initial effort in identifying determinants and issues involving legislative roles, and that it will need to be expanded and revised as the study proceeds.

TABLE 1
CONCEPTUAL FRAMEWORK
Legislative Development Assessment

Political Economy of Reform	Macro Structures for Interest Aggregation	Legislative Reform Objectives	Reform Impacts and Indicators

Dominate interests, coalitions, advocacy groups **Marginal interests, coalitions and advocacy groups**	**Electoral System** **Parliamentary vs President System** **Corporatist Systems** **Political Parties**	**Efficiency (CRS)** **Effectiveness** **- Discipline** **- Incentives** **Issue Focus**	**Expressing public opinion** **Oversight** **Representation** **Public Policy**

Reading from left to right the **first column** in Table 1 refers to the need for assessing the political economy of the ruling coalition in a particular country. Analyzing the dominate interests of the coalitions, their degree of cohesiveness, their inclusiveness or representativeness of the society at large, and their bases of power, will provide some indication of the prospects for the legislature emerging as a reformist force. Thus, the existence of the large coffee oligarchy in alliance with the military in El Salvador, prior to the more recent Peace Accords, did not provide an environment conducive for the legislature assuming a reformist role. Similarly, in Kenya, the power of the ruling coalition rests on a narrow identification with a minority tribal group, which inclines the regime to be unreceptive towards a more reformist legislature.

Ruling coalitions can change and become more inclusive of reformist interests, which can open the way to defining a more activist legislative role. Thus, since late 1980s, reformist groups who were at the margins of the political arena, have been riding the wave of democratic openings underway in many countries, and the reconstitution of ruling coalitions is providing more receptivity to enhancing the role of legislatures.

The **second column** refers to the macro structures through which group interests are aggregated. The nature of these structures are usually designed to serve the interests of the ruling coalition. Thus, an incumbent political party may design a electoral system which works to the disadvantage of opposition parties. In a recent election in an African country, the opposition parties secured 20 percent of the vote, but the disproportionality inherent in the electoral system served to reduce their representation in parliament to 2 seats. A more proportional electoral system would have brought them 23 seats.

The choice of a parliamentary or a presidential system of government has obvious implications concerning the role of a legislature, with the later choice usually accommodating a more

activist and robust role.

While, the current discourse in applied political science, as represented, for example in the Journal of Democracy, is quite divided over what kinds of electoral systems and parliamentary vs presidential structures are appropriate for particular country situations, there is unanimity on the profound importance these choices have in contributing to good or bad governance, and the positive or negative role of the legislature therein.

Another avenue through which interests are expressed, and one which has important implications for legislative roles, concerns the corporatist mode of interest aggregation and representation prevalent in many European countries and in Latin America. In these systems the legislature may be a marginal player, with peak associations from labor and business along with the executive branch negotiating major policies outside of the legislative process. This can evolve into a relatively tight and exclusive oligarchy of interests, as has been the case in Austria. New parties, which represent a more urban-middle class constituency, have sought to elevate the role of the Austrian legislature as a means of challenging the dominate peak associations.

The final item in the second column concerns the role of political parties. Where political parties are weak and fragmented, the role of the legislature can be diminished as an arena for constructive debate and policy deliberation. Indeed, in most developing countries political parties are weak, opening the way for the executive branch to overshadow the legislative function.

In summary, the variables contained in the first two columns have a strong impact in determining the role and political inclinations of the legislative function. In fact, some of the political economy literature considers these variables as having such a determinative impact that they focus little if any attention on the formal institutions of government as independent variables in their own right (see for example writings of Robert Wade and Michael Shafer cited in the bibliography). Know the interests of the ruling coalition, the types of macro structures they have designed to further those interests, and the formal institutions of government become the instrument which serves those interests. For this reason legislative dynamics frequently are not a paramount concern.

The **third column** assumes that, inspite of the leanings of some political economy writings, the legislature can at times be an important institution, in one or more areas, (conflict resolution, oversight, etc.) particularly, where the processes of fundamental political change are underway, where new forces are emerging to challenge old coalitions, and where the legislature becomes an arena for reformers and the guardians of the status quo to contest future government roles and policies. The legislature might also

assume a role (through its oversight function) in pressing a resistant bureaucracy to be more compliant and accountable in the implementation of reformist policies emanating from newly installed, more progressive ruling coalitions.

Putting aside for the moment the external variables (as indicated in the first two columns) which can constrain or enhance the reformist role of the legislature, the third column assumes that the external variables are favorable, and therefore the problem is how to organize the internal dynamics of the legislature in making it a more effective tool of governance.

Column three indicates the different kinds of objectives for reforming the internal dynamics of a legislature. First is the **efficiency objective**, an objective associated with the approach of the U.S. Congressional Research Service in the Post World War II era. Schooled in the principles of scientific management, the touchstone of this approach features an emphasis on achieving a more "rational and modern" legislative operation, a view which is well represented, for example, in the recommendations of the Legislative Reorganization Act of 1946 (Table 2).

TABLE 2
Recommendations of the Legislative Reorganization Act of 1946

- streamlined duties
- professional staff
- expanded research services
- symmetrical and streamlined committee structure
- increased information flow with the executive
- specialization and division of labor in oversight
- registration of lobbyists
- higher salaries and staff budgets

The efficiency paradigm to reform is the core strategy of the CRS in the provision of assistance to the East European legislatures (Table 3), and has been a major element of the approach taken by the Asia Foundation in its long history of assistance to legislatures in Asia.

TABLE 3
CSR ASSISTANCE TO CENTRAL EUROPE

- computer equipment
- books, library materials, data bases and CD-ROM
- staff training
- research and informational capability
- technical assistance on election laws, lobbying laws, etc.

While it is important that legislatures organize and conduct their

business in an efficient and orderly fashion, a critique of the efficiency approach has been that more rational legislative procedures do not necessarily lead to more rational policy outcomes. The following statement sums up how a number of scholars have viewed legislative performance.

> In other nations and at the municipal level in America, legislatures have withered because they have concentrated on particularistic representation at the expense of the more general responsibility for programmatic performance (Roos, p. 334).

The author of this statement goes on to drive home the point that without "party or institutional discipline, they (legislators) will tend toward delay, symbolism, servicing of the organized and particularism. There will be a systematic tendency to undertax and overspend (Roos, P. 334)."

The above quotations touch upon the central issue of whether the legislature has the capacity in act in the collective interest of a country, that is, can it engage in reformist actions, or is the **incentive system** such that legislators act in a manner which leads to "collective disaster or the tragedy of the commons."

> While democratic theory provides a potent and in the view of many a sufficient justification for legislative autonomy, the recent history of the legislature's policy-making role suggests that its prerogatives need to be justified in practical as well as philosophical terms (Mezey and Olson, p. 214).

The above discussion leads one to the **fourth column** of Table 1 which indicates four normative criteria in judging legislative performance. The first item concerns public policy and the ability of the legislature to approve legislation consistent with the larger collective interest. In brief, does the legislature support reform. The second item focuses on the oversight function in holding the executive branch accountable. The third item refers to the deliberative capacity of the legislature and its ability to vent a wide range of representative public opinions and interests. Finally, the fourth category concerns the ability of the legislature to serve constituent requests, such as working on behalf of a constituent in processing a claim against an unresponsive executive agency.

One or more of these functions would serve as the criteria for assessing the impact of direct or indirect donor investments in legislative activities. Direct investments refer to donor strategies designed to make the legislature a more effective and efficient institution; as such it could be considered an institution-building strategy. Indirect strategies refer to the

wide array of donor activities involving donor support of reformist coalitions within a legislature or NGOs who are pressing legislative representatives to support major political or economic reforms. The example cited earlier where the Asia Foundation is working with the Thai legislative committee on environmental reform issues falls into this latter category.

EVALUATION ISSUES

USAID evaluation experience with legislative assistance is limited. An evaluation has been conducted of the regional Central American project, and ENI is planning to conduct an evaluation of its East European legislative assistance efforts this summer.

At this point an initial range of issues can be highlighted which can begin to focus on some of the strategic questions for this evaluation.

An effective Legislature. What does it mean? Most USAID projects are designed to create more "effective" legislatures. This obviously implies enhancing the power and independence of the legislative function, particularly with regard to more effective representation of constituents, stronger oversight of the executive branch, and more involvement in bill drafting. This looks good on the surface, but what if it turns out that the legislature is antithetical or indifferent to the political, social and economic reforms which USAID and other donors are advocating?

A general review of legislative performance in the developing world indicates that these institutions frequently harbor strong anti-reform propensities. In such a context, how then does one define "effectiveness:" by the fact that the legislature has more power vis-a-vis the executive branch and/or the fact that the legislature is using its power to favor or oppose reform?

What factors determine whether a legislature is effective? Assuming that one has been able to answer the first question addressed above, what are the variables which would need to be addressed to improve effectiveness? In many projects the presumption is that constraints to performance are internal to the legislature itself; i.e. the lack of adequate staff and equipment, or the lack of role definitions in the allocation of legislative work and bill drafting. However, there is plenty of evidence to suggest that underperforming, weak or unreformist legislatures are reflective of conditions which lie outside of these legislatures. These conditions include:

(1) Ruling oligarchies which inhibit the growth of reformist voices and their expression within the legislative branch or other fora. Party elites are frequently able to control candidate selection in such a way that elected candidates are more dependent upon these elites than they are on constituency support. Thus, in some cases,

legislative members lose their seat if they caste a vote which opposes their party position (Sri Lanka) or if they are "outspoken" in their criticism of government policy (Indonesia and Malaysia).

(2) Electoral systems which are rigged to favor a dominant party and to fragment or ban opposition parties, thereby weakening the capacity of the legislature to engage in constructive deliberation. This recently has been the case in most of the Central Asian states of the former Soviet Union, where opposition parties have either been banned or seriously constrained from having significant legislative representation.

(3) Corporatist political systems where major state policies are made in arenas outside of the legislative branch. In many Latin American and in some European states (Austria, for example,) major policies are negotiated (frequently in less than transparent ways) between the executive branch and peak associations representing business, (and sometimes labor), etc., which serves to bypass the legislature and exclude other major interest groups from the process. The neoliberal reforms negotiated in Bolivia, Peru and Ecuador excluded organized labor and lower-class groups (Conaghan and Malloy, p.17).

Added together the above factors can either marginalize the legislature or conversely make it an important political player, but primarily as a force in opposition to reform. **In brief, the locus or path to reform in a particular country may or may not be through the legislature.** Reforms in the electoral system and the governance rules within the political parties may be essential prerequisites for the emergence of a viable legislative function.

Based on the above discussion some of the basic questions which the CDIE assessment will seek to address are as follows:

What are the various strategic logics for determining whether to invest in legislatures?

By what standards does one judge the effectiveness of donor investments in legislatures?

Are there sequences and tradeoffs in the process of political reform which would give less or more priority to legislative investments?

Should investments in building constituencies and coalitions for reform, (i.e. demand generation around basic structural reforms or particular issues) in and outside of the legislature assume primacy as opposed to changing the internal organization and procedures of the legislature as an institution?

Can investments in legislatures be seen as discrete activities or must they be tied to a larger concept and strategy of political

reform which requires investments in the other actors and areas of the political system? What would be the nature of the linkages between these elements.

If the legislature is to be an agent of reform, what kinds of strategies have donors employed in supporting this role? What have been the impact of these efforts?

EVALUATION METHODOLOGY

The evaluation will be undertaken by CDIE teams visiting 6 to 8 countries where USAID/other donors have accumulated the most experience in legislative development. An initial candidate list includes the following countries: Philippines, Nepal, Ukraine, Bulgaria, Bolivia and El Salvador.

Each CDIE team will spend approximately two weeks in each country. They will then prepare a country report, which together with the other country reports would constitute the basis for writing the final synthesis.

WORKPLAN

TASKS	COMPLETION DATE
Issues Paper An issues paper will be prepared identifying major themes with respect to legislative development which will serve as as the briefing paper for each team prior to their departure. The issue paper will synthesize insights and issues from project documentation and literature surveys.	July 15
Phase I Field Visit The first phase of the evaluation will focus on the Philippines.	August 1-15
Phase II Field Visits The second phase will involve sending teams to the remaining 6 or 7 countries.	Sept-Oct.
Drafting of Synthesis Paper A synthesis of the three field visits will be drafted as the final product of the study.	December 15

USAID LEGISLATIVE DEVELOPMENT PROJECTS

REGION	YEARS	CONTRACTOR
Latin America		
Regional	1985-1994	Center for Democracy Florida Intern. Un. SUNY/Albany
Honduras	1987-1995	Georgetown Un.
Guatemala	1987-1991 1990-1997	
Nicaragua	1991-1998	Center for Democracy
El Salvador	1989-1993	Research Triangle Inst.
Panama		Center for Democracy
Costa Rica	1991-	Center for Democracy
Bolivia	1989-1995	SUNY
Ecuador	1993-1995	
Chile		
Asia/Near East		
Nepal	1992-1995	Asia Foundation
Bangladesh	1989-1994	Asia Foundation
Cambodia	1992-1994	Asia Foundation
Thailand	1985-1992	Asia Foundation
Pakistan		Asia Foundation
Egypt	1993-1998	
Africa		
Zambia	1992-1997	
Nambia	1995-	NDI
SADC Regional		
Central Europe		
Poland Hungary Czech Republic Slovakia Albania Bulgaria Latvia Lithuania Estonia		Congressional Research Service served in all of the Central European Countries starting in 1991
Former USSR		
Ukraine		

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COALITION/CONSTITUENCY BUILDING

LESSONS LEARNED

- STRONG CIVIL SOCIETY
- BAR ASSOCIATIONS
- COMMERCIAL SECTOR
- NGO COALITIONS
- FREE AND EFFECTIVE MEDIA
- RELIABLE COURT STATISTICS
- OPINION SURVEYS
- DONORS NEED MORE LEARNING

STRUCTURAL REFORM STRATEGIES

LESSONS LEARNED

- STRUCTURAL REFORM BOLD BUT DIFFICULT
- IMPACT DILUTED BY LACK OF ENFORCEMENT
- NEW STRUCTURES OVER REFORMING OLD STRUCTURES

STATE BUILDING STRATEGIES

LESSONS LEARNED

- STATE BUILDING NOT NECESSARILY BEST PLACE TO BEGIN
- SUCCESSFUL STATE-BUILDING STRATEGIES VARIES WIDELY
- GETTING FIRM GRIP ON QUALITATIVE DATA FOR COURT DELAY

ACCESS CREATION STRATEGIES

LESSONS LEARNED

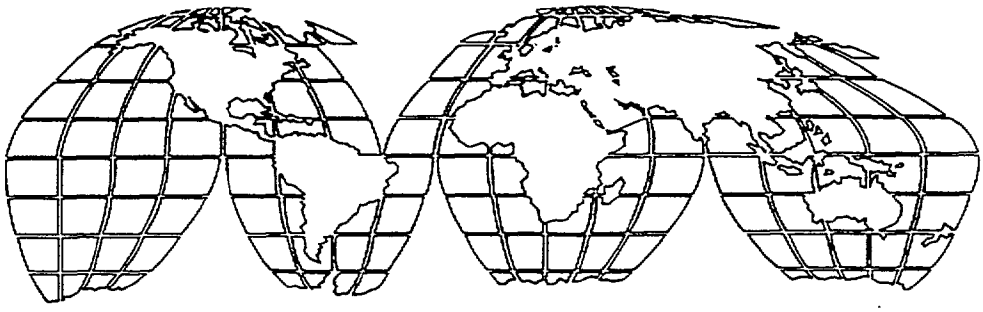
- LEGAL AID,
  LEGAL LITERACY AND
  PARALEGALS
  LIMITED IMPACT

- ADR IS LOW COST,
  EXPEDITIOUS AND
  ACCESSIBLE

- LEGAL ADVOCACY IS
  MOST PROMISING

USAID EVALUATION HIGHLIGHTS NO. 27 April 1994

Weighing in on the Scales of Justice: Strategic Approaches for Donor-Supported Rule of Law Programs



Center for Development Information and Evaluation
U.S. Agency for International Development (USAID), Washington, D.C. 20523

Summary

The development of legal systems in support of the rule of law (ROL) has become a major goal in USAID's expanding portfolio of democracy programs. And, in recent years, USAID and other donors have built a rich base of knowledge about effecting legal change—one that can serve as an important resource for refining existing ROL programs and designing future ROL efforts.

In 1993, the Center for Development Information and Evaluation (CDIE) completed a six-country assessment of USAID and other donor ROL programs. CDIE studied programs in Argentina, Colombia, Honduras, and Uruguay—where USAID has been the main donor supporting ROL efforts—and in the Philippines and Sri Lanka, where the Asia and Ford Foundations have been key. This Evaluation Highlights summarizes CDIE's evaluation synthesis, which in turn distills and analyzes the findings and recommendations of the country studies.

The CDIE assessment sought to be both retrospective and prospective and had the following three principal purposes:

- *To assess recent donor experience in ROL*
- *To develop criteria for initiating ROL programs*
- *To propose a strategic framework* for setting ROL priorities and for designing country programs

The strategic framework that CDIE has developed (see Figure 1) identifies four distinct ROL strategies and recommends a sequence in which they might be used to plan and undertake ROL activities. It emphasizes strengthening host country demand for ROL reform before engaging in more conventional, supply-side, institution-building activities.

The assessment results indicate that USAID (as well as other donors) should consider a range of criteria in determining whether to invest in ROL programs. In a country where preconditions are problematic, USAID will have to decide before investing whether its policy leverage and influence can elevate the importance of ROL reform in the country's political agenda. Where political will for reform is promising but still relatively weak, USAID will need to pursue constituency- and coalition-building strategies. Especially crucial are strategies that generate support for ROL reform by stimulating public pressure through, for example, legal advocacy groups or businesses and by strengthening the freedom and professionalism of the media.

A further important management implication of the assessment findings is that even with

PN-ABG-033

only modest funding levels USAID can serve in a pioneering capacity, acting as an experimental, risk-taking innovator to develop approaches that then can be taken over by multilateral donors willing to make more substantial investments.

Background

USAID has a long history of activity in ROL, which can be divided into four generations of development efforts. The *first generation*, the "Law and Development Decade," began in the early 1960s, when the Ford Foundation and USAID supported the development of law faculties in a wide array of African, Latin American, and Asian countries.

In the mid-1970s, the New Directions Mandate ushered in a *second generation* of USAID legal-development efforts that focused on alleviating poverty by meeting the basic needs of all individuals and giving the poor a larger voice in the development process. One activity carried out under the New Directions included making legal services accessible to the poor through legal aid projects.

The *third generation* of USAID investments in the legal sector began in the early to mid-1980s with the initiation of court reform in the Latin America and Caribbean region. Referred to as the "Administration of Justice Program" (AOJ), the Latin America activities have in recent years constituted a major component of USAID-sponsored democracy programs in the region.

Currently in the 1990s, the scope of USAID law programs is becoming geographically and substantively broader. With support for democracy emerging as a major Agency objective, USAID Missions worldwide are including law projects in their country democracy programs. Furthermore, the programmatic focus and content of these efforts are encompassing a wider array of objectives, strategies, and activities than did earlier efforts. For this reason USAID activities involving legal development have come to be called "Rule of Law" (ROL) programs. (Rule of Law is also the term employed in the Agency's recent strategy paper on democracy.) The use of this term implies correctly that USAID is moving into a *fourth generation* of program activities. The intent of this CDIE assessment is to move forward the process of strategic thinking on designing fourth-generation ROL programs.

Findings

The six countries selected as case studies for this assessment (Argentina, Colombia, Honduras, the Philippines, Sri Lanka, and Uruguay) demonstrate a variety of strategies for addressing ROL issues and offer lessons for guiding ROL programming. The wide range of donor-supported ROL activities can be divided into four strategies: (1) legal-system strengthening, (2) access creation, (3) structural reform, and (4) constituency and coalition building. Some countries studied pursued one strategy, whereas others undertook multiple strategies simultaneously (but usually gave priority to one). In several cases the initial strategy proved unproductive and was replaced by a different approach. The following analysis of each of the four strategies and its impact on ROL development provides important insights into ROL program design.

Legal-Systems Strengthening

USAID and other donors have supported strategies for strengthening legal systems in all six countries studied. Such strategies generally comprised the traditional institution-building activities and focused on enhancing the capacities of host government judicial institutions to render justice more effectively and efficiently.

For the most part, these strategies were directed toward the introduction of new systems of court administration, such as improved record keeping and budget and personnel management; the design and conduct of preentry and postentry training programs for judges, court staff, and lawyers; and the acquisition of modern technology, such as computers for case tracking.

The record of achievement with regard to legal-system-strengthening strategies is mixed. In Uruguay and Colombia, for example, these strategies have contributed to important improvements in judicial performance. In Uruguay, the introduction of oral procedures to supplement and replace much of the traditional written approach to civil-case processing has led to considerable reduction in the amount of

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time required to move cases through the courts. In Colombia, revamped Public Order courts for handling terrorism cases have increased the conviction rate from 30 percent to around 70 percent in the first year of operation (although still unknown is the impact of court efficiency on human rights in a country that has long had an unenviable record in this area).

Progress in the other four countries studied has been more variable, however. In Honduras, USAID assisted in upgrading the skills of prosecutors and public defenders who, despite pursuing their roles more vigorously, are still constrained by inefficient judicial procedures. In Argentina, initial efforts to improve the legal system were unsuccessful at the national level, but in the provincial courts they have found a receptive audience. Court-improvement efforts in the Philippines have received Asia Foundation support but have yielded few results.

Several lessons emerge. First, legal system strengthening is not necessarily the best place to begin ROL development. In particular, this strategy is generally not effective when political will or public pressure is absent or too weak to demand and support improvements in judicial performance. In varying ways, this has been the case at the national level in Argentina, Honduras, the Philippines, and Sri Lanka.

A second lesson is that the most successful strategies for strengthening a country's legal system depend on the environment found there. In Argentina, instituting a variety of small institution-building activities at the provincial level worked well, whereas in Colombia the Public Order courts proved to be the right place for introducing change. In Uruguay it was training in new oral procedures, while in Sri Lanka it was helping to establish the national mediation program.

A third lesson is that introducing court statistical and database systems involves more than just counting cases. Statistical exercises launched in Argentina, for instance, have produced large quantities of data in the first few years of work, but so far this mass of information has been of little use in creating an understanding of why and where bottlenecks, delays, and backlogs occur. A similar effort in Uruguay made only slightly greater progress. Getting a firm grip on the quantitative aspects of court delay is a very difficult task, particularly in justice systems characterized by isolated and independent judges. But if a judiciary is to gain control of its cases and reduce its backlog, it must first develop a way of finding out what is going on—and this takes time.

Access Creation

In several of the countries studied, donor-supported access-creation strategies have helped make legal services more available and affordable to low-income people who lack the means and knowledge for seeking resolution of disputes or redressing of grievances when their rights have been violated. These efforts have included legal aid, paralegal training, alternative dispute resolution (ADR), legal literacy campaigns, and legal-advocacy, nongovernment-organization (NGO) support.

ADR strategies are the most widespread. In five of the six countries, USAID or the Asia Foundation is supporting ADR mechanisms designed to divert cases away from the regular court system into mediation boards, neighborhood counseling centers, and binding arbitration schemes. Most of these ADR measures are new but are showing promise as a low-cost measure for providing expeditious and accessible services for settling grievances, particularly for lower income people.

In three countries—Argentina, the Philippines, and Sri Lanka—support has been provided for legal aid programs and in the latter two for legal literacy campaigns and paralegal services as well. These activities are often limited in their reach and impact if pursued as discrete efforts. Legal aid programs tend to deal with individual cases, generally depend on scarce *pro bono* lawyer services, and frequently lack the resources to pursue court litigation. Similarly, although disputants may be motivated by what they learn through legal literacy campaigns and the paralegal efforts carried out on their behalf, their acquaintance with the law would still be too rudimentary to empower them to act effectively or have access to individuals who can act for them.

Legal aid and literacy efforts become much more effective when they are developed around specific needs and issues and are linked to organizations that have the professional legal competence to engage in litigation and to provide legal representation. The assessment re-

vealed that legal advocacy NGOs are performing this role but only in Sri Lanka and the Philippines. Such NGOs employ lawyers who seek out and engage in class-action, public-interest suits and test cases on behalf of disadvantaged groups who suffer from a common infringement of their rights. Legal advocacy NGOs can be highly effective because they target specific issues and groups; seek, through legal means, to reform structures perpetuating poverty and oppression; and empower communities to take action in defense of their rights and to break bonds of passivity and dependency. For these reasons investments in legal advocacy NGOs have the potential for yielding high returns.

In a country where preconditions are problematic, USAID will have to decide before investing whether its policy leverage and influence can elevate the importance of ROL reform in the country's political agenda. Where political will for reform is promising but still relatively weak, USAID will need to pursue constituency- and coalition-building strategies. Especially crucial are strategies that generate support for ROL reform by stimulating public pressure through, for example, legal advocacy groups or businesses and by strengthening the freedom and professionalism of the media.

Structural Reform

Structural-reform strategies refer to the rules governing the legal system, which usually are reflected in constitutional provisions and laws. Undertaking a donor-supported structural-reform strategy can be rewarding, although it often presents a formidable challenge because it may require constitutional changes or legislative enactments. These initiatives can be time-consuming endeavors and are likely to encounter opposition from entrenched political interests. Furthermore, structural reform is only an early step in ROL development and requires follow-up effort as part of an access-creation or legal-system-strengthening strategy to implement the reform.

All of the countries studied have engaged in structural reform of one kind or another—in some cases with USAID assistance and in other cases independently. For example, four countries sought to change their judicial personnel systems in the direction of merit-based appointments and promotions. The adoption of merit systems is particularly important for raising professional standards and enhancing the independence of the judicial branch.

Several lessons emerge in reviewing the performance of structural-reform strategies. First, the effects of structural reforms are frequently diluted by the absence of pressures for accountability and enforcement. Thus although governments in two of the countries undertaking structural change were moving ahead, in the others political will to carry through such reforms was tenuous at best. The best way to shore up political will in such cases is through continuous prodding and public pressure, without which consolidation of structural reforms tends to be problematic.

Second, because structural reforms may meet with strong resistance from entrenched interests, donor investments to help create new institutions may yield greater returns than trying to reform existing ones. For example, governments in five of the six countries—with some donor assistance—are creating ADR mechanisms to bypass court systems, which are frequently unresponsive to reforms.

Constituency and Coalition Building

The assessment's major finding concerns the need for USAID and other donors to devote more attention to constituency- and coalition-building strategies. Constituency building refers to donor support for citizen, commercial, and professional groups engaged in mobilizing public pressure for legal reform and in helping oversee government performance in executing reform measures. Similarly, coalition building refers to donor efforts to help forge reformist coalitions and alliances among NGO leaders and senior government managers.

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Until recently constituency- and coalition-building strategies played only a minor role in donor ROL reform efforts. In the late 1980s it was assumed that the newly emerging democracies of Argentina, Honduras, the Philippines, and Uruguay would demonstrate the political will necessary to move directly to structural reform and legal-system strengthening. However, except for Uruguay, it soon became clear that host government commitments to legal reform were weak and uncertain. Fortunately, in two countries—Argentina and the Philippines—it was possible to move away from these stalled efforts to constituency-building strategies aimed at increasing public pressure and political support for legal reform.

The returns on investments in constituency and coalition building —and the overall importance of this strategy in ROL efforts—are well exemplified in Colombia. Colombia is the one country where USAID undertook a concerted and protracted effort to bring together reformist elites who then became leaders in bringing major changes to the judiciary.

Potentially similar results can be found in the Philippines, where in the face of weak government commitment to legal change, the Asia and Ford Foundations focused on mobilizing new constituencies to pressure for reform. Thus the Asia Foundation helped an NGO coalition representing urban poor communities to lobby vigorously and win legislative support for urban housing rights for the poor.

A number of important lessons can be drawn from the limited experience with coalition- and constituency-building strategies. First, constituencies vary considerably in their potential for being sources of support for reform. While bar associations were rarely a major source of reform, the commercial sector provided a potentially important reform constituency. Second, although NGO-based coalitions can be difficult to build, they can be a strong force for reform. The Philippines is a good illustration, having produced effective coalitions representing indigenous minorities, women, and the urban poor, among other groups.

Third, all of the case studies indicate that free and effective media are needed to implement a successful coalition- or constituency-building effort. Only when there is free flow of information can public debate be improved. And only in such an environment can people mobilize themselves to hold the legal system accountable and press for reform. Fourth, a crucial foundation for informed public debate on a justice system is sound court statistics and data on the system's inner workings. Reliable data enable the public and reformers to identify precisely the nature of judicial deficiencies and to formulate specific, well-grounded proposals for improvement. Finally, as a fifth lesson, polling can be an invaluable adjunct to an ROL program in assessing public perceptions of judicial performance and in mobilizing demand for reform.

Strategic Implications

A range of strategic implications concerning donor approaches to ROL can be drawn from the six country assessments. In particular, sequencing of strategies is very important. In the mid-1980s, many USAID ROL programs in Latin America emphasized legal-system-strengthening and structural-reform strategies—approaches that usually are associated with conventional institution-building activities. These reform measures, which are supply-side oriented in their emphasis on increasing the provision of legal services, were frequently hampered by the indifference, if not opposition, of political elites and the judicial bureaucracy.

A lack of strong and consistent political support from host governments for ROL reforms is contributing to a shift in emphasis in USAID programming from supply-side approaches to efforts featuring demand-driven strategies. Specifically, the constituency-building and access-creation strategies, which seek to generate public pressure for reform, are assuming more prominence in USAID ROL activities, as well as in the Asia Foundation programs, particularly in the Philippines and Sri Lanka.

A second policy implication points to a range of criteria that can be used to judge whether host country environments might be favorable to ROL investments. The outlook for reform improves if, beyond a minimum commitment from the host government to basic standards of human rights, there are elites and constituencies prepared to support reform, the judicial branch is relatively autonomous and

free of corruption, and the media are independent and report professionally on legal issues. Where these conditions are only partially in evidence, donors will need to bolster the reform effort through policy dialogue and conditionality.

Also suggested by donor experience in the countries studied is a design methodology that can be used to tailor ROL strategies to particular country conditions. This design methodology is represented in Figure 1 as an analytical tree.

The analytical tree begins with the question—Should USAID offer ROL support? To respond, the first step is to determine whether basic conditions in the host country are favorable for initiating ROL investment. If USAID (or another donor) decides to invest, the next step is to determine whether host country political leadership is sufficiently supportive of an ROL enterprise. Where such support is hesitant or weak, a constituency- or coalition-building strategy should be pursued. But where leadership support is sufficient, the focus should move down to the next level, which poses the query, Is the legal structure adequate? If so, analysis and planning move on to issues of access to legal services. A similar line of reasoning takes the planner eventually to the base of the tree and to the end objective of the ROL effort: better justice.

The analytical tree is intended to be a tool in the process of setting program priorities. Because in the real world answers to the questions posed in Figure 1 are seldom completely a "yes" or a "no," donors will likely pursue more than one ROL strategy at any particular moment. The framework provides a useful guide in helping donors determine which of the four strategies should dominate under what conditions and in what sequence the emphasis on strategy should change over time.

Management Implications

The assessment has several crosscutting implications for USAID management. First, in many instances USAID ROL projects did not require large expenditures. A court monitoring enterprise in the Philippines, for example, received Asia Foundation support of less than $100,000, and the institutional reforms implemented in the Province of Buenos Aires in Argentina, which included some half dozen significant activities, was supported with about $170,000 from USAID over several years. What such projects frequently do require, however, is *intensive USAID staff involvement* in order to facilitate the process of dialogue and change within host government institutions and constituencies.

Second, with limited funding, USAID can serve effectively in a *pioneering or trailblazing capacity* in the ROL field. It can act as an experimental, risk-taking innovator to develop approaches that can, when proven to be effective, be taken over by multilateral donors willing to make substantial investments in this sector. The Agency's experience with a series of small and experimental grants in Uruguay is leading to a significant Inter-American Development Bank investment in ROL, and in Argentina the prospect is good for the World Bank to take over many of the efforts that the USAID program has developed. In both cases, multilateral donors viewed USAID as a flexible operation capable of experimenting to find successful ROL strategies that they might then support with substantially larger funding. As USAID looks toward a time of significantly constrained resources, this trailblazing approach should appear increasingly attractive.

Third, using *intermediary organizations as ROL program managers* has proven highly effective in five of the six cases studied. In Argentina and Colombia these agencies were host country NGOs, whereas in the Philippines and Sri Lanka a U.S. NGO took on this role, and in Uruguay an international organization—the United Nations Development Programme—did so. The NGOs' precise roles varied widely; in some cases NGOs were more involved in policy, while in other cases they were primarily administrative managers. But in all instances the intermediaries played an important role in insulating the U.S. Government in the delicate area of ROL, while in several cases they were valuable in constructing ROL strategies as well.

A final management issue concerns the chance of *legal-system strengthening becoming a "price" or "transaction cost" of pursuing the more political efforts embodied in constituency-*

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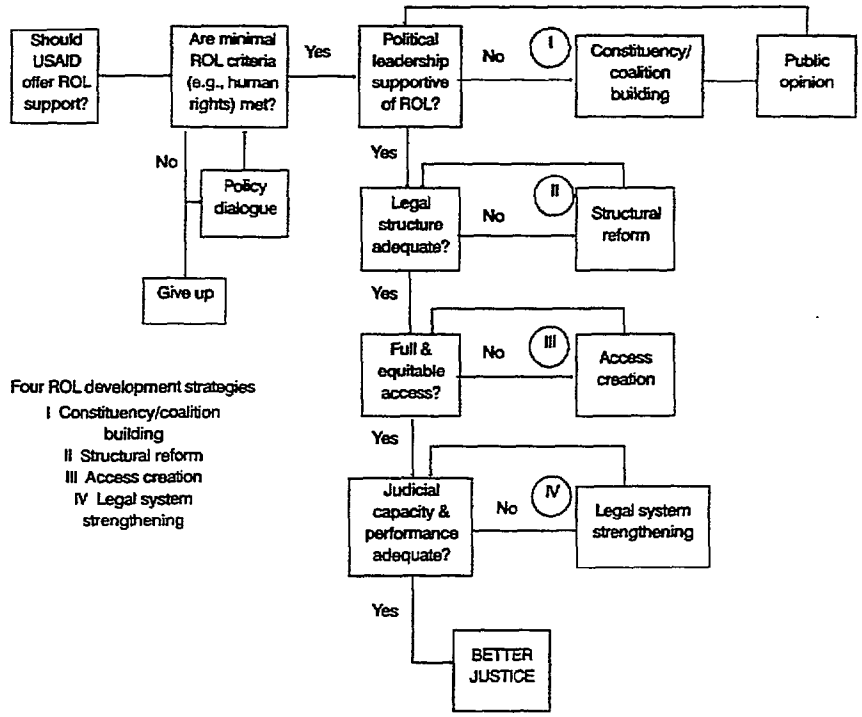
Figure 1
An Analytical Tree for Supporting Rule of Law Development



and coalition-building strategies. USAID may well find itself constrained by U.S. Government policy—as it has been in the past (e.g., in the Central American region)—to support ROL initiatives, even when the preconditions pointed to in the analytical tree have not been met. In such circumstances, the Agency may find itself being directed to provide legal-system strengthening support in the justice sector, even when such assistance offers little chance of succeeding. Even so, it may still be possible to launch some activities involving constituency and coalition building and access creation, while at the same time absorbing the expense of the technology transfers reflected in legal-system strengthening as a kind of "transaction cost" of pursuing initiatives to improve the political environment for sustained success.

This Evaluation Highlights *was prepared by Gary Hansen and Harry Blair of the Center for Development Information and Evaluation. The highlights summarizes the findings from* Weighing in on the Scales of Justice: Strategic Approaches for Donor-Supported Rule of Law Programs, *USAID Program and Operations Assessment Report No. 7, PN-AAX-280, which can be ordered from the DISC, 1500 Wilson Blvd., Suite 1010, Arlington, VA 22209-2404, telephone (703) 351-4006; fax (703) 351-4039.*

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CURRENT PRACTICES: TACTICS FOR DEALING WITH CORRUPTION

OVERVIEW

Michael Johnston

Politics and corruption have a reciprocal relationship: corruption undermines the competitiveness and fairness of the political process, but those who hold positions of advantage within a political system often will use considerable political influence to protect the advantages that allow them to practice corruption. Thus, connections between democratization and anti-corruption reform exist on several levels: democratization can be an effective anti-corruption strategy, particularly if backed up with administrative and institutional reforms, but corruption can make democratization much more difficult, fragmenting and compromising the elites and organizations necessary to build freely competitive politics.

In this session we consider those reciprocal connections, beginning with the differences between sustainable democracy and unbalanced development. The former depends upon a balance between the accessibility of elites and their autonomy: people must be able to influence decision-makers, but in the end elites must be able to act and to pursue coherent policies. It also depends upon a balance between political and economic opportunities, so that it will be more difficult to use office to enrich oneself or to use wealth to buy power.

I will set aside the issue of defining corruption at the outset, suggesting that we consider it as the abuse of public roles and resources for private benefit, acknowledging that in transitional societies notions such as "public", "private" and "abuse" are politically contested and very much in flux. Indeed, historically it has been through healthy political contention that such terms have acquired stable and legitimate meanings. For these reasons, democratization is essential to anti-corruption reform, as well as vice versa.

But the democratization argument needs to be made more specific, and to be applied more directly to differing societies and circumstances. Using the notion of imbalances between access and autonomy, and between economic and political opportunities, as laid out above, we analyze four different "corruption scenarios": interest-group bidding, merchant princes, fragmented/extended patronage politics, and patronage machine politics. Each has a distinctive set of corruption problems, and the second and third include particular dangers of out-of-control "corruption spirals."

The main focus will not be upon the conceptual argument, but upon the particular corrupt practices and strategic groups marking each scenario. Each also points to reform strategies, with particular groups and institutions playing central roles. These can help draw important boundaries and distinctions central to both legitimate conceptions of corruption and stable relationships between wealth and power. The strength of those groups and institutions can be estimated by looking at the presence or absence of major types of political conflicts in

societies -- conflicts that mark the sort of healthy political contention needed to build democracy and to build limits around corruption. The overall goal of the session will be to help aid agencies and their staffs identify possible forces for democratization and anti-corruption action within the often-chaotic politics settings they confront, and to bring the argument about democratization and corruption down to a more specific and useful level.

VARIETIES OF CORRUPTION AS FUNCTIONS OF POLITICAL AND DEVELOPMENTAL IMBALANCE

ELITES:

OPPORTUNITIES:	accessibility > autonomy	autonomy > accessibility
Econ > Pol	Corruption type: interest-group bidding Strong econ interests, accessible decentralized elites; interests use wealth to capitalize on access to segments of elite; elites engage in individual enrichment USA; Germany; many affluent liberal democracies	Corruption type: "merchant princes" Entrenched elite entrepreneurs enrich selves and pol followers, manipulate pol access; *danger of extreme corruption* China (*guandao*); military regimes (Nigeria at var. points), old Hong Kong, S. Korea; LDP Japan
Pol > Econ	Corruption type: fragmented patronage, extended factionalism, *mafiyas* Fragmented and pol insecure elites build personal following, are vulnerable to unofficial factions; *danger of extreme corruption* Russia, Poland; Peru (pre-Fujimori), Argentina (pre-Menem); early evolution of Tammany; Italy; early civilian regimes in Africa	Corruption type: patronage machines Strong elites buy off, preempt pol. competition by manipulating econ rewards, enrich selves; intimidation Mexico, Sicily; Indonesia?; Stuart England; rapidly urbanizing nations; mature Tammany machine

CRITICAL BOUNDARIES AND DISTINCTIONS FOR ANTI-CORRUPTION REFORM

- State vs. Society
- Public vs. Private Roles and Functions
- Politics vs. Administration
- Individual vs. Collective Rights and Interests
- Market vs. Bureaucratic vs. Patrimonial Allocation

STRATEGIC CHANGES AND GROUPS FOR REFORM

ELITES:

OPPORTUNITIES:

Econ > Pol

accessibility > autonomy

Corruption type:
interest-group bidding

Anti-corruption strategies:

strengthen protect official autonomy, state/soc boundaries protect equality of pol competition

Strategic groups:

political parties, lobbying vehicles (e.g. PACs), grassroots groups, middle bureaucratic manages, indiv. legislators and staff; good-government groups

accessibility > autonomy

Corruption type:
"merchant princes"

Anti-corruption strategies:

enhance mass participation, open/ routinize bureaucratic channels emphasize legality, expand political competition

Strategic groups:

emerging econ interests, trade assns, international partners, top jurists, bur. mgrs; lawyers, free profs; organizations in civil society; potential opposition elites

Pol > Econ

Corruption type: fragmented patronage, extended factionalism, *mafiyas*

Anti corruption strategies:

strengthen/protect official autonomy; state/soc boundaries; enhance state capacity; increase economic growth

Strategic groups:

political parties, interest groups; indiv. bureaucrats, bur. managers; law enforcement, judiciary; international business; potential opposition groups and elites

Corruption type:
patronage machines

Anti-corruption strategies:

enhance mass participation, pol competition; open and routinize bureaucratic access; increase economic growth

Strategic groups:

opposition elites, parties; *independent* groups in civil society, top bureaucrats and jurists; large int'l businesses, foreign-educated technocrats, free profs

GENERAL DEMOCRATIC AND ANTI-CORRUPTION REFORM STRATEGIES

- Where accessibility > autonomy, enhance official autonomy, internal bureaucratic management, and state capacity

- Where autonomy > accessibility, open up channels of mass participation, accountability and bureaucratic access

- Where economic opportunities > political opportunities, enhance depth and equality of political competition

- Where political opportunities > economic opportunities, encourage broad-based economic growth

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'Micro' and 'macro' possibilities for reform

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Abstract. The connection between corruption and undemocratic politics is a familiar one, but it often seems that more open and decentralized politics would only be more accessible to parties seeking corrupt influence. But democratic politics has significant long-term strengths; a revitalization of civil society can enlist some of the same private interests that might currently engage in corruption, or be targets for extortion, as forces checking the abuse of power. This "macro" approach does not supplant more familiar "micro" reforms; indeed, the latter are essential, for more open politics might mean more corruption in the short run. Democratization and improved public management are both needed if African corruption and its harmful effects are to be controlled.

Introduction

What can be done to aid the process of democratization, and to reduce the levels and damaging consequences of administrative corruption, in developing nations? How are these two goals interrelated? Can international aid donors, many of whom have begun to use political liberalization and anti-corruption policies as aid criteria, help both processes (and avoid creating new problems) by carefully targeting their resources?

This paper offers an exploration of what democratization itself might mean for anti-corruption efforts. It identifies familiar reform approaches or anti-corruption tactics which can be implemented at the 'micro' level, for example, those dealing with administrative procedure or personnel policy. It also suggests it is useful to examine the relationship between democratization and corruption at the 'macro' level, and that by fostering more balanced relationships between public and private interests, state and civil society, it may be possible to target aid and technical assistance in ways that can improve both politics and 'good governance'.

Individual cases of corruption have unique elements, and the nations of Africa embrace immense diversity, making it vital to adapt the anti-corruption measures to specific societies and arrays of political forces. However, recent changes in African politics, in the attitudes and perceptions of donor nations, and in the global economic and political climate make this a particularly appropriate time to think about broad new initiatives against corruption, about

the prospects for more open politics, and about ways of making the two work together. While democratization may create new vulnerabilities to corruption in the short term, over the longer haul it may engage as forces inhibiting corruption some of the same private interests that are now parties to it. This is not to suggest that 'macro' strategies supplant 'micro'-level reforms; indeed, both must be coordinated if they are to stand a chance of lasting success.

The setting

New 'winds of change'?

In any current discussion of political change in Africa there are the twin dangers of assuming that changes toward democracy and away from autocratic rule are fundamental and lasting, and of overstating consistencies among contrasting political scenarios across a most diverse collection of states and societies. Obviously, matters are not so simple.

Since the late 1980s, major changes in over a dozen African nations have brought new leadership to the fore, produced multi-party elections (Benin, Sao Tome, Cape Verde, and Zambia), or have at least led to new promises, sometimes unfulfilled, of open competitive politics (Ghana, Cameroon, Kenya). Nigeria's military government has continued its efforts to create a new party system, in advance of a Third Republic in 1993; and elsewhere (Botswana, Mauritius, Senegal) positive political trends of longer standing have taken deeper root. But the sources and mechanisms of change have been diverse, ranging from orderly elections and 'National Conferences' to civil war and assassination. Moreover, positive trends are reversible, as the 1992 military coup in Sierra Leone, the crisis in Togo, and the largely abortive election in Cameroon, demonstrate (Riley, 1992; Kpundeh and Riley, 1992). Thus, it can be very difficult to identify genuine democratization until well after the fact.

It is also important to remember that when autocratic and corrupt regimes crumble, it is far from clear that the eventual result will be liberal democracy and effective administration. There are many possible outcomes of these basic changes (Riley, 1992), some of them involving immense social dislocation and human suffering.

But there are opportunities as well. The end of the Cold War makes it much less likely that international aid donors will continue to prop up African client regimes for geopolitical reasons alone, or 'wink at' political and administrative abuses by those governments simply because the latter serve ideological purposes. Aid partners have subjected their own priorities, and the effects of those efforts, to searching reassessment. There are also important 'demonstration effects' (Riley, 1992) at work, not only as positive changes in some African states inspire renewed efforts in others, but also growing out of the collapse of the authoritarian regimes of Central Europe and the former Soviet Union. Finally — and most urgent — there is a growing sense both in and

outside of Africa that, politically and economically, things simply can no longer continue as they have done over the past three decades. The agonies of Ethiopia and Somalia warn of a grim future for an entire continent, or major segments of it, and are reminders that the crisis is just as much political as it is economic.

Which way in?

Are we talking about combating corruption as a way to aid democratization, or about making politics more democratic as a way of reducing corruption? Not only is it difficult to disentangle these goals in practice; they are extensively interconnected in their essence as well.

The more obvious linkage is that between corruption and *un*democratic politics. While corruption can sometimes distribute small benefits to a large proportion of the population, and can break through bureaucratic and political stalemates, more often it is a 'regressive' form of influence, benefiting the wealthy and the well-connected while depriving the have-nots of their liberties, political choices, and material resources (Johnston, 1982: Chs. 1, 2, 7). For three decades we have seen corruption offered as justification for coups and one-man, one-party politics in numerous nations in Africa. While we await the results of Nigeria's transition from military rule to a Third Republic in 1993 with much anticipation, it is fair to say that the 'strongman' approach to fighting corruption has produced dismal results. Indeed, often it has led to more corruption, in more disruptive forms (on this last point, see section IV, below).

Democratization — meaning, broadly, movement toward more open and less coercive politics, with meaningful elections and guarantees of civil liberties — is not only a less familiar setting in which to think about corruption and reform; it also adds to the complexity of the problem. When more and more private interests have routine knowledge of and access to government agencies and officials, administrative reforms are put into a new and uncertain setting. Official policies and procedures *may* acquire more legitimacy; but effective private demand for public goods may increase even more rapidly. This will be especially likely when economic conditions are poor, and when democratization is perceived as an uncertain and temporary 'window of opportunity,' as in fact it may be. Democratization may thus exacerbate existing administrative and personnel problems without enhancing government's abilities to deliver on its policy commitments.

On a societal scale, democratization raises the possibility of new 'systems of public order' (Rogow and Lasswell, 1963) — with legitimate and effective standards, both legal *and* social in nature, defining the boundaries of acceptable political action. Such standards — while not internally consistent in every detail — can regulate politics and administration in a way that laws by themselves, or public opinion and culture alone, cannot. But durable systems of public order develop slowly — in Britain the process took 300 years, and in

the United States 200 years has not been enough — and are often formed (and reformed) in the course of intense political competition and conflict, particularly if democratization brings a proliferation of private interests, a freer press, and a less supine citizenry into the arena. As we shall see, 'macro' reform is a long-term proposition, one that entails new ways of thinking about controversy and scandal.

The definitional quagmire

Many promising discussions of corruption get lost in endless debates over definitions of what constitutes corruption. A more fruitful approach is to examine corruption as *an issue in political development*, and to examine some of the groups and conflicts within politics and society that contend over, and continually reshape, its meaning. Here, I will simply treat corruption as the abuse of public office or resources, by officials or by the private parties who seek to influence them, for private benefit — with 'abuse' being identified by legal *or* cultural standards. Although this approach loses some of the apparent precision inherent in defining corruption in legal terms (Nye, 1967; Scott, 1972, Ch. 1), it emphasizes the *perception* or appearance of corruption in a social context, and the ways such perceptions can reinforce or conflict with the law. In the context of rapid political change in Africa legal standards are often in flux or in dispute; thus, the working boundaries of corruption employed here are quite broad.

The micro level: inside administrative corruption

The essence of administrative corruption is the abuse of power and discretion by government officials in their dealings with the public and with each other, and in their management of public goods (tangible and otherwise). But this sort of corruption is not just the individual misconduct of bad, fallible, or grossly underpaid individuals (though this last issue in particular is certainly an important conditioning factor). Administrative corruption follows some familiar patterns — such as bribery (petty and major), extortion, kickbacks, nepotism, variations on patron-client exchanges, and *pantouflage*, and is often linked to basic aspects of agencies' structures, and internal management policies.

Public administration issues

The discipline of public administration offers a number of familiar but worthwhile approaches to dealing with administrative corruption. Improved auditing, recruitment, and training are all worthwhile initiatives. Generating and maintaining *commitment* to such measures, as opposed to simply going through the motions, can be difficult, particularly where salaries and morale

are low (Olowu, 1992), and the legitimacy and effectiveness of the state and its policies are open to doubt. But coupling punishments and crackdowns with positive incentives and rewards for non-corrupt service may be effective even in unpromising situations (Klitgaard, 1988: pp. 80–81).

In the medium term, the independence of the civil service, and its success in maintaining a 'public service ideology' (Jabbra and Dwivedi, 1988), can be critical — not only for its own sake, but also because an independent civil service can become a significant check in its own right upon political officials and private interests. These are familiar anti-corruption policies, but should not be sold short because of that fact; as I will suggest below, in the early stages of democratization the proliferation of private political interests with access to official agencies and decision-makers is likely to outrun the longer-term process of building a 'system of public order', and in such a situation governments that do not emphasize sound, basic aspects of public administration will be in serious trouble.

A more process-oriented approach is known as 'vulnerability analysis' (Beall, Bowers, and Lange, 1986; see also Klitgaard, pp. 84–85.) Here, agencies examine their operating procedures for points at which valuable resources, significant official discretion, and access by private interests converge. One example might be an official who has sole discretion over the granting or withholding (or even just the expediting or delay) of import licenses; another might be a 'third-party provider' or a subcontractor delegated to implement part of a policy — such as delivering social security benefits — who does not keep reliable records. An agency will be most vulnerable to corruption at those points, and it is there that basic anti-corruption efforts (which of course have their own costs, tangible and otherwise) will be most effective. Such efforts might include enhanced audits and quality controls, offering 'bounties' or other incentives to individuals who provide information on abuses, retraining of personnel, rotation of caseloads, and comprehensive 'operational surveys', to name but a few. Unavoidable points of vulnerability may warrant even more aggressive responses, such as highly visible prosecutions or new legislation (Beall, Bowers, and Lange, 1986: pp. 71–83). Vulnerability analysis can be proactive too, pointing out areas where basic operations may be redesigned: perhaps one official should be charged with gathering basic information on license applications, for example, and another charged with making decisions according to pre-set criteria, thus reducing individual discretion.

Principal-agent-client relationships

Another process-oriented perspective conceives of official activities in terms of principal-agent-client (P-A-C) networks (Rose-Ackerman, 1978; Klitgaard, 1988). Robert Klitgaard's very useful book *Controlling Corruption*, upon which this section draws, provides the best exposition of this perspective and its implications for corruption control. The *Principal* is that official or body

charged with the accomplishment of an administrative task, be it customs control, implementing public-welfare policy, or issuing passports. The *Agent* is the bureaucrat or other official who actually carries out the administrative tasks involved in executing a policy. The *Client* — usually a citizen or interest group — is the party seeking the 'output', such as a license, a ration book, or a contract to build roads. It is often (but not always) at the level of dealings between agents and clients that administrative corruption occurs, on the initiative of the agent or the client.

This P-A-C system includes a number of relationships (Fig. 1), all of which offer opportunities for either honest or abusive dealings.

The matrix points to several anti-corruption strategies. One of the most important entails a judicious mixture of rewards *and* punishments designed to encourage honest, effective administration and to penalize corruption. Another involves reducing the discretion and power of A over C by making it possible for C to deal with any of several Agents or by making it necessary for A to work with colleagues in administering benefits. Klitgaard adds that Principals can 'select agents for "honesty" and "capability"'; control the rewards and penalties affecting agents; increase the probability that corruption will be detected; and try to change attitudes toward corruption (these points are developed in much greater detail in Klitgaard, 1988: Ch. 3; see particularly pp. 94—95).

To illustrate, Klitgaard describes the striking successes of a reforming jurist who was placed in charge of the Bureau of Internal Revenue in the Philippines (Klitgaard, 1988: Ch. 2). Administrative strategies ranging from the regular rotation of tax collectors, to holding regular Catholic Masses on agency premises, to publishing the names of dishonest agents in the newspapers produced substantial improvements in administration and revenue collections. These specific steps, of course, would not be effective or appropriate everywhere, and due regard must be given to the rights of individual Agents

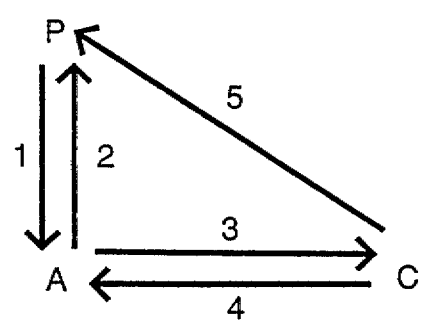

Fig. 1. P-A-C system. 1) *P* selects and controls rewards and penalties affecting *A*; 2) *A* supplies or withholds information valuable to *P*; 3) *A* can exercise 'leverage' over *C*; 4) *C* can provide incentives to *A*; and 5) *C* can furnish valuable information to *P* (adapted from Klitgaard, 1988: 73).

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and Clients. Still, those charged with agency-level anti-corruption policies have a number of options which they can use to shape functional and social settings within which officials do their work, and to affect the temptations and disincentives to engage in corruption.

Whistleblowers

A final 'micro' issue is the protection of 'whistleblowers' — those who report corruption to their superiors, or if necessary to the news media and others outside the agency. The list of reprisals applied to whistleblowers — dismissal, demotion, 'shunning', physical violence, the destruction of personal and professional reputations — is long and legendary (Miceli, 1992; Glazer, 1989). It is also damaging, for if those who know most about corruption are intimidated, much-needed information and opportunities for reform will be lost.

American attempts to protect whistleblowers through federal or state legislation have not been particularly successful. Such efforts in developing nations might be even less effective, insofar as the real power structure in these countries follows affinity or patron-client lines rather than official tables of organization. Nonetheless, to the extent that whistleblowers can be guaranteed anonymity and real protection, anti-corruption efforts will be more effective; and while the American example is not all that encouraging, a vigorous civil society with a free and critical press and independent professional associations may be able to provide whistleblowers with somewhat greater encouragement and protection than they might receive elsewhere.

'Micro-level' policies and democratization

Trends toward more open politics will affect these micro-level anti-corruption strategies both positively and negatively by changing the environment within which agencies and officials operate. In the short run, the main effect will likely be to increase private interests' access to decision-makers, and to intensify the political and social pressures they can bring to bear upon policy and implementation. This is a good thing in the abstract, for citizen access to government and official responsiveness are important goals of democratization. But where 'access' has typically been a first step toward corrupt influence, where official salaries and morale remain low, and where the private economic sector remains so weak that obtaining favorable official action is still a matter of survival for many private parties, opening up politics is likely to make for more corruption, at least at the outset.

The immediate reason for this is the basic fact of more open access. But democratization of politics is also likely to raise private expectations as to what government (and one's own relatives and friends *in* government) can and should provide. It may also enhance the leverage of political 'brokers': middle-level political figures, both in and outside of government, with elite connections and significant clienteles or followings. These brokers will often seek to

market their access and political assets as commodities, using their political support to pressure elites and tangible incentives to reward their followers (always, of course, keeping a significant share for themselves). Increased access will, in the short run, strengthen these brokers, with more corruption a likely result. Clients may eventually realize they do not need a broker to get access to government, and may become their own advocates, an important part of revitalizing the political forces in civil society. But this transition will take time and, as suggested above, will depend upon the widespread perception that open politics has come to stay, and is not just a passing phase.

Liberalization of society and the economy is also likely to produce more inequality of incomes and wealth, further widening the gap between nominal civil service salaries and the incomes of other able and ambitious individuals. Liberalization of politics and society may also bring ethnic, religious, and other communal identities more to the fore, intensifying the personal obligations officials feel to people of their own backgrounds, and creating rival loyalties to compete with 'public service ideologies'. Finally, more open government may facilitate the 'capture' of some agencies by the very interests and industries they are supposed to regulate, a familiar enough result in the United States and one that may institutionalize corrupt relationships in rapidly changing societies. Thus it may be that more corruption is one of the costs of democratization in the short run; it may defeat or hinder the effectiveness of 'micro' reforms such as those we have considered.

But democratization also offers opportunities at this level: it may give rise to increased morale and a sense among officials that genuine and popular accomplishments are within reach. Private interests that are free to organize, and a citizenry that is more secure in its rights and protections, may be more resistant to the sorts of corruption — such as 'speed money' demands or kickback schemes — that are initiated by officials. More democratic politics may, as time passes, aid in the development of more durable institutional/professional loyalties among civil servants, as alternatives to personal fealties born out of political necessity. This will be more likely to the extent that the independence of the civil service becomes an actual fact, and top political figures or middle-level brokers become more constrained in their power and influence over its day-to-day workings.

Viewed from the micro level, however, the immediate effects of democratization are still likely to be more problematical than hopeful. It is only when we broaden our scope to include the development of a more vigorous and independent civil society, at the macro level, and when we look to the longer term, that we find reasons to think that anti-corruption reforms can become genuinely effective. These prospects are the subject of the section that follows.

The macro level: state and civil society

All of the internal dynamics we have examined are embedded in, and are

shaped by, the wider interrelationships between state and society. The political and economic balance between state and society at any given time is a critical aspect of any reform strategy. Where the groups, interests and organizations of civil society are vigorous, they can serve as links between government and people, check the conduct of officials and of each other, and promote acceptable practices in politics and administration. Indeed, it will often be in their own interest to do so. Where civil society is weak, citizens and private interests are vulnerable to exploitation and, because they lack the political means to insist on their formal rights, often must resort to corruption as a means of relating to government. Finally, where the state is relatively weak, compared to civil society, politics and administration may be 'captured' and become privatized in the worst sense of that term. Each of these scenarios creates its own set of problems and opportunities for reform; they also show how the corruption patterns in many African states differ from those in the American experience, as I will suggest below.

Public-private relations

Whatever the relationship between state and society, officially sanctioned procedures operate at least potentially as 'bottlenecks' between what people want from government and what they actually get (Johnston, 1982: Ch. 2). Government 'outputs' (decisions, licenses, contracts, benefits, sanctions) are valuable. Demand for them usually exceeds supply — the more so in poorer nations, and in those where relatively strong state structures exist alongside ailing private economies. Government is often in a monopoly position: if it denies you a license, you may have nowhere else legitimately to turn. Finally, official procedures are usually time-consuming, uncertain, impersonal, and expensive, whereas paying a bribe or giving in to extortion can speed things up, remove uncertainty, convert a bureaucratic process into a personal transaction, and (in the end) prove less expensive than playing by the rules. Where the state is significantly more powerful than civil society, officials may be more likely to take the initiative in corrupt transactions; where the state is relatively weak or permeable, the impetus for corruption may come more from private interests. In any event, in any government — 'advanced' or developing, left- or right-wing, ambitious or austere — there will always be some incentives for citizens to get around procedural bottlenecks through corruption, and for officials to exploit the power this confers.

Some nations, however, clearly experience more corruption than others, and the most significant *types* of corruption vary from place to place as well. I have suggested elsewhere (Johnston, 1982: Ch. 2) that the types and amounts of corruption to be found in a nation vary in accordance with a number of factors affecting relationships between government and civil society. Those in the list below that are starred suggest opportunities to combat corruption through democratization and increased responsiveness of government; they are

also factors to be considered in judging when and where anti-corruption efforts are likely to be more effective (Table 1).

Briefly stated, where popular attachments to government are stronger, its rules and procedures will enjoy more support, and both public and private miscreants are more likely to be subjected to significant social sanctions. Patterns of access and exclusion are important in that it will be those groups which are excluded from legitimate access to government, and which have relatively specific agendas and significant political resources, that will be among the most likely private partners in corruption. Opening up legitimate paths of access can make bribery less 'necessary' and extortion less possible. A faster and more responsive policy process likewise reduces the need for 'speed money', and opportunities for extortion.

Finally, as Huntington argues, where economic opportunities are relatively plentiful and political opportunities scarce, people may try to buy their way into political power; and where political opportunities are plentiful and economic advantage more difficult, people are more likely to use political power to enrich themselves (Huntington, 1968: p. 66). Thus, economic revival and democratization must take place in a rough balance with one another, or else change in either sector will foster more corruption in the other. This 'balance' is both important and difficult to identify in practice; it will differ in its details from place to place, and the judgments of experienced observers may be needed to assess the situation in any nation. Suffice it for now to say that while African states need rapid economic growth first and foremost to address human needs, they also need to vitalize civil society as a counter-balance to the state, to open up legitimate economic opportunities beyond the sphere of politics, and to end the 'zero-sum' competition over material necessities that so often makes corruption a necessity for survival.

Huntington's injunction is a reminder that if economic growth is not accompanied by wider political access and opportunities, we may simply be

Table 1.

Social and political attachments
•political culture
•social customs and values
•popular attachment to government
Attributes of the policy process
•patterns of access and exclusion
•anti-corruption laws and enforcement
•speed of determination
Economic arrangements
•level of development
•balance of political and economic opportunities
•relative size of the public sector

trading one mechanism of corruption for another. The 'balance' is needed also *within* the economic and political sectors: a diverse economy is likely to have fewer 'bottlenecks' that can be exploited in monopolistic fashion, while the more competition (and even, to a degree, non-violent conflict) within a political system, the better it will be able to provide political checks upon corruption in the middle to long term.

Distinctions and transitions

Some types of corruption do more to disrupt linkages between state and society than do others. This does not mean that there is a clear-cut category of 'good corruption', but rather that some kinds are less unstable and disintegrative than others. One way to classify different sorts of corruption is by the *scale of the stakes involved: routine,* such as ordinary consumer goods, versus *extraordinary,* such as major manipulations of imports or hard currencies; and by the *number of 'suppliers'* of these corrupt stakes (few, or relatively many). Combining these factors produces the following classification (Fig. 2):

Where stakes are small and held in many hands, corruption begins to approximate a market (albeit an illegitimate market); the terms of corrupt exchange are likely to change gradually and reflect a rough kind of *quid-pro-quo* equality. Moreover, market corruption, by the nature of its stakes, is more likely to provide ways for ordinary citizens to meet their basic material needs. They may not like this market, and it may be no substitute for fundamental reform; but it is a more stable and less disruptive kind of corruption than those varieties in which larger stakes (contracts, kickbacks, major foreign-currency dealings) are held in fewer hands. Here, the mass of the citizenry, and many 'counter-elites,' will be shut out of the dealing, a fact that can become a major political issue. At the extreme these more unstable forms of corruption become 'smash and grab' operations in which those in power take as much as they can as quickly as possible, or exploit any and all who seek to influence them.

One implication of this classification is that while widening access to influence and public goods may encourage new corruption, it may also shift the mix of corrupt activities toward more broadly integrative and less disruptive types. This in turn could cushion the effects of the possible 'explosion of interests' — discussed in the section on micro reforms — that might be a consequence of democratization. Illicit markets may satisfy some material needs; and extended patronage organizations, or machine-like parties, may strengthen links between political leadership and society, and give more people a stake in political participation. I hasten to add, however, that these advantages are uncertain and transitional at best.

Longer-term opportunities of democratization

When interested parties are capable of checking the state and each other, and

		STAKES	
		Routine	Extraordinary
	Many	1. Market Corruption Integrative Very stable	4. Crisis Corruption Disintegrative Very unstable
SUPPLIERS	*Few*	2. Patronage organizations, patron-client networks Integrative Stable	3. Cronyism, Nepotism Internally integrative Externally disintegrative Somewhat unstable

Fig. 2. Adapted from Johnston, 1986.

when they can settle upon the kinds of official roles and rules they will accept, they are building standards to which they can give commitment on the basis of their own lasting interests. Civic and professional organizations are important to this process, but so too are conventional private interests: the same interests that had previously contributed to corruption, either as instigators or as paying victims, can come to inhibit it as they insist upon less exploitative treatment by officials and/or become more able to monitor and check each other. These are social and political, rather than legal, checks on corruption; and herein lie real, if longer-term, possibilities for combating corruption *and* fostering more democratic politics through the development of a vital and competitive civil society.

This process — the development of a system of public order (Rogow and Lasswell, 1963) — is not a smooth, inevitable flow of 'progress', nor is it driven by moral inspiration. Often the mechanisms are conflict and scandal, the motivations are self-interested, and the setbacks are many. Even in relatively 'advanced' societies, systems of public order and the regulation of corruption are never completely settled, for changing political demands and problems continue to revise the operational balance of advantage. But this sort of disorder need not be a cause of dismay. Change and upheaval and even scandal may be very positive signs, in that official misconduct or illegitimate

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private influence becomes controversial only when there are people and groups who oppose it.

The corruption and political problems of many African nations arise from the combination of a strong state and a weak civil society. This is not to say that private life is lacking in vigor; rather, the *organizing* and *linking* mechanisms of civil society — political and social organizations, advocacy groups, strong and competitive political parties — are weak or nonexistent. Social and economic opportunities beyond the reach of the state are relatively scarce; citizens and communities in many places must deal with the state if they are to survive, and must do so on terms set by the politically powerful.

To be sure, there is immense variation across Africa, and any nation will mark a partial exception to the foregoing generalizations (see Rothchild and Chazan, 1988). Moreover, African societies have been 'dichotomized' by colonialism and its heritage in ways that make the civil-society issue distinctive in an African context (Ayoade, 1988). But I would still argue that the corruption and political problems of the African states have more in common with those of Poland, Hungary, Czechoslovakia, and the former Soviet republics, for example, than with those of the United States or of Western Europe (where the strong private interests of civil society are more likely to penetrate and 'privatize' the doings of the state). Many African nations are emerging from situations where a strong state (whatever its proclaimed ideology) has dominated a weak private economy; where there is relatively little political and organizational life in civil society, beyond the reach of the state; where government enjoys only shaky legitimacy, and there is a legacy of one-party politics or cults of personality; where corruption has been not only commonplace, but a *necessity* for personal survival; and where religious and ethnic identities cut across, and often run much deeper than, loyalty to the state and its laws.

The middle- to long-term task in such nations is to build up the institutions and vitality of civil society. This must be done in order to promote the development of countervailing political interests, and to strengthen links between government and people — legitimizing the former while drawing it into more extensive and mutually acceptable interactions with the latter. This is by no means a quick or simple task, and will not produce immediate benefits; it is thus in no way a substitute for the micro-level strategies discussed earlier. The immediate results will be disorderly, particularly as compared to the aftermath of coups or official crackdowns. But democratic politics is inherently disorderly; and after all, the nations of Africa, in seeking to reconcile state and society with each other, are trying to accomplish in two generations what many other nations took centuries to do.

Perhaps one aid objective, among others aimed at helping democratization, might be to target nations that seem to be doing the most to foster and protect a lively civil society. It should be worthwhile to compare the number, size, and independence of political parties, trade unions, and interest groups, and to look closely at the stated and *de facto* protections and civil liberties accorded them

(private organizations might be aided directly via nongovernmental organizations, as is being done in some nations at present). It is also worth remembering that civil society includes nonpolitical entities that help to create a public life outside the state. In Spain, for example, the transition to democracy was marked by, among other things, a proliferation of debating societies, social organizations, football clubs, and the like. Such groups may never enter directly into the political arena, much less directly attempt to check the state; but they do foster social participation, a sense of community, and of rights and values beyond the controlling reach of official power.

Democratization and 'macro' strategies

A theoretical discussion such as this one can only outline in broad terms the strengths in democratic politics that may be worthy of our attention. In exploring the connections between more open politics and anti-corruption progress there is no substitute for the experience and judgment of diplomats, aid officials, and scholars deeply familiar with the specific issues and personalities involved in a nation's politics.

Nonetheless, a few general possibilities can be suggested. First, while a shift toward democratic politics will take a long time to build systems of public order, it may more quickly produce a shift toward more integrative forms of corruption (market corruption, patronage), and away from more disintegrative forms such as cronyism and nepotism. *The danger here* is that politics may open up too quickly and chaotically, in that elites and brokers who see their influence rapidly evaporating will tend to take as much as they can, as quickly as they can, and private parties who regard democratization as chaotic and temporary will likewise strike as quickly as they can. Scott (1972) has noted this 'hand-over-fist' pattern in nations where power suddenly becomes fluid and unpredictable. The result may be 'crisis corruption'.

Where, on the other hand, change serves to strengthen private groups and to link elites with citizens on broad, noncommunal bases, these dangers may be reduced, and the vitality of civil society may be nurtured. Even these changes may involve corruption, hopefully of the less disintegrative varieties; political patronage that helps build parties and soften the impact of change in local communities should perhaps be tolerated, even if it involves some formal corruption. The choice, after all, is not between corruption and totally honest politics; the choice is between disruptive corruption that impedes political and economic development, and incidental corruption that does not (Klitgaard, 1988: pp. 26–27).

There will inevitably be controversy, scandal and conflict. How can we distinguish between 'healthy' controversies — those contributing to the process of setting effective limits upon public and private conduct — and less constructive (or simply irrelevant) conflicts? How can we tell whether and where civil society is becoming stronger? I suggest that a careful study of the major political conflicts in a society, and of the interests and issues involved

in them, may identify the promising cases. These are controversies in which the issues at stake are:

- the idea, and extent, of elite accountability;
- the extent and structure of interelite competition;
- the extent and control of mass participation; and
- the reach and effectiveness of market allocations.

Those groups arguing repeatedly and effectively for greater elite accountability, those whose actions enhance the competition among elites and tend to increase mass participation, and those seeking to strengthen open markets at the expense of personalized, or abusively authoritative, means of allocation, may be worth support. Governments that tolerate such demands may be better bets than those that do not. Aid to nations where these processes are underway, and to groups that seem most likely to advance the process, may be a way to maximize the anti-corruption potentialities of democratic change.

Conclusion

None of these ideas offer a sure 'cure' for corruption, or will be easy to implement. They do, however, buttress the notion that the democratization of politics and the reduction of corruption are interconnected, and that achievements in each area can bring progress in the other. Democratic societies may be vulnerable to the excessive privatization of politics, to the 'marketization' of everything, and to gridlock among competing interests — all of which can entail corruption. But a more democratic politics also brings unique strengths, and offers important anti-corruption opportunities, which are no less valuable for being long-term in their logic and effects. Macro- and micro-level approaches must work together, albeit over differing time spans. There will be numerous reversals, and much corruption along the way. But now is a time of emergent opportunities to make progress both on fighting corruption and on fostering more open politics in many African nations.

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Coping with Corruption in a Borderless World

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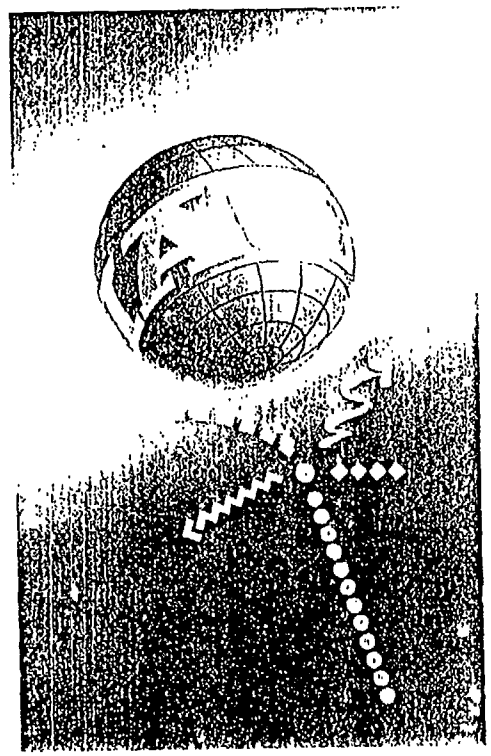

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4. Corruption as a Process

Michael Johnston

4.1. Introduction

We often think of corruption as a problem, or as a fact of life, as the deeds and misdeeds of bad people, or as some exception to the bureaucratic or political norm that 'happens to' a society.
Perhaps it is time to step back and consider corruption in terms of process, not just processes of illegitimate behaviour, but also the emergence of the basic idea of corruption, and understandings of its significance, as societies develop. This approach, I will argue, leads to a very challenging reform agenda-literally, the reconciliation of state and society. It may also, however, be the most effective way to construct anti-corruption strategies for the long term.

The phrase 'corruption as a process' conjurs up generic categories of political or administrative wrongdoing, such as bribery, kickbacks, or nepotism. Corrupt dealings may mirror the legitimate processes of administration: an embezzler frequently keeps the proverbial 'two sets of books'. Public scandals, too, follow a familiar life cycle: sensational allegations beget controversy, followed by official inquiries and reports, efforts at reform and then, all too often, apathy.
This emphasis upon rulebreaking by specific individuals is a distinctly modern way of thinking about corruption. But corruption once referred to whole societies' states of moral being. Plato[1], Aristotle[2], Thucydides[3], and Machiavelli[4] dealt not only with the actions of individuals, but with a people's 'love of liberty', 'the quality of political leadership (and) the viability of political values or style[5]' -indeed, for Machiavelli, the question of a society's virtue[6].
The classical tradition viewed politics as a preeminently social endeavour transcending the clash of specific interests, one in which the ends and justifications of power are just as important as the ways it is used. The Athenians, for example, in conquering the island nation of Melos, sacrificed

reason to a self-justifying claim of the necessity of conquest; this, for Thucydides, signalled the corruption of the state[7].
Since Machiavelli's time - and particularly in the past century - much has changed. Policies and processes of influence have become astonishingly complex. Governments have become so elaborate, politics so secularized, and differentiations among social groups so detailed, that there now seems little point in labelling whole societies as corrupt. Mass media have made politics widely (if superficially) accessible, and thereby often mundane, with questions of fairness, justice and legitimacy often reduced to symbols and slogans. Thus - perhaps ironically - as the social basis of politics has broadened so have our conceptions of corruption narrowed, referring mostly to specific rulebreaking actions by official and private participants in the clash of political interests[8].
This modern approach allows us to distinguish among common patterns of corruption[9], to consider institutional reforms, and to analyze the results of specific misconduct and remedies.
But something important has been lost if we define corrupt processes so narrowly. We should also ask how societies arrive at accepted, workable conceptions of duty and limits upon the pursuit of self-interest in politics. It is through these processes - often, involving considerable conflict - that institutions and reforms gain their legitimacy - or fail to do so.
By taking a step back and considering the formation of concepts of corruption as a broad process, we can begin to think in terms of strategies, as well as tactics, for reform.

4.2. Developing the Idea of Corruption

Before we can analyze the limits of acceptable political and administrative conduct, we need to understand why there are any limits at all. Politics, after all, has not always been orderly; in history, more often than not, might has made right. The very notion that those who hold power must abide by limits on that power, and that they must respect the rights of others, rests upon politically-contrived distinctions between power and authority, public and private interests, legitimate and illegitimate influence. These distinctions may express basic principles of political morality, but they were developed through years of conflict; and through similar conflicts, they continue to change today.

Looked at this way, corruption is a 'politically-contested concept'[10], its meaning developing and changing through the interplay of the private interests, legal standards and cultural norms that together constitute a society's 'system of public order'[11]. Consensus over the meaning of corruption and its significance can rise and fall; in fact, the periods of greatest disagreement are among the most important, as it is often then that the clashing interests that make for both corruption and reforms are most vigorously at work.

4.2.1. Politics and the Idea of Corruption

Where does the basic idea of corruption originate? As a point of departure, consider an absolute autocrat. This person cannot commit a corrupt act in the modern sense of the term: what limits exist upon his power? To whom or what is he accountable?
Several important developments must take place for the notion of corruption to take on any specific meaning. Let us consider three:
- the emergence of a degree of political pluralism: that is, the existence of 'intermediary groups'[12] beyond the sovereign's personal or patrimonial control who can make politically significant demands; and
- the definition of bounded political roles with impersonal powers and obligations.
A third (but by no means inevitable) development is dependent upon the first two:
- the rise of a 'system of public order': relatively durable and congruent social and legal standards defining the limits of legitimate behaviour by holders of government roles, and by those who seek to influence them.

These are not 'stages' of development, nor do they settle matters for all time: even in 'advanced' societies the meaning and significance of corruption continue to change. Let us consider these aspects of development in greater detail[13].

4.2.2. Pluralism

Debates over political propriety once began and ended with what Friedrich calls 'The ancient rule that 'the King can do no wrong[14]'', a doctrine originally giving sovereigns and their minions license to do more or less as

they pleased. Theobald adds that the pre-modern state was 'not regarded as an impersonal legal entity but as the living embodiment of an inheritance which reached into the dim and distant past', 'an emanation of the Royal household' treated as 'personal property' - with both the nation's territory and its offices as private property[15].

No two nations follow identical developmental paths, but this 'patriarchal' state effectively illustrates the starting point for many. If an absolute autocrat cannot be corrupt until some limitations are placed upon his power, those limits are likely to originate politically, in the demands of countervailing or 'intermediary'[16] groups. Namier's observation that 'no one bribes where he can bully'[17] captures this relationship: without politically-significant intermediary groups, there is no effective limit to the sovereign's personal power. With them, he must at least take the power of others into account. In this way our autocrat might eventually be made 'responsible' - albeit often through prolonged conflict[18]. The term 'pluralism' is thus used here in a very simple sense, referring to the diffusion of political resources and countervailing power.

It would be a mistake to view early intermediaries as tribunes of the people, moral innovators, or indeed as advocates of any interests beyond their own. Those who cannot be bullied may find bribery quite congenial. Van Klaveren's intermediary groups - civil servants, 'urban patricians' and 'city oligarchies' - were often the 'breeding places for corruption'[19]. To the extent that intermediary groups did limit the power of the sovereign, it was often in the defense of their own interests. The English Parliament, for example, was told in 1610 that it lacked the power to censure two of James I's ministers[20]. But a century of conflict between Crown and Parliament, including repeated parliamentary impeachments of royal servants as well as civil war, gradually limited the prerogatives of the Crown. The immediate issues in these struggles often were taxes, or disputes over who would receive royal patents, monopolies, and other favours at court. Occasionally principle would intrude: the debate over the impeachment of the Earl of Stafford in 1641, for example, featured impassioned arguments that the King's ministers should be accountable to Parliament, or even to the electors[21]. But these were less statements of political morality than rhetorical clubs used to belabour the King and his retainers. Still, by the early 18th century, the old dictum that 'the King can do no wrong' had been stood on its head: now, it meant that the King must act through his ministers, that (acting as they were for the Crown) ministers were forbidden to do wrong, and that the King could give no personal protection to ministers who did do wrong[22].

Emergent pluralism thus limited the prerogatives of the powerful, often more through conflicting interests than moral design. But these limits, like the outlines of the conflicts that established them, were shifting and imprecise. Several more developments were necessary before 'modern' ideas on corruption could be said to be taking shape.

4.2.3. The Emergence of Modern Political Roles

Modern definitions of corruption are based upon the idea of explicitly public roles endowed with limited, impersonal powers and held accountable to the governed. In an age of relatively widespread constitutionalism and bureaucratization, it is easy to take such ideas (and ideals) for granted. But they too reflect developmental conflicts which are by no means settled. At one time, having 'a role in politics' meant being related to, or a crony of, powerful people, and having a share of power or favour. Public-private distinctions, and notions of service or merit, were nonexistent: indeed, there were few obligations to anyone other than the sovereign or intermediate patrons. 'Politics' was the exercise and defense of power, its ends often little more than self-enrichment.

A full history of the development of modern government roles is beyond the scope of this discussion[23]. But they too have political origins. As the size and complexity of societies increased, political elites grew and became increasingly factionalised. Wars and the acquisition of territory meant that sovereigns increasingly needed money, and thus effective management of extractive functions by minions whom they could not easily oversee or coerce[24]. This gave rise to practices such as tax- and customs-'farming'[25] whereby revenue-raising functions were franchised out to well-connected entrepreneurs who recouped their investments by keeping a share of the revenues. A related practice was the outright sale of office, as in Stuart England[26]. No modern notions of merit entered into such practices (though merit selection might well have recruited many of the same people), and the people were still more to be exploited than served. But this 'freehold conception of government office'[27] was defended by Bentham and Montesquieu on grounds of efficiency, and by Burke as a legitimate property right[28].

Tax- and customs-farming - often defended as a reform -[29] raised revenues in a relatively orderly manner; and to argue that an office could be purchased was to acknowledge that at some point it had been distinct from the individual holding it, and carried with it certain duties (even if

primarily to a patron or sovereign). For such functionaries as local constables, gratuities and fees for services[30] laid the foundation for government service as a full-time vocation. In France, Spain, England, and to a degree in China, where feudalism was giving way to a kind of 'aristocratic bureaucracy'[31] or to an 'early modern patrimonial bureaucratic state'[32], networks of 'freehold bureaucrats' supplied their patrons with revenue, political support, and an extended intelligence network. There were drawbacks as well: once sold, an office was generally sold for good; to 'replace' a freeholder by creating and selling a rival office could mean conflict. Officeholders would become an intermediary group in their own right[33], protective of their own interests and seeking independence. When would-be elites became so numerous that the freehold system could not absorb them, the excluded condemned the accepted practices of recruitment, in effect expanding the boundaries of corruption[34].

Most important, full-time administrators - increasingly working in groups more closely resembling departments than personal followings -[35] had to be paid. Systems of benefices - shares of grain, or the produce from a tract of land - and fees for services were arranged[36], but these were only halfway measures. Weber points out that it took reliable taxation, made possible by the growth of a money economy[37] to facilitate salaried compensation. This in turn weakened the notion of personal service to patrons as the primary obligation of office[38], and paved the way for a permanent civil service[39]. These developments meant, in turn, that taxation become even more efficient.

New political ideas also changed political roles. Rousseau contended that all are obliged to participate in society's business in a manner transcending personal appetites[40] Friedrich points to 'secularized versions of natural law' and the Christian notion of 'the transcendental importance of each man's soul' as fostering the idea of accountability[41]. Jefferson saw officials as specialized parts of institutions much larger than themselves[42]. The growing role of mass electorates placed ideals of representation and service on the agenda. It is a long way from Rousseau and Jefferson to Weber, but as Scott notes,

'Finally, in the nineteenth century, when the more democratic form of government limited the aristocracy, and the modern idea of the State came into existence, the conception of public office as private property disappeared. The State became considered as a moral entity and the exercising of public authority as a duty[43]'.

Conflicts and scandals continue today, and thus 'modern' roles and rules are by no means immutable. In many nations, officials must disclose their financial holdings, and campaign funds are extensively regulated, under rules that did not exist a generation ago. The private lives of official figures are more open to public scrutiny than in the past. When it comes to defining of political roles and standards, all societies are still politically developing societies.

4.2.4. A System of Public Order

Countervailing political interests and the development of 'modern' conceptions of office may eventually produce durable and legitimate (if not always precisely codified) settlements between public power and private interests, or what Rogow and Lasswell called 'systems of public order'. Both social and legal in nature, these link 'the basic pattern of value distribution' with 'the fundamental institutions that receive protection from the legal system', and embrace the 'realities' as well as the 'formalities' of a political system'[44]. They expanded upon this in the American context:

'The act of proclaiming stringent norms of rectitude is itself part of the established order; so too is disregard for many proclaimed norms in whole or in part. The constitution of the American commonwealth is reaffirmed every day whenever any established expectation or norm is adhered to; it is amended daily as new patterns gain credence on the basis of actual conduct. The conventional organs of government are embedded in the social process[45]'.

The social and legal pillars of a system of public order are manifestations of the two developmental processes discussed above: social standards of political propriety are the present-day equivalent of the demands of 'intermediary groups' - made difficult to recognize, perhaps, by the greatly increased scope of political participation, and by the diffusion of universalistic terms of discourse - while legal standards define the current state of play in the evolution of formal public roles. 'There is nothing inevitable about such a settlement between the two, and the conflicts and changes that bring them into being do not stop at some terminal point of development[46]. In the United States, for example, controversy over political contributions, scandals over politicians' private lives, and the corruption arising out of the deregulation of the American savings-and-loan

industry are a few of the conflicts that continue to change the frontiers of accepted political practice.

4.2.5. A Politically-Contested Concept

The foregoing suggests that we need to use both social-cultural and formal-legal standards to study corruption as a broad process. This idea is neither as unprecedented nor as contradictory as it may seem. Weber recognized that the viability of institutional rules rested in part upon social sanctions: 'relatively general and practically significant reaction(s) of disapproval'[47]. More recently, the late Jacek Tarkowski incorporated both sorts of standards into his definition:

'Corruption is any activity motivated by interest, violating the binding rules of distribution, the application of which is within one's responsibility. Rules of distribution refer not only to the letter of the law, but also to norms recognized as binding by society and/or to the system's 'official' norms and operational codes. Also 'corrupt' are those activities regarded by society as illegitimate or seen by the power elite as contradictory to the logic of the system[48]'.

Tarkowski used this broad definition to analyze 'hybrid' economic enterprises in Poland which were neither fully public nor private, legal nor illicit, showing how new linkages between official and private interests, actually encouraged both corruption and reform[49].

In thinking about corruption as a broad-scale social process, let us consider the following: corruption as an issue in development is behaviour deemed abusive, under the legal or social standards constituting a society's system of public order, of a public role or resource for private benefit.

Like other definitions, this one rests upon the basic idea of the abuse of public roles or resources for private benefit. But its purpose is not to delineate a precise category of behaviour. Rather, the issue is political development, and the associated relationships between social and legal standards. Rather than looking only at what all (or most) can agree is corruption, we are looking also at the 'grey area' where the politically-important conflicts over corruption are most likely to take place[50]. Some societies may have only vague distinctions between public and private, and unsettled systems of public order. But that is where a definition allowing for conflict and change may be most useful, for it invites us to look beyond specific acts of corruption to the processes through which laws and societies come

to 'fit' each other - or fail to do so.

That issue is of utmost importance, not only for understanding nations undergoing fundamental political change, but also for anti-corruption reform efforts in any society.

4.3. Lessons for Reform

The foregoing lays out a very broad view of corruption as a process - so broad, indeed, as to frustrate any search for hard-and-fast behavioral boundaries. But corruption and behaviour standards exist in a kind of dialectic - with changes in each influencing developments in the other - and this is a part of the more general relationship between state and society. Where a durable system of public order exists, reforms have some hope of controlling corruption. Where they do not, or where they are in serious decay, the best-intended schemes will accomplish little. The most important goal for reformers is thus not just to punish or to deter corrupt behaviour (though this is certainly a worthy task), but more fundamentally, to reconcile state and society - to narrow the gap between social and legal values.

Clearly, this is an audacious agenda. But it has some elements in common with the classical conception of corruption as a dilemma involving whole societies, and it may be the most promising strategy for the long term.

4.3.1. The Politics of Corruption and Reform

It is a commonplace by now to argue that the roots of corruption reach beyond the individual actor to the level of institutions and their workings. But if the roots of corruption and reform are to be found in political development, and in important continuing conflicts, then corruption and reform are both moving targets. New interests can beget new kinds of corrupt influence and transactions; they can also create new standards of propriety. Clarke reminds us that apparent upsurges in corruption often happen not because official behaviour has changed, but because the rules are changing in the course of political and social development[51]. Corruption can close or widen the gap between what people want out of politics and government, and what they get; reform can close or widen the analogous gap between the ways people in politics ought to behave, and the ways they actually do.

Corruption, in this view, will never be totally eradicated. Some of the reasons for this are practical: Klitgaard points out that at some point the marginal cost of reducing corruption will exceed the marginal benefit of doing so, and the economically optimal level of corruption will thus remain greater than zero[52]. But my arguments regarding the political origins of both corruption and the standards that define it also suggest that our efforts at reform often end up extending the working meaning of the concept, thus increasing its apparent incidence and the public's sense that corruption is a serious problem. Just as improved police work can create the appearance of a crime wave by producing more arrests, reforms can produce the appearance of increased corruption simply by turning up more evidence of it.

Public alarm over real and imagined increases in corruption can also unsettle a system of public order. Public concern over corruption is frequently transitory and unfocused, and the cry for 'reform' may well raise expectations that cannot be met. New corrupt practices often take the place of the old, and reforms - usually, for good reasons - are often fairly technical adaptations of existing institutions and practices which are but poorly understood by the public. All too often, the end result is public cynicism or apathy - and once again, the social and legal strands of a system of public order have unravelled a little further. Where systems of public order are weak or in flux, the problems can be even worse: there, that which is formally 'corrupt' may enjoy wide social support, while scandals and reforms may be seen (and at times, are) just another round in the struggle among elites. If the developmental argument of this paper is correct, those conflicts can, in the long run, produce socially and legally legitimate standards of behaviour. But this is a long and convoluted process, one which at any given time may look like a free-for-all.

So the fundamental task for reformers is a formidable one in any society. It is to reconcile state and society, laws and culture. It is a task not just of punishment and deterrence, but also of teaching, explanation, and justification of new rules and institutions in terms of the people's conceptions of fairness and propriety. It is a task of changing the laws to fit society - and at times, of changing social standards as well. Reforms are intended to keep political action within legitimate boundaries; but they must also make those boundaries legitimate.

4.3.2. How Not to Reform: American Campaign Finance Reforms

In the wake of the Watergate Affair, America's most serious modern corruption scandal, Congress enacted and the president signed extensive changes in the way campaign funds in federal elections were to be donated, received and spent[53]. The 1974 legislation extended laws which had originally taken effect in 1972, and was itself substantially amended in 1976 in response to the Supreme Court's ruling in Buckley v. Valeo. The reforms included limitations upon donations and spending, extensive disclosure requirements for both donors and campaigns, and partial public funding of federal election campaigns. It took the public outcry that Watergate produced to put long-standing reform proposals onto the statute books; but for this reason, expectations about their cleansing effects were high. The results, however, have fallen well short of those expectations. Political Action Committees (PACs), the reform vehicle for gathering and distributing citizens' political contributions, are widely held in disrepute. Candidates seeking to be visibly virtuous take public vows not to accept 'PAC money', and many who do find themselves on the defensive. Disclosure has produced mountains of data on money in politics, enough, ironically, to solidify mass perceptions that the entire Congress is up for sale. Campaigns and donors have found loopholes in the law, creating such new practices as 'soft money' raised and spent on behalf of federal election candidates by state-level parties or by other groups technically unconnected with specific campaigns. Disclosure requirements make donors less willing to contribute to challengers, particularly in the House of Representatives; as a result, the reforms have enhanced the incumbents' already-large advantages. Some of the same groups that pushed for (and even helped to draft) the 1974 legislation, such as the citizens lobby group' Common Cause', are now pushing for a new round of reforms. It is difficult to judge the 'reforming' effects of the 1970s legislation, since we will never know how much corruption would have taken place without them, and know much less about political spending in earlier days. What is certain, however, is that the legislation has done little to enhance the legitimacy of electoral politics. These criticisms are not directed at the many able people who administer the reforms. The laws are generally well enforced, and the reams of data assembled by the Federal Election Commission are patiently compiled and made available to scholars and the public. Nor is my focus the substance of the laws themselves, though that could be the focus of an extended critique. It is instead directed at the political process that brought these reforms into being.

Perhaps the origin of the problem lies in the very complexity of the Watergate scandal[54]. 'Watergate' took its name from a single act - a break-in at the Democratic headquarters in the Watergate complex by burglars in the employ of the Nixon campaign - but became truly significant because of the White House 'cover-up' efforts. It included a number of sideshows as well, ranging from revelations about Nixon's underpayment of taxes, to his publicly-financed improvements on his house in California, to the tax, bribery and extortion activities that brought down Vice-President Agnew. Public outrage over these dealings was intense but indiscriminate; while focused more upon Nixon himself than upon the general political system[55], public opinion did not consistently distinguish among types or magnitudes of misconduct, and certainly did not reflect any detailed understanding of the scandal.

The widespread notion that an excess of money contributed to the abuses was not altogether false. Leftover 1968 Nixon campaign money funded many of the early 'dirty tricks' in 1970-72, and a less lavishly funded campaign might have had little money left over for pranks or more sinister operations. But the reform advocates, anxious to capitalize on public outrage while it lasted, planted the seeds of later problems. Little effort was made to educate the public about the most serious aspects of Watergate, or about their connections with the proposed reforms. (Perhaps this was because the proposals could not have prevented many of the abuses that gave them political momentum). Moreover, while disclosure was portrayed as allowing the citizens to punish corruption at the ballot box, the data overload it produced made it all but impossible to get information to the voters in timely and usable form. Thus, the citizen-participation element of the reforms remained a largely empty promise.

What reformers did accomplish was to raise, and then to seriously disappoint, popular expectations. PACs came to be seen by many as vehicles for legalized bribery because they did exactly what the law created them to do - assemble and deliver campaign contributions to candidates, and provide data on those activities. The reforms worked to benefit incumbents in ways which were easily predictable[56], but which nonetheless further disillusioned the public. Perhaps the most serious failing of the reforms was they did not connect with the social values which had been so thoroughly offended by Watergate, and whose restoration had been repeatedly promised - the notion that politics should be accessible to ordinary citizens, that politicians should be citizens holding power as a temporary trust, and that money's role in politics should be counterbalanced by the weight of votes and public opinion. Those expectations may have been naive; but

they are also important elements of the American system of public order, not to be treated lightly. They did little to change the impression of an entrenched political class trading public power for donors' money; indeed, disclosure and the highly visible PAC mechanism served if anything to solidify such fears.

Such a dismal perception of American politics is as exaggerated as the expectations that it so thoroughly offends. But to the extent that it exists, it has real, long-term political costs. It feeds a massive public distrust of politics and its practitioners, a vulnerability to emotional appeals, and a pervasive unwillingness to accept calls to sacrifice by politicians who are (rightly or wrongly) seen as 'in it for themselves'. It encourages candidates to campaign on inoffensive symbols and slogans, and widens the already broad gap between the talents and instincts required to get elected in American politics, and those that are needed for governing.

The current pathologies of American politics have many causes, and money-in-politics problems are not new. The demands for reform were a manifestation of more general developmental conflicts over the extent of elite accountability, and the extent and control of mass participation in politics, which are reshaping the American system of public order: current controversies over politicians' private lives are another manifestation. But while mobilizing public outrage enabled reformers to rewrite the law, they failed to educate the public as to the nature of the problems they sought to solve, how the reforms addressed those problems, and what their likely effects would be. In the end, they did little to reconcile state and society, popular values and the law.

4.3.3. A Better Way: The ICAC in Hong Kong

Hong Kong's Independent Commission Against Corruption (ICAC) has been the focus of considerable attention for almost twenty years[57]. Like the American campaign reforms, the ICAC had its genesis in a major scandal in the early 1970s[58]. Peter Godber, a top Hong Kong police official, was not only caught in major corrupt dealings, but managed to escape for a time with most of his ill-gotten gains intact. While he was eventually brought back to Hong Kong to stand trial, his case was proof to many that a major anti-corruption initiative was long overdue. Again like the American reformers, the ICAC sought basic changes in public administration and in the dealings between officials and business. Its innovative structure and tactics, and its wide-ranging powers to investigate both government

and business dealings, have made it unusual among the world's anti-corruption agencies. A full review of the ICAC's history and operations is well beyond the scope of this discussion. What is noteworthy here is the ICAC's comprehensive view of corruption as a *process*. More than most other reform efforts, Hong Kong's was based upon the realization that corruption involves complex interactions of state and society; that cultural standards play a major role in defining the working meaning and the social significance of corruption; and that legal reforms, if they are to be effective, must be closely linked to those standards and values.

Corruption had long been a fact of Hong Kong life in the early 1970s. Its history as a colonial toehold for aggressive business enterprises, its rapid economic development, and its location as a crossroads for many kinds of trade gave Hong Kong the image of a place where deals of all sorts could be made. But the Godber Affair still shocked many people, and led to an extraordinary demand for reforms. Hong Kong's colonial status meant that an agency such as ICAC could be established more or less by proclamation, and given investigatory powers that would be quite controversial elsewhere. The Commission was empowered, for example, to examine individuals' bank records; if the person under investigation could not adequately account for their income, a presumption of corruption could be made. It was also given extensive powers to investigate private business - another way in which its view of corruption included both state and society.

Some of the more sweeping powers accorded the ICAC would be politically impossible in other nations. But the Commission developed another, even broader strategy, which once again reflected a very broad view of corruption as a process, and an understanding of the need for reforms to reconcile state and society. This was a comprehensive effort at social research and public education, aimed at understanding and, in some ways, changing the political culture itself. Extensive and regular studies of public opinion, using surveys and group-discussion techniques, attempt to find out what people regard as corruption, its causes and effects, and its broader significance. Based on this research, the ICAC has set out aggressively to change popular attitudes. Public anti-corruption campaigns, school programs, sponsorship of sporting events for young people, and even 'anti-corruption soap operas' on television have all been aimed at increasing respect for the law and those who obey it, encouraging disapproval for corruption, and discouraging the view that corruption is unimportant or inevitable. This strategy was not intended to supplant detection, deterrence and punishment; it was, however, aimed at strengthening the system of public order, and bringing social sanctions and legal standards more closely into line.

We will never know the overall long-term effectiveness of this strategy, both because of the impending 'handover' of Hong Kong to China in 1997, and because corruption which has been prevented is impossible to measure. But one finding from the ICAC's data and the research of other scholars is particularly intriguing: Hong Kong's younger citizens - the targets of many ICAC educational efforts - tend to judge the corruptness of various actions in significantly stricter terms than do their elders[59], while in Britain and the United States, younger people are considerably more lenient in their judgments[60] It is difficult to say exactly how much of a change this is compared to earlier days, or how much of the difference is attributable to the ICAC. Nonetheless, this unusual result suggests that such programs might not only reduce public tolerance of corruption, and apathy about the prospects of reform, but by bringing social and legal standards closer together, might also produce a strengthened system of public order. Many more such efforts must be made in a variety of nations, and a great deal of research will be required, before we can offer such generalizations with great confidence. Still, it would seem that a broad view of corruption as a process can point to a more comprehensive understanding of reform.

4.4. Conclusion

Hong Kong's anti-corruption efforts are hardly the last word in reform, and American campaign-finance reforms should not be held in complete disrepute. Nothing in this argument should be taken as discrediting traditional methods of investigation, proscriptive legislation, punishment and deterrence. I also concede that the theoretical arguments in this paper will be difficult to 'sell' to both officials and citizens alike, and that in the heat of the sorts of scandals that give reform proposals political momentum, a subtle historical debate over the origins of corruption may be the last thing on many people's minds. Particularly in the developing world, 'educating the public' on corruption and reform can be difficult and costly, though in some cases the interpersonal contacts through which citizens deal with government might be useful as channels of political communication[61].

We should also recognize that 'reconciling state and society' can mean qualitatively different things in different societies. In the United States, with its vigorous civil society and tradition of limited government, the task often consists of placing limits on the actions of private interests, or upon the dealings of public officials with the representatives of those private

interests, so that policymaking does not become excessively 'privatized'. American corruption controls, therefore, often consist of tightening the limits upon officials' pursuit of private gain (requiring politicians to disclose their financial interests), or those upon private access to political power (regulating campaign contributions). In those nations newly emerging from communist domination, by contrast, the task might be one of strengthening civil society so that it can meaningfully limit the state. Where everything has been within the purview of the state - where will private interests find the political resources needed to guard the guardians? Hence, writers and critics such as Vaclav Havel, Adam Michnik and Hungary's Gyorgy Konrad, during their long years in opposition, emphasized the importance of keeping some part of life essentially private, of 'living in truth' every day, and (in the long term) building a civil society with a vitality beyond the reach of the state. Stronger institutions of civil society will be essential to any lasting rapprochement between state and nation after communism[62]. And in virtually any nation, paradoxically, the scandals which may seem to many as reason for despair may be signs of hope - for if the foregoing analysis is correct, it is through controversy and conflict that new groups possessing the political resources needed to check officials (and each other), and new conceptions of limited government, come to the fore. Politics, in this view, is not so much a problem as a set of possibilities. Machiavelli's argument that vigorous political disputation can foster collective virtue has a good deal of life left in it yet.

For those of us with the privilege of studying or serving societies where government is generally legitimate, and social and legal standards are broadly congruent, the message here is to look outward, and to the long-term - to ask what a society regards as corrupt, and what sorts of values a reform policy should serve and enhance. We need to study our fellow citizens' views on corruption, to design reforms which not only serve, but are seen to serve, those goals, and to carefully explain our proposals. This sort of reform will never completely eradicate corruption, or bring state and society into complete congruence - for as argued above, both corruption and reform are moving targets, each acting upon the other in ways that may be difficult to predict. What this strategy can do, however, is to address a part of the corruption problem which the ancients saw as the whole issue, but which we have perhaps thought about too little - that is, the political health and vitality of entire societies.

Notes

1. Plato, *The Republic*. (Tr. A. D. Lindsay) New York: E. P. Dutton, 1957 ed., 421d-422b, 547a-553c.
2. Aristotle, *The Politics*. (Tr. E. Barker) New York: Oxford University Press, 1962 ed., Book 2, Ch. 7; Book 5, Ch. 2.
3. J. Peter Euben, 'On Political Corruption', *The Antioch Review* 36:1 Winter, 1978, pp. 103-118; and J. Patrick Dobel, 'The Corruption of a State', *American Political Science Review* 72:3, September, 1978, pp. 958-973.
4. Niccolo Machiavelli, *Discourses*. (Tr. and ed. L. J. Walker). New Haven: Yale University Press, 1950, Book I, Ch. 2-7, pp. 211-230; see also J. G. A. Pocock, *The Machiavellian Moment*. Princeton: Princeton University Press, 1975; and S. M. Shumer, 'Machiavelli: Republican Politics and Its Corruption', *Political Theory* 7:1, February, 1979, pp. 5-34.
5. Shumer, pp. 7, 8; see also Bernard Bailyn, *The Ideological Origins of the American Revolution*. Cambridge, Mass.: Harvard University Press, 1967; and Gordon S. Wood, *The Creation of the American Republic*. New York: Norton, 1969.
6. Machiavelli, op. cit.; See also Shumer, p. 8; and Carl J. Friedrich, *The Pathology of Politics: Violence, Betrayal, Corruption, Secrecy and Propoganda*. New York: Harper and Row, 1972, pp. 127-132.
7. Thucydides, *History of the Peloponnesian War*. (Tr. Rex Warner), London: Penguin, 1954, Book 5, Ch. 7; see also Euben, op. cit., and Dobel, op. cit.
8. Graeme C. Moodie, 'On Political Scandals and Corruption', *Government and Opposition*, 15:2, Spring, 1980, p. 209.
9. M. Johnston, 'The Political Consequences of Corruption: A Reassessment', *Comparative Politics*, 18:4, July 1986, pp. 459-477.
10. Here I borrow by analogy from the more precise philosophical notion of an essentially contested concept; see, for example, W. B. Gallie, 'Essentially Contested Concepts', *Proceedings of the Aristotelian Society*, 56, 1965, pp. 167ff.
11. Arnold A. Rogow and Harold D. Lasswell, *Power, Corruption, and Rectitude*. Englewood Cliffs, N.J.: Prentice-Hall, 1963, pp. 67ff. As Theobald points out, even the most advanced societies retain significant elements of patrimonialism and personal obligation in their politics. See R. Theobald, *Corruption, Development, and Underdevelopment*. Durham, NC: Duke University Press, 1990, pp. 52-73.
12. Van Klaveren, op. cit.; Theobald, Ch. 2.
13. Some of the discussion to come may appear 'Eurocentric'; but it was in Europe, and in places where European institutions took root, that many contemporary legal standards of corruption emerged (China would be an obvious and major exception). In many places today these 'western' laws conflict with cultural norms of much longer standing - a conflict made worse by the fact that many developing nations have chosen, or been left with, the most demanding of 'modern' standards.(S. P. Huntington, *Political Order in Changing Societies*. New Haven: Yale University Press, 1967, p. 62.) But laws are only one pillar of a 'system of public order', and an understanding of how they can support or conflict with social norms is essential.

14. Carl J. Friedrich, *Limited Government: A Comparison*. Englewood Cliffs, N. J.: Prentice-Hall, 1974, p. 102.
15. Theobald, pp. 19-20.
16. Jacob van Klaveren, 'The Concept of Corruption', in Heidenheimer, Johnston, and LeVine, Political Corruption: A Handbook. New Brunswick, N.J.: Transaction Publishers, 1989, pp. 78-81.
17. Louis Namier, *England in the Age of the American Revolution*. London: Macmillan, 1961, p. 4.
18. Friedrich, Limited Government, p. 13; van Klaveren, op. cit.; Linda Levy Peck, 'The British Case: Corruption and Political Development in the Early Modern State', in A. S. Eisenstadt, A. Hoogenboom, and H. L. Trefousse, *Before Watergate: Problems of Corruption in American Society*. Brooklyn: Brooklyn College Press, 1978, pp 36-40; Huntington, Political Order, p. 39, on the importance of 'new groups with new resources'.
19. van Klaveren, pp. 78-79.
20. Clayton Roberts, *The Growth of Responsible Government in Stuart England*. Cambridge: Cambridge University Press, 1966, p. 2.
21. Roberts, Ch. I-III, and p. 91.
22. Roberts, pp. 420-427; see also Linda Levy Peck, *Court Patronage and Corruption in Early Stuart England*. Boston: Unwin Hyman, 1990.
23. See J. L. Fleishman, L. Liebman, and M. H. Moore (eds.), *Public Duties: The Moral Obligations of Government Officials*. Cambridge, Mass.: Harvard University Press, 1981; and D. F. Thompson, *Political Ethics and Public Office*. Cambridge, Mass.: Harvard University Press, 1987.
24. Theobald, pp. 19-20.
25. Koenrad W. Swart, 'The Sale of Public Offices', Ch. 7 in Heidenheimer, Johnston, and LeVine, pp. 88-91; Peck, Court Patronage, Ch. 1; R. H. Tawney, *Business and Politics Under James I: Lionel Cranfield as Merchant and Minister*. Cambridge: Cambridge University Press, 1958, pp. 91ff.
26. James C. Scott, *Comparative Political Corruption*. Englewood Cliffs, N. J.: Prentice-Hall: 1972, Ch. 3.; Peck, Court Patronage, passim.
27. Scott, pp. 89-90.
28. M. Philp, 'From 'Asabiya to Moral Aptitude', paper presented to the *IPSA Research Roundtable on Political Finance and Political Corruption*, Kazimierz, Poland, 1989; pp. 5-7; Scott, p. 93; Friedrich, Pathology of Politics, p. 140-141.
29. Tawney, p. 91.
30. Lawrence Sherman, in *Police Corruption: A Sociological Perspective* (Garden City, NY: Doubleday/Anchor, 1974), notes that such fees, while forbidden as the 13th century in Britain (pp. 41-43), survived for some time thereafter; see also Charles F. C. Ruff, 'Federal Prosecution of Local Corruption: A Case Study in the Making of Law Enforcement Policy', *Georgetown Law Journal* 65:5 June, 1977, pp. 1179-1181.
31. Scott, pp. 89-94.
32. Peck, pp. 220-221.
33. van Klaveren, pp. 75-77.
34. Joel Hurstfield, *Freedom, Corruption and Government in Elizabethan England*. London: Jonathan Cape, 1973, pp. 155-156.
35. Theobald, pp. 24-5.
36. Ibid., p. 21; see also Reinhard Bendix, *Max Weber: An Intellectual Portrait*. London: Methuen, 1966, pp. 360-69.

37. M. Weber, 'The Presuppositions and Causes of Bureaucracy', in H. H. Gerth and C. Wright Mills, *From Max Weber: Essays in Sociology*. New York: Oxford University Press, 1946, pp. 204-209.
38. Hurstfield, p. 159.
39. Hurstfield, p. 158; Barrington Moore, *Social Origins of Dictatorship and Democracy*. Boston: Beacon Press, Ch. 4.
40. J.J. Rousseau, *Of the Social Contract*. (Ed. and Tr. Charles Sherover) New York: Harper and Row, 1984; see esp. Book I, Sec. VIII, 'Of the Civil State', pp. 18-19.; see also Freidrich, The Pathology of Politics, pp. 131-133.
41. Friedrich, Limited Government, pp. 13, 14.
42. Garry Wills, *Inventing America: Jefferson's Declaration of Independence*, New York: Random House/Vintage, 1978, Ch. 7.
43. Scott, p. 96.
44. Rogow and Lasswell, p. 67.
45. Ibid., p. 68.
46. G. Ben-Dor, 'Corruption, Institutionalization, and Political Development: The Revisionist Thesis Revisited'. *Comparative Political Studies*, 7:1 April, 1974, pp. 63-83.
47. Weber, in Gerth and Mills, op. cit., pp. 127-30.
48. Jacek Tarkowski, 'Old and New Patterns of Corruption in Poland and the USSR', *Telos*, 80, Summer 1989, pp. 53-54.
49. Tarkowski, pp. 55-61.
50. 'Behavior' includes decisions not to act; 'private benefit' need not be tangible, and may accrue to one's associates as well as oneself. See Joseph Nye, 'Corruption and Political Development: A Cost-Benefit Analysis', reprinted in Heidenheimer, Johnston, and LeVine, p. 417.
51. Michael Clarke, *Fallen Idols: Elites and the Search for the Acceptable Face of Capitalism*, London: Junction Books, 1981.
52. R. Klitgaard, *Controlling Corruption*, Berkeley: University of California Press, 1989.
53. For a discussion of this process and the resulting legislation, see Herbert E. Alexander, Financing Politics: Money, Elections, and Political Reform. Washington: CQ Press, 4th ed. 1992.
54. The best general survey of the Watergate saga is J. Anthony Lukas, *Nightmare: The Underside of the Nixon Years*. New York: Bantam Books edition, 1977.
55. R. G. Dunham and A. Mauss, 'Waves from Watergate: Evidence Concerning the Impact of the Watergate Scandal upon Political Legitimacy and Social Control', *Pacific Sociological Review*, 19, 1976.
56. See, for an early analysis, G. C. Jacobson, 'The Effects of Campaign Spending in Congressional Elections', *American Political Science Review*, 72:2, June 1978, pp. 99-127.
57. Klitgaard, Ch. 7; Henry J. Lethbridge, *Hard Graft in Hong Kong: Scandal, Corruption, and the ICAC*. New York: Oxford University Press, 1985; David Clark, '*Dirigisme in an East Asian City: A Community Relations Approach to Corruption in Hong Kong*', IPSA research roundtable, Bellagio, Italy, 1987.
58. David Clark, '*The Anatomy of a Successful Anti-Corruption Campaign: The Hong Kong Case*', unpublished manuscript, p. 5; see also *First Report of the Commission of Inquiry under Sir Alastair Blair-Kerr*. Hong Kong: Government Printer, 1973.

59. Clark, Dirigisme; D. Clark, 'A Community Relations Approach to Corruption: The Case of Hong Kong', *Corruption and Reform*, 2, 1987, pp. 235-257.; Rance P. L. Lee, *Corruption and its Control in Hong Kong*. Hong Kong: Chinese University Press, 1981.

60. M. Johnston and D. Wood, 'Right and Wrong in Public and Private Life', Ch. 5 in *British Social Attitudes: The 1985 Report*. Aldershot: Gower, 1985; M. Johnston, 'The Price of Honesty', Ch. 1 in *British Social Attitudes: The Fifth Report*. Aldershot: Gower, 1988; M. Johnston, 'Right and Wrong in American Politics: Popular Conceptions of Corruption', Polity, 18, 1986, pp. 367-391.; M. Johnston, 'Right and Wrong in British Politics', *Polity*, 24:1, Fall, 1991, pp. 1-25.

61. I am grateful to Robin Theobald for his comments on this point.

62. See, on this point, Timothy Garton Ash, 'Does Central Europe Exist?', in *Ash, The Uses of Adversity: Essays on the Fate of Central Europe*. London: Granta Books, 1988.

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DRAFT:

Public Officials, Private Interests, and Sustainable Democracy: Connections between Politics and Corruption

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Public Officials, Private Interests, and Sustainable Democracy:
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ABSTRACT:

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I. INTRODUCTION

Any assessment of the role of corruption in the world's economies must address its political dimensions. These include corrupt activities themselves, corruption as a political issue, contention among private interests, the proper scope (and abuse) of public power, and the overall state of health of a nation's politics. Even where the economic policy debate has shifted away from the state, and toward markets and economic liberalization, corruption raises important political questions about the relationships between state and society, and between wealth and power. Corruption indisputably affects the political process, but politics shapes the meaning of the concept and the significance attached to particular cases. Corruption affects political and economic development, but the pace and direction of development also affect the kinds of corrupt activities to be found in a given time and place. Corruption topples some governments and whole regimes, but it props up others. And of course, it is a major issue in economic and political dealings among nations.

Thus corruption is high on the agenda for officials and scholars concerned with political and economic development. At the same time, it can be risky to use corruption to explain too much: as Colin Leys (1965:) noted some years ago, "It is natural but wrong to assume that the results of corruption are always both bad and important." Many other forces affect a country's political, economic and social wellbeing, and (as we shall see) any attempt to catalog the effects of corruption upon whole political systems encounters serious problems. Corruption occurs in a variety of forms, with contrasting inner dynamics and external effects (Johnston, 1986), and in virtually every kind of political setting. Its effects are most accurately gauged, not in comparison with ideal political and economic results, but rather against what would really have happened without corruption--a very different standard, and one that will often be unknowable. Moreover, because corruption is such a useful (and at times, inflammatory) political issue, it can be difficult to distinguish real corruption problems from the claims and allegations of conflicting parties and factions.

For these reasons I can offer no single verdict on the political implications of corruption. Still, I will suggest that recognizable patterns of corruption are shaped by, and act back upon, significant imbalances in a nation's political and social development. To understand these syndromes, we need to know basic facts about the distribution of power within a society and the opportunities that exist to use it. At that middle level, we can identify the political implications of various types of corruption, the sorts of political strategies most likely to reduce corruption, and the people and groups that will be strategic both for reformers and for those engaged in trade and business. This approach will, at best, only approximate the total corruption problem in any one society, but will also offer a more varied and subtle set of propositions about the political dimensions of corruption and reform.

The Definitional Debate. Definitions have long been the most intractable problem in the corruption literature (Johnston, 1996). Some analysts employ definitions based on laws and other formal rules because of their relative precision and stability (see, for example, Nye,

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1967: 417). Critics reply that in many societies the law lacks legitimacy and consistent meaning, that legalisms tell us little about the social significance of particular kinds of behavior, and that public opinion or cultural standards are thus the best for building realistic and subtle definitions (Gibbons, 1988; Peters and Welch, 1978). Still others reject both of these approaches, contending that morality and justice in society at large, and not classifications of behavior, lie closer to the essential meaning of the concept (Dobel, 1978; Euben, 1978; Moodie, 1980; Philp, 1987; Thompson, 1993). I cannot begin to settle this issue here; indeed, in some of the syndromes to be discussed below, the focus is as much on controversial uses and contested boundaries of the concept as upon an agreed core meaning. Therefore, I will define "corruption" here as the abuse of public roles or resources, or the use of illegitimate forms of political influence, by public or private parties, and--later on--make an explicit issue of the often-contested meanings of terms like "public", "private", "abuse", and "illegitimate". Where corruption problems are most serious, contention over *who gets to decide* what those terms mean is often the most important political dimension of the problem.

II. BASIC CONNECTIONS

Corruption as an Influence on Politics

That corruption affects the political process and public policy is a familiar notion. These effects are seen at three levels: who gets what (Lasswell, 19??) within politics; the health and vitality of the political process at large; and the international level.

Who Gets What? Robert Klitgaard (1988??:) argues -- correctly, in my view -- that "most corruption hurts most people most of the time." But all corruption presumably benefits *someone* or it would not occur. Sometimes, benefits are widely (if unevenly) distributed. I suggest that corruption's beneficiaries tend to be people or groups with significant political resources and connections, while its losers tends to be those without such assets. While the individual costs in most cases may be trivial, over time corruption is a strongly regressive political and economic force.

Most forms of corruption short of outright theft by officials can be thought of as types of political influence (Scott, 1972), distorting the workings, and diverting the costs and benefits, of public decisionmaking and policy. Corrupt influence can also block off legitimate channels of political access and accountability while opening up (and concealing) illicit new ones. The initiative in such dealings may come from private clients or public officials; the former may offer bribes, or the latter may delay decisions or contrive shortages until payments are made -- or, may simply extort them. At times the expectation of corruption is so pervasive that no explicit demands are needed: "everybody knows" that decisions must be paid for. But whoever takes the initiative, corrupt influence is likely to require valuable and unevenly distributed resources such as money, authority, expertise, special access, or control over a political following. Few ordinary citizens possess such resources. A shopkeeper might occasionally evade official inspections with a bit of petty bribery, or an applicant might pay "speed money" to obtain a license, but corrupt influence on a major scale will likely be the province of those who already possess wealth and/or power. For most people, corruption bypasses rules of due process and weakens guarantees of political and civil rights, while the

minor corruption benefits they might receive, such as petty patronage or the avoidance of official harassment, come at the cost of lost political choices and, quite possibly, inferior public services. In both material and political terms, corruption tends to benefit the "haves" at the expense of the "have-nots".

In actual cases, however, "who-gets-what" calculations are complex and unreliable. Much corruption never comes to light, if only because those who have knowledge of it will frequently have a stake in keeping it secret; unlike many other kinds of wrongdoing corruption often has no specific victims or independent eyewitnesses with reasons to report it. Moreover, many of the benefits of corruption, such as a job or a contract, are tangible, divisible, and immediate (and in some cases, might have come to the recipient anyway), while some of its most significant costs are widely-shared, intangible, and accrue over the long term. Costs and benefits are thus very difficult to compare. Complicating matters even more is the fact that corruption *changes* the institutions, economies, and societies within which it occurs. This creates problems, particularly for any attempt to distinguish "good" from "bad" varieties, for often we cannot say what would have happened without corruption. A policy or agency intended to encourage economic development might well have serious corruption problems, but it does not necessarily follow that without corruption it would have succeeded in producing the desired economic development.

The Health of the Political Process. At another level, corruption affects the health and vitality of politics. We often regard political processes as a means to other, more specific, ends, and the state as a public arena for the contention of private interests, or as the arbiter in a competition whose real value lies in its results. But drawing in part upon a classical tradition in which morality or corruption were seen as properties of whole social orders, some scholars remind us that faithful and vigorous representation, free and open debate, and accountability to the public are valuable in themselves, quite apart from the social utility of their outcomes (see, for example, Thompson, 1993; Thompson, 1995). As Richard J. Daley -- admittedly, never the matinee idol of reform -- used to say, "good politics is good government".

This approach does not portray the state as a neutral or essentially technical entity, or as a political referee. And it is far from neutral in terms of the intrinsic value of politics, and in asserting that some kinds of politics are better than others. As Susan Rose-Ackerman (1978: 90) points out, "Normative statements about corruption...require a point of view, a standard of 'goodness', and a model of how corruption works in particular instances." "Goodness", in the view of scholars such as Dennis Thompson, refers to a process in which freely-chosen representatives openly debate decisions regarding the important issues of the day, and then must answer to their constituents for the choices they have made. Corruption is bad not because money and benefits change hands, and not because of the motives of participants, but because it *privatizes* valuable aspects of public life, bypassing processes of representation, debate, and choice (Thompson, 1993:). .

Such a view fits uneasily into many modern approaches to political analysis in part because of its explicit moralism. At a more practical level it conflicts with a century-long

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reform tradition that has portrayed political contention driven by private interests as a part of the corruption problem, rather than as a value to be protected. So successful has this tradition been at shaping American political culture and institutions (particularly at state and local levels) that its "non-political" ideals are rarely questioned in everyday political debate, either on grounds of feasibility or desirability. Meanwhile, politics and its practitioners are widely held in low esteem. But if we accept the notion that sound administrative practice is a good thing for its own sake, it may just be possible to extend that argument to politics. In that sense many citizens, even in countries with only moderate amounts of corruption, may be out ahead of most analysts in their sense that something has gone wrong with representative. In most democracies, rules regulate policy and electoral *processes*, but are silent on the question of what constitutes justice. A full discussion of that issue lies well beyond the scope of this analysis, but we should remember that a widespread *perception* of corruption, and the political responses such perceptions elicit, can be just as serious a political concern as corruption itself.

International Effects. A final category of political effects of corruption -- one which I will only mention briefly, as it lies closer to the topics of other contributions to this conference -- is its effects upon politics among nations. At this level it may not only be unclear what rules apply, but also whose jurisdiction is involved: corrupt dealings have become as global and as fast-paced as any other form of business, and international money-laundering has been raised to the level of a fine art. At times corruption issues drive nations apart -- witness the current tensions between the United States and Colombia over the latter's commitment to anti-drug efforts, and over the extent to which its leadership has been compromised by drug-related corruption. In other cases, such as fraud associated with the European Union's Common Agricultural Policy, corruption grows out of attempts at international integration. This sort of problem will only increase in importance as the regional and global integration of economies proceeds. In both types of cases, however, it creates political and policy problems among nations, and weakens legitimate international linkages while creating and strengthening illegitimate new ones. International cooperation in anti-corruption efforts is receiving more and more attention, as shown by the formation of Transparency International and the prominence of anti-corruption cooperation as a topic of recent international conferences. But very serious concerns remain: some of the agents of international corruption, such as drug cartels, are wealthier and stronger than some of the states that they corrupt. They have also been able to graft their illicit enterprises onto the aid and military activities of stronger states, as was shown by the extensive connections between Colombian drug cartels and American client groups in Central America in the mid-1980s (Johnson, 1991)..

The Effects of Politics upon Corruption

The other side of the corruption-and-politics connection begins with the fact that corruption is a "hot" issue in political terms, an issue that for all its moral dimensions is often used in contentious and politicized ways. In the long run, contention over what the term means, and over who gets to decide that issue, is central to the emergence of standards and conceptions of corruption that engage the interests and values of major segments of society, and thus have a chance to acquire lasting legitimacy (Johnston, 1991). In the short term,

however, such contention can politicize the concept and obscure its working boundaries. From a practical standpoint, given the secrecy that envelops corruption it can be difficult to distinguish real corruption issues from other kinds of allegations. This is particularly likely to be the case in undemocratic systems where contention over genuine social and political issues is not allowed. There, the cases that come to light and the *de facto* meaning of the concept usually have more to do with the political interests of dominant elites, or with the current state of conflict and division among them, than with the actual extent of corrupt behavior or any real conception of good politics (Simis, Lampert...?). Citizens critical of the existing order, for their part, will also find the corruption issue useful: by pointing to corruption, they can use officials of betraying their own policies and mandates without actually challenging the legitimacy of those who rule or directly opposing their policies. Again, the issues raised are only partially linked to the actual extent of corruption; but it is no accident that in China, for example, corruption has become a "bandwagon issue" for an extraordinarily broad range of grievances (Sands, 1990; Hao and Johnston, 1995).

In one sense, we need not distinguish between perceptions of corruption and corruption itself, for both can be politically significant facts. But corruption and scandal are different things (Moodie, 1980??), and either may occur in the absence of the other. thus, while a solid understanding of the real problem is essential for any serious attempt at reform, in more democratic societies reformers disregard public perceptions at their peril. If they do so, it is entirely possible that reforms will miss the real point of public concern over corruption or even heighten the perception that the problem is serious and entrenched. American campaign finance reforms, enacted during a time of widespread public concern about the abuse of power and the role of money in politics, raised public expectations of an era of cleaner and fairer politics. But in practice they did little to enhance the ordinary citizen's feeling of efficacy (it is hard, in retrospect, to imagine how they *could* have done so), and their disclosure provisions served mostly to persuade many observers that politics had suddenly been engulfed by waves of money, when in fact the laws have been generally well-enforced and money has always had a role in politics.

Another way in which politics influences corruption -- and an issue to which I will return below -- has to do with the distribution of power in society and the opportunities that exist to use it. Is the political elite at the mercy of interests and groups in society, or is it so entrenched that it exploits those groups? Many American reform schemes are based on the former premise, and thus do not travel well to countries where the latter is true. Are elites secure in their positions, or is their hold on power so tenuous that they are tempted to take as much as they can as quickly as possible through "hand-over-fist" (Scott, 1972) corruption? As Huntington (1967??:) asked, do people use wealth to buy political power, or do they use political power to enrich themselves? These questions have no simple answers, but they remain important if we are to judge the political implications of corruption. While it does affect politics at several levels, politics also influences the types and amounts of corruption to be found in a society, its impact and significance, and even the meaning of the term itself. These are not merely theoretical or academic concerns; they are critical concerns for business interests and reformers alike. Perhaps the best way to sort these questions out is to consider

the difficulties of generalizing about the effects of corruption on whole political systems.

III. POLITICAL EFFECTS: WHERE TO LOOK?

Can we generalize about the effects of corruption by looking at whole political systems? Some analysts have attempted to compare overall levels of corruption in various countries, often in the course of considering its effects upon investment and growth (Ades and di Tella; other TI participant). These approaches, based on the experiences of those who deal with officials in various nations, yield useful if preliminary estimates of overall amounts of corruption. Another approach has been to average a variety of rankings in a kind of "survey of surveys" (Lambsdorff, 1995); here, validity problems arise in reconciling qualitatively different kinds of evidence, and reliability questions are posed by the comparatively small differences among rank-ordered cases, which often exceed the level of precision of the original data. Nonetheless, the extensive public interest in the "survey of surveys" approach reflects current levels of concern with corruption and the value of continuing and refining research efforts.

Still, overall levels of corruption and its political effects are different things. Can we estimate the magnitude of the problem by looking at the links between corruption and the collapse of governments, regimes, or whole states? For a number of reasons to be discussed below, I believe that such an approach obscures more than it reveals and encounters fundamental problems of evidence and causal inference. To illustrate both the possible results and the problems of such an approach, I offer in Table I a rough listing of countries categorized by system-wide political effects of corruption. I have omitted nations that have merely experienced episodes of scandal, even if such episodes were politically significant, for such a list would include all nations. The focus, instead, is upon countries in which corruption has had major, lasting effects upon political development and change. The column on the left includes cases in which corruption has been linked to the fall of particular governments, regimes, or whole political orders. The column on the right presents an even more diverse group of cases -- those in which corruption has been a major, continuing political issue--greater in magnitude than an episode of scandal, but not (yet) linked to changes in governments or general regimes. In some, corruption has been a destabilizing force, while in others it has preempted change and propped up regimes, at times even serving as a substitute for reform or a mechanism of control. In still others it has contributed to the rise of significant new political forces, some opposing corruption and others drawing upon it to enrich themselves and increase their political strength.[1] In the Sudan, for example, accumulation of wealth though corruption helped create a new "parasitic *comprador* capitalist class" (Kameir and Kursany, 1985: 8), while a new class also emerged in Zambia as opportunities for corrupt self-enrichment made public office a "half-way house from which conditions are created for entry into business and the acquisition of private property" (Szeftel, 1982).

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Table I:
Corruption and Political Change
in Countries Since the Mid-1970s

Corruption:

Linked to Basic Political Change	As Major Political Issue	
Brazil	Argentina	Bangladesh
East Germany	Burkina Faso	China
Greece	Colombia	Gabon
Italy	India	Indonesia
Japan	Ivory Coast	Kenya
Liberia	Mali	Mexico
Mauritania	Paraguay	Peru
Niger	S. Korea	Tanzania
Nigeria	USSR/Russia	Zaire
Panama	Zambia	
Philippines		
Sierra Leone		
Sudan		
Thailand		
Uganda		

Tables such as this one do give a rough accounting of the scale and political significance of corruption in recent years, but quite a few qualifications and *caveats* are in order. The two categories above are not intended to compare absolute amounts of corruption, or necessarily its relative significance within the scope of systems. Corruption in Mobutu's Zaire, for example, probably exceeds that of several nations in the left-hand column in absolute magnitude, and almost certainly does so in terms of its significance within national politics and the economy. But Zaire appears on the right-hand side because there corruption is as much a mechanism for domination and control as it is a force for political change as such: Mobutu's abuses, spectacular though they have been, have not brought down the government or regime. Indeed, the right-hand category includes a number of countries where corruption in various forms has been at least partially a means of political control (Paraguay, Mexico, Zambia), along with others where it has been a destabilizing influence (Russia, Colombia). In still others, political changes have produced new working definitions of corruption, leading to political crises as past transgressions are revisited; the trials of two former presidents in South Korea, and of former East German officials, would be recent examples. There are also variations in the left-hand column: in some cases corruption has played a major role in political changes that have been limited, in formal terms, to the fall of a government, but which have been more significant politically because they have broken long-standing

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alignments of elites (Japan, Italy) or have mobilized and politicized new segments of society (Brazil). In other cases, such as Liberia's tragic general collapse, the change has been more sweeping, but corruption has been just one of a number of contributing factors. Finally, of course, whether a country appears in the fundamental-change or the major-issue category is at times a judgment call, and may also reflect the current state of ongoing political changes.

There are more basic difficulties as well. One is incompleteness: apart from straightforward omissions, the evidence problems inherent in the study of corruption mean that we may never know the full effects of corruption or its links to other causes of change. In most of the serious cases corrupt influence of some types may be used to conceal others. Some governments and regimes, such as Mexico's PRI party machine, use electoral corruption to help themselves stay in power; others convert policies into patronage, again using corruption to support themselves in power (see, for example, John Waterbury's account some years ago of prebendal patronage in Morocco) (Waterbury, 19??). Still other kinds of corruption, such as black-market dealings in centrally-planned economies, can finesse economic and political problems for a time, serving as a temporary substitute for reform and preempting the political upheavals that may accompany fundamental reforms. This is *not* to suggest that such corruption is somehow "functional" for society as a whole (for problems with that sort of argument, see Johnston, 1986), nor is it to attempt to define a category of "good corruption". It is, instead, just to point out that corrupt influence can solidify elite power as well as undermine it, and that this sort of consolidation of power, while often less visible and newsworthy than a regime collapse, is a political effect of corruption too.

The political effects of corruption within systems depend upon many considerations. Corrupt dealings may weaken (or strengthen) elite power, impair the functioning of official agencies, divert major resources and distort the economy. Different varieties can have strikingly different political implications (Johnston, 1986). These consequences, in turn, can depend upon the ways corruption affects class, regional or communal groups: if benefits tend to flow to one group and the costs to another, corruption may exacerbate existing "fault lines" in society, while if the distinction between winners and losers cuts across those divisions corruption may help ease conflict, at least for a time. The extent and state of political competition can also be an important factor: often, corruption flourishes in one-party areas or systems (Doig, 1984), whether they are uncompetitive by circumstance or by design. The reverse can be true too: as we shall see, pervasive and fragmented corruption can lead to a collapse in real political competition, as one has little to gain and a great deal to lose by being in the opposition. Such competition as remains takes the form of a factional fight over the spoils. We also must consider the patterns of political access and exclusion in a society: groups excluded from the formal political process on racial, nationalistic or ideological grounds may well buy their way in through the back door, particularly if they have significant political resources and non-ideological agendas. As Huntington has argued, corruption may function in those situations as an alternative to violence (Huntington, 196?:). Nye (19??) has suggested that the political consequences of corruption turn in part upon the levels at which it occurs, the kinds of inducements involved, and the extent of deviation from approved procedures that results. For all such connections, the cause-effect dimensions are complex:

corruption may produce a political crisis or collapse, or it may so weaken a regime that it is brought down by other problems. In real cases, both scenarios may happen at once.

In many cases, however, corruption *issues* -- political reactions to corrupt behavior, real or perceived -- may be far more significant than the phenomenon itself, and here causal connections can be even more difficult to identify. Perceived corruption can mobilize new political forces and discredit existing ones. As noted, corruption may become a symbol for a wide range of grievances (Sands, 1990; Hao and Johnston, 1995), only some of which are related to the abuse of public roles and resources. Anti-corruption *coups* are common, but can we distinguish between cases in which corruption has weakened the old order, and those for which the issue is primarily a pretext for seizing power? By no means are all of the regimes brought down by corruption the sorts we might wish to preserve. Reactions to corruption issues often have bad-news/good-news implications: they can produce instability in the short term, but also contribute to a growing pluralization of politics. In a case such as the Collor de Mello scandal in Brazil, should we emphasize the fall of a regime, or the fact that strong popular forces emerged to object to corruption? How do we compare the costs of a period of scandal and upheaval to the opportunities offered by a new political beginning? Other reactions to corruption come in the shape of reforms, which are not necessarily well thought-out just because they are anointed with the symbolism and moral claims of reform. Many are beneficial, but others are ineffective; still others, such as the anti-machine reforms of local government in the United States, confer major political advantages on their advocates, or make government less responsive than it had been before (Lowi; Lineberry and Fowler). Still other "reforms" are foolish or poorly-conceived, or are simply camouflage for continued political profiteering.

By now it should be clear that it is extremely difficult to generalize about the political effects of corruption at the systemic level, and that its apparent effects upon governments and regimes may be misleading indicators of its deeper political implications. We could redefine and increase the numbers of categories in Table I, but the variations within them would still be as significant as the distinctions they reflect; eventually we would have a proliferation of categories that would serve mostly to restate the intrinsic complexity of the problem rather than to simplify it.

IV. STATE AND SOCIETY, WEALTH AND POWER: QUESTIONS OF BALANCE

Is there a better way to understand the political implications of corruption? In this section I will suggest that the connections between corruption and politics are reciprocal. Corruption affects political processes as people and groups exercise influence and obtain benefits improperly, but politics also influences corruption as those interests protect and expand their positions of advantage, and as patterns of influence and contention create or close off opportunities and incentives for corruption. Thus we should not only consider corrupiton itself, but also the distribution of power, and the opportunities to use it, that exist within a society.

From a political standpoint, corruption involves illegitimate connections between wealth and power, and raises important questions of official autonomy and accountability. But much depends upon the ways wealth and power are held and used, and upon relationships between state and society. Corruption is not something that "happens to" a society in the manner of natural disasters. It is the doing of real people and groups as they engage in processes of influence and exchange within a particular climate of opportunities, resources and constraints. Sometimes these activities and choices shake whole governments and regimes, but more often they affect the political process in more specific ways -- ways that reflect the characteristics and continuing development of the societies in which they occur. The approach to be proposed here will not give us a full analysis of corruption in any one society, but it may point to identifiable corruption-and-politics syndromes, highlight key problems for anyone seeking to trade with or do business in a given country, and suggest some of the political groups and changes critical to any strategy for reform.

Sustainable Democracy

For several reasons, the discussion that follows focuses upon connections between corruption and the development of democratic politics. Authoritarian and totalitarian regimes definitely have their corruption problems. But both those problems themselves, and the politically manipulated meanings of "corruption" often found in such countries, are manifestations of a more fundamental fact -- that of a dictatorial political order in which wealth and power are fused, or are nearly so. Societies undergoing political and/or economic liberalization, however, have at least begun to contemplate a separation between state and society, and/or between wealth and power. Thus they confront questions of where the boundaries marking those distinctions are to be drawn, and of the sorts of dealings across those boundaries that are, and are not, to be tolerated. It is in that setting that the question of reciprocal effects between corruption and politics becomes a meaningful one. I will also suggest that if the development of democracy can proceed in a balanced fashion, democratic politics will prove to have significant anti-corruption strengths in the long term. Finally, as societies pursue political and/or economic liberalization, they do so along many paths; understanding the diverse kinds of problems and imbalances that occur along the way can help us formulate strategies for political and anti-corruption reform appropriate to particular times and places. Thus much of what follows will deal with the question of sustainable democracy.

To be sustainable over the long run, democratic politics depends not only upon competitive elections and market economics, but also upon balanced political and economic development. Particularly in the aftermath of democratic transitions, such development requires two kinds of balance: first, a balance between elite accessibility and autonomy, and second, a balance between political and economic opportunities. These embody ideals of democratic politics, and of a healthy relationship between state and society. A balance between elite accessibility and autonomy means that private interests have a meaningful voice, but that officials can also formulate and implement policies in an authoritative, uncompromised manner.[2] A balance between political and economic opportunities ideally

fosters vitality, openness and strength in both politics and the economy; in practical terms, it implies that powerful people and groups in one arena may be less able to exploit their counterparts in the other. A system marked by serious imbalances, on the other hand, is more vulnerable to corruption. Where access significantly exceeds autonomy, officials are exposed to the influence (legitimate and otherwise) of private interests and find it difficult to act independently. Indeed, if elites' hold on power becomes very uncertain, there is a strong temptation to take as much as one can as quickly as possible -- Scott's (1972) "hand-over-fist" corruption. If, on the other hand, autonomy exceeds access, officials may be able to exploit private interests more or less with impunity. And as Huntington (196?:) has argued, where political opportunities exceed the economic, people are likely to use power to enrich themselves, while where economic opportunities exceed the political, people will tend to use wealth to buy political power. These connections are reciprocal: unbalanced development creates opportunities and incentives to corruption, and those who benefit from illicit dealings often seek to preserve the imbalances, "squeeze" points, and positions of advantage from which they profit.

Where both kinds of balance are relatively durable, it is easier to arrive at the kinds of boundaries and distinctions that I have argued elsewhere (Johnston and Hao, 1995) are essential to relatively settled and legitimate conceptions of what is corrupt and of why such abuses matter. These boundaries and distinctions -- between state and society, public and private sectors, politics and administration, individual and collective interests, and among market, bureaucratic and patrimonial processes of allocation -- have historically been drawn and have earned their legitimacy through political contention (Johnston, 1991). Where officials and private parties can influence, but also resist exploitation by, each other, and where political and economic opportunities are sufficiently balanced that neither the holders of wealth nor of power can dictate terms to the other, such contention and competition among interests and centers of power can flourish, and may yield relatively clear and accepted rules governing relationships among them. Looked at this way, democracy -- portrayed by the leaders of most anti-corruption *coups d'etat* as particularly vulnerable to corruption -- may actually have long-term anti-corruption strengths. Ironically, such coups, even if genuinely intended as anti-corruption moves (which most are not), likely exacerbate corruption by preempting the political contention that could eventually forge boundaries to contain it. Corruption can beget bad politics, but bad politics begets further corruption.

Four Syndromes

Both types of balance will be difficult to measure. At best they are examples of long-term "moving equilibrium": social and economic trends, and political and policy changes, may alter both the balance of opportunities and the relationship between state and society from time to time without necessarily producing major outbreaks of corruption. Our focus here is upon significant and lasting imbalances. The various combinations among them define four corruption syndromes, each marked by distinctive opportunities and dangers. In some of these syndromes, corruption will be significant but bounded in scope, serving more to limit the competitiveness of politics and the responsiveness of governments than to threaten their

viability. In others, there are real dangers that corruption may spiral out of control, destroying orderly relationships between state and society and reducing the ability of regimes to respond to economic and social change in any but the crudest ways. These syndromes and possibilities are illustrated in the matrix appearing in Table II:

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Table II: Varieties of Corruption and Challenges for Reform
as Functions of Political and Developmental Imbalance

OPPORTUNITIES:	ELITES: accessibility > autonomy	ELITES: autonomy > accessibility
Econ > Pol	Corr type: interest-group bidding Strong econ interests, accessible/ decentralized elites; interests use wealth to capitalize on access to segments of elite; elites engage in individual enrichment USA; Germany; many affluent liberal democracies Anti-corr: strengthen/protect official autonomy, state/soc boundaries; protect equality of pol competition	Corr type: "merchant princes"[3] Entrenched elite entrepreneurs enrich selves and pol followers, manipulate pol access; *danger of extreme corruption* China (*guandao*); military regimes (Nigeria at var. points), old Hong Kong, S. Korea; LDP Japan Anti-corr: enhance mass partic, open/routinize bureacratic channels emphasize legality, expand political competition
Pol > Econ	Corr type: fragmented patronage, extended factionalism, *mafiyas* Fragmented and pol insecure elites build personal followings, are vulnerable to unofficial factions; *danger of extreme corruption* Russia, Poland; Peru (pre-Fujimori), Argentina (pre-Menem); early evolution of Tammany; Italy; early civilian regimes in Africa Anti-corr: strengthen/protect official autonomy, state/soc boundaries; enhance state capacity; increase economic growth	Corr type: patronage machines Strong elites buy off, preempt pol. competition by manipulating econ rewards, enrich selves; intimidation Mexico, Sicily; Indonesia?; Stuart England; rapidly urbanizing nations; mature Tammany machine Anti-corr: enhance mass partic, pol competition; open and routinize bureaucratic access; increase economic growth

In theory, either or both access and autonomy, and political and economic opportunities, can be roughly in balance in a society; for this reason, too much should not be made of the boundaries between the cells or regions above, as they are not precise demarcations. They are more like continua, with the horizontal line expressing the relative balance between access and autonomy, and the vertical line indicating the relative balance between economic and political opportunities. These dimensions possess a degree of ordinality, and thus various countries could be located in different parts of the same "cell" or region. The emphasis here is on *relative* imbalances; to say that economic opportunities are more available than political ones, for example, is not necessarily to say that they are plentiful in an absolute sense. Moreover, while I do characterize politically critical varieties of corruption for each cell or category, I do not suggest that each is the *only* kind of corruption going on in the countries named.

Another potential virtue of this approach is that if syndromes of corruption grow out of the imbalances I have discussed, restoring (or instituting) more even balances might be central to both democratic and anti-corruption reform. From the particular imbalances of a given society we draw inferences about necessary (and promising) changes, and about the people and groups whose interests and support would be central to such a project. Any effort at anti-corruption reform through democratization would have to be coordinated with targeted administrative, judicial, law-enforcement and policy reforms. But we can identify, conceptually at least, ways of equaling out imbalances:

--Where accessibility > institutionalization, enhance official autonomy and state capacity

--Where institutionalization > accessibility, open up channels of mass participation and bureaucratic access

--Where economic opportunities > political opportunities, enhance political competition

--Where political opportunities > economic opportunities, encourage broad-based economic growth

The notion that sustainable democracy and the reduction of corruption are closely related is not a new one. The idea here is to identify specific ways of pursuing both goals that are appropriate to the realities of differing situations and societies. Just as each syndrome is defined by two imbalances, the broad strategies suggested above for redressing those imbalances jointly suggest different democratization and anti-corruption reforms for each syndrome in Table II.

These options, and the basic schema itself, may become clearer if we discuss each category in more detail. The descriptions that follow will not apply fully to any one country, and to a degree they assume cases of extreme imbalance in order to draw out the different characteristics of the four scenarios. Nonetheless, they are offered as one way to distinguish among different sorts of corruption problems and democratization challenges.

"Interest-Group Bidding". In the upper-left region of Table II, access exceeds autonomy and economic opportunities are more plentiful than political opportunities. Where these imbalances

are significant, economic interests are strong and political elites are vulnerable. This is the sort of corruption problem most typical of liberal democracies, and here corruption as a political issue is conceived of in terms of departure from (or distortion of) established values of procedural fairness and equity. Corruption may indeed be a serious issue, but is unlikely to spiral out of control, because the bidding process is open to a variety of competing interests, and critics of the process have access to elites too. Thus, such systems have a healthy tendency toward public scandal, and the potential for elite response to it.[4] While elites take advantage of opportunities for corrupt gain on an individual or small-group basis, and their career movements between the public and private sectors (what the French call *pantouflage*) may raise ethical problems, large elite syndicates and organized "shakedown" operations will be rare. The chief danger is that policymaking and implementation will become (or be *perceived* to become) an auction, with favorable decisions going to the highest bidder while smaller and non-economic interests are shut out.

This sort of corruption poses distinct business and trade problems. Fair access for a broad range of economic interests will be a problem: larger and better-established groups will have built long-standing relationships with segments of the political elite, based on long-standing patterns of access, and may thus preempt access by other interests. The American "Iron Triangle" metaphor (CITATION), referring to long-standing reciprocal policy and budgetary alliances among economic interests, subsections of bureaucratic agencies, and Congressional subcommittees, is an expression of this danger. Pushed to its extreme, such preferential access may lead to policy stagnation. While an out-of-control spiral of corruption is relatively unlikely in this category, such problems of adaptation will have clear economic costs in the long term. Yet another problem has to do with resentments of the political process, and of the policies it produces, on the part of those with less access.

Reform initiatives in such systems are typically process-oriented and based on a market metaphor for the political process. Many democracies' campaign finance laws and lobbying regulations, for example, are intended to protect electoral competition and the policy debate, and include donation limits and disclosure requirements to prevent particular economic interests from gaining unfair political advantage. (Whether the results match the intentions is of course an important question that lies well beyond the scope of this discussion.) The major reform challenges in this category, however, often run much deeper, and even though many of the states we are considering here are fundamentally democratic, issues of sustainable democracy lie not far beneath the surface. Boundaries between state and society, and between individual and collective interests, need to be protected and strengthened in order to preserve official autonomy and prevent policymaking from becoming an auction in actual fact. Rules of access to political figures and bureaucrats may well need further specification and monitoring; the real and perceived equality of political participation needs to be protected, and indeed enhanced so that smaller and newer economic interests, and people and groups with fewer resources and non-economic agendas, can also compete effectively. These last groups are often given little protection by process-oriented reforms. Supervision and accountability *within* the political elite -- within legislative bodies as well as bureaucracies -- must be considerably strengthened as well.

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Those proposals amount to an agenda of enhancing and deepening political opportunities and competition, in order to even out the imbalance of economic and political opportunities while protecting the autonomy of representatives and decisionmakers. Good-government groups will be important in any such reform agenda, but the top management of bureaucratic agencies will also play strategic roles in insisting upon autonomy and in monitoring paths of access to their agencies and subordinates. The leadership, organizations, and mass base of political parties and legislative bodies will have to be strengthened, as will broad-based citizen participation generally. Economic interest groups of many sorts need to be encouraged to monitor each other, and to speak out for their own access rights as needed. Ironically, some aspects of past reforms intended to accomplish these goals have become controversial today: the Political Action Committees (PACs) sanctioned by American reforms in the mid-1970s were intended to be a means of influence and participation for small groups of citizens and other less-entrenched interest groups, but are now widely (and to a substantial degree, inaccurately) seen as a corrupting force in their own right.

"Merchant Princes": Different and more ominous corruption problems appear in the upper-right corner of Table II. Here, an entrenched political elite facing few political challengers or meaningful demands for accountability dominates and exploits economic opportunities, manipulating relatively scarce and valuable political opportunities in return for further economic gains. Political figures, bureaucrats, and whole agencies may go into business overtly or as silent partners, as has been the case in China; boundaries between state and society, public and private interests, and politics and administration are likely to be weak. The former LDP regime in Japan represented, for many years, a somewhat different case: modified one-party government with close links between party leadership and large corporations (as in the Recruit scandal), and just enough electoral competition to persuade those donors that they had a significant stake in maintaining the LDP in power. Particularly where such regimes are undemocratic, corruption is likely to become a bandwagon or vehicle issue for a very broad range of grievances, but the forces behind reform demands are likely to be weak. In such a setting there is a very real danger of a "hypercorruption" spiral, as the manipulation of political access and official ventures into entrepreneurship take place in a setting in which there are few opposition forces to check such activities in any meaningful way, or to provide alternative political outlets for exploited interests and groups. Such political competition as does occur is likely to take place among elite factions, and if it becomes intense enough to threaten the existing political order, it too may produce extreme corruption as officials try to take as much as they can as quickly as possible.

Trade and business interests will find corruption a very serious concern in such cases for several reasons. Officials' own stakes in the economy and the absence of countervailing forces mean that politics and administration will very likely overlap extensively. Domestic businesses in particular, but international ones as well, may be vulnerable to extortion and bureaucratic mistreatment on a large and organized scale, and principles of legality may be weak. But even if they pay up, they may have bought little predictability or lasting influence, as entrenched elites may just come back for more, and larger, payments again and again. In such a setting it will be difficult to plan for the middle or long terms, and management may

become a matter of coping with arbitrary policies and unpredictable demands. Attempts at bureaucratic or legal recourse may only expose a firm to a new set of officials and their demands.

The political dimensions of reform are complex in this category, because -- depending upon the degree of imbalance between autonomy and access -- it contains some openly undemocratic nations and others in which the political situation is more mixed if not exactly freely competitive. But in many of the nations in this category, existing reform efforts typically are sporadic, politically-orchestrated, and serve the political needs of top elites rather than any broad set of interests and goals. In times of elite conflict, most anti-corruption drives may be ploys by one faction to gain or protect political advantages over others. A real anti-corruption effort would require broader political competition and choices while opening up more routine paths of accountability and access to elites. As this requires a pluralization of politics, measures to strengthen the independence and legitimacy of civil society and to broaden the range of groups that speak for it will be particularly critical. Indeed, these forces may already be gathering economic strength, and be searching for a political outlet for their interests; in the more undemocratic societies, this can make for even more corruption. Thus opening up or protecting channels of access to bureaucrats, the courts, and legislators, and establishing the political independence of those bodies, will be particularly important (and, it must be acknowledged, particularly difficult in many regimes). Clarifying issues of property and ownership, and reaffirming principles of legality, can strengthen the boundaries between public and private interests, individual and collective rights, and politics and administration.

Strategic groups and interests for those who hope to pursue such political reforms would be the emergent economic interests of civil society, and in particular any organizational base (trade associations, etc.) they might possess. International business partners and investors will also have a stake in establishing and protecting these political rights and channels of routine access, and also possess a solid base of experience in dealing with bureaucrats elsewhere; that knowledge and experience can be shared with domestic business interests. Free professionals (if any), particularly those educated or trained in management abroad, can play similar roles. Potential opposition parties and elites; and a whole range of non-political associations and social groups in civil society, which will not likely have overtly political agendas but whose viability may do much to establish the legitimacy of activities and interests beyond the reach of the state. But pursuing any such strategy, and raising corruption issues with these groups and segments of society, would threaten the elite's political hegemony and opportunities for enrichment, making fundamental reform unlikely (and very dangerous). If such efforts became politically disruptive, ironically they might well make a spiral of extreme corruption more likely.

Fragmented Patronage / Extended Factionalism. The syndrome spelled out in the lower-left quadrant of Table II differs from the "Merchant Princes" case in terms of both state-society relationships and balance of opportunities, but resembles it in terms of the danger of out-of-control corruption. Where these imbalances are pronounced, elites are not only accessible, but also seek power in a setting of intense political competition over scarce economic

opportunities. The path to advancement consists of building a following and imposing some sort of discipline on it, in the midst of a political free-for-all. The result is patronage politics, but of a particularly fragmented sort: elites seek to build personal political followings, but they are also vulnerable to the demands of those followings, which are difficult to discipline. These forces may include not only political supporters, but also much more unruly groups such as Russia's *mafiyas* (Handelman, 199?) or Colombia's drug cartels, and corrupt influence can be linked to intimidation and violence. Corruption as a political issue is likely to be a tool of reprisal -- a way of discrediting competing elites and factions rather than a way of pursuing any comprehensive view of good politics or governance.

The fragmented nature of this patronage politics and the scarcity of the resources that might hold it together makes this the most politically unstable of our four categories, and here the danger of extreme corruption is most pronounced: elites, as noted, are politically insecure, and thus face built-in temptations toward "hand-over-fist" corruption. But the followers whose support is necessary for even a short-term hold on power also contribute to the danger, for they seek economic rewards too, and (given the multiplicity of factions) have relatively other political options. Faction leaders may thus have to purchase and repurchase the loyalties of their followers in conflict after conflict in order to prevent them from switching to other factions, and may even get into a patronage "bidding war" with their rivals. This sort of fragmented patronage politics marked the earliest phases of the rise of Tammany Hall (Shefter, 197?). This unstable, economically-driven political scramble will make corruption more likely to spread. Orderly political competition may well collapse as it becomes clear that playing the role of opposition is of little value for its own sake, and that the real political opportunities are in the scramble for spoils among personalized factions and followings.

Such a setting poses real problems and dangers for trade and investment. What appear from the elites' standpoint as opportunities for exploitation will, from the business end, be experienced as arbitrary and unpredictable policies, unreliable decisions and agreements, and as "shakedown" operations of greater or lesser scope and organization. Many will pay off officials or political expediters who do not "stay bought", or cannot deliver what they promise. Real access to decisionmakers who will discuss issues and problems in genuinely substantive terms, and who can follow through on decisions, will be rare, and will likely be a commodity put up for sale. International investors in particular may face domestic competitors that enjoy considerable official "protection", and that may only be facades for various *mafiyas* and factions. Corruption will likely contribute to inflation, the more so as the security of elites' power becomes less assured, and as policymaking becomes an exercise in the competitive distribution of *largesse*. The result will be an inability to plan for the middle to long term.

Anti-corruption reform, apart from the use of corruption issues as a club against one's enemies, is unlikely to be much more than a slogan in this setting; law-enforcement officials and investigators will be as exposed and vulnerable as political figures and bureaucrats, and neither side will receive real support from the other. Fundamental reform would require an increase in state autonomy and broad-based economic growth. Entailed by the former is a real

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commitment, on the part of both citizens and elites, to the value and necessity of the state as a guarantor of important processes and rights, and as an efficacious policy force whose rules must be taken seriously, rather than as a source of plunder. More structured and orderly access between officials and private interests, and stronger discipline and accountability *within* the elite, are necessary as well; both would contribute to a much-needed growth in state capacity. The development or consolidation of a limited number of strong, broad-based political parties, a proliferation of interest groups in civil society, and meaningful crime control and protection of civil liberties will be necessary in order to persuade people that they can approach the state through established channels, rather than through personal connections, and that they can do so in an atmosphere free of intimidation and exploitation. Strategic groups for any effort at attacking corruption through democratization will include those having an interest in or responsibility for more orderly dealings between decisionmakers and clients, and in broad-based political competition. Parties, potential opposition elites, and interest groups will be important in such efforts, as will bureaucracies and their middle-level managers, court and law-enforcement personnel and regulatory staffs, and domestic and international businesses.

Patronage Machines. Finally, in some countries a well-entrenched elite will use scarce economic resources to manipulate and control political choices and competition. The result is the type of disciplined extended patronage organization once known in American cities as political machines. Indeed, as the evolution of Tammany Hall in New York illustrates (Shefter, 197?), a patronage-wielding elite that gradually becomes entrenched and eliminates its main political competition can create a situation in which politics is still the path to wealth, but followers have few political alternatives and therefore need not be bribed again and again. The result is an extended and more disciplined political following. Corruption issues are likely to be raised by marginalized counter-elites.

Such machines are not totally harmonious and balanced internally (Johnston, 1979), but they are less likely to produce the out-of-control extreme corruption that is a real danger in our previous two syndromes. The machine leadership is in business for the long term, and faces few real challenges; its task is to maintain that hegemony while avoiding serious conflict, and it will dole out patronage benefits, and manipulate elections and other democratic processes, with a goal of maintaining the *status quo* rather than of looting the political system or economy in the short term. This is not to imply that the corruption involved is not serious: it may be extensive in the best of times, particularly at the top of the dominant party, and if a rapid influx of capital undermines the machine's control of economic opportunities episodes of uncontrolled corruption can occur. Mexico, for example, experienced an outbreak of more disruptive corruption during its oil boom (Grayson; Gentleman; Riding). But most of the time, this form of corruption is unlikely to spin out of control.

Some business and trade interests may regard corruption in such societies as more political in nature -- having to do with electoral abuses and the like, and aimed at preempting political competition -- than overtly economic. But it will have serious economic implications too: such an entrenched elite may be able to dictate terms to businesses, particularly those that

can mobilize little domestic political support, because those businesses will have few political opportunities for recourse or appeal. Such dealings may take the form of extortion or bureaucratic harassment which, when international businesses are the targets of exploitation, may be camouflaged or even made popular with the public by an overlay of nationalism or ideology . Also problematical for business is the state's role as a facade for party domination and control. Negotiations with officials may mean little when the officials are answerable to the machine party; secrecy may be pervasive, and political decisions, as opposed to meaningless official ones, will have price tags attached.

Reforms will occasionally take place in these systems, often tolerated and administered by a machine leadership willing to endure episodes of limited reform in order to preempt more serious political challenges. Chicago's Richard J. Daley was famous for this tactic, and Mexico's PRI has begun to accept a degree of electoral competition, occasional losses in state elections, and more extensive reforms of the voting process itself as the price of continuing to hold power in the 1990s. But again, real reform will entail enhancing access to elites and expanding economic opportunities. Improvements in procedural democracy, particularly in elections but also in preserving parliamentarians' and civil servants' freedom from abuse; genuine protection of competing elites' and parties' autonomy and political rights, and open and non-politicized access for private interests to bureaucratic agencies and decisionmakers will all be critical. So too will be a general strengthening of a viable and independent civil society and of the organizations within it (overtly political or otherwise), and protection of mass rights of expression and political participation, so that more political initiative and impetus for reform can originate from below. Broad-based economic growth will be critical to evening out the balance of opportunities, and to reducing mass dependence upon the machine. Strategic groups in this process will be those with a stake in economic growth, and in opening up political competition and access to an independent bureaucracy and judiciary. These would include opposition elites and parties, international business and its domestic partners, free professionals and technocrats (particularly those trained abroad), independent groups in civil society, and the courts.

V. CONCLUSION

The political impact of corruption thus is a question with no single answer, nor only four. Corruption is not a single problem or event, and it is not exogenous to the political system. Instead, it raises complex questions about the ways people in both state and society make choices within the particular climates of resources and constraints, and the patterns of access, influence and exclusion that confront them.

In this discussion I have offered an argument about the prospects for sustainable democracy, anti-corruption reforms, and the positive relationships between the two. The argument may well be overly optimistic, particularly since I have dealt mainly with the conceptual overlap between them, and various *possibilities* for reform, rather than with success stories as such. More common is the view that once corruption becomes a serious problem, it spreads like a fatal disease -- the image or metaphor most frequently used in

discussions of corruption -- until a political crisis or collapse occurs. But the possibilites for more positive changes are not just theoretical -- they are historical too. There have been societies that have endured long and serious episodes of corruption, but have eventually moved into eras of cleaner politics. While careful administrative and institutional reforms are essential to any such process -- and Hong Kong offers a particularly important success story here -- in other cases, such as the United Kingdom and (to a lesser extent) the United States, vigorous political contention and a strong civil society have been critical too. Political reform, by itself, is no cure for corruption, if only because corruption can arise out of the undemocratic aspects of politics and be a formidable force in sustaining those imbalances. It is, however, essential if the benefits of more focused anti-corruption reforms are to be sustained in the long run.

Particularly in the transitional societies discussed above, trade and business groups have major anti-corruption responsibilities and opportunities. In the ways they work with partners and clients in those societies, they can create new expectations about the ways bureaucracies, the courts, and political officials should deal with private interests, and *vice versa*, and they can give major moral and organizational support to people and groups who hope to resist corruption by officials or by their business competitors. The four scenarios in the preceding section are offered as ways to begin to identify the most important groups and interests in such a process, and to point out the kinds of basic political and economic imbalances they will confront. American businesses can also set a useful example, and protect their own interests and assets, depending upon the ways they adapt to life under the Foreign Corrupt Practices Act, which is seen by some not just as an anti-corruption "sword", but also as a "shield" for American businesses abroad (*China Business Review*, Fall, 1994). A long-term commitment to good politics and good governance can also be good business.

What I have tried to contribute to that process is a first step toward a more detailed assessment of the connections between politics and coruption, and of the nature and functions of democratic reforms. With a great deal more refinement and careful research, this approach may eventually provide a guide to short-term defenses against corruption, and to long-term reforms, appropriate to particular countries and their political situations. To reach that point, however, it would benefit greatly from the reactions and criticisms of the business, political, and international-policy professionals who know those situations best.

NOTES
(Coming soon!)

1. I am grateful to Sahr J. Kpundeh for suggesting the following two examples.

2. I am grateful to Christopher Sabatini for his thoughts and comments on this issue.

3. I have borrowed the term "merchant princes" from Ting Gong, " CITATION "

4. Here I echo the argument by Markovits and Silverstein (198?) that scandal is most likely to be found in liberal democracies, although I would add that undemocratic societies also experience corruption-related political conflicts which, even if not focused upon a set of accepted political values and principles, are significant to the process of establishing new standards of behavior.

CURRENT PRACTICES: TACTICS FOR DEALING WITH CORRUPTION

MINI CASE STUDY -- POLAND

Michael Johnston

Poland's experience since 1989 is evidence that changes in institutions alone do not make a democratic transition. The composition of the national elite, its agenda(s) and the patterns of conflict and competition among its members and factions are also fundamental factors to be considered in analyzing both a country's corruption problems and its prospects for democratization. So too is the ability of the elites to mobilize, and earn the trust of, solid mass followings via the nation's party system.

In Poland's case, well-placed party figures began to become entrepreneurs even before the formal political transition that began in 1989, capitalizing upon their positions and the information at their command, and many have gone on to become prominent business figures. The growth of a national capitalist economy, and the legitimation of a freely-chosen democratic political elite, have thus been somewhat at odds with each other. Compounding the problem is the fragmentation of the party system: while a proliferation of small parties was to be expected in the wake of the 1989 elections, when Solidarity routed the Communists in partially free elections but at the same time lost the unifying impetus of anti-communism, Polish politics still suffers from fragmentation: upwards of thirty parties have contended for public support, with ten or more being represented at one time or another in the legislative body. Few of these parties enjoy extensive popular legitimacy, and many have been vulnerable to the cult of personality that has revolved around Lech Walesa.

Polish democracy and its problems with corruption thus may be at a crossroads. The fragmented political situation is vulnerable to a possible out-of-control corruption situation: turnouts in elections are falling, and the revived post-communist parties have placed a President (Kwasniewski) in power. While no one case captures the complexities of the situation fully, we will discuss two aspects of this dilemma that reflect the challenges of democratic and anti-corruption reforms. The first is the property restitution process, in which local politicians have both an administrative and a political stake; the dangers of corruption here are extensive, and this problem in turn threatens the continued revival of a free economy. The second problem is the proliferation of parties, and the dubious legitimacy many of them possess. Can Poland build a party system that is at once competitive, and also solidly rooted in the beliefs and aspirations of the population? Without such a development, the dangers of fragmented patronage politics may bring about a corruption spiral.

This session will briefly lay out those problems, by way of setting up small-group discussions of how to identify and support the people and groups most able to deal with both.

TRANSITION TO DEMOCRACY IN POLAND

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6

Interaction between Political and Economic Freedom

*Edward P. Lazear**

The countries of East-Central Europe have recently taken major steps forward to obtain political freedom of the sort which they had not experienced during the preceding 40 years. The question now becomes whether political freedom will be followed by the kind of economic freedom that most economists associate with growth.

There is no automatic connection between economic growth and political democracy. While some studies have shown that democracy and economic progress are positively correlated, there are some important recent exceptions. Most obvious are the cases of South Korea and Chile. Rather than attempting to analyze the big picture and to say at the macro level whether political freedom and economic freedom go hand in hand, this writer will instead consider more specific goals. By focusing on each of the detailed policies, it is possible to determine whether political forces affect the ability to adopt the economic policies that are important for economic growth.

The theme of this essay is that there are countervailing forces. Democracy has the advantage that the best solutions get the opportunity to work their way to the top. In a totalitarian state, the views of one particular group are played out almost irrespective of their consequences. If things go badly, it can take a very long time to change the course of government, and it may

* The author expresses his thanks to Senator Andrzej Machalski (president, Confederation of Polish Employers) for his comments on a draft of this paper.

require a violent revolution to do so. A democracy, on the other hand, allows changes to be made in a much more continuous fashion. If some policies are clearly inappropriate, the public can replace current leaders with those who will adopt the better strategies.

There are two difficulties with democracy. First, the electorate must know what is best for the country. Second, it must act in the country's interests, rather than in the special interests of particular groups. Just as a totalitarian regime allows special groups to govern, a democracy may also allow particular groups to capture the government and use it for their own purposes. Still, the presumption is that democracy has a better chance of resisting this kind of political pressure.

Let us start, then, by going through the list of general reform strategies that most Western and East-Central European economists accept as necessary ingredients for creating a successful and growing economy.

THE LIBERALIZATION OF PRICES TO MARKET LEVELS

It is generally agreed that to prevent distortions in the economy, it is necessary to allow prices to move to their market equilibrium levels. Sometimes this implies a decrease in prices. In other cases, it implies an increase in prices. While virtually everyone agrees that prices should be freed, bringing them to market levels is another issue.

Even in the United States, which has probably the fewest price controls of any major economy in the world, there are still examples of government intervention and of prices which create distortions in markets. The best example takes the form of agricultural price supports. The American government has engaged in a policy of keeping the prices of some goods high, so as to protect farmers and increase their incomes. The agricultural lobby in the United States has been a very important force, far more important than its numbers would indicate. Agriculture has been and remains a relatively small part of the U.S. economy, and yet it has always wielded a significant amount of political power.

The situation in East-Central Europe is actually the reverse. Historically, the communist governments had kept agricultural prices low rather than high, and forces continue to exert pressures which push in that direction, even though communist regimes have been replaced for the most part. A good example comes from Russia. When Boris Yeltsin instituted price reforms on 1 January 1992, he decided that certain commodities were too important [illegible]ow market prices to prevail. Thus, he allowed the price of

butter to rise, but regulated the price of milk, keeping it down well below market levels. As a result, dairy farmers, who had the option of producing butter or milk, turned all of their milk into butter, and there was a tremendous surplus of butter and a dramatic shortage of milk. Yeltsin, who was reacting initially to political cries to keep milk prices down, eventually had to yield to another form of political pressure, which protested the absence of milk on the market. Later in the year, he freed up milk prices and milk supplies were restored to Moscow shelves.[1]

While economic arguments have prevailed on the prices of most consumer goods, they have not prevailed in two very important areas—namely, energy prices and housing prices. Throughout most of East-Central Europe, energy prices remain below market levels.[2] The prices of coal and oil in Russia, for example, do not reflect the prices at which those commodities are exported. As a result, there is a tremendous amount of pressure to appropriate goods from the local economy and to export them to the rest of the world. The so-called Russian mafia has captured a large proportion of energy resources, and has made tremendous profits arbitrating this difference between domestic prices and international prices. The obvious solution is to allow domestic prices to rise to market levels, and to subsidize through direct income transfers those individuals who are forced to buy energy at the new and higher prices. But such methods have been opposed by purchasers of energy who fear that their inability to make a profit now on the goods which they produce will only get worse as energy prices rise. The political pressure, not only in Russia but also throughout East-Central Europe, to avoid raising energy prices has been tremendous and has prevailed.[3]

One advantage to having a democracy is that the forces that benefit from having low energy prices can be offset to some extent by those forces that benefit from higher energy prices. For example, in the United States, the private oil industry would not like to see energy prices kept at low levels. The industry has been effective in preventing users of energy from exerting political power to keep energy prices below market levels.

Housing presents the other important example where prices deviate from the market. Again, for primarily political reasons, housing has been deemed too important a good to allow market forces to operate. As a result, rents have been kept well below market levels, and a gray or black market has developed in housing. Individuals are able to acquire apartments at low prices from the state and then sublet them to other individuals who are able to pay much higher prices. Incidentally, this phenomenon is not restricted to the former command economies of East-Central Europe. New York City, which has rent control, and Santa Monica, California, which [illegible] instituted

a rent control program, find the same activity occurring. In New York, "key fees" are commonly paid to superintendents and other housing authorities who have the ability to award apartments at below market prices to individuals who can bribe their way into these residences.

But political forces keep these prices low. There are many individuals who have much to gain from keeping prices below their market levels. In the case of housing, current residents of Poland receive transfers when prices are kept below market levels. The same is true not only for housing but for any other good. If market prices are kept below market levels, then managers who have the right to allocate these scarce resources can capture a large part of the return. As a result, those individuals will use their political muscle to prevent prices from moving to the appropriate numbers.[4]

THE GROWTH OF PRIVATE CAPITAL

One of the clichés of market reform is that privatization is an important part of moving an economy from a command structure to a market structure. It is probably in this area that political and economic forces interact most closely.

It is important to point out that private property does not necessarily imply massive privatization. There are a number of ways to have a large proportion of the economy operating with private property. The most obvious is massive privatization of state property. But in some countries, state capital is simply not worth a great deal and will be replaced in a moderate amount of time by new private capital. The issue then becomes permitting private capital to rise and to compete successfully with state capital, and therein lies a major political problem.[5]

The state generally has a tendency to want to protect its own capital. In the United States for example, the U.S. Postal Service maintains a monopoly over first-class mail. No individual private company is permitted to compete with first-class mail, although others have succeeded in producing products that are substitutes, albeit imperfect substitutes, for first-class mail. Like other companies, state-owned companies simply do not like competition from rivals. The difference is that the state has the power to prevent rivals from competing with its companies. As a result, one of the major benefits to getting the state out of many industries is that the state will then permit competition to take place, and competition is necessary for economic growth.

One example from Russia currently comes to mind. In the process of privatization, managers in some of the coal mines in that country are

concerned about equipment manufacturers. The process of privatization would divest the equipment plant from the coal mine company. After this is done, many of these factories may sell out to become other kinds of factories or even tourist hotels, as is the case with one factory located in central St. Petersburg. Coal mine managers argue that the equipment produced by those factories is essential and that the factories should not be permitted to become independent. They ignore the fact that the value of such factories is much greater in other uses. Indeed, the coal mine would profit by selling off the division and using the money to buy the equipment elsewhere. Alternatively the mine might choose to go out of the mining business altogether. It is wasteful to maintain this equipment factory, which is located on very high-priced land. However, when the state owns the property, the state tends to use it in inefficient ways, reacting to political pressure rather than economic pressure. Instead of looking at the highest value of the land, politicians listen to those voices that scream the loudest. Often, those voices belong to individuals who are hurt the most, rather than to those who benefit the most.

Another major problem with maintaining private capital in state hands is that economic and political forces tend to be confounded. Since the state owns the capital, one way to get back at the state is to affect the industries owned by the government. An example from Romania is telling.

Several years ago, the Romanian government prohibited sailors from bringing in goods from abroad and selling them at market prices without paying any tax on these sales. The sailors objected, claiming that their jobs were hard and they had a right to receive a return for their efforts. They went on strike against the shipping company. The strike was effective, in large part because the company was owned by the state and because there were no competing ones around.

A similar situation rarely occurs in Western economies. For example, in the United States, the federal government may adopt policies that this writer finds objectionable. His reaction is not to go on strike against Stanford, for two reasons. First, the government does not care a great deal about what happens at Stanford, since it is a private university and the government does not receive revenue from Stanford. Second, and related, Stanford has very little influence on what the government does. Even if a personal strike is very effective in bringing Stanford to its knees, there is no way for Stanford to exert pressure on the federal government to correct the situation. Thus, privatization of state capital will tend to separate economic and political actions that are confounded when the government owns major industries.

Another point, and the one that is most frequently cited, is that private capital creates better incentives for production than state-owned capital. The argument

is generally correct as a direct result of political considerations, but it is not necessary to make the case. If state-owned capital were concerned primarily about profit maximization in the way that private capital is, then there would be no difference between firms owned by the state and those owned by private industry. Unfortunately, the premise is invalid. When the state owns the capital, it uses its firms to pursue political as well as economic goals. Such considerations as high levels of employment, low consumer prices, and other social goals are pursued through the enterprise. While such activities are noble in intent, they have adverse consequences because they only serve to raise costs in the industries affected, and bring about their eventual demise.

INDIVIDUAL OWNERSHIP OR CONTROL OF AGRICULTURAL LAND

A number of countries have demonstrated the value of having agricultural land in private hands. Poland and China are among the best examples. Polish agriculture, while perhaps far from perfect, is a leading model for East-Central Europe and has succeeded in producing relatively abundant supplies of food for its people. The same is true in China. But often political forces are important in bringing about the transfer of ownership of agricultural land from the state to individuals. And here is an area where democracy and totalitarian states differ in their ability to transfer resources from one group to another.

China provides an interesting example. Local Chinese bureaucrats have a tremendous amount of power. The country is very large, communication is somewhat backward, and transportation is poor, relative to the standards of the West. As a result, Beijing could not exert tremendous influence on the localities. When the central government decided to free up land and put some of the proceeds from the land into the hands of individual farmers, they recognized that obtaining the support of local bureaucrats would be absolutely essential. Rather than allocating the land directly to the peasants, they allowed the local bureaucrats to do so. They knew implicitly that the local bureaucrats would keep a large proportion of the land for themselves, but they viewed this essentially as a bribe that was worth paying. Local bureaucrats could not keep all the land for themselves, because the local populations simply would not tolerate it, even in the somewhat constrained and totalitarian structure of China. But the local bureaucrats were able to keep a large enough fraction of the land to make them support the land redistribution scheme and push for its rapid implementation. The results in China are a testimony to such possibilities.

The same kind of bribes can be paid implicitly in a democracy, although the process is more complicated and somewhat slower. An examination of the issue of restitution in Czechoslovakia is a case in point. The Czechoslovak legislature was tied up for months trying to decide how much of state capital should be given back to the pre-1948 owners. These questions are essentially political, in large part redistributive rather than efficiency-promoting. But in the democratic structure of the then-new Czechoslovakia, arguments on both sides prevailed. The compromise that resulted satisfied no one and was somewhat inefficient. The value of democracy is that the institutions provide a check on transfers which could otherwise go to one group, irrespective of their fairness and efficiency considerations.

DEMONOPOLIZATION

As is well understood, monopoly implies restricted output and higher prices. In order to have an efficient and growing economy, it is necessary that industries face competition internally and internationally. As mentioned earlier, the state is reluctant to give up its monopoly position easily. However, when capital is in private hands, those private forces will use the political structure to the extent possible to maintain their monopoly positions. Such is the case in the United States when industries, such as trucking, attempt to maintain a cartel position through regulatory agencies like the Interstate Commerce Commission.

The key point here is that getting the state out of industry is no guarantee that political forces will not come to bear. However, it is this writer's view that a democratic structure, because of the trade-offs on both sides and the ability for all individuals to exert political muscle, is more likely to provide for competition than is a structure dominated by one particular group. It is simply easier to capture one party or one leader than it is to capture an entire population which has the power to replace leaders with others. Of course, incumbency is a powerful force, and current managers, whether state or private, will use their influence to affect the way in which property is held in the future.

ESTABLISHMENT OF WELL-DEFINED PROPERTY RIGHTS

Perhaps the area in which democracies have the most important advantage over totalitarian systems is in the establishment of property rights. Such well-defined rights are essential for the encouragement of domestic and foreign investment. It is necessary that investors feel secure that they will be

willing to put money into an economy. The only incentive to invest money is the assurance that they will be able to take it out and receive at least the market return on the investment. A democracy provides for a much more stable set of property rights than totalitarian regimes. In an authoritarian regime, rules can change very easily with the identity of the person in power.

Even now, one sees the same insecurity in Russia that was the case in the past, in part created by a very strong executive and a relatively impotent legislative branch. Boris Yeltsin has made economic policy by decree independent of the support which he has in the Supreme Soviet. While that may be an effective strategy in the short run, it creates great uncertainty and potential disaster for the long run. If, in the next several years the Supreme Soviet is able to increase its influence, many of the economic decrees instituted by Yeltsin in 1992 may be quickly overturned by the parliament.

The same is not true when parliament has passed such laws in the first place. The composition of a legislative body is much more stable than the composition of the executive branch simply because the numbers are so much greater, and voting patterns do not change that dramatically over time. That is the idea which lies behind a constitution. A constitution is a document which can of course be changed, although only with great difficulty and with the acquiescence of the legislative branch. When a constitution is replaced by a totalitarian government, change can be very rapid and instability can be great.

AN EFFICIENT AND FAIR TAX SYSTEM

The wrong tax system can choke an economy. It can be used to confiscate property by imposing such high taxes that it is essentially not worthwhile to own the property in the first place. It can also be used to stifle investment, to reduce labor effort, and to prevent farmers from investing efficiently in their land. The tax system is among one of the more politically charged structures of any society.

Totalitarian governments have used implicit tax structures for the most part, and have concealed the taxes from their public. Thus, in a command economy, the revenues from goods and services accrue to the state which then pays out wages. The difference between revenue and wages is tax revenue, earned by the government. In a command structure, therefore, it is possible to raise taxes by raising prices, or to raise taxes by lowering wages, neither of which is thought of as an explicit tax hike. In a market economy, taxes are explicit. And in a democracy, in particular, fights over which

individuals will pay taxes tend to lead to compromise in the tax structure. Compromise is not always good, because compromise is often a euphemism for loopholes which allow certain interest groups to gain from detailed provisions written into the tax code. A political structure operating under democracy may very well lead to a less efficient tax code than one chosen by a benevolent dictator. The problem, of course, with an authoritarian regime is assuring that the dictator remains benevolent and knowledgeable.

FREE INTERNATIONAL TRADE

While many countries in East-Central Europe, Poland being the leading example, have taken a number of steps toward freeing up trade, the issue of free trade remains politically tense. International competition and related political issues are rarely discussed in a logical manner. Because so many interests are involved, politics rather than economics almost always prevail. Even in the United States, where the environment is quite open to free trade as compared with other countries, protectionist barriers are frequently constructed. It is not clear, however, that democracy is more vulnerable to political forces than is a totalitarian government.

To the extent that state ownership of industry goes along with totalitarian control, the state is likely to protect its own industry. Further, even if private ownership is associated with authoritarian control, it may be easier for that interest group to capture an individual than it is to capture an entire legislative body. Over a prolonged period, private interests have a much more difficult time capturing legislative bodies in general. When a legislature protects special interests to too great an extent, its members can be removed by political forces.

It is interesting how protection has worked, both in the United States and in East-Central Europe. In the former, the thrust of protectionism goes back to the mercantile debate of an earlier time. The discussion among protectionists is in terms of protecting and creating jobs, rather than producing goods and services. Consumers may benefit greatly from having free trade, but the discussion is usually cast in terms of the workers that will be hurt by it.

In East-Central Europe, the discussion has a somewhat different tone. Perhaps as a holdover from communist doctrine, political opposition to free trade is based on the fear that natural resources will be exported to the rest of the world. While the emerging economies are anxious to supply the West with consumer goods produced in their countries, they are reluctant to see natural resources being depleted. This somewhat misguided view is based

on the assumption that exchange rates and prices will not adjust to clear markets in an appropriate way. Still, with the exception of a few countries, of which Poland is perhaps one, international trade remains restricted.[6]

MONETARY STABILITY

A stable money supply with low rates of inflation is a goal for almost any growing economy. This requires tight control over the money supply, which in turn requires that the government not run significant deficits. But political pressure in the current environment is tremendous, and it is almost impossible for the government to avoid running deficits. This is particularly true under a democratic structure, where the incumbent must fear the short-run interests of the public. But in fact, the argument can be turned around. The public, which has to suffer with the long-term consequences of actions taken by current administrators, may actually be more farsighted than the politician himself. In a democratic structure, actions which promote the country's long-term interests may be more likely to be undertaken than in a structure where authority is autocratic. A dictator may be able to extract more rent from a community than the public would tolerate under democracy.

The problem here relates in large part to the inability to tax explicitly. If tax revenue cannot be raised, then the government must be financed through a deficit. A deficit can be financed only by borrowing explicitly or by taxing implicitly through inflation. For most emerging economics, explicit borrowing by floating government bonds is unrealistic on a large scale, so the only option has been inflation.[7]

WAGE-SETTING BY INDIVIDUAL ENTERPRISES

There are few variables in which the public has more interest than wages. Constrained wages in the face of increasing prices can give rise to social unrest and topple a standing government. In fact, in Poland, the government of Prime Minister Tadeusz Mazowiecki suffered in part because wages were frozen while prices were rising.

The state has been reluctant to grant wage-setting authority to individual enterprises, because those enterprises have no obvious incentive to keep wages down. The essential problem is that managers' compensation and job security are not based on the performance of the enterprise but rather on the political environment in which the manager works. To a significant extent,

managers retain their jobs by keeping good will among the work force. Additionally, since wage increases must be paid for by the government, a wage increase is implicitly a tax decrease. The solution to these problems is to rationalize managerial compensation and to privatize industry. Whether democracies or totalitarian governments are more likely to create rational compensation schemes remains a question.

ESTABLISHMENT OF A GENEROUS YET LIMITED UNEMPLOYMENT SYSTEM AND A FAIR AND EFFICIENT STATE PENSION PLAN

In order to cope with a society that is going through transition, unemployment compensation must be provided. No country has attempted to get through the reform without setting up such a system. However, the specifics are crucial. A compensation system that is too tight will end up harming the population, will create social unrest, and will prevent firms from being permitted to dismiss workers. Without reasonably generous benefits, a manager will be unable politically to lay off a worker because the consequences that the worker will face are too severe.

Yet there must be limits to the benefits, because a system that is too generous will induce people to join the ranks of the unemployed and avoid a return to work. Such is the case in the five eastern provinces of Germany. There, unemployment compensation has been so generous, as it has approached western Germany's levels, that workers may actually profit more by being unemployed than employed. Thus, an unemployment compensation system must place end limitations on the amount of time during which benefits can be received.

One of the weaknesses of a democracy is that when unemployment rates are high, it is very difficult for a democratically elected legislature to resist pressure to increase unemployment benefits. To the extent that the policy encourages unemployment, it can stifle recovery and actually end up making the situation worse.

In most command economies, state pension benefits were quite generous, with replacement ratios as high as or higher than those of Western economies. Gradually, these high replacement ratios should be phased out and replaced by private saving and private pension plans. In the short run, however, it is socially undesirable and simply unfair to abandon pension recipients who have made their plans with the expectation that high replacement ratios would continue.

Again, the appropriate democracy can prevent a tyrannical majority from oppressing, in this case, an elderly minority. While the majority always has

the incentive to renege on its promise to the elderly, a strong constitution or other implicit institutions can prevent this from happening. Thus, self-serving myopia suggests that the young generation should simply abandon its promise to provide social security benefits to older workers. This has never happened on a major scale in the United States, and it is unlikely to happen in other democracies.

The same cannot be said for totalitarian structures. Again, consider the case of Russia. The Yeltsin government has imposed significant hardship on elderly pensioners. The Russian executive branch has not resisted the temptation to allow real benefits of the elderly to diminish. The elderly are currently a weak political force without much recourse. Not yet a true democracy, the Russian legislature has only limited power, especially on economic matters. The foregoing attempted to outline a number of issues on which economics and politics conflict. While this chapter in no way provides a full understanding of the points, it may suggest some interesting areas in which further discussion can be pursued.

NOTES

1. Edward P. Lazear, *Prices and Wages in Transition Economies* (Stanford, Ca.: Hoover Institution Press, 1992).
2. Recent evidence (questionnaires cited in ibid.) documents the prevalence of constrained energy and housing prices throughout Eastern and Central Europe.
3. Kevin M. Murphy, Andrei Shleifer, and Robert Vishny in "Transition to Market Economy: Pitfalls of Partial Planning Reform" (Department of Economics, University of Chicago, 1991; unpublished paper), point out the problems associated with freeing some prices while constraining others.
4. Andrei Shleifer and Robert Vishny, "Reversing the Soviet Economic Collapse" (Department of Economics, University of Chicago, August 1991; unpublished paper).
5. See Mieczyslaw Kuziński, *Foreign Investor's Guide to Poland 1990* (New York: Ernst and Young, 1990) for discussion of the growth of private capital in Poland.
6. See Susan M. Collins and Dani Rodrik, *Eastern Europe and the Soviet Union in the World Economy* (Washington, D.C.: Institute for International Economics, 1992).
7. Jim Leitzel, "Soviet Economic Reform: Is Economics Helpful?" (Stanford, Ca.: Hoover Institution, 1991); unpublished paper, argues that currency in the former Soviet Union is convertible despite appearances.

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Nov. 9, 1995

USAID/MANILA OBJECTIVE TREE

MISSION GOAL

New U.S.-Philippine Partnership for Democracy and Development

Strategic Objective #1
Broad-based Economic Growth in Mindanao

- **Results Package 1**: Participation in Economic Enterprise Broadened
- **Results Package 2**: Enhanced Investment and Trade Environment in Mindanao

Strategic Objective #2
Improved National Policies in Trade and Investment

- **Results Package 1**: Reduced Barriers to Trade and Investment
- **Results Package 2**: Broadened Participation in Financial Systems

Strategic Objective #3
Reduced Fertility Rate and Improved Maternal and Child Health

- **Results Package 1**: Increased public sector provision of FP/MCH services
- **Results Package 2**: National systems strengthened to promote and support the FP/MCH program
- **Results Package 3**: Increased private sector provision of contraceptives and FP/MCH services

Special Objective: HIV/AIDS Epidemic Prevented

Results Package: Adoption of STD/HIV/AIDS prevention practices by target groups increased

Strategic Objective #4
Enhanced Management of Renewable Natural Resources

- **Results Package 1**: 3,000 kms (17%) of coastlines managed for sustainable harvests by the year 2002 (1993 base)
- **Results Package 2**: 500,000 has. (14%) of residual forests managed sustainably by community-based enterprises by the year 1998 (1993 base)
- **Results Package 3**: 20% reduction in pollution discharges in participating industrial and municipal locations by the year 2002

Strategic Objective #5
Reduced Emission of Greenhouse Gasses

- **Results Package 1**: Improved energy efficiency, reliability of supply, and greater use of clean burning fuels

Strategic Objective #6
Broadened Participation in Formulation and Implementation of Public Policies in Selected Areas

- **Results Package 1**: Effective local government with broad-based participation with a system of replication
- **Results Package 2**: Effective participation of disadvantaged groups
- **Results Package 3**: Philippine Democracy Agenda

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Vision

MORE MALI - LESS AID

Goal

Mali achieves a level of substainable political, economic and social development that eliminates the need for concessional foreign assistance

Strategic Objectives

- Changed social and economic behaviors among youth in targeted geographic areas
  - Quality reproductive health services benefit youth
  - Young parents capable of insuring child survival
  - Increased gender equity in and expansion of basic and vocational education
  - Youth increase their incomes and improve their environment
- Increased value-added of specific economic subsectors to national income
  - Increased value-added in the livestock subsector
  - Increased value-added in the cereals subsector
  - Increased savings mobilization and credit
  - Widen and diversify economic output
- Community organizations (COs) in target communes are effective partners in democratic governance, including development decision-making and planning
  - Target CDs are engaged in democratic self-governance and civic action at the local level and beyond
  - Effective decentralization occurs by the end of 1999
  - Enabling environment empowers target CDs, intermedian NGOS and Federations
- Improved access to, and facilitated use of, information
  - Expanded communication of information
  - Selected organizations obtain and use current development information
  - Enhanced enabling environment

Democratic Consolidation in Post-Transitional Settings: Notion, Process, and Facilitating Conditions

J. Samuel Valenzuela

As the new democracies that replaced authoritarian rule in country after country during the seventies and eighties grow out of infancy, social science observers have shifted their focus from the analysis of transitions from authoritarian rule to problems of democratic consolidation. Much of the previous scholarly discussion was anchored on examinations of the political processes occurring in the closing phases of authoritarian rule and on the manner in which the change to the democratically elected governments occurs. Current queries center on how really democratic the post-transition political institutions are and on their long-term prospects, i.e., whether they are prone to succumb to a new round of authoritarian rule or whether they will prove to be stable or "consolidated." The modalities assumed by the transition, the way in which political actors are organized, and the various political institutions that emerge or re-emerge during the course of the transition are understood to make a significant difference for the long-term viability of newly democratized regimes.[1]

However, this is simply a shift in perspective and not of the basic question being addressed; for both the old and the new discussions are ultimately about the broader problem of the transition from authoritarian to democratic regimes. This process is obviously not over when democratically elected authorities assume power, because this does not *ipso facto* necessarily inaugurate—journalistic labels applied to nations where such political leaders have constituted governments notwithstanding—a democratic regime. The overall change from an authoritarian to a democratic regime contains, as Guillermo

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O'Donnell notes, not one but two transitions: the first leads to the "installation of a democratic government," and the second to the "consolidation of democracy," or to "the effective functioning of a democratic regime."[2] There is a complex relationship of continuity and discontinuity between the first and the second transitions. The building of a consolidated democracy involves in part an affirmation and strengthening of certain institutions, such as the electoral system, revitalized or newly created parties, judicial independence and respect for human rights, which have been created or recreated during the course of the first transition. In this sense the process of change from one transition to the other is a lineal one. But in many ways there is no such linearity; building a consolidated democracy very often requires abandoning or altering arrangements, agreements, and institutions that may have facilitated the first transition (by providing guarantees to authoritarian rulers and the forces backing them) but that are inimical to the second. Such is the case with legislatures that include nondemocratically generated representation, with military autonomy from the executive, or with supreme councils empowered to review the actions of democratic governments. Hence, some of the obstacles to surmount on the new course towards consolidation are set by the characteristics of the earlier transition phase.

While the scholarly production referring to problems of democratic consolidation continues to increase significantly, the term itself has often been used in a haphazard, uncritical way, as if its meaning were clear and its closure self-evident. Hence, this chapter suggests a more clearly delimited conception of democratic consolidation, to which task it turns first. It then indicates the manner in which the process of consolidation unfolds after the first transition from authoritarian rule to a democratic government, and concludes with a lengthy discussion of a series of conditions that can facilitate or, inversely, detract from its realization. The chapter illustrates its points by drawing its examples mainly from recent cases of transition.

The Notion of Democratic Consolidation

The juxtaposition of "consolidated" with "democracy" induces uses of the combined term that are misleading for the study of transitions. Since something that is "consolidated" has the quality of

being seemingly immune to disintegration, there is a tendency to associate "consolidated democracies" with their stability and, by extension, to convert the passage of time with no regime reversals and the absence of potentially destabilizing factors into the basic criteria for democratic consolidation.

While the durability of a democratic regime is an attribute of consolidation, this characteristic does not provide in itself an adequate basis to ground the notion of consolidation. The retention of democratic government after a process of transition does not necessarily ensure the consolidation of a democratic regime. In some instances it is possible that democratically elected governments may succeed one another for a considerable time without reversals simply as a result of the caution of its leadership in not challenging actors whose power escapes democratic accountability.[3] In this case the resulting stability cannot be equated with progress towards creating a fully democratic regime; what enhances stability may detract from the democratic quality of a regime. The process of democratic consolidation would require redefinitions, sometimes at considerable risk, of the regime's institutions and/or of the relations among political actors. Moreover, consolidated democracies are not necessarily free of destabilizing conditions such as presence of sharp ideological differences among major parties and political leaders, armed separatist or terrorist movements, social unrest that percolates through urban riots, or racial and ethnic tensions leading to violent confrontations; requiring all of these to wither away before presuming democratic consolidation in new or reestablished democracies would be an excessively stringent test. Consolidated democracies are also not immune to processes of breakdown. In fact, they may be vulnerable to the very perception of their solidity by democratic elites that take the existence of democratic institutions for granted, even in situations of crisis, and therefore do not reach the necessary accommodations to prevent their demise.[4] In sum, the absence of political crisis, of destabilizing elements, and the durability of a newly democratic setting are in one sense an insufficient test and in another an excessively demanding one for the notion of democratic consolidation. Additional criteria are needed to assess whether destabilizing factors prevent democratic consolidation.

Similarly, all discussions of democratic consolidation carry an explicit or implicit definition of what democracy is, and analysts are not predisposed to assigning the "consolidated democracy" label

to a political system that does not meet all of their criteria for what a democracy should be. This produces a tendency to push the conception of democracy in discussions of democratic consolidation towards an ideal, well-structured and comprehensive institutional system that can hardly be attained.[5] Even long established democracies rarely have all the attributes that can ideally be associated with such regimes. Whether it is low levels of informed citizen participation (and participation *tout court* in the case of the United States), political leaders who are divisive and personalistic, parties that are rigidly ideological or not programmatic enough, the influence of funding hidden from public scrutiny in electoral coffers, the growing sophistication of misleading political marketing as the key strategy for capturing the vote, legislatures that are insufficiently influential or that concentrate on petty issues while state bureaucracies go unchecked, the cozy accommodations between private interests and their supposed state regulators, excessive social inequality and inadequate welfare institutions, the insufficient organization of the working class and other popular sectors, inadequate mechanisms for negotiations between capital and labor, and so on, it is always possible to deplore one deficiency or another. If such and other assorted ills can be found in democracies whose "consolidation" is not at issue, situations that have recently made the transit out of authoritarian rule should hardly be held to strict and comprehensive standards either. Otherwise no democratic regime is truly "consolidated" for the lack of an ingredient deemed essential, and it is impossible to assign a reasonable closure to the second transition process.

The notion of democratic consolidation should therefore be linked, as has been suggested by O'Donnell, to a minimalist, not a maximalist, conception of democracy.[6] There is considerable consensus over what constitutes, as O'Donnell and Schmitter put it, the "procedural minimum" of democracies—namely, "secret balloting, universal adult suffrage, regular elections, partisan competition, associational recognition and access, and executive accountability."[7] Similarly, Robert Dahl lists a series of eight "institutional requirements" for the existence of a democracy, which are: "(1) freedom to form and join organizations; (2) freedom of expression; (3) right to vote; (4) eligibility for public office; (5) right of political leaders to compete for support [and votes]; (6) alternative sources of information; (7) free and fair elections; and (8) institutions for making

government policies depend on votes and other expressions of preference."[8] These conceptions refer to the formal and procedural aspects of democracy at a nation-state level, rather than to any substantive or social considerations or to the presence of democratic forms in entities at the subnational level.[9] They are also based on an admittedly narrow notion of citizenship and formal legal and political equality, rather than on a more comprehensive conception of equality, the development of which is in any case not precluded.[10] The associational freedoms that accompany formal democracies can lead as well to the development of corporate interest groups and mechanisms of corporatist interest intermediation.[11] But without the above-noted formal democratic procedures at the nation-state level a democracy cannot be said to exist no matter how egalitarian the society, how progressive the social policies, how advanced the democratic procedures at the subnational level, or how developed the expression of interest representation through corporatist intermediation. The notion of democratic consolidation should refer to this procedural minimum.

Nonetheless, attaching a minimal definition of democracy to the conception of democratic consolidation is only a first step towards elucidating what a consolidated democracy is. This latter notion requires further elaboration.

The minimal procedures of a democracy presuppose, despite their minimality, the development of a complex institutionalization, the skeletal outlines of which are generally formally established, i.e., written, in constitutional and other laws. It includes the separation of powers, without which there is no executive accountability nor protection for the rights of citizens, and also more specific matters such as the rules for carrying out elections or streamlining the legislative process. This democratic institutional edifice permits, even fosters and shapes, the development of organizations, such as parties, interest groups, and lobbies, and a mass media through which a variety of opinions can be expressed, all of which articulate and channel societal political demands. Their access to and intervention in the policy-making process is very often not formally established, but becomes nonetheless part of the recurrent and accepted set of institutionalized procedures of the democratic system, even though its appropriateness may occasionally be challenged and publicly debated. Both the impact of the democratic institutional edifice on the formation of such organizations as well as the latter's influence

over the elaboration of policy, including policy decisions regarding the formal outlines of the institutional edifice itself, attest to the characteristic blurring of the lines of separation between the state and civil society in a democracy. The daily workings of these institutions, both formal and informal, and of their associated societal organizations, configure what can be called a *virtuous* institutionalization insofar as they permit the reproduction of the minimal procedures of a democracy. Yet to hinge the consolidation label only onto a system that has developed an adequate set of such virtuous institutional mechanisms, even if such adequacy could be determined correctly with due consideration for the great variety of forms they assume in different types of democracies, would stretch the notion of consolidation needlessly and make it highly ambiguous. It would once again link, perhaps unwittingly, the conception of democratic consolidation to an institutional ideal of what it should be.

Therefore, instead of focusing on the institutionalization, both formal and informal, that is compatible with—and even buttresses—the workings of a democracy, it is better to look at that which tends to undermine its operation—or at what can be called *perverse* institutionalization. Following this analysis, a consolidated democracy would be one that does not have perverse elements undermining its basic characteristics, although the list of such perversities cannot be extended endlessly; otherwise, the conception of consolidation runs the risk of being anchored, again perhaps unwittingly, on the presence or absence of what in the last instance can be viewed as potentially destabilizing elements. To retain a delimited conception of democratic consolidation, the perverse patterns must be closely anchored on the minimal conception of democracy.

Since in essence a democratic regime is one in which governments are formed by individuals who win national elections, the possible perversions are those that can undermine the end of the democratic process, i.e. the authority of democratically elected governments, and can detract from its means, i.e., from the fairness as well as the centrality of the electoral mechanism as a route to form governments. While the list of perverse elements could probably be extended, the following four are the principal ones that can be identified.

To begin with those that undermine government authority, a first perverse element is the existence of nondemocratically generated *tutelary powers.* They attempt to exercise broad oversight of

the government and its policy decisions while claiming to represent vaguely formulated fundamental and enduring interests of the nation-state. A regime cannot be considered a consolidated democracy if those who win government-forming elections are placed in state power and policy-making positions that are subordinate in this manner to those of nonelected elites. Obviously, no democratic government is above the law, and all are therefore subjected to oversight by the courts and other specialized bodies (such as accounting offices); but these forms of overview are specific to executive accountability, serve to review government and or legislative compliance with the constitution and other basic laws, to protect human rights, and to guard against corruption and abuses of power. A tutelary power is quite different: its limits are ill-defined. Part of the process of building European democracies in the nineteenth and early twentieth centuries was to eliminate the tutelary power held by monarchs, making cabinets and prime ministers accountable only to elected parliaments, and armies subordinate to decisions taken by the government rather than the crown. In recent transition settings, the military have often sought to place themselves in such a tutelary role. This can occur through the creation of formal institutions, as illustrated notably by the military-dominated Council of the Revolution enshrined in the Portuguese constitution of 1974, or through ambiguous constitutional references to the role of the Armed Forces as "guarantors" of the constitution and the laws. It can also exist informally as a result, for instance, of military self-definitions as the "permanent institution" of the state (i.e., as opposed to "transient" ones such as governments) that can therefore best interpret and uphold the "general interests of the nation." Hence, where the individuals who win government-forming elections are subjected to such tutelary power, they do not unambiguously "acquire the power to decide," to use Schumpeter's expression.[12] And the various political forces whose policy preferences most closely coincide with those holding such tutelary power will be tempted to use the latters' possible intervention in the political process as a threat to obtain what they want, thereby undercutting democratic arenas of negotiation and compromise.

A clear attempt by the outgoing authoritarian regime to establish the institutional and organizational basis for exercising military tutelarity over the democratic process occurred in the Chilean transition. The 1980 Constitution, enacted by General Pinochet, stipu-

lates that the Armed Forces "guarantee the institutional order of the Republic."[13] There is no explanation as to how this function is to be exercised, nor what the term "guarantee" means in this context. And yet top military officers do not lack the means to make their views known in the institutions of the new constitutional order. They occupy four (including, in addition to the heads of the Army, Navy, and Air Force, the head of the National Police) of eight seats in a "National Security Council" whose objectives are, in addition to overseeing national security, to examine any matter that may "gravely undermine the bases of the institutional system," for which they may demand information from any government or state official.[14] Two of the nonmilitary members of the National Security Council were also named, indirectly, by General Pinochet before leaving the Presidency. Moreover, the transitory articles of the 1980 Constitution allow General Pinochet to remain the Commander in Chief of the Army for eight years after the initiation of the first democratically elected presidential term of office. President Patricio Aylwin, whose term began in March of 1990, asked Pinochet to resign despite the legal stipulations, since "it would be more convenient for the country," but the latter refused.[15] Hence, although the constitution also stipulates that the head of the Army is subordinate to the President, the most fundamental element of that subordination, the power of appointment and removal, is absent for a lengthy period after the transition to an elected government. Pinochet's attempt to place himself in a tutelary position over the democratic process was reaffirmed by his creation of a so-called Political-Strategic Advisory Committee, whose officially announced role is to assist him in carrying out his duties as a member of the National Security Council. The Committee, which has roughly 50 staff members, is designed to keep tabs on every aspect of national policy.[16]

A second element that prevents full governmental empowerment is the existence of what can be called *reserved domains* of authority and policy making. In contrast to the ambiguous and generalized tutelary power, the reserved domains remove specific areas of governmental authority and substantive policy making from the purview of elected officials. Again, there are many instances in which policy areas are excluded from elected government officials' control or from the scope of electoral majorities in regimes that can be considered, nonetheless, democratic. Democracies that are strongly consociational or consensual, as Arend Lijphart has argued, deliberately restrain the influence of electoral majorities in areas of policy that are of specific interest to minority segments of the political community.[17] Even in democracies that are strongly majoritarian, key policy areas may be insulated from the influence of elected officials; a good case in point is the Federal Reserve Bank of the United States. Such insulation may be the product of informal agreements or formal pacts, and may be enshrined in constitutions, laws, or in the statutes of autonomous state agencies. In still other settings areas of policy may be left by elected officials for discussion and agreement among, and/or with, corporatist interests, as happens particularly in small European democracies with strong forms of sectoral corporatism.[18]

The problematic reserved domains of democratic transitional settings are different. They pertain to areas of policy that elected government officials would like to control in order to assert governmental authority or carry out their programs, but are prevented from controlling by veiled or explicit menaces of a return to authoritarian rule.[19] The reserved domains are products of impositions by political actors—such as the military, the monarch, the judicature, the high civil service, and/or nonstate actors such as capitalists—who are not themselves subjected to electoral accountability but have privileged access to crucial elements of state power to make credible their threat of destabilization. By contrast, policy insulation in democracies results from arrangements reached by negotiation and agreement among political actors who are empowered to enter these arrangements by virtue of their recognized leadership and/or representation of a segment of the political community. As is the case with tutelary powers, the reserved domains may be the product of tacit or explicit "understandings" the margins of which may be unclear, or they may be formally established. In either case they may have facilitated the first transition by providing assurances to powerful nonelectoral actors or electoral minority ones related to the authoritarian regime that their interests would not be affected by democratically elected authorities. This is one important instance in which the second transition to a consolidated democracy has to undo what was wrought to facilitate the first transition to a democratic government. What may have eased the first constrains the second transition.

The Chilean transition furnishes, once again, convenient examples of these reserved domains, in this case of a highly institu-

tionalized nature. The most important is the armed forces and military policy. The legal apparatus legated by the authoritarian regime permits the armed forces to derive automatically a large portion of its own income—which in no case should fall below 1989 levels in real terms—from the sales of copper by the state-owned Corporación del Cobre. Democratic government officials cannot determine the use of the military budgets, acquisitions of armaments, have limited say over officer promotions and appointments, even for foreign service assignments, and are barred from changing military doctrine and the curricula in the respective academies. Control over military intelligence is also left entirely in officers' hands. The departing Pinochet regime also created—and named the first board members to lengthy terms—an autonomous Central Bank that has control over monetary, credit, and exchange policies, and an autonomous council to oversee radio and television programming and licensing of stations.[20] In addition, by offering financial incentives it induced older justices to retire and thereby appointed about half of the members of a Supreme Court with expanded powers; it named all but 16 of the nation's 325 mayors; and it legally prohibited the new democratic government from appointing all but the top officials at all levels of the state administration, effectively granting tenure to all civil servants—even those who previously held only temporary positions. The democratically elected Congress is also barred by a special law from exercising its constitutionally established prerogative of investigating and judging malfeasance by previous government officials, and an amnesty law protects the military from prosecution for human rights abuses.

Turning to the means of selecting those who will form governments (as well as occupy legislative seats), a third way in which the operation of minimal democratic procedures can be vitiated is through major discriminations in the electoral process.[21] Surely, most electoral systems in democracies are biased in the sense of underrepresenting minority parties and candidates. This is particularly the case with the simple plurality system in single member districts, which normally produces substantial legislative majorities for parties that obtain a minority of the national vote.[22] Some discrimination against such minority representation is, nonetheless, helpful to ensure proper democratic governance: this facilitates building legislative majorities (with or without coalitions), and minimizes the possible tyranny of the minority that can come from having fringe

elements in the political community hold the balance of power between larger blocs.[23]

And yet, situations of transition may be, again, different from these. The electoral rules may be deliberately designed by actors who hold power at key moments of the first transition to underrepresent grossly significant sectors of opinion, while overrepresenting others (even though these rules may not always work as they are intended to by their framers). This may be done through the vote counting procedures or through an electoral apportionment that creates glaring inequities in the weight of individual votes. In addition, as often occurs in the first elections after authoritarian rule, party choices of candidates for office and voter preferences may be guided by calculations (correct or incorrect) regarding who can best ensure the continued stability of the new democratic system. While this may indeed bolster that stability, this form of choice by no means reflects democratic consolidation. In some cases, certain candidates may be expressly prohibited from running, or may feel physically threatened if they do. These settings are only questionably democratic.

The Chilean transition also illustrates the egregious discriminations that can occur in situations of transition with congressional representations and electoral laws. Pinochet's 1980 Constitution reserves nine senate seats to be filled by individuals appointed by the president or by other state organs, such as the Supreme Court, that have been closely connected with the authoritarian regime. All of these appointments were made before the transfer of power to the democratically elected government. Moreover, the electoral law was deliberately and successfully crafted to furnish the right with the largest possible contingent of members of Congress in both houses.[24] As a result, with its nine designated senators and its representation greatly favored by the electoral system, the right has, with a minority of the popular vote, a majority in the Senate and a sizeable segment of 48 seats in a 120 member House.[25] With its Senate majority, the right can, if it wants, block legislation and all efforts to reform the constitution dictated by the military regime, which it generally views as one of the latter's most important legacies.

Finally, a fourth problem pertains to the centrality of the electoral means to constitute governments. Free elections must indeed be *the only* means through which it is possible to do so. Democratic consolidation cannot occur if military coups or insurrections are

also seen by significant political actors as possible means to substitute governments. This is the basic linchpin underlying all the other elements that detract from the consolidation process, for tutelary powers, reserved domains, and electoral discriminations would be impossible to maintain in the long run were it not for the threat of overthrowing democratically elected authorities. These are tactics applied by powerful—but nonelectoral or electorally minoritarian—political forces to safeguard their interests. The actors who are committed to the electoral procedures and who generally stand to gain from them are likely, given the threat of a complete reversal of the democratic process, to feel compelled to acquiesce to their opponents' institutional and substantive demands. The democratic method is thereby subverted to a large extent even when regularly scheduled elections are not interrupted, i.e., when there are no coups or successful insurrections. This then generates a vicious cycle of perverse institutionalization. Success yields repetitions of successful strategies, thereby strengthening the importance of the rules of the political game that violate the democratic method, which then further enhances their importance and use. While powerful nonelectoral or electorally minoritarian actors could develop an organizational capacity to protect and pursue their interests through venues that are potentially compatible with democracy (such as creating new parties or establishing privileged links with preexisting ones, forging coalitions, appealing to public opinion, lobbying with legislators, quietly or publicly petitioning the executive, and/or participating in corporatist forms of interest intermediation) they may still rely on their capacity to threaten an interruption of the democratic process in order to increase their ability to obtain preferred policy options through the normal democratic venues. They will therefore seek to retain that potentially subversive option alive.

Virtuous and perverse institutionalizations can coexist, but their conjunction is perverse. Disaffected capitalists who disinvest, workers who strike and demonstrate in the streets, farmers who clog capital cities with their tractors, truck drivers who block highways, and military officers who remonstrate all know, even if they also try to influence the outcome of elections, that there is in the last instance the possibility of stimulating a military coup.[26] Eventually, this situation can lead to widespread disaffection with what becomes an inadequate democracy by those segments of the population that would ordinarily prefer the continued existence of the democratic regime.

This may enhance the prospects of more radical or populist appeals, and further exacerbate, as a result, the tendency of the opposing political forces to seek protection from the application of the democratic method to form governments.

By contrast, a system in which elections are the only means to form governments obliges the significant political actors to design their political strategies in ways that are consistent with the democratic procedures. This permits a cycle of virtuous institutionalization: the more the various actors develop an effective organizational political capacity to advance their goals, protect their interests, and preserve their values in the democratic institutional environment, the more secure will be their commitment, in general, to that environment. For this effect to occur, the democratic system must of course permit all major politically active segments of the population a voice: democracy must be inclusive. In this environment, groups flexing their particular nonelectoral "power capabilities," to use Charles Anderson's term, will assess their actions in different terms from those available in the perverse cycle setting.[27] Thus, unions and working-class parties will try to calculate the effects of strikes on the possibility of gaining or losing middle-class votes; capitalists know that if they disinvest, the resulting sluggish economic performance can be blamed on incumbents in the next elections; and military leaders who remonstrate know that they simply jeopardize their careers, as they do not have a chance to set in motion a coup and therefore cannot count on pursuing their goals by threatening insubordination. The difference between the perverse and the virtuous cycles does not lie in the fact that various social groups will resort to *entirely* different strategies in seeking to press for their policy options or protect their interests. The difference lies in the presence or absence of additional means, aside from the electoral one, to form governments.

Democratic consolidation occurs with the clear predominance of the virtuous cycle depicted above. Or, to state it with the terms used here, a democracy is consolidated when elections following procedures devoid of egregious and deliberate distortions designed to underrepresent systematically a certain segment of opinion are perceived by all significant political forces to be unambiguously the only means to create governments well into the foreseeable future, and when the latter are not subjected to tutelary oversight or constrained by the presence of reserved domains of state policy formulation.[28]

Other nonminimalist features of such democratic systems can flow from the prevalence over time of these basic conditions; thus, parties, interest groups, issue-specific movements of opinion, a more or less informative mass media, a political culture of compromise and negotiation, concertation among opposing organized interests, respect for individual rights, and other organizational and institutional features that buttress democracy may develop—to a greater or lesser extent—in what can become quite different types of democracies. The term democratic regime should, strictly speaking, be reserved for such consolidated democracies. The expression "protodemocracies" or simply "nonconsolidated democracies" can be used to refer to political systems where the formalities of a democracy exist, namely, periodic elections with universal suffrage, freedoms of expression and organization, and so on, but the electoral process is not viewed unambiguously as the only means to create governments, and/or where tutelary powers, electoral discriminations, and/or important "reserved domains" of policy making exist.

The Process of Democratic Consolidation

Once the first transition has been accomplished, the process of reaching democratic consolidation consists of eliminating the institutions, procedures, and expectations that are incompatible with the minimal workings of a democratic regime, thereby permitting the beneficent ones that are created or recreated with the transition to a democratic government to develop further. It reaches closure, following the basic conception presented above, when the authority of fairly elected government and legislative officials is properly established (i.e., not limited as noted) and when major political actors as well as the public at large expect the democratic regime to last well into the foreseeable future. Given favorable conditions—to be noted below—and barring all reversals, this kind of closure can occur relatively rapidly in some cases, as happened in Spain, but in others it may take decades, as was the case with the French Third Republic.

The establishment or reestablishment of the procedures consonant with democratic governance multiplies the numbers of political and social actors who actively participate in politics. The new institutions generate a new political balance of forces, as some actors win and others lose relative shares of power, authority, and

influence when compared to the balance that prevailed under the previous regime. The attempts to preserve tutelary oversight, reserved domains, egregious discriminations in the electoral system, and the notion that a nonelectoral route to create the national government is always possible, constitute formal or informal institutional mechanisms for some actors to retain power capabilities they would otherwise not have given the exclusive operation of forms of empowerment compatible with democracy. Thus, while democratic consolidation is basically about the elimination of formal and informal institutions that are inimical to democracy, it takes the form of a struggle between actors who benefit—or think they could benefit at a certain point—from those institutions' existence, and those who do not.

The process of consolidation, or its derailment, thereby unfolds through precedent-setting political confrontations that alter or revalidate the institutional and procedural environment in its perverse or beneficent aspects.[29] When perverse aspects are formally instituted in the constitution, in laws, or in statutes, some of these confrontations will necessarily be over their elimination. Democratic consolidation is impossible without undoing (by deliberate changes or by converting the offending items into dead letter) the formally established institutions that conflict with the minimal workings of a democracy. Other confrontations can be over incidents, notably coup attempts, in which the continuation of the transition itself is at stake and in which the most perverse of the polity's informal institutions—the notion that governments can be created through coups—is displayed. But most confrontations are over specific issues, be they whether to prosecute military officers for past human rights violations, increase wages, alter the tax burden, reduce defense spending, change the judicial system, reform labor legislation, reorganize the administration of schools, revamp municipal government, etc. These events contain a text (the overt issue being debated or the specific incident being resolved) and a subtext which is far more significant for the purposes of analyzing democratic consolidation. It has to do with whether or not the debate and resolution (if any) of the issue enhances, sustains, reduces, or eliminates the perverse formal or informal institutions that impair democratic consolidation. Has the issue led, say, to challenging the tutelary power of the military or trodden into one of its reserved domains in a manner that makes it less able—by revealing divisions among top officers,

a lack of support from civilian leaders for military pretensions, or some such circumstance—to exercise effectively such power or reserve such domain in the future? Has the debate led certain political forces to seek military support for their aspirations in a way that shows their ability—or their inability—to use a threat of destabilization as a prop to obtain the policies they favor? Has the confrontation shown that elected officials in the government and in Congress have the authority to resolve key questions of policy, or has it been deflected to another formal or informal institutional arena? The discussion if not resolution of these issues may not only set important precedents that manifest the extent to which the beneficent institutions of a democracy are in operation but, more significantly, it may also advance the citizens' and political actors' change of expectations regarding their long-term durability. As a result, the process of consolidation may either be advanced, held on hold, or derailed in what can be seen in retrospect—but hardly ever in anticipation— as a concatenation of critical events that progressively mold the institutional and organizational environment as well as the actors' perceptions of it, increasing or deflating in the process the relative preeminence of the various political actors.[30]

The process of consolidation is not necessarily advanced by the prodemocratic forces' setting a deliberate agenda of "consolidation" and by their singleminded pursuit of its goals. (Such a prodemocratic agenda can be established for reaching the formal institutions of a democracy, but accomplishing the necessary changes to attain that goal is not equal to, nor does it necessarily guarantee, democratic consolidation.) In fact, announcing the existence of such an agenda will in most cases be self-defeating. Openly discussing whether or not a certain measure advances consolidation or whether consolidation has been reached may detract from its advancement by raising it as a questionable rather than a taken-for-granted and therefore moot issue. Once democratic institutions are in place, consolidation is reached, in the final analysis, only when most political actors perceive them to be in place unproblematically well into the future. Consolidation occurs as a post factum realization. The debate and, if possible, resolution of the issues leading to the various confrontations present opportunities to—so to speak—"use" the complex institutions of a democracy, and in the process—hopefully—to disarticulate those that are inimical to it. It is the double combination of such use and such purging that eventually should generate

the desired sense that the democratic institutions are durable indeed.

In the course of the confrontations over issues, most political actors, whether they prefer democratization, its limitation, or renewed forms of authoritarianism, will pursue short-term gains over their opponents without much regard for the long-term consequences for consolidation of their actions. On occasion, those favoring democratic consolidation as a long-term goal may pursue short-run gains —perhaps as a result of their strife with other prodemocratic forces over policy issues—that in retrospect prove injurious to that goal; there may even be at times no immediate clarity regarding the long-term consequences of their actions. Similarly, actors preferring a re-edition of the authoritarian regime may well press successfully for short-term gains whose long-term consequences are, when examined in retrospect, beneficial to democratic consolidation. For example, in preserving the unity of the Armed Forces under his command—a key to retaining his own power—General Pinochet could be indirectly contributing to democratic consolidation in Chile. Such consolidation is unlikely if the Army is a fractious one. Hence, while it is reasonable to expect that the short-run failures of actors seeking to preserve perverse procedures and the short-run successes of those hoping to eliminate them will benefit democratic consolidation in the long term, it is difficult to determine unambiguously that all their actions will have these results. The historical agenda of the consolidation process is subject to many contingencies.

Conditions Affecting Democratic Consolidation

Despite the contingencies in the process of consolidation, a comparison of transition settings should permit the abstraction of a proximate roster of conditions that facilitate consolidation. What follows is an illustrative presentation of some of these facilitating features. Although these are elements that can help determine the outcome, none of them should be viewed as necessary to it. Otherwise, the analysis of consolidation could be construed to hinge once again on a stringent list of ideal conditions.

A. The Modalities of the First Transition, and the Attitudes of the Principal Authoritarian Regime Elites towards Democratization

The manner in which any new regime, whether authoritarian or democratic, is inaugurated has a significant effect over the re-

gime's subsequent evolution. In cases of democratization, it should be possible to point to the inaugural conditions that are most conducive to initiating a rapid process of democratic consolidation.

The quite varied modalities assumed by the transitions out of authoritarianism have led analysts to propose typologies to discriminate among them. After usefully reviewing the various types, Scott Mainwaring suggests that a threefold typology is the best way to distinguish such transitions. Some transitions occur through a "defeat" or "collapse" of the authoritarian regime; others give way to democratization through "transaction"; while others, those that lie somewhere between these polar types, undergo transition by "extrication." This typology essentially adds a third intermediary category to the overall distinction between *reforma* and *ruptura* that emerged from the stark contrast presented by the initiations of the Spanish and Portuguese transitions of the mid-1970s. It is necessary, as Mainwaring notes, to accommodate the many cases that do not fit well in either.[31]

Further clarification of the differences among the three categories could enhance their usefulness by turning the intermediate one into a distinct type rather than the middle segment of a continuum.

A basic distinguishing feature of transitions that occur by "extrication" or by "transaction" from those that begin through a "defeat" of the authoritarian regime is the relative ability, in the former cases, of the outgoing rulers to hold on to power for a significant length of time beyond the onset of the crisis that sets in motion the process of transition. Rulers who have this capacity can threaten to stretch it out further, and are therefore able to specify some conditions to their eventual transfer of power. While this distinction separates "defeat" or "collapse" from "extrication" and "transaction" fairly well, the difference between the latter two categories, which rests implicitly on the degree to which outgoing authoritarian rulers can stipulate their departing conditions, is not drawn sharply enough. Presumably in cases of "transaction" this capacity is maximal, but it is hard to make categoric judgments with such differences of degree. Hence, adding an additional criterion, namely, whether the first transition occurs with or without breaking the formal rules of the authoritarian regime, can assist in establishing the difference between cases in which authoritarian rule does not simply "collapse." These rules can be enshrined in a constitution or basic document,

in special acts, or simply in a selective but circumscribed and predictable use of aspects of a preexisting, even democratic, constitution. Transitions through "extrication"—no matter how long they take—would refer to those in which such rules are broken, and transitions through "transaction"—again, no matter how long they take—would be reserved for transitions occurring without having broken the formal framework of the prior authoritarian regime. Authoritarian rulers can generally be presumed to have greater capacity to impose conditions—to "transact" in a way favorable to them—over their oppositions in "transaction" (*reform* may still be the better term to use) rather than "extrication" situations. In all transitions by "collapse" the rules of the authoritarian regime are violated, but its rulers are unable to impose any conditions to their leaving power—otherwise the transition would occur by "extrication."

Still, these categories need to be supplemented by others before they can usefully distinguish among the dynamics of various transitions. For instance, both the Spanish and the Chilean transitions occurred through reform, i.e., without violating the formal rules of the authoritarian regimes, but this similarity is of little interest in what have been such different cases. What must be added to the above discussed types is a dimension that captures the attitudes of the *last* ruling elites of the authoritarian regime towards democratization. Some favor it, as did King Juan Carlos and Adolfo Suárez in Spain and, more recently, the authorities in Hungary, Czechoslovakia, East Germany, and Lithuania. Others may have an ambivalent attitude towards democratization, confusing it with the liberalization of the authoritarian regime and revealing considerable wariness over its extension, as was the case in Brazil, in South Korea, and perhaps in Poland and the Soviet Union. And still others may be fundamentally opposed to it. Such was the case with General Augusto Pinochet, who repeatedly rejected democracy by associating it with assorted ills he saw in the Chilean past, such as demagogic politicians, chaos, Marxist infiltration, and so on. His explicit intention was to create a "protected" democracy, a euphemism for the continuation of an authoritarian regime under his direction.

The combination of both dimensions, i.e., the modalities of the transition with the attitudes of the exiting authoritarian rulers towards democratization, generates a variety of types which are exemplified with approximate national examples in Figure 1. There is no space here to discuss each one as a prototypical first transi-

tion. What is important to highlight is that the first transitions that are most likely to generate the least problematic processes of democratic consolidation are those in which the last ruling elites of the authoritarian regime favor democratization. Such situations occur after the triumph within the authoritarian regime of what could be called, borrowing in part from Guillermo O'Donnell's classic statement of the "soft-liner" versus "hard-liner" split, as the super-soft-liners, i.e., those who not only favor the liberalization of authoritarian rule but are committed to democratization.[32] Moreover, transitions led by such super-soft-liners that occur, in addition, through reform, are more likely to permit the same political leaders who carry out the transition to retain leading positions in the new democratic context. As such, their first to second transitions have greater continuity. These transitions are only threatened by the ability of hard-liners to stage a revolt against them, but hard-liner success in these cases is limited by the fact that the super-soft-liners have already emerged by defeating them from within the regime; hence it is not surprising that Alexander Dubcek's Czechoslovakia and Imre Nagy's Hungary, two cases that led to authoritarian reversion, required external support for it.

Other cases of transition are less favorable for the successful resolution of the process of consolidation. While transitions that occur through the collapse or defeat of entrenched "hard-line" rulers opposed to democracy have the advantage of generating a largely clean slate upon which to build new institutions, as first transitions to democracy these are extremely risky, since it is not at all clear that those who take power in such convulsed situations will be committed to building a genuine democracy, or whether the social and political forces that supported the authoritarian regime will be allowed, or even willing, to participate in it. The second transition in these cases will have a greater probability of success and will occur more smoothly if the outgoing authoritarian regime elites are highly isolated from the nation's social and political forces, if political leadership willing to participate (and have its opponents participate) in a democratic framework is available for all major segments of opinion, and if the authoritarian regime collapses swiftly in the absence of civil war or much internal violence. The Greek transition was therefore much easier than that of most other cases such as Portugal or Nicaragua. The Portuguese transition required the elimination of the Grand Council of the Revolution, a body designed

Figure 1
MODALITIES OF TRANSITION TO DEMOCRACY FROM AUTHORITARIAN RULE

ATTITUDES OF THE LAST MAIN AUTHORITARIAN REGIME ELITES TOWARDS DEMOCRACY	Change Occurs Through: Collapse, Defeat or Withdrawal[1]	Extrication[2]	Reform[3]
Favor full democratization	Czechoslovakia 1989	East Germany 1990 Peru 1980 Brazil 1945	Spain 1975–76 Hungary 1989
Prefer liberalized authoritarian regime but will accept democratization	Argentina 1983 Colombia 1958	Venezuela 1958 Argentina 1973	Poland 1989 Brazil 1980s South Korea 1987
Opposed to democratization	Greece 1974 Portugal 1975 Germany and Japan 1945 Italy 1945 Romania 1989	Uruguay 1985	Chile 1990

[1] Rules of the authoritarian regime are abandoned, and rulers cannot or opt not to negotiate conditions for leaving power.
[2] Rules of the authoritarian regime are abandoned, but rulers negotiate leaving power.
[3] Transition occurs without breaking the rules of the old regime.

to protect the new regime from the influence of forces supporting the old order. In Nicaragua, the commitment of the Sandinistas and of their opponents to democratic consolidation was questionable, and the mutual suspicions and resentments were aggravated by the fact that in the aftermath of civil war the Sandinista-controlled army became the Nicaraguan Armed Forces. That army has become, after the transfer of power to President Violeta Chamorro, a "reserved domain" of Sandinista control.

Among the remaining situations, the most unusual is the one combining a first transition through reform with a hard-line authoritarian regime leadership opposed to democracy, i.e., the Chilean case in Figure 1.[33] This type of first transition poses unique and difficult problems for the subsequent consolidation of democracy. As a transition through reform, it permits a great deal of continuity in the political elites and state officials who remain in place from the authoritarian regime to the democratic situation. And given that in the main such elites are basically opposed to a democratic regime (at best some accept it conditionally), the transition through reform allows them the capacity to create formal (i.e., legally based) institutions and the organizational basis for exerting tutelage and for reserving domains while ceding the way to what then becomes a highly bounded transition. The second transition must then proceed unavoidably through reform as well. Its success depends on a favorable relative balance of political forces within the new institutional strictures, and the opportunities they offer to accomplish the necessary reforms without abandoning their formal procedures.

B. Regime Comparisons, Historical Memories, and Legitimacy

All transitions stimulate collective memories of past political symbols, institutions, leaders, parties, and social organizations, creating images of what must be restituted, newly created, avoided, and eliminated. These memories are associated with past regimes, inviting most importantly comparisons among the evolving transitional democratic situation, the prior authoritarian regime, and the regime or regimes (depending on the specific experiences) that preceded the latter.

The leaders of regime changes often stimulate comparisons to the immediately preceding regime by appealing to what can be called "inverse legitimation," i.e., attempts to validate the new regime and even garner support for it by pointing to real or exaggerated faults

of the previous one.[34] Referring to these comparisons, Guillermo O'Donnell suggests that democratic consolidation is favored by widespread highly negative experiences of the population with repression and economic failure under the authoritarian regime.[35] If this is the case, there may well be greater public resistance to any attempts to overthrow the democratic regime when it faces difficulties, as well as greater reluctance on the part of political elites favoring authoritarianism to make them.[36] As a result, the notion that the electoral route is the only viable one to form governments would be enhanced.

O'Donnell also suggests that, in general, cases that involve *re*-democratization, i.e., those in which there already was a consolidated democracy in the not so remote past, have significant advantages over those in which the current transition represents a case of constructing a democratic regime for the first time.[37] Parties and a party system are usually more readily reconstituted to operate in a democracy in such cases, and other political institutions, such as the organization of legislatures, the operation of the electoral system, the restoration of civic ceremonies associated with a prior democracy, and so on, all fall more easily into place. Similarly, the new democratic situation appears to be a continuity of something that existed in the past rather than a new and unknown departure, a notion that is all the more important and favorable for a *re*consolidation of democracy if the prior democratic regime was in addition tied to feelings of national identity and pride.[38] Such cases of *re*democratization are only hampered by returning images of the crisis that led to their breakdown, which opponents of the democratic process will usually attempt to emphasize. Successful *re*democratizations therefore require a deliberate effort on the part of the democratizing elites to avoid resurrecting symbols, images, conducts, and political programs associated with the conflicts leading to prior breakdown.[39]

In cases where the past democratic referent is to democratic situations that contained one or more of the perverse institutional elements delineated above (tutelage or coup politics for example), the reconstitutive tendency in the new transitional process may lead to a reassertion of the same perverse elements, adding considerable difficulties to the prospects for democratic consolidation. Past democratic episodes in many Latin American countries have been of this nature; in Peru, Ecuador, and Bolivia, most notably, civilian and

military elites usually retained an undercurrent of coup politics behind the formalities of the democratic process, and in Brazil—again most notably—the military somehow retained the sense that it is entitled to exercise the old *poder moderador* of the emperor, thereby leading to pretensions of tutelage. In these cases, democratic consolidation requires a decisive break on the part of the democratizing elites (hopefully both civilian and military) with such past practices. A widespread sense that they led to profound failures may stimulate this change.

A central difficulty with collective memories of regimes, political figures, and symbols is that they can be a source of significant division among different segments of the population. One of the main problems of democratic consolidation in the French Third Republic was that the political elites were divided in their regime preferences, and each sector had its past regime referent and its associated symbols to invoke.[40] Thus, democratic consolidation is favored by situations in which the evaluations of the past by the different sectors all lead, somehow, to attitudes favorable to an accommodation among political forces. This accommodation requires the various sectors to view positively those elements in their favored past regimes that other segments do not find too objectionable, and reject or at least criticize those that were most divisive. An example of the latter from the Spanish case is the rejection by the current Left of the extreme and rabid anticlericalism of its forebears during the Spanish Second Republic. Accommodation also requires a search for unifying national symbols. If each sector relentlessly insists on changing the name of every plaza and street to commemorate past figures and dates that are highly divisive, and if anniversaries of past events that have entirely different meanings for the various communities are observed, then political symbols and regime comparisons will retain the currency of past conflicts. Similarly, democratic consolidation is favored if the various sectors agree that a democratic regime would be, following Juan Linz's minimal definition of legitimacy, if not the most favored then the "least evil" among the alternatives.[41]

The initial period of transition can itself stimulate such perceptions. For this, it is best if, to use Juan Linz's terms again, the new democratic government is relatively efficacious and effective, and its leadership is perceived to be relatively honest and able.[42] At a time in which the democratic institutions are fragile because they are new

or have been recently recreated, it is best if the policies and leaders that emanate from their workings be given relatively high marks; otherwise, the public (and especially the politically organized and active segments) may associate negative performances with the regime and its alternatives may appear preferable. This does not necessarily mean that overall economic and social conditions must be favorable for a successful transition. Rather, the basic point is that democratic political leaders and governments be widely viewed as doing the best that can be done given the circumstances, even if the transition coincides with difficult times.[43]

Unfortunately, as noted briefly by Linz, such public perceptions can be more difficult to attain in a democratic context given its greater openness and the expectations it often raises.[44] By broadening the arena for discussion of national issues (in legislatures, television debates, universities, and so on) and by stimulating political competition for votes, the public's awareness and exposure to problems can easily expand, thereby increasing the sense that the government is inadequate to resolve them. Democratic guarantees to freedom of expression also raise the extent of public scrutiny of political leaders, and while this is a necessary and welcome development, it exposes leaders to the barbs of unethical opponents who may succeed in distorting the public's perception of them. If the political change raises popular expectations that longstanding problems and privations associated with the authoritarian regime will be overcome, the gap between such expectations and the possibilities of meeting them even with the best of policies may be unbridgeable.

Democratic consolidation would therefore be favored by government leaders who try to lower public expectations while at the same time undertaking policies that deliver results that exceed their own rhetoric; by a relative absence of government corruption; by the development of a truthful but responsible press that is not strictly tied to partisan alignments; and by the presence of a restrained, nondemagogic democratic opposition. The Spanish transition, despite the negative economic context in which it occurred, exemplifies well this combination of favorable perceptions and responsible press as well as opposition behavior. Such conditions are a tall order, but approximating them is all the more important if the prior authoritarian regime has an aura of success and probity, whatever the actual facts.

C. The Moderation of Political Conflict

It is hardly novel to assert that the moderation of political conflict would serve to advance democratic consolidation. Nothing is more destructive of democracy than frequent confrontations in the streets, the legislature, the state administration, and elsewhere between groups who view themselves as engaged in zero-sum conflict. The lifting of authoritarian repression and the return of democratic liberties to organize, petition, and demonstrate should not lead to widespread disorder and violence. The establishment of democratic constitutional processes should not lead to either policy stalemates for want of compromises among different forces, or to what politically organized minorities view as a complete disregard for their interests and values (or of course for their democratic rights—but if these are violated the new regime is not a democracy). Hence, the greater the degree of consensus among political forces, the easier it is to consolidate democracy. Attempts to retain tutelary power, reserved domains, electoral discriminations, and the use of coup or insurrection politics are in the final analysis expressions of distrust by powerful actors of the consequences they perceive would flow from the electoral victories of their opponents.

Giovanni Sartori has usefully broken down the notion of consensus into three possible meanings: firstly, that over "ultimate values"; secondly, over "rules of the game, or procedures"; and finally, over "specific governmental policies." He notes that the first is a "facilitating" but not an indispensable condition for the existence of a democracy, while the second is indeed a fundamental prerequisite; he adds that discussion and dissensus in the third sense is part of the essence of democratic governance.[45]

Following the first sense, political conflict would certainly take on moderate contours if there were a relatively small ideological distance among the major sectors of the polity, and if the national community were not divided into different linguistic, religious, racial, or ethnic segments that distrust each other and have a history of conflict. However, countries that have experienced democratic breakdown in the past or that only recently made transitions to democracy generally do not have the kind of ultimate value consensus that can be found in Scandinavia or the United States. Hence, this facilitating condition is generally lacking. Nonetheless, consolidation would be favored if the transition coincides with a decline in ideological distance (as has occurred in countries with a strong Marxist Left as a result of the rise of Eurocommunism and, more recently, the collapse of the Communist model); with a surge in support for pragmatic center parties and moderate leaders, old or new, and a decline in that for the extremes; and/or with a new willingness on the part of political leaderships, both top and middle-level, to forge agreements and understandings that safeguard the value commitments and interests of their respective constituencies or communities. This latter point is particularly important. Political conflict is often stimulated by the more extremist views of the leaders and militants of different segments of societies, and their willingness to resort to negotiations and compromises in fact will in these cases not place them beyond but more in line with the sentiments of their constituencies. Such moderation is the likely result of what political leaders see with new clarity as the costs and sacrifices imposed by the outgoing authoritarian regime, and of the current development of a new or renewed appreciation for the democratic system and its rights.

Sartori's second dimension of consensus, that over procedures, amounts, when reached, to a minimization of what Linz would call disloyalty and semi-loyalty.[46] It is certainly an important component of democratic consolidation, for it buttresses the notion that democracy will continue indefinitely.

But several comments are in order: first, despite the analytical usefulness of Sartori's distinctions, this dimension of consensus is not completely detached from the former one. The procedures will be accepted as long as the various political forces view them as being fair. This consensus will prove to be elusive if the procedures are not inclusive of all political forces, or are viewed by some as giving undue advantages to others, resulting in policy outcomes that are perceived to be unacceptably injurious to some segment's values or interests. Hence, procedural consensuses are more readily reached if the participants in the democratic process do not expect to lose all the time, and think that no dire consequences will follow when they do lose. The more the political community is sharply divided, as Sartori notes, the more the democratic majority principle has to be tempered with respect for minority positions.[47] The procedures must also be molded to the specificities of national societies, yielding different types of democracies. Such procedures serve to structure a particular balance of power among the various segments of

the political community, and this balance should not be viewed as grossly out of kilter with the size and importance of the segments' various social bases. Second, the consensus over procedures cannot include what I have labelled here the perverse formal and informal institutions. Not only does their existence prevent democratic governance, but they may also derail the second transition in the long run by stimulating conflict over the procedures, the alienation of the political forces that are disadvantaged by them, and eventually the "slow death" of democracy—to follow O'Donnell's expression.[48] Thirdly, some procedures are quite simply better than others. Despite a consensus over the procedures, their actual workings may lead to unnecessary rigidities, conflicts, and even breakdowns. Generally speaking, procedures that lead to staging zero-sum forms of conflict can be detrimental to democratic consolidation. By avoiding one important winner-take-all form of confrontation, namely presidential elections, parliamentary regimes are, for instance, more suitable to the transit to a consolidated democracy than presidential ones.[49] Semi-presidential systems are no better. Their potential for generating two heads of state (when the president does not belong to the same majority as the prime minister who enjoys the confidence of the legislature) is an open recipe for conflict that could have dire consequences unless the leaders in question reach the necessary accommodations, based normally on who has the most recent electoral majority. While any system can only work adequately, in the final analysis, given the willingness of political leaders to avoid pushing it to crisis limits, the adoption of procedures that can stimulate debates over competencies or that call for zero-sum confrontations will not favor consolidation.

Finally, while disagreements and discussions over policy are part of the essence of democracy, democratic governments—especially transition governments—should not pursue single-mindedly policies that reflect divisive positions. Moreover, as noted earlier, policies that maximize efficacy and effectiveness can enhance the ability of the transition government to consolidate the democratic process.

D. The Management of Social Conflict

The consolidation of democracy is also favored by the creation of the proper frameworks for channeling and resolving social conflict. Guillermo O'Donnell and Philippe Schmitter have noted that the transition to democracy leads to a broad "resurrection of civil so[illegible]."[50] Many groups take advantage of the new political

circumstances to create (or recreate) and expand their organizations and articulate their grievances, some of which may have been suppressed by the authoritarian regime.[51] The new organizing may lead to confrontations among social groups, "resurrecting" as well old animosities among communities—as shown by the resurgence of regional nationalisms most dramatically in Central Europe and in the Soviet Union.

Obviously, political and social conflicts are intimately related. During the authoritarian regime, the absence or inadequacy of institutions (such as national elections and democratically generated legislatures) through which opponents of the regime can express their views and programs leads them to center their opposition activities in a variety of loci in civil society (such as churches, the labor and student movements, sports clubs, etc.).[52] The resulting confrontations between authoritarian regimes and social movements and organizations can help undermine authoritarian rule by continually demonstrating its essential illegitimacy. During the course of the first transition, as O'Donnell and Schmitter argue, the willingness and ability of social organizations to show restraint may prove to be an important contribution to ensuring that it will not be derailed by a reassertion of the possibly still powerful hard-line forces of the outgoing authoritarian regime.[53] But a successful second transition requires the elimination of this form of politically motivated restraint, and this by definition: even if such restraint can help ensure the stability of the transitional form of democracy, it is a reflection of the fact that important social and political actors do not lend credence to its endurance into the foreseeable future.

Yet the release of this restraint (or its absence in certain transitions) should not lead to broadscale confrontations among social groups. If this were the case, the consolidation of democracy may well be delayed or questioned anew. The resulting overload of issues difficult to resolve and public disorder as demonstrations and possibly violent confrontations among groups spill into the streets can foster doubts about the ability of the fledgling democratic process to address national problems and can rekindle sentiments in favor of renewed authoritarian rule. Although the financial capacity of the state and overall economic conditions will hardly, if ever, suffice to satisfy all demands, this is not the crucial point regarding these challenges. Rather, the key lies in the creation of what can be called adequate "social demand-processing settlements."

Such settlements include the creation, change, or expa[illegible]

of a variety of arrangements. They may entail, first, setting up new state institutions (or restructuring old ones) that will receive and process social demands; second, the establishment, expansion, or recreation of popular and other associations to voice demands and negotiate some resolution to them, with leaders who have the necessary legitimacy and support to be able to call off demonstrations and other collective actions;[54] third, the development of mutually agreeable procedures that social groups who confront each other regularly (such as labor and business) can follow to settle their differences, with or without state assistance; and fourth, the existence of the proper links between social groups and the political leaders in parliament if not also in the executive to ensure that legislation and other state actions affecting the features of the settlement and its subsequent changes result, as far as possible, from a parallel political as well as social consensus.

These settlements are most adequate to facilitate democratic consolidation when they are perceived by all those concerned to operate with a minimum of politicization. In other words, when state institutions are responsive to social group demands through their normal bureaucratic operation, without provoking drawn-out collective action against them given the widespread perception of their insensitivity or unfairness; when the leadership of social groups is viewed as acting primarily in the best interests of its members, however defined for the short, medium and/or long term, and not primarily in response to the national strategies of the parties they may be affiliated to; when the procedures to be followed in negotiating differences are not continually put into question by the relevant actors; when it is unclear who are the proper actors to resolve the issues at hand; or when social demands and disputes continually become part of a national political debate given the intervention of legislators, cabinet members, or party leaders, thereby interfering with the "normal" conflict resolution procedures and making the outcome hinge in part on the national balance of political interests and forces. This form of politicization can result from the lack of congruity (produced by the operation of the electoral system and/or the high degree of segmentation of party constituencies) between the strength of a party or parties in the formal institutions of the political arena and the extent and intensity of its or their support within social movements and organizations.

In brief, democratic consolidation is favored if social conflicts

and demands are handled through predictable and broadly accepted procedures that are inclusive of all the relevant groups but are, at the same time, insulated within the narrowest possible boundaries in terms of the specificity of the issues and the state, political, and social actors who are involved. But "social settlements" with these characteristics do not occur automatically in the immediate aftermath of the first transition, a point at which social conflicts and demands will inevitably be highly politicized as a result of the regime transition. An important aspect of the second transition is the construction of new social demand and conflict processing settlements, and its success depends at least in part on their adequacy. It may not always be possible to reach proper arrangements to deal with them, in which case the new democratic system may continue to be perceived as fragile.[55]

E. Subordinating the Military to the Democratic Government

Placing the military under the authority of the elected government is a key facilitating condition for democratic consolidation. Insofar as elected government officials are unsuccessful in their attempts to subordinate the military, the resulting military autonomy is contrary to the consolidation of democracy since it would be, following the above indicated conception, a reserved domain containing a fundamental ingredient of state power: force of arms. In this case reducing military autonomy is an indispensable ingredient for consolidation. In its most extreme form, military autonomy contains the following elements: fixed budgetary lines that provide the basic sources of funding for the armed forces but cannot be reviewed by democratic government officials; exclusive military control over the expenditures of its budget; no (or only pro forma) review of officer promotions by elected authorities or their representatives; designation of the top ranking officers strictly following the lines of seniority; no civilian governmental review of training programs and military doctrine; exclusive military control over the deployment of units, and over intelligence gathering and storing of information; the existence of a military justice system to try all cases involving officers regardless of the nature of the offense; and a ghettoization of military life, including family life, through the development of separate housing units for officers, hospitals, schools, clubs, and credit unions.

Let us suppose that democratically elected government officials

and their civilian political opponents have no interest in exerting any control over military policies and other such matters, readily agreeing to let this aspect of the state remain in the hands of officers. This is an implausible scenario, for even where elected government officials seemingly express no interest in seeking control over the military it is not clear whether such inaction results from impotence or from conviction. Be this as it may, in this case military autonomy would not constitute, following the definition noted above, a reserved domain.

And yet, even in the unlikely event that military autonomy would not constitute a reserved domain, it would still be inimical to democratic consolidation. Such autonomy tends to engender, if it is not already present, military tutelage over the political system, as officers have the independent organizational basis, plus the force of arms, to question government policies. For the same reason it also tends to generate an undercurrent of coup politics as officers can sooner or later be perceived by civilian opponents of the government to be available, given appropriate conditions, to overthrow it. Elections would not then be the only means to constitute governments, in which case the democratic process would hardly be consolidated.

Hence, a fully democratic regime should contain in constitutional and other basic laws the formal outlines of military subordination to elected government officials, exclusive of any provisions suggesting military tutelage. And yet, prescribing this subordination in statutory terms by no means ensures it in practice, as demonstrated by Alfonsín's Argentina, nor does it prevent retrogression of government control over the military where it appears to present few difficulties during the course of the first transition, as was the case in Spain and could still perhaps be in Central and Eastern Europe. Consequently, the key question for democratic consolidation is whether or not the second transition succeeds in removing or preventing the emergence of the specter of coup politics.

There is broad consensus in the specialized literature that successful military coups occur when there appears to be considerable civilian support for them, and that coup politics therefore involves both civilian and military elites.[56] In this form of politics, civilian opponents of the government seek to maximize their capacity to use the threat of a military coup to further their political ends. This involves establishing and retaining close links to important officers and/or the ability to initiate civil unrest and other forms of de-

stabilization that will induce the military to intervene. To counter opposition efforts the government cannot let its relations to the military deteriorate. As a result, it is bound to be receptive to the military's demands, whatever they may be, and eager to demonstrate to its opponents that it has a good working relationship with the military. As part of this effort, some heads of government may appoint military officers to important positions where they can serve, depending on the circumstances, in a "neutral" and "technical" capacity or in a way that deliberately expresses the military's support for the government's policies (or vice versa, in effect). The end result is to continually buttress, paradoxically, the autonomy and politicization of the military. The military can obtain from the government what it wants as long as it is courted by civilian forces that are never far from playing coup politics, but it is forced, in order to continue the game, to make itself available as the ultimate political arbiter. This form of politically induced autonomy leads to military tutelage over the political process, and can be exercised on a more or less continuous basis without resorting frequently to actually staging a coup. Needless to say, democratic consolidation under these circumstances is hardly possible. Through the actions of both civilians and the military, the democratic government remains under a thinly tethered sword of Damocles. Ironically, governments that are able to tether the sword more tightly by properly playing coup avoidance may also reaffirm the sword's place in the political system; engaging in the rules of perverse institutions is a vicious circle.

Discarding coup politics requires changes both in the military establishment and in the civilian political forces. The military's disposition and ability to interject itself in the overall political process and couple its corporative demands with the implicit threat of using its arms against the government must somehow be drastically reduced. It should no longer be available to civilian forces pressing the government with their alternative policy agendas. Civilian political elites should also end all attempts to use contact with the military or appeals to the military as trump cards to enhance their power capabilities. Change must occur at both levels for a long-term resolution of this problem. Any hint of military availability to act against elected authorities will eventually generate civilian forces willing to use it to buttress their positions, and no military establishment can refrain permanently from continuous courting by civilian forces in

both the opposition and the government seeking to score political gain in an atmosphere that—given precisely the existence of civilians courting the military—will stimulate perceptions of national political crisis.

Second transitions differ regarding whether or not the specter of coup politics will become a significant problem. The variations are related to the following points.

Regarding the military side of the coup politics equation, cases of transition differ in the military's proximity to and identification with the outgoing authoritarian regime. These differences can have a significant impact on the military's autonomy from and attitudes towards the new democratic government when coupled, in particular, with the modalities assumed by the transition. Where the military has been very proximate to the authoritarian regime (as in cases of military government) and the officers identified strongly with its objectives, military autonomy and the development of coup politics are likely to be higher than in other situations unless the modality of the transition permits a thorough reorganization or refounding of the armed forces under a new leadership committed to democratic norms. This refounding occurred, for example, in postwar Germany and Japan under the influence of the allied and American occupation forces, and in Costa Rica under the aegis of the successful 1948 insurrection led by José Figueres. Such reorganizations spring from transitions through defeat or collapse rather than reform or extrication, but not all such defeats lead to the complete revamping of the armed forces. While the Argentine transition of 1982–83 in many respects occurred through a collapse of the authoritarian military regime, it did not lead to a profound transformation of the military institution despite President Alfonsín's reforms.[57]

In the absence of these transitions through collapse and military refounding, the creation of a military establishment that is unavailable to civilian coup-mongers and plotters can nonetheless be obtained through the reorientation of the armed forces under new political-military leadership. King Juan Carlos made a critical difference in the Spanish transition through his decisive leadership against military insubordination—most dramatically during the February 23–24, 1981 coup attempt—thereby permitting the civilian transitional governments to restructure the armed forces. Although Franco's regime was not a military one, the armed forces were virtually the only segment in the Spanish post-transition that

continued to have strong Franquist sentiments and identity.[58] In Portugal General Eanes played an important role in pressing the military to regain its discipline and return to the barracks. Subsequently, military tutelarity over the government as expressed through the military-dominated Council of the Revolution was terminated through the constitutional reforms approved in 1982 under Eanes's presidency.[59] Individual idiosyncrasies of actors placed in key positions and other fortuitous circumstances can have important unexpected effects on key processes of the transition, and military subordination to civilian authority is no exception. No observers would have expected King Juan Carlos, Franco's hand-picked successor through a monarchical restoration that passed over Juan Carlos's father, to play such a decisive democratizing role.

The unavailability of the military for coup politics is also enhanced if its military doctrine—i.e., the conception of its role in the state and national society, of its actual or potential enemies, of the nature of war, and the definitions of national security that flow from these—focuses primarily on external threats to national territorial integrity. Such a doctrine minimizes the internal political involvement of the military, even if defensive planning requires paying attention to the internal economic and social conditions that buttress it. It also generates military organization, armament and deployment that are less conducive to internal political intelligence and to the logistics of staging coups. Internal security matters should be in the hands of specialized police units under the Ministries of the Interior. Such an externally focused doctrine will be easier to develop in the absence of serious internal insurrectionary threats against the state. And, as noted by Alfred Stepan, military doctrine and national security definitions should be elaborated primarily by civilians and should result in a civil-military consensus with military involvement in an advisory capacity.[60] Such consensus is, again, easier to retain when the object of military doctrine rests on external threats.

Unfortunately, as has occurred most significantly in Latin America, military doctrine has been in many cases elaborated exclusively by the armed forces. Moreover, its emphasis outside a few arenas of likely international conflagration has been on what are perceived to be internal threats to the security of the state. Genaro Arriagada has shown that this internal focus began in the Southern Cone with the confrontations between the military and striking workers—and

the emerging radical Left—in the early twentieth century.[61] It expanded with the rise of the Cold War and the new role of the Armed Forces as bulwarks against the spread of Communism, which led to a greater focus on internal "subversion" in all areas of national societies, including the churches, unions, and educational institutions.[62] This led to a great expansion of internal intelligence gathering as military professionalism led officers to a direct involvement with internal political control and repression. Although the end of the Cold War should facilitate change in military doctrine, military establishments are bound to view with great suspicion any attempt by civilians in transition governments to alter its components, conceptions, and training programs.

Given a military-civilian consensus over the role of the armed forces, governments should try to furnish the military with the necessary means to accomplish it, which includes proper channels for the military to express its corporative needs. Officer discontent over salaries, assignments, and promotions should be avoided, as long as these are consistent with forms of professionalism compatible with democratic governance.[63] Any military rebellions motivated by officer discontent over institutional and career problems can set the kindling for the initiation of coup politics. No matter how circumscribed officer demands may be to military problems, such rebellions can lead civilian opponents of the government to side with them in order to gain military contacts that can subsequently enhance their power capabilities or even generate a coup coalition. Officer rebellions can therefore signal to civilian elites their availability to engage in coup politics. The principal difficulty in many cases is that there is no civilian-military consensus over the military's mission. Hence, officer discontent and rebellions against civilian authorities may be a manifestation of attempts to impose, or retain, definitions of the military's mission that are rejected by civilians.

Turning to the civilian side of coup politics, such politics are avoided if the civilian political forces develop the necessary consensus —preferably over fundamental ends, but at least over procedures—including the agreement that none will attempt to develop a military trump card to enhance power capabilities. Such an agreement, explicit or implicit, may be difficult to obtain in some situations. It is facilitated by a context that includes significant international pressures in its favor; that contains a negative assessment of the previous military interventions or governments; that permits civilian

forces close to the military to voice their demands effectively following the democratic procedures; and in which the political leadership—civilian or military—of the outgoing authoritarian regime develops a favorable attitude towards democracy. The result should be a total political isolation of rebellious military officers, such as in Spain where only the far rightist fringe had sympathy for them. It is likely that had this not been the case, the King alone would not have been able to take such effective action to confront military insubordination. Given the Latin American military's overdimensioned definition of its mission and its willingness to act against governments repeatedly in the past, a firm consensus among civilian leaders to reject any involvement with rebellious military officers or to strike privileged relations with the military is the main recourse to eliminate or prevent the emergence of coup politics. Among the Latin American cases the Uruguayan comes closest to having attained this important consensus.

Conclusions

This paper has attempted to present a delimited notion of democratic consolidation. Such consolidation can be said to have been achieved when most significant political actors and informed publics expect the democratic process to last indefinitely, and when it is basically free of what have been called "perverse institutions," namely, tutelary powers, reserved domains of policy, egregious and deliberate distortions of the electoral system and political representation, and the existence of the widespread belief that nonelectoral means are possible to form the national government. These "perverse" elements are conceptually anchored on a minimal formal definition of the democracy. While the procedures that comprise the democratic process lead to a complex institutionalization of a "virtuous" sort since it buttresses a reproduction of that process, the notion of democratic consolidation cannot be left to rest on an analysis of these institutions because it will unavoidably tie consolidation to an ideal conception of democratic polities. Were this the case, few democracies would have that attribute. The conceptual link to elements that detract from the minimal workings of the democratic process is strict enough; in fact, by its measure no democracy in Latin America can presently be considered consolidated. Moreover, consolidated democracies have been a rarity in Latin America: Costa

Rica since the 1950s, Venezuela since the 1960s, Chile from the mid-1930s to 1973, Uruguay from the mid-1930s to the Bordaberry presidency, and perhaps Argentina in the mid-1920s.

This paper has also noted that the process of democratic consolidation unfolds through a series of political confrontations which either buttress or remove the perverse elements that detract from the minimal democratic process. These confrontations can be over reforms of the political institutions themselves or over substantive policies. While actors favoring democratic consolidation and those opposing it will generally act in ways that advance their preferences, both can actually contribute to the process or detract from it given short-run calculations of gain, miscalculations, or unanticipated consequences. Consolidation is reached as an ex post facto realization; any deliberate plan to advance it will, by virtue of its stated goal, indicate to all those concerned its absence.

While keeping the notion of democratic consolidation tied strictly to a procedural skeleton, this paper has also analyzed some conditions that can facilitate (or detract) from its advancement. Other facilitating conditions could be added to those that were mentioned, as this seems to be a particularly fruitful venue for further comparative research.

NOTES

This paper began as a "think piece" entitled "Some Thoughts on the Consolidation of Democracies" written for a workshop on processes of democratic consolidation in Western Europe and Latin America, organized by Guillermo O'Donnell and Philippe Schmitter and held at the Kellogg Institute in April 1987. I thank both organizers of that workshop for their reactions, and Guillermo O'Donnell for the conversations held over the course of two years that helped to clarify my thinking on the topic. The paper also benefitted from comments on a second version by David Collier, Arend Lijphart, Philippe Schmitter, Alfred Stepan, and Carlos Waisman. My appreciation as well to Guillermo O'Donnell, Scott Mainwaring, Timothy Scully, and Raimundo Valenzuela for their encouragement and observations on this version, while I take responsibility for the deficiencies that remain.

1. An illustration of this trend is the argument made by Juan Linz regarding the superiority and greater stability of parliamentary over presi-

dential constitutional arrangements for democracies. See his "Democracy, Presidential or Parliamentary: Does It Make a Difference?" paper written for the project "The Role of Political Parties in the Return to Democracy in the Southern Cone," sponsored by the Latin American Program of the Woodrow Wilson International Center for Scholars, the Smithsonian Institution, and the World Peace Foundation, July 1985. The argument that a parliamentary regime would be best for Chile is made forcefully by Arturo Valenzuela, "Origins and Characteristics of the Chilean Party System: A Proposal for a Parliamentary Form of Government," a paper prepared for the same project. Revised and translated versions of these papers appear in Oscar Godoy Arcaya, ed., *Hacia una democracia moderna: la opción parlamentaria* (Santiago: Ediciones de la Universidad Católica de Chile, 1990), while an abridged version of Juan Linz's paper appears as "The Perils of Presidentialism," *Journal of Democracy*, 1, no. 1 (Winter 1990), pp. 51–59. Similar institutional and political process arguments are contained in Juan Linz and Alfred Stepan, "Political Crafting of Democratic Consolidation or Destruction: European and South American Comparisons" in Robert A. Pastor, ed., *Democracy in the Americas: Stopping the Pendulum* (New York and London: Holmes and Meier, 1989). For a review of the literature on presidentialism in Latin America, see Scott Mainwaring, "Presidentialism in Latin America," *Latin American Research Review*, 25, no. 1 (1990), pp. 157–179.

2. Guillermo O'Donnell, "Transições, continuidades e alguns paradoxos" in Fábio Wanderley Reis and Guillermo O'Donnell, eds., *A Democracia no Brasil: Dilemas* e *Perspectivas* (São Paulo: Vértice, 1988), p. 43. A revised English version of this paper appears as chapter 1 of this volume.

3. This can lead to what Guillermo O'Donnell calls the "slow death" of democracy; Vinicio Cerezo's Guatemala is a case in point. See O'Donnell's contribution to this volume.

4. Juan Linz, in *The Breakdown of Democratic Regimes: Crisis, Breakdown, and Reequilibration* (Baltimore: Johns Hopkins University Press, 1978), notes that democratic breakdowns are more the result of the unwillingness or inability of the regime's defenders to agree among each other than the effect of challenges by antidemocratic forces. The Chilean and Uruguayan democracies can be said to have been consolidated in the terms to be noted below prior to their 1973 breakdowns. Major Chilean political leaders of the left, center, and even right, including President Aylwin, have noted that in retrospect they regret the actions they took during the Allende government, given their effect in producing the breakdown of Chilean democracy. None foresaw the eventual outcome; even those who eventually favored military intervention expected it to lead to a rapid restoration of democratic government. For an analysis of the breakdown of

Chilean democracy, see Arturo Valenzuela, *The Breakdown of Democratic Regimes: Chile* (Baltimore: Johns Hopkins University Press, 1978).

5. This is what happens in José Nun's "La teoría política y la transición democrática," in José Nun and Juan Carlos Portantiero, eds., *Ensayos sobre la transición democrática en la Argentina* (Buenos Aires: Puntosur Editores, 1987), where the notion of democratic consolidation refers to a broad project of building all kinds of political and social relations and institutions. A similar problem can be seen in Manuel Antonio Garretón's *Reconstruir la política: Transición y consolidación democrática en Chile* (Santiago: Editorial Andante, 1987), pp. 53-55, where democratic consolidation refers to a model of socioeconomic development that is compatible with democracy, to an increased autonomy but adequate interrelationships among the state, the political system, and civil society, and to an inclusive and well-established party system.

6. Guillermo O'Donnell in "Notes for the Study of Democratic Consolidation in Contemporary Latin America," paper presented at a meeting on "Dilemmas and Opportunities of Democratic Consolidation in Contemporary Latin America" held at CEBRAP, São Paulo, December 16-17, 1985, pp. 2, 4.

7. Guillermo O'Donnell and Philippe Schmitter, "Tentative Conclusions about Uncertain Democracies" in Guillermo O'Donnell, Philippe Schmitter, and Laurence Whitehead, eds., *Transitions from Authoritarian Rule: Prospects for Democracy* (Baltimore: Johns Hopkins University Press, 1986), p. 8.

8. Robert Dahl, *Polyarchy* (New Haven: Yale University Press, 1971), p. 3.

9. Formal definitions of democracy owe much to Joseph Schumpeter's discussion of the concept. See his *Capitalism, Socialism and Democracy,* (New York: Harper Torchbooks, 1962, third edition), part V. For a discussion of some of the limitations of his definition of democracy see J. Samuel Valenzuela, *Democratización vía reforma: La expansión del sufragio en Chile* (Buenos Aires: Ediciones del IDES, 1985), pp. 22-35. For a radically different, and in my view inadequate, "participatory" conception of democracy see C. B. Macpherson, *The Life and Times of Liberal Democracy* (New York: Oxford University Press, 1977), chapter 5. See also Carole Pateman, *Participation and Democratic Theory* (New York: Cambridge University Press, 1970) for a critique of formal democratic conceptions from the perspective of effective participation by ordinary people in the affairs of government as well as at the subnational level.

10. For critique of this narrow conception of equality and a discussion of democracy from a broader perspective of this notion see David Held, *Models of Democracy* (Stanford: Stanford University Press, 1987), especially chapter 9.

11. For a discussion of the endurance of corporatism in democracies

see Philippe Schmitter, "Still the Century of Corporatism?" in, among other sources, Philippe C. Schmitter and Gerhard Lehmbruch, eds., *Trends toward Corporatist Intermediation* (Beverly Hills: Sage Publications, 1979). See also Philippe C. Schmitter, "Democratic Theory and Neo-Corporatist Practice," *Social Research* 50, no. 4 (Winter 1983).

12. Schumpeter, p. 269. The quote is drawn from his well-known definition of democracy.

13. *Constitución Política de la República de Chile: 1980* (Santiago: Editorial Jurídica, 1985) article 90. General Pinochet attributes great significance to this clause. In a speech given on August 23, 1989, on the relation between the Armed Forces and the transition, he stressed this clause as one of the main innovations of the 1980 Constitution, one that finally recognizes a "natural function of the Armed Forces and Police," that is, recognizes "their political function." He went on to list a long number of policies that civilian authorities must follow in the future to remain in agreement not only with the letter but also the "spirit" of the Constitution. Among these he included no change in the Amnesty Law of 1978 that exempted all military officers from prosecution for human rights violations. See *La Epoca,* 24 August 1989, p. 13.

The Brazilian Constitution of 1988, although it was drafted after the first transition, also places the Armed Forces in a guarantorship role. It notes that they "guarantee constitutional powers and, by the initiative of any one of these powers, law and order." *Constituição da República Federativa do Brasil, 1988* (Brasília: Centro Gráfico do Senado Federal, 1988), article 142.

14. *Constitución Política de la República de Chile: 1980,* articles 95 and 96. These articles were modified to some extent in mid-1989. The modifications appear in *La Epoca,* 2 June 1989, and the text above incorporates them.

15. See *El Mercurio,* December 24, 1989, p. D1, for an account of the first meeting between General Pinochet and president-elect Aylwin, in which the latter asked him to resign.

16. A description of the so-called *Comité Asesor Político y Estratégico* appears in *Hoy,* no. 679 (23-29 July 1990), pp. 11-13.

17. On such democracies, see Arend Lijphart, *Democracy in Plural Societies: A Comparative Exploration* (New Haven and London: Yale University Press, 1977); and Arend Lijphart, *Democracies: Patterns of Majoritarian and Consensus Government in Twenty-One Countries* (New Haven and London: Yale University Press, 1984).

18. See Gerhard Lehmbruch, "Concertation and the Structure of Corporatist Networks" in John Goldthorpe, ed., *Order and Conflict in Contemporary Capitalism* (Oxford: Clarendon Press, 1984) for a development of the concept of "sectoral corporatism."

19. Manuel Antonio Garretón has used the terms "authoritarian en-

claves" or "residues" to refer generally to what I have called reserved domains. These are misnomers. Enclaves are separate entities within, but not connected to, others; the reserved domains are, by contrast, at the center of the political problematic of the second transition. Residues are trace elements that do not affect their environment; again, this is not the case with the reserved domains of transitional settings. See Manuel Antonio Garretón, *La posibilidad democrática en Chile* (Santiago: FLACSO, 1989), pp. 51–63.

20. In the case of the Central Bank, the Pinochet government appointed some board members sympathetic to the democratic opposition in what was viewed as a major concession.

21. This discussion assumes transitions to mass suffrage democracies, since all democratic transitions at this point in time lead to universal access to the vote by adult citizens. It also glosses over important differences between presidential and parliamentary systems.

22. Elections in Great Britain are generally singled out as an example. The majoritarian effect is exacerbated in this case by the existence of well structured parties. For a brief analysis of the broad variety of electoral systems and their mathematical properties in generating representation see Robert A. Newland, *Comparative Electoral Systems* (London: The Arthur McDougall Fund, 1982).

23. The Israeli electoral system, while among the least biased of all systems with its proportional representation in a single nationwide district with only a 1 percent threshold for representation, in fact makes democratic governance more difficult by over-empowering the small parties that hold the balance of power between Likud and Labor.

24. The electoral system devised by the Pinochet government is unique in the annals of elections. It can best be labelled as a binominal majority list system. It is binominal because each district (whether senatorial or for the lower house) elects two representatives; in addition, the law requires that each list present not more than two candidates per district. The votes are then added by list to determine a first and a second place winning list. If the second winning list has less than half the vote total of the first, then the first list elects its two candidates to fill the district representation. If the second list has half plus one or more of the votes obtained by the first, then the candidates who obtained the highest vote totals on each of the two lists are elected, regardless of whether the runner-up candidate in the first winning list has more votes than those of the best placed candidate on the second list.

25. The right's "Democracy and Progress" pact, from which all the right's representatives to the congress were elected, obtained 33.28 percent of the vote in the Senate races and elected 42 percent of the seats that were disputed; and with 33.35 percent of the vote in the lower house elections

it elected 40 percent of the total seats (figures calculated from *La Segunda*, 15 December 1989). These electoral percentages do not include the votes for other extreme right and right lists. To figure them into the calculation of the relation between votes and seats is incorrect because it is not clear how many votes the main list of the right would have lost had those fringe candidates been included in it.

26. This is what Samuel Huntington called "mass praetorianism." See his *Political Order in Changing Societies* (New Haven and London: Yale University Press, 1968), chapter 3.

27. Anderson thought the perverse cycle setting described the "Latin American political system." But he failed to note that individuals in established democracies also use their peculiar "power capabilities" to score political points; the difference is that the perverse cycle settings include, quite simply, the possibility of a military coup or insurrection while the consolidated democratic ones (even when they are Latin American cases) do not. He also ties his conception to a modernization approach. He assumed that the "Latin American political system" would decline as the countries of the region increased their development. This is a very questionable assumption. See Charles Anderson, *Politics and Economic Change in Latin America* (Toronto: Van Nostrand, 1967), chap. 4.

28. A parenthetical note on the qualifier "significant" in the above definition: conspiratorial antisystem groups, such as terrorist elements or putschist nuclei in the armed forces, may exist in consolidated democracies as long as they are isolated from other political forces, are composed of small minorities, and are viewed as incapable of disrupting the democratic system by the participants in the democratic political game. Thus, French, Italian, German, and even Spanish (post-1981) democracies can be viewed as consolidated despite the presence of terrorist groups at various points. Peruvian democracy facing the Sendero Luminoso insurrection cannot.

Can British democracy be faulted for distortions in its electoral procedures that would lead to questioning its consolidation given the definition above? My answer is a firm no. The same electoral procedures have been in place ever since the United Kingdom began democratic elections; they are not the product of the deliberate distortions noted in the definition. The American South before the civil rights legislation is a more problematic case. In fact, given its denial of voting rights to large numbers of blacks the South can hardly be considered to have had democratic local and state governments.

29. Guillermo O'Donnell has presented the process of democratic consolidation as a struggle between forces that favor democracy and those that prefer authoritarianism, a struggle that is played out in part by these forces' seeking to capture the support of the larger segments of the body

politic that are indifferent, or neutral, as to the existence of one or another regime. See his "Notes for the Study of Democratic Consolidation in Contemporary Latin America," as well as his contribution to this volume, where this theme is presented briefly. While benefitting from this insight, the analysis here presents this confrontation as one that is about preserving or eliminating the formal and informal procedures that are incompatible with democracy. In these confrontations, actors who are basically democratic do not always take positions—given short-run calculations—that advance consolidation, nor do those who are pro-authoritarian consistently advocate institutional arrangements that detract from it. This represents a shift in focus which is, nonetheless, consistent with much of O'Donnell's analysis.

30. One of the most dramatic examples of a confrontation that had a consolidating effect was the failed coup of 23 February 1981 in Spain. It was the most serious event involving the military, elements of which had previously remonstrated against the civilian government authorities. The defeat of the uprising through the active intervention of the King, in whose support the conspirators mistakenly had placed their hopes, became the death knell of this nondemocratic option to constitute the Spanish government. Not all cases are so dramatic or so successful. The defeat of several military insurrections in Alfonsín's Argentina did not have the effect of eliminating the notion that military coups are an option in the future. Rendering the mechanics of military coups inoperable may take years of constantly reasserting civilian supremacy over the military, and repeated unsuccessful coups may, given the specific context, keep this option alive rather than show its ineffectiveness.

In the use of the notion of a "concatenation of critical events" I am repeating my analysis in *Democratización vía reforma,* pp. 132–133.

31. See Scott Mainwaring's contribution to this volume. He refers explicitly to "most recent transitions in Latin America" as examples that do not fit.

32. Guillermo O'Donnell, "Notas para el estudio del proceso de democratización política a partir del estado burocrático autoritario," *Desarrollo Económico,* 22, no. 86 (July–September 1982).

33. There is no space in this paper to explain the paradoxical combination of a first transition through reform in which the main helmsman of the authoritarian regime is opposed to democratization. It has to do with the fact that the Pinochet regime made the 1980 Constitution a centerpiece of its political legacy, but the democratic opposition was able to defeat Pinochet following its procedures. The latter could then not abandon the legal apparatus he had created, but chose to bind it with additional strictures diminishing the authority of the democratic government.

34. Arturo Valenzuela and I first used the notion of "inverse legitimation" to point to the deliberate attempts by the then new military government in Chile to validate its rule by referring to the failures of the previous government and the democratic past in general; in J. Samuel Valenzuela and Arturo Valenzuela, "A Regime in the Making? Post-Coup Politics in Chile," paper presented at the World Congress of Sociology, Toronto, 19–24 August 1974, at a Political Sociology Research Committee session chaired by Juan Linz, p. 43.

Juan Linz's "minimal definition of legitimacy" incorporates the notion of comparisons: "a legitimate government is one considered to be the least evil of the forms of government" in Juan Linz, *The Breakdown of Democratic Regimes: Crisis, Breakdown, and Reequilibration* (Baltimore: Johns Hopkins University Press, 1978), p. 18.

35. See O'Donnell's chapter in this volume.

36. From this perspective, the widespread perception of economic and political failure of Communist regimes in Central and Eastern Europe is an important advantage for democratic elites. Similarly, for Spanish political elites and public opinion the successful model of democracy and development in the European Economic Community served as powerful proof that both were possible at the same time, and that the Franco regime stood in the way of an integration into Europe.

37. O'Donnell, "Notes for the Study of Democratic Consolidation in Latin America," p. 9.

38. Such was the case in Latin America, especially in Chile and Uruguay.

39. In Chile and Uruguay this has been done quite consciously by the main political elites of the democratic transition, and constitutes a hopeful sign for democratic consolidation. Spain also furnishes a good example of this purposive avoidance of associations with problematic elements from the past.

40. Paradoxically, the inability of the various elites to come to agreements over the form the regime should take and over which should be the national colors permitted, by default, the inception of the Third Republic. See Jean-Marie Mayeur, *Les débuts de la IIIe République, 1871–1898* (Paris: Editions du Seuil, 1973), chapter 1.

41. Linz, *The Breakdown of Democratic Regimes,* p. 18.

42. Efficacy refers to the ability of the government to articulate policies and goals that will resolve national problems, while effectiveness refers to the capacity to actually implement such policies and goals. High marks on both counts are important in enhancing, as Linz notes, the legitimacy of democratic institutions. Linz, *The Breakdown of Democratic Regimes,* pp. 16–23.

43. Juan Linz and Alfred Stepan, "Political Crafting of Democratic Consolidation or Destruction," note that the Spanish consolidation oc-

curred despite coinciding with economic difficulties; see especially pp. 43, 46.

44. Linz, *The Breakdown of Democratic Regimes*, p. 22.

45. Giovanni Sartori, *The Theory of Democracy Revisited. Part One: The Contemporary Debate* (Chatham, N.J.: Chatham House, 1987), pp. 90–91.

46. Juan Linz, *The Breakdown of Democratic Regimes*, pp. 27–38.

47. Sartori, p. 240. This in fact occurs in most democracies, not only in consociational ones, as Dahl shows in his discussion of Lijphart's model of consociationalism. See Robert Dahl, *Democracy and its Critics* (New Haven: Yale University Press, 1989) pp. 156–162.

48. See O'Donnell's contribution to this volume.

49. See footnote 1 above.

50. Guillermo O'Donnell and Philippe Schmitter, "Tentative Conclusions," pp. 48–56.

51. For a discussion of labor movements in the context of the first transition to democracy see J. Samuel Valenzuela, "Labor Movements in Transitions to Democracy: A Framework for Analysis, *Comparative Politics* 21, no. 4 (July 1989).

52. José María Maravall, *Dictatorship and Political Dissent* (London: Tavistock, 1978), p. 166, notes this point in his discussion of the connection between the parties of the Spanish Left and the worker and student movements. It is elaborated and illustrated with the Chilean case in Arturo Valenzuela and J. Samuel Valenzuela, "Party Oppositions under the Chilean Authoritarian Regime" in J. Samuel Valenzuela and Arturo Valenzuela, eds., *Military Rule in Chile: Dictatorship and Oppositions* (Baltimore: Johns Hopkins University Press, 1986), especially pp. 213–219.

53. O'Donnell and Schmitter, pp. 26–27.

54. The capacity to call off collective actions is a key component of labor movement formation. See J. Samuel Valenzuela, "Uno schema teorico per l'analisi della formazione del movimento operaio" in *Stato e Mercato* 1, no. 3 (December 1981), p. 467. Such a notion can be extended to other organizations that engage in collective action.

55. One of the social settlements that always needs to be addressed in democratic transitions is that of labor-management relations. Authoritarian regimes invariably interfere with the industrial relations system given labor's potential to become a locus of opposition organizing. The transition does not permit the survival of the authoritarian regime's labor containment schemes, and a new settlement must be reached. Forging it will prove easiest and most conducive to democratic consolidation when both labor and employer organizations can rapidly develop (if they do not already have them) broadly accepted leaderships, and when these leaders are able to devise the new procedures by mutual consent with a minimum of state interference.

Other conflicts and demands can vary widely across national societies. In some, the existence of peripheral or regional identities or nationalisms can be a vexing problem that surfaces strongly with the lifting of the authoritarian regime's repression. The creation of the Spanish *autonomías*, which for some regions such as Castilla and León meant the development of somewhat artificial units, can be seen in retrospect to have been an excellent way to settle the centrifugal regionalisms of that divided national society. The settlements must be tailor-made to the specificities of each situation. In the Soviet Union, which may not be a viable unit under a democratic system, the Spanish solution of limited sovereignty would probably only accelerate national disintegration. In other transitions one of the most difficult issues can result from demands for redress of the authoritarian regime's human rights violations. This problem has particularly acute consequences in situations where the forces associated with the authoritarian regime retain powerful positions in the new democratic context.

56. This is one of the points elaborated in Alfred Stepan, *The Military in Politics: Changing Patterns in Brazil* (Princeton: Princeton University Press, 1971). For other sources that develop this notion see Felipe Agüero's contribution to this volume, note 1. It should be noted that such appearance of support for a military coup has nothing to do with majority opinions in the population as expressed in elections or in reliable surveys. It pertains more to a certain "climate of opinion" generated by newspaper editorials and public comments by political and other elites.

57. For a discussion of the Argentine military in the aftermath of the transition see Andrés Fontana, "La política militar del gobierno constitucional argentino" in Nun and Portantiero, eds., *Ensayos sobre la transición democrática en la Argentina.* In Fontana's estimation, the changes did not "destroy completely (although they did affect) the institutional bases of military autonomy and corporative consciousness" (p. 382).

58. The relationship between the military and the Spanish transition is discussed in Felipe Agüero, "Gobierno y Fuerzas Armadas en la España posfranquista," unpublished paper, August 1989.

59. Although General Ramalho Eanes was not particularly pleased with the diminution of presidential power in the 1982 reforms, he supported the abolition of the Council of the Revolution and other features that assured the subordination of the military to the elected government. For a general discussion of these matters see Walter C. Opello, Jr., *Portugal's Political Development: A Comparative Approach* (Boulder, Colorado: Westview, 1985), p. 74 and chapter 7. For a general treatment of the Portuguese transition see Thomas C. Bruneau, *Politics and Nationhood: Post-Revolutionary Portugal* (New York: Praeger, 1984).

60. Alfred Stepan, *Rethinking Military Politics: Brazil and the Southern Cone* (Princeton: Princeton University Press, 1988), p. 141.

61. See Genaro Arriagada Herrera, *El pensamiento político de los*

militares: estudios sobre Chile, Argentina, Brazil y Uruguay (Santiago: Centro de Investigaciones Socioeconómicas, 1984).

62. In addition to Genaro Arriagada's discussion of this process, see Alfred Stepan, "The New Professionalism of Internal Warfare and Military Role Expansion" in Alfred Stepan, ed., *Authoritarian Brazil: Origins, Policies, and Future* (New Haven: Yale University Press, 1973).

63. See Stepan, *Rethinking Military Politics,* p. 132, where he cites what J. Samuel Fitch calls "democratic professionalism" as one such form that is compatible with the democratic process.

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MEET THE NEW BOSS, SAME AS THE OLD BOSS

How Poland's nomenklatura learned to love capitalism

By Tina Rosenberg

Ryszard Kisielewicz is as drained of color as his lank hair, his thick beige-framed glasses, and his gray polyester suit. He is the tax commissioner of Belchatow, a mining town 90 miles southwest of Warsaw. A man in his late forties, he looks the perfect pre-1989 Communist bureaucrat, and has been known to act like one as well. When a hapless mechanic failed to identify what was wrong with Kisielewicz's car, he sent a staff member to audit the mechanic—with orders to find something. Six weeks after the Solidarity union at the local electric company opened a restaurant in Belchatow (pronounced Bau-KHA-tov) last year, he inspected the establishment's books. Visiting stores in town, he demands discounts and audits the tax returns of shops where he finds the salespeople rude.

His friends get better treatment. He allows them to undervalue their inventories and purchases, and to pay their taxes in installments—the last a significant favor, given that Poland's inflation rate in 1992 was 43 percent. "When his friends come in, they go into his private office and everyone else sits and waits," I was told by a woman who used to work for Kisielewicz (pronounced Key-sheel-LEH-vich) in the tax office. "He'll ask for someone to bring in the appropriate file, and then he closes the door."

Among Kisielewicz's closest cronies is Jerzy Cygan, who runs the BPBO construction company in Belchatow. The firm has yet to be audited by Kisielewicz, who has had his job for three years. Another of the tax commissioner's friends is Stanislaw Wojtasik, who directs a new company called Gambud. Wojtasik drives an expensive white Mercedes, which, according to members of Kisielewicz's staff, has been carefully undervalued by the equivalent of $4,000 for tax purposes.

Cygan, Wojtasik, and Kisielewicz are bound by old ties. Cygan was at one time the city council president of Belchatow. Wojtasik served in the city's government, too. Kisielewicz was for years a big player in local construction. They, along with many of Belchatow's other leading political and business figures today, were only five years ago the local Communist Party barons.

It was in 1988, with the world as they knew it crumbling around them, that the party nomenklatura of Belchatow began to contemplate the future. Among the issues they pondered was housing—not Poland's but their own—and the Stomil Rubber Company, a state-run concern, caught their eye. Stomil's social-welfare fund was building town houses for the company's employees—modern, cheerful town houses twice the size of the apartments in the drab ten-story complexes where most of the people in town lived. What better way to reward the long service of some of Belchatow's more distinguished citizens, reasoned Stanislaw Wojtasik, at that time the party-anointed mayor of Belchatow, than with their own dream house?

Wojtasik persuaded Stomil's director, Boguslaw Terlecki, who was also an executive of the province's Communist Party Committee, to sell eleven of the forty-five town houses at the bargain price of $8,000 each to the town prosecutor, the Communist Party chief, and nine directors of a large state-owned construction com-

Tina Rosenberg wrote about Hungary's post-Communist politics in the September 1992 issue of Harper's Magazine. *She is at work on a book about how Eastern Europe is confronting its past.*

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pany, the Construction and Electric Firm of Belchatow. One of those nine directors was Ryszard Kisielewicz. Today he lives in a two-story town house with four or five large rooms and a small garden.

A few years ago, the problem appeared to be that party bureaucrats would block the transition to democracy and free-market capitalism. Now there is a new worry: the nomenklatura have taken to the new ways, or, more accurately, are bending them to their own purposes. They like democracy and capitalism very much indeed.

"The old nomenklatura are important for Belchatow now," Kisielewicz told me, sitting in front of a desktop computer in his luxuriously carpeted office in an old, yellow two-story building in the city center. "They are people of solid professional knowledge and play a positive role. They lost their previous positions but managed to find a place in the market regardless. They had contacts. They form an establishment for Belchatow, our middle and upper class."

BELCHATOW'S OLD PARTY BUREAUCRATS NOW COLLECT TAXES, PRIVATIZE FACTORIES, AND DIRECT NEW BUSINESSES

Belchatow's old party chiefs, city administrators, factory managers, secret-police officials, and people's militia directors are now collecting Belchatow's taxes, privatizing its factories, and directing new or newly private businesses. They got these posts because, far more than any other locals, they had the credentials, capital, connections, and chutzpah to take advantage of power's shift away from the party and toward the market and the emerging post-Communist government. In this sense, Belchatow is no different from most other Polish cities and towns.

As state socialism has given way, notions of democracy and capitalism once clearly, if too starkly, understood by Poles—they were simply what Communism was not—have themselves unraveled. Many Solidarity activists I talked to in Warsaw told me with some bitterness that the nomenklatura had hijacked their beloved Poland and corrupted their vision of a post-Communist future. As proof of their worst fears, some told me about a town they had come to know during martial law in 1981. Very little had changed, they said; the old Communists still had the town in their grip. I wanted to see for myself the role of the nomenklatura, and in the late fall of last year I took the bus to Belchatow.

As recently as twenty years ago Belchatow was still a village, a dot on the gray, windy central Polish plain. When coal was discovered in the late 1960s, the government began to build a mine here and in 1975 opened the Brown Coal Mine of Belchatow, the largest strip mine in Poland and the second-largest in Europe—one of those industrial brontosauruses that the builders of socialism commissioned anthems about. Workers and their families moved here from all over Poland, and in the late 1970s Belchatow grew to 60,000 people.

Today in Belchatow there is a video-rental store in the bus station. The streets are lined with colorful shops and kiosks selling a wide selection of goods. It looks like capitalism, but it is a far cry from the prospering small towns residents here saw in the American movies they watched on TV even during the Communist years. Most in Belchatow do not make enough money to pay for the now more plentiful consumer goods. Some are working two jobs and still can buy only basic foods. Unemployment here is among the highest in Poland. Most of the state-run kindergartens and day-care centers have closed, and a once-free emergency visit to the doctor now costs 80,000 zlotys—about five dollars, 80 percent of a day's average wage.

These troubles are dwarfed, however, by Belchatow's biggest problem: the government's plans to cut more than half of Poland's coal-mining jobs over the next eight years. In the last presidential election it was not Lech Walesa (who won) but Stanislaw Tyminski, a sinister Polish-Canadian with a fascistic message, who carried the town. He knew who was to blame for Poland's troubles. And besides, he had gotten rich. It might rub off.

Like the capitalist revolution, the democratic revolution in Belchatow has also gone only so deep. It is true that the mayor of Belchatow, who is elected by the city council, and most of the council members, parliamentary deputies, and senators are people who had nothing to do with the Communist Party. Many, in fact, came from the Solidarity unions of the coal mine and electric plant. Solidarity people, you could say, hold most of the de jure political power in Belchatow. Moreover, people in this town, like those in most places throughout Poland, do have a real say—unlike people living in such nominally changed countries as Romania, Bulgaria, Albania, and Slovakia. But this said, it is also true that political power no longer counts as it once did in Eastern Europe. Money talks, too, and Belchatow's money is largely nomenklatura money.

Under Communism, "nomenklatura" referred to those officials holding positions handed out by the party—by 1980 somewhere around a quarter million jobs, not just in politics but in all important occupations. At first the special stores, dachas, and Western goods were available only to a select few top officials. But in the 1970s party leaders became aware that if they had to depend on ideology to recruit new members, party ranks would soon be empty. Perhaps in Russia

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where Communism was homegrown, or in East Germany, where it was legitimized by the party's heroic resistance to the Nazis, widespread belief in Communism continued into the 1970s. Not in Poland. First Secretary Edward Gierek began to reward even the heads of local party cells, who typically had joined the party simply as a way of getting ahead. Small-town officials acquired nice cottages, cars, and television sets.

The continued reign of the nomenklatura in Poland owes much to the fact that Poland's transition from state socialism was negotiated. By the late 1980s it was evident to many in the Communist Party, including the country's president, General Wojciech Jaruzelski, that either Solidarity must be forced to share responsibility for the economy or the economy would collapse. The most moderate in the party sat down with the most conciliatory in Solidarity for a series of talks in early 1989 known as the Round Table. These talks led to semi-free elections in the summer of that year.

KISIELEWICZ: FROM PARTY HACK TO POST-COMMUNIST HACK

No one at that point, neither the government nor Solidarity, realized how quickly and how far the process would slip beyond Jaruzelski's control—that within the year the Communists would hand over the keys. Certainly no one envisioned the fall of the Berlin Wall. The best Solidarity had hoped for at the Round Table was partial power, and the compromise that emerged was a gradual transition that kept much political power in Communist hands. Tadeusz Mazowiecki, a Catholic activist with a mournful face, became the East bloc's first non-Communist prime minister in four decades. But he gave several ministries to Communist or pro-Communist parties. Even in the ministries Solidarity controlled, new people took only the top posts, and often the nomenklatura holdovers in lower positions got to make local appointments. Among those in Belchatow appointed by the Mazowiecki government was the tax collector, Ryszard Kisielewicz.

The new government did not purge the bureaucracy. It feared a nomenklatura revolt. Moreover, the new government did not have the staff to control the appointment process; nor did it have enough qualified people to replace the nomenklatura. Mazowiecki, in addition, was trying to make a philosophical point: he drew what he called a "thick line" walling off the past. Poland, he announced, would henceforth start anew, with all Poles working together.

Another reason for the nomenklatura's success in places like Belchatow is that Communism's house in Poland rotted away slowly; there was no wrecking-ball demolition as in East Germany after the fall of the Wall or in Czechoslovakia after the demonstration of November 17, 1989. The nomenklatura, then, had the best possible circumstances: they saw the need to grab something while they still had the power to grab something good. Late in 1988 Belchatow's mayor, Wojtasik, was not only arranging the Stomil housing deal but also setting up his own private company and appropriating for its offices a nice apartment in the center of town. Probably several hundred such arrangements were going on in Belchatow—and many thousands around Poland—at the same time. Solidarity's Round Table negotiators knew what the nomenklatura were doing and did not try to stop it, hoping that the promise of wealth would loosen their grip on political power. It amounted to a bribe: turn over the government, and you will be free to get rich.

Before 1990 it was slow change that helped the nomenklatura. Then the pace of reform quickened, and, paradoxically, this also worked to the old Communist establishment's benefit. On January 1, 1990, finance minister Leszek Balcerowicz, a disciple of Harvard economist Jeffrey Sachs—that Jimmy Swaggart of financial reform—put into effect what still holds as the East bloc's most sweeping program of economic shock therapy. The reforms included not only the elimination of price controls and subsidies but an everything-must-go sale of state enterprises. Many government and industry officials dramatically undervalued their

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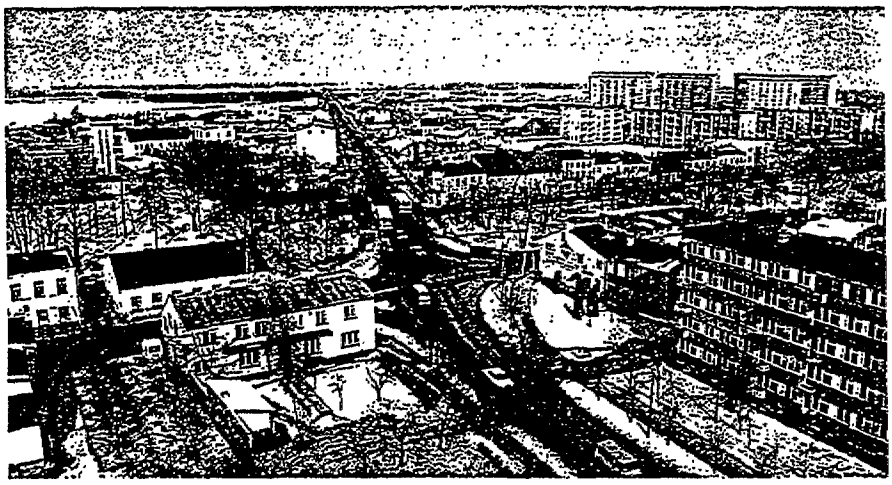
companies and then sold them to their friends and relatives, or bought the companies themselves.

It wasn't that the nomenklatura needed to go around the law. Because the privatization began so quickly, they were the only people who had the money, connections, and know-how to buy the new businesses. New management jobs as well went not to the activists who spent the Communist years typing samizdat articles or forming strike committees but to the comrades who had learned languages, made foreign contacts, and acquired management experience as state officials.



BELCHATOW: MINING TOWN DISCOVERED BY CAPITALISM

As he was in the old Communist era, Kisielewicz today is largely notorious for his insolence. The tax discounts he gives his friends are an open secret. He is the terror of Belchatow's shops, demanding wholesale prices or free goods and threatening those who do not accommodate him. A saleswoman who sold him a handbag for his wife did not exhibit due deference; he had the store's books examined. When he buys bread he goes home and weighs it; a short loaf brings an audit. "He was always coming in muttering that this so-and-so deserves to be audited," one of his employees told me. (Like the other staff members I managed to speak with, this woman would not dare be named.)

Kisielewicz drives a shiny new Polonez. He drove a beat-up old Polish Fiat in his Communist days. His memories of that time tend to be selective. When I asked him why he left his job in the construction firm to become tax commissioner, he said, "I wanted to move rapidly to introduce capitalist ways of working in the business. The workers didn't agree. People who have bad habits established don't like to give them up." We commiserated for a while about old habits that refuse to die.

Then I brought up some of the tax deals his staff had reported to me. His eyebrows arched higher and higher as I listed them. "These accusations are a surprise," he said. "The tax regulations are equal for everyone. I just carry them out. No one has ever asked me to lessen their tax burden. These are people who respect themselves."

Local Solidarity people have repeatedly tried to get Kisielewicz fired or at least reined in, and they have repeatedly failed. He refused even to obey a city council motion requiring him to report how much tax revenue he expected to collect. When in January 1992 the central government established a Fiscal Control office in the Belchatow region to watch over city tax commissioners, Solidarity activists saw their chance to put a leash on Kisielewicz. But Poland's finance minister, despite Solidarity objections, appointed to the regional post a man who was a close friend of Kisielewicz's. Ministry officials ruled that Solidarity's own candidate was not qualified under the 1991 law establishing the post, which requires five years' experience in tax collection. Only nomenklatura need apply.

The new fiscal controller became everything Solidarity feared. "The Warsaw authorities have no idea what's happening here," one of the women who works for Kisielewicz lamented. When Fiscal Control audits the office, she said, instead of pulling cases at random, they ask Kisielewicz's staff to turn over five or ten files of their own careful choosing. Kisielewicz's understanding of Fiscal Control was different from most people's. The office wasn't there to check on him, he insisted, but to work with him. "We cooperate," he said.

Cooperation is Kisielewicz's mode. Among those he is most cooperative with is Stanislaw Wojtasik, the former mayor who procured him his house. Shortly after establishing his new company, Gambud, Wojtasik bought a white Mercedes. I saw it parked outside Gambud's offices—located in a recently built luxury villa on the city's edge—when I visited Wojtasik there one day last fall.

I complimented Wojtasik on his car. I told him I had heard from the Tax Commission staff that he should also be complimented on the tax deal that allowed him to undervalue it. "Rubbish," he told me, smiling broadly. We were sitting in Gambud's conference room, which was dominated by a gleaming black table and a huge black TV and VCR. He fiddled with two remote-control wands as he spoke.

Wojtasik seemed torn. On the one hand, it would be unseemly to admit that he cheats on his taxes to a journalist from America, where people might care about such things. On the other

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hat kind of idiot would he be if he didn't take dvantage of the system? He finally hit on a ompromise of sorts, which he formulated this ay: "I even spent the money to hire a legal expert to define the car's worth in writing specifically so I wouldn't have problems with the tax office." He was practically winking at me.

When Gambud was audited, another Belchatow tax inspector told me, Wojtasik received an early warning so that he could prepare special papers. I had seen Gambud's registration papers and knew they were special. The original registration listed Gambud as engaging in no less than services in general building, engineering, water systems, central heating, gas, air circulation, electricity, small architecture, drying, landscaping and producing and trading building materials, production of means of transport and transport services, processing and purchase of agricultural products and animals, foreign trade, food, health care, paper production, fuel processing, electronic goods, and real estate." A diversified line, especially on initial capital of 5 million zlotys—then about $10,000. Judging from the luxurious offices, Wojtasik had done well with that amount.

"We do legitimate building, transport, and wholesale trading here," Wojtasik said when I asked for specifics.

"There is no building going on in Belchatow," I said.

"We don't work just in Belchatow," he said. No one I spoke with in Belchatow knew what Gambud did. Even the people in the tax office didn't know.

On the wall in Kisielewicz's office is a poster from Agrobank, a new private bank with a big branch in Belchatow. If the post-Communist nomenklatura have a Central Committee building, it is the Agrobank building, an ugly, yellow four-story concrete block on the highway that runs from downtown to the coal mine. On the ground floor Agrobank's tellers attend to the financial needs of Belchatow's citizens, although the building is so far out of town that it is clear customer service was not of paramount concern in Agrobank's choice of location. On the fourth floor one of Belchatow's senators, Tomasz Jagodzinski, maintains his offices. (His predecessor kept his in City Hall.) In between are Agrobank's corporate offices and the headquarters of BPBO, the city's largest construction company.

I visited BPBO one afternoon and met the company's director, Jerzy Cygan, a small man in a awful suit. After running the city council in the mid-1980s, he began working at BPBO—then still state-run—becoming its director shortly before Communism withered away. When the firm was privatized after 1989, shares of stock that carried voting rights were offered to all employees, and the shareholders held a meeting to elect new management. Cygan and his old management team ran for their posts and won.

"There was no one except the old managers who had the practical abilities to handle this difficult situation," said Jan Smigielski, the head of the Solidarity union local at BPBO. Because salaries have dropped, he added, many BPBO workers are selling their shares to management to raise cash. The rich grow richer.

NEW MANAGEMENT JOBS HAVE GONE TO THOSE WHO'D MADE THE FOREIGN CONTACTS AND ACQUIRED EXPERIENCE: THE NOMENKLATURA

I went downstairs to Agrobank. No bank is more closely tied to the nomenklatura than Agrobank, both in its Warsaw headquarters and in Belchatow. The word in town is that Agrobank officials' loans to their friends were excessive, and the loans went bad. In April of last year the top three Agrobank officials in Belchatow were fired. Anatol Lewina, the chief financial auditor at Warsaw's equivalent of the General Accounting Office, told me that Agrobank charged its ordinary-Joe borrowers unusually high rates of interest in order to cover bad loans to the bank officials' friends.

WOJTASIK: FORMER PARTY-ANOINTED MAYOR HAS GONE VERY PRIVATE

The new manager was a tall, elegant woman of about forty named Barbara Lewandowska. "I can't talk about my predecessors," she said. I asked about friendship loans. "What went on here was normal banking practice," she said. I asked if her predecessors had had unusually strong ties to the local nomenklatura. She shook her head no.

I left her office puzzled. Most officials sent in

to clean house like nothing better than to talk about the corrupt old management. But even off the record, Lewandowska defended her predecessors. Perhaps I had been wrong about Agrobank. Then later that day I was going over the papers from the Stomil town-house sale. The two Stomil officials who had signed the documents were Boguslaw Terlecki, Stomil's director, and the company's deputy director for trade and commercial affairs. I looked at the deputy director's name again. It was Barbara Lewandowska.

The Central Bank's inspector general's office in Warsaw recently prepared estimates of private banks' unrecoverable loans. Among the banks I saw, Agrobank had by far the highest percentage of loans in default, and the figure was growing. In January 1991, 22 percent of Agrobank's credit was considered a write-off. By September the figure was 48 percent. Friendship loans are not the whole problem. There is also the problem of assessing a company's true value in a system built on subsidies and distortions. Other factors include inexperience in lending and the collapse of Poland's principal market for goods, the Soviet Union. But much is simple corruption. It is common for local bank managers to give their friends loans at rates of interest as low as 0 or 2 percent, while ordinary borrowers have to pay 40 or 50 percent.

BELCHATOW'S WORKERS: THE BIG LOSERS SO FAR

Poland, like every country in the East emerging from Communism, can respond to the continued power of the nomenklatura in two different ways. The first is to repeal the "thick line": pass de-communization laws kicking the old nomenklatura out of government and, in most proposed bills before Parliament, out of certain private jobs. Most of the Solidarity people I met in Belchatow supported this policy, which is likely to pass. It is the law in the Czech Republic and is being debated in several other formerly Communist countries.

The more I talked with Solidarity activists in Belchatow, the less I liked the idea of a purge. Its most respected advocate, former senator Ryszard Bruzy, is a man who keeps documents hidden under his living-room rug. At one point during our second meeting he whispered to me that the Round Table was the greatest political forgery in the history of Poland, maybe the world. The whole fall of Communism in Eastern Europe, as he sees it, was a plan prepared by the Soviet secret services to soften Western policy toward the Soviet Union and the East bloc. Among the evidence he cited was the fact that in Warsaw former dissidents could be glimpsed chatting with ex-Communist deputies in the Parliament men's room.

I suppose it was inevitable. Plotting as the Polish national sport predates Solidarity; it predates Communism. At many times in its history, the Polish nation has been subjugated, and the true Poland—its culture and history—has survived only underground. Poles specialize in conspiracies, rumors, and provocations. In contrast to the debilitating fatalism of Latin America, where people believe they have no power to control events, in Poland nothing happens unless someone is controlling it. If capitalism, so idealized for so long, does not measure up to the Poles' expectations, someone must get the blame. Is there inflation? The secret police are printing zlotys. Did the price of heat soar? The nomenklatura are smuggling coal to Belarus. Disaster cannot be free-market, only centrally planned.

A wholesale purge of the nomenklatura will not solve Poland's problems. Larceny was once more or less the exclusive preserve of the party; today the nomenklatura have no monopoly. The single most spectacular scandal of the last three years, a banking Ponzi scheme called Art-B, was linked not to old party hacks but to a pro-Solidarity politician. It robbed Poland of nearly $400 million. In Poland today it is not only the nomenklatura who believe you don't make the system work, you just outwit it.

"In the West you don't try to cheat the bank with your Visa card," said Wojciech Roszkowski, the author of a widely read history of Poland. "Here, 20 to 30 percent would think about how to do it—and they'd find a way." If an enterprise existed in Com-

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munist Poland, it was largely illegal and outside the system; it was under-the-table barter, smuggling, black-market currency exchange. It was cheating the bank with your Visa card.

Except for the two glorious years of Solidarity's legal existence, in 1980 and 1981, dissident politics here were also under the table, conducted with passwords and safe houses and only with the right people, your people. It was, in fact, not politics but conspiracy. Conspirators do not believe in the rules. They trust only their friends. Conspiracy is not the best training for democratic life. The system changes overnight; bad habits, to quote Ryszard Kisielewicz, are harder to change.

Almost all the ordinary citizens I talked with in Belchatow's shops told me that the nomenklatura were only a minor annoyance and that a lot had changed for the better in Belchatow, and in Poland generally. Some things haven't changed, and some are worse, but Poland's inflation, to name but one problem, is more likely due to continued state subsidy of coal mines like Belchatow's than to, say, some secret-police controlled printing press.

Even the nomenklatura's unjust head start may work to Poland's advantage. Poland has stepped over the quicksand that is now swallowing Russia, where the powerful nomenklatura, still linked to state industry, are blocking change. In Poland the nomenklatura—battling to get rich—are also fighting hardest for privatization and pro-business reforms.

It doesn't matter how owners acquire their businesses, I was told. What matters is that they provide jobs and tax revenue. "I'm not as interested in whether the owner stole a factory as in whether he can begin production quickly," I was told by Anatol Lewina, a longtime Solidarity activist as well as a leading government auditor. "You can complain that a candy company was sold too cheaply, but what does too cheaply mean if no one wants a candy factory? The book worth is based on the old system's fictional prices anyway. We could assure that no one 'steals' these businesses, but then no one will produce anything."

I heard much the same from Andrzej Wroblewski, editor of *Gazeta Bankowa*, the financial newspaper. "You can't have both optimal justice and efficiency," he told me. "It's like traffic—more speed means more accidents. I prefer fast privatization to honest privatization."

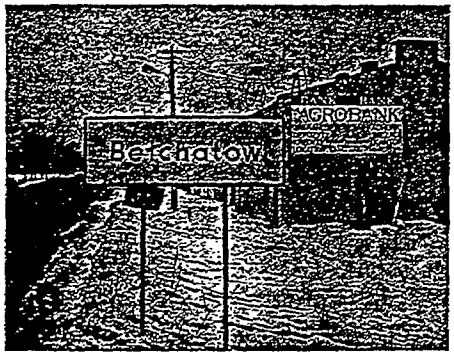
This is no excuse for Ryszard Kisielewicz, as even Wroblewski would acknowledge. But the best way to deal with the corruptions of the old nomenklatura is to leave the past alone and concentrate on combating exploitation and fraud today—that is, let Kisielewicz keep his town house but make an honest tax collector of him, or replace him with an honest tax collector. The Polish government has taken its time here, and the lines between legal and illegal behavior are still blurry. Kisielewicz, for example, probably does have the legal power to waive his friends' tax bills—something no Communist-era bureaucrat had. In the old days, the central government would whack the local nomenklatura when their greed exceeded the permissible.

"Under Communism the law was bad law, but at least the Party Committee enforced it," said Miroslaw Hamera, a pro-Solidarity banking analyst who works in the Senate. "If someone was stealing or abusing the law, the party would intervene and he would be punished. It was, in a way, coherent and just. Now we have liquidated the Party Committee but left a rubber law, which is too open to interpretation. All legal activity can be interpreted as illegal, and vice versa."

THAT OLD PARTY CHIEFS SHOULD BE THRIVING VIOLATES ONE'S SENSE OF FAIRNESS, BUT BARRING THEM FROM JOBS IS UNFAIR, TOO

Parliament is gradually tightening the banking laws. Among other changes are new regulations establishing more legal responsibility for bad loans, laws demanding greater accountability from local government officials about how they spend state funds, and conflict-of-interest rules barring those with state jobs from holding shares in companies doing business with the state.

But just as in much of Latin America, where excellent constitutions are treated as mere poetry, good law is not enough. In 1991 the Polish government employed just two officials who knew anything about investigating large financial scams. As economizing measures go, this proved a costly one. The $400 million that Art-B cost the government would have paid for a lot of investigators.



LEAVING STATE SOCIALISM, ENTERING COWBOY CAPITALISM

Admittedly, allowing the Kisielewiczes who thrived under Communism to continue to thrive in the new Poland violates one's sense of fairness. It is easy to feel the frustrations of so many Solidarity activists; many in the West feel the same frustrations about inequalities that come with capitalist democracy. But solutions like de-communization are unjust, too. If Poland wants to become a modern capitalist democracy it must emulate what modern capitalist democracies try to do: write and enforce serious laws and, within the bounds established by those laws, turn their people loose. ■

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Figure 8: Democracy Strategic Framework 1995-96

Agency Goal 2

Sustainable democracies built

Agency Objective 2.1
Strengthened rule of law and respect for human rights

Agency Program Approaches

1) Ensuring legal protection of citizens' rights and interests
2) Enhancing fairness of the administration of justice
3) Improving timeliness of the administration of justice
4) Increasing citizen pressure for conformity with international human rights standards

Agency Objective 2.2
More genuine & competitive political processes

Agency Program Approaches

1) Creating impartial and open electoral laws and regulations
2) Creating more impartial and effective electoral administration
3) Creating a better informed electorate
4) Improving local and international monitoring
5) Making political parties more responsive to constituents

Agency Objective 2.3
Increased development of politically active civil society*

Agency Program Approaches

1) Encouraging legislation promoting the organization and operation of CSOs
2) Strengthening civil society's oversight of state institutions
3) Increasing effectiveness of CSO management
4) Increasing democratic governance within CSOs
5) Increasing CSO participation in policy formulation and implementation
6) Increasing acceptance of democratic (civic) values, including the principles of equality and access for women and disadvantaged groups
7) Expanding more effective and independent media

Agency Objective 2.4
More transparent and accountable government institutions

Agency Program Approaches

1) Increasing local government participation in decision-making
2) Increasing citizen access to government information
3) Strengthening mechanisms to promote ethical standards in government
4) Increasing civilian control over military and police forces
5) Strengthening effectiveness and independence of legislatures

* Civil society organizations include labor unions, NGOs, human rights groups, etc.

PPC/CDIE/PME, 9/18/95

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Agency Goal 2
Sustainable Democracy
Strategic Framework Definitions

AGENCY GOAL 2: Sustainable Democracy: The conviction that democracy offers citizens advantages and opportunities that no other form of government can provide has in recent years spread rapidly around the world. Democracy facilitates the protection of human rights, informed participation, and public sector accountability. USAID supports democratic development as an essential part of its sustainable development programs. It works to achieve this goal through the establishment of democratic institutions, an informed and educated populace, a vibrant civil society, and a relationship between the state and society that encourages pluralism, inclusion, and peaceful conflict resolution.

AGENCY OBJECTIVE 2.1: Strengthened Rule of Law and Respect for Human Rights: The rule of law protects citizens against the arbitrary use of state authority and against the lawless acts of other citizens. It ensures that all citizens are treated equally and are subject to the law and not the whims of the powerful. Human rights provide a framework for citizens to interact with each other and with the state. They include security of person and property; freedom of speech, assembly, movement and religion; right to due process; freedom to work at a job of one's choosing for a salary one is able to negotiate; and equality for marginalized groups. Without rights, and a legal system that protects those rights, citizens will not have an equal opportunity to defend their interests and have them weighed in public policy formulation. USAID, in its strategies, tries to reinforce recognition and guarantees of these fundamental rights. USAID pursues the following approaches:

2.1.1: Ensuring that the Law Protects Citizens' Rights and Interests: Establishing adequate guarantees in the law is the starting point. Many countries have such guarantees enshrined in the constitution but protect them somewhat indifferently, if at all. In other cases, changing societal needs might require that laws be revised. This may require the establishment of new rights, the extension of existing rights to new groups, or the establishment of the right of judicial review for a supreme court. As countries move toward open market economies, it can also be critical to reform the commercial code to "level the playing field" in support of continued private sector development.

2.1.2: Enhancing the Fairness of the Administration of Justice: The fairness and effectiveness of the systems in place for rendering justice are critical to the protection of fundamental guarantees.

Without these, rights may be compromised on a daily basis and there is little recourse for the victims. The judicial branch, particularly if it is independent, can be a powerful constituency for protecting rights. It ensures that society is governed by law and not individual whim, and that no one or no segment of society is above the law. Fairness requires that all litigants and defendants are given an opportunity to know essential elements of the law, and to participate in and understand the proceedings; that they are treated alike; that court personnel perform their work competently; and that the law is applied consistently and appropriately. USAID has developed several strategies to pursue this complex result: improved access to and knowledge of the law; increased independence for the judicial branch and for judges within the branch; increased respect for ethical standards of conduct; modernized procedures; enhanced investigative and prosecutorial capacity; and increase openness and transparency.

2.1.3: Improving the Timeliness of the Administration of Justice: The ability of the justice system to render decisions in a reasonable timeframe will effect the willingness of individuals to pursue conflicts in the courts. It is fundamental to equity since costs often escalate the longer a (civil) case takes to pursue, and generally only the better-off can afford to stay the course. Timeliness is also important to those accused of crimes, who wait for their names to be cleared and who may in some instances be jailed awaiting trial and sentencing for longer than the customary sentence for the crime of which they are accused. USAID works on improving case management, including process reengineering and automation. It also works on reforming procedures which slow down the judicial process unnecessarily.

2.1.4: Increasing Citizen Pressure for Conformity with International Human Rights Standards: Adequate monitoring and reporting of abuses and problems is critical to raising public awareness, creating a climate of openness, and over time increasing the public's unwillingness to tolerate abuses both large and small. Effective advocacy by the media and public interest groups can create considerable pressure on the abusers, which in turn leads to a reduction of violations. USAID pursues strategies related to supporting human rights ombudsman, establishing human rights tracking and reporting programs, supporting the investigative process, and strengthening the knowledge and effectiveness of the media and NGOs in covering human rights issues.

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AGENCY OBJECTIVE 2.2: More Genuine and Competitive Electoral Processes: When elections are manipulated, poorly managed, or held only after lengthy and unpredictable intervals, both participation and competition are compromised. USAID plays an important role in ensuring free and fair election contests around the world and works to enhance competiton. Increasingly, USAID focuses its efforts on longer-term assistance, to institutionalize appropriate election procedures. USAID applies the following approaches:

2.2.1: Creating of Impartial and Open Electoral Laws and Regulations: Laws and regulations establish the framework in which elections are held. They can be written in such a way as to encourage fairness, openness and participation by all elements of society, or they can skew the results. In some countries, USAID supports changes in the law.

2.2.2: Creating More Impartial and Effective Electoral Administration: The Electoral Administration must be able to carry out elections in a competent manner, ensuring that eligible citizens are registered, polling places are accessible and are run by experienced individuals, complaints are investigated and resolved, and citizens have an adequate opportunity to vote. The administration must be unbiased in its efforts so that the final results are a reflection of popular will. USAID works with electoral boards to improve their capacity to manage elections and to set up safeguards to ensure transparent and ethical behavior.

2.2.3: Better Informing the Electorate: If the election results are to reflect popular will and citizens' perceptions of their interests, citizens must understand the issues and must be able to determine which candidates best represent their interests. In addition, citizens need to know how and where to vote, and sometimes they need to know or be reminded of why voting is important. USAID works through NGOs and the media to improve citizen understanding.

2.2.4: Improving Local and International Monitoring: In transition and early consolidation elections, international monitoring can play an important role in applying pressure on those conducting the election to do so in an above-board manner, but it can also reassure citizens of that the conduct of elections was above-board. Establishing non-partisan local monitoring capacity is critical. In contrast with international monitors, indigenous monitors are able to track election preparations well before the elections are held, cover more polling places, and understand where deception is likely and how it occurs.

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An emphasis on local monitoring also helps create a sustained capacity that can be applied to elections, whenever they occur, at the local and national levels. USAID Increasing emphasizes strengthening indigenous groups in its election strategies.

2.2.5: Making Political Parties More Responsive to Constituents: More active and effective political parties can increase the vitality of competition and give citizens greater choice. Parties are often critical to managing conflict successfully. USAID supports the ability of political parties to understand policy issues, and to interpret and incorporate the wishes of their constituents in developing and promoting a platform. Most, but not all, of USAID's support for political parties occurs in the context of elections support. Much of this support is related to improved management and organizational development. Sometimes skill building is also done with politicians who represented underserved populations, such as women.

AGENCY OBJECTIVE 2.3: Increased Development of Politically Active Civil Society: Citizens organizing collectively to accomplish objectives constitute a vital channel for sharing information and for the formulation and representation of interests. Their collective nature helps ensure that their members' interests are weighed by policy-making bodies. They can monitor government performance and create strong pressure for accountability. They can inculcate democratic values. They also give people practice in democratic principles and create opportunities for new leaders to rise. USAID applies the following approaches:

2.3.1: Promoting Legislation that Encourages the Organization and Operation of CSOs: Prerequisites for the emergence and growth of civil society are a body of fundamental laws and regulations that permit the right of voluntary association, promote voluntarism, encourage citizens to form together for a variety of purposes, and ensure autonomy from state interference. Enabling legislation and regulations can either thwart fundamental rights such as freedom of speech, assembly and association or reinforce it. USAID supports state regulations which encourage the organization and operation of NGOs.

2.3.2: Strengthening Civil Society's Oversight of State Institutions: The classic role of civil society is to act as a countervailing force to the state, protecting human and civil rights through collective non-state action. Closely related to this watchdog role of ensuring respect for fundamental liberties is civil society's role in the oversight of the

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state's governance performance, particularly in the allocation and management of public resources. In following this approach, USAID has worked with a variety of civil organizations, NGOs and think tanks, particularly on policy analysis and advocacy.

2.3.3: Increasing the Effectiveness of Civil Society Organizations' (CSO) Management: Once freed from state control, efforts to improve CSO management and their ability to formulate and lobby for specific policies and interests increase the contribution they can make to representing interests effectively. More successful representation in turn attracts greater participation. USAID supports these efforts by providing technical assistance and training to ensure that CSO staff have the skills necessary to advocate, organize, and raise revenues.

2.3.4: Increasing Democratic Governance within Civil Society Organizations: CSOs may not practice the same values and principles of democracy that they promote in the larger society. This is particularly true in countries where the primary political model has been authoritarian and where there are strong societal cleavages. Over the longer term, operating democratically will increase CSO responsiveness to citizen concerns and will help attract support. CSO effectiveness has often been considered a higher priority by donors than helping CSOs to govern themselves more democratically. This is particularly the case since many efforts with CSOs are in support of other objective, such as free and fair elections, an independent judiciary and the like. USAID has provided technical assistance and training to CSOs to review their management practices and make them more democratic.

2.3.3: Increasing CivilSociety Organization Participation in Policy Formulation and Implementation: Democratic or shared governance implies societal participation in both public policy making and its implementation. CSOs provide the means by which ordinary citizens can affect policy decisions that are made in the public realm. They also can perform public governance functions that have hitherto been exclusively the preserve of the state, lightening the state's burden and lessening the concentration of resources in the state. USAID works with CSOs and the state on policy dialogue and provides direct assistance to CSOs to increase their capacity in policy formulation, advocacy and service delivery.

2.3.4: Increasing the Acceptance of Democratic (Civic) Values: A major function of civil society is to spread democratic values and good governance practices so widely that they become the norm and

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govern relationships between individuals, and state and non-state actors. In addition to the fundamental liberties, democratic values include such norms as tolerance and respect for diversity, inclusivity, broadbased participation, transparency, accountability and responsiveness. Democratic values lead citizens to react to government encroachments and help protect democratic processes and institutions. USAID focuses its interventions both on expanding knowledge about and belief in democratic principles via civic education programs of various kinds.

2.3.5: Expanding More Effective and Independent Media: In order to determine what their interests are and to participate effectively in policy debates, citizens must have access to a wide range of information, both on policy issues and on how to participate in the decision-making process. An independent, competent and diverse media are key to providing citizens with information. The media constitutes an important check on the behavior of public institutions. The ability of the media to investigate and analyze events and problems is critical to both the quantity and quality of information to which citizens have access. USAID works with media organizations to strengthen their ability, through training and technical assistance, to improve the quality of their work. USAID also assists media entities to improve their financial management, use of improved printing and other mass media technologies, strategic planning, organizational development and the like.

AGENCY OBJECTIVE 2.4: More Transparent and Accountable Government Institutions: The behavior of formal state actors can support or undermine developmental and democratic processes. Consulting broadly to ascertain citizen interests, sharing information and acting in an open manner, diffusing power by sharing decision-making with local government entities (and with citizens by increasing the space for self-governance), respecting ethical standards, and strengthening performance all help ensure that government decision-making is impartial and informed and that follow up implementation is competent. Such behavior supports the long-term sustainability of political institutions and people's confidence in democratic principles. It also makes a vital contribution to promoting development and to providing an encouraging environment for economic and social investment. USAID applies the following strategies:

2.4.1: Increased Local Government and Local Citizen Participation in Decision-Making: Decentralization can increase the competence of public agencies by lightening the burden on those at the center and

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allowing those most knowledgeable about an issue to make the decision about it. It enables citizens who are most concerned about an issue to influence the decision-making by putting the source of the decision closer to them. Dispersing power also reduces the political stakes, and minimizes or at least scatters opportunities for corruption and patronage. In its work to promote decentralization, USAID focuses on encouraging the devolution of authority to local governments; improving the effectiveness of local governments; and increasing community involvement in local government decision-making and service-delivery.

2.4.2: Increasing Citizen Access to Government Information: Transparency is important because it allows citizens to keep a watchful eye on government behavior but, perhaps even more significantly, it permits citizens to gather information that may be critical in defending their interests. USAID works in particular on making budget and finacial information more available.

2.4.3: Strengthened Mechanisms to Promote Ethical Standards in Government: Strengthening those institutional mechanisms which exist to encourage ethical behavior and prevent corruption and abuse is also important - improved transparency as discussed in 2.4.2 above is only one way of doing this. Other checks on formal state actors include civil service reform (i.e., restructuring incentives and punishments), establishing limits on civil servants' discretion, and strengthening audit and investigative functions. USAID focuses on three primary strategies: strengthening the internal procedures for enhanced oversight; improving the management systems in government institutions; and building a public constituency against corruption.

3.4.4: Increasing Civilian Control over Military and Police Forces: The military has overturned or compromised democratic rule in many developing countries. It and state security forces often retain substantial power and resources during a transition process and can continue to play an important role in the domestic political process. Often, these forces control significant financial resources and productive assets, which give them an added ability to exercise power independently of civilian authorities. In some countries, they have control of their own budget. Therefore, changing norms and integrating these powerful players into a political process that operates according to different rules is an important aspect to ensuring the sustainability of democracy in countries. USAID supports the expansion of civilian expertise in security matters and promotes

dialogue between the military and civilians over the appropriate role for the military in a democratic society. It also supports the demobilization and re-integration into society of soldiers, particularly in states emerging from violent conflict, in order to downsize the military establishment.

2.4.5: Strengthening the Effectiveness and Independence of Legislatures: Legislative bodies are fora where competing interests can be discussed and negotiated and where important decisions are made about the use of public resources. By strengthening legislatures, citizens are given greater access to the policy process and more control over the behavior of the executive branch. In many countries, however, legislatures are relatively new and are organizationally and technically weak. They often initiate little legislation on their own. USAID is working with legislatures to help those bodies serve both as checks on executive branch behavior and effective arenas in which citizens can negotiate and resolve conflicting interests. To this end, USAID works to enhance the role of the legislature in decision-making by increasing oversight of executive branch and military behavior; increasing control over policy-making; increasing the ability to shape appropriate legislation; and encouraging greater input from citizens.

Development of Indicators: Objectives

- Further develop indicators
  - aim toward standardization
- Build consensus list of best indicators and measurement tools
- Exert Agency leadership in broader DG development community
- Develop a research agenda for DG donor community
- Leverage non-USAID resources
- Encourage partner organizations to use indicators

Development of Indicators: Activities

- Bring together DG development community
  - field officers
  - other donors
  - partners
  - USAID/W
  - academics
- Identify best indicators and best measurement tools
- Prioritize research needs

Development of Indicators: Activities…continued

- Test indicators
  - logic test
  - practical test
  - field viability test
  - cost analysis
- Communication and training
  - 8 field training sites
  - reference manual for field officers and partners
  - quarterly updates of the process
- Feasibility analysis

SUMMARY OF CRITERIA FOR DEMOCRACY PROGRAM PERFORMANCE MEASUREMENT AND REPORTING

THE SELECTION OF INDICATORS

1. Because many democracy strategic objectives and intermediate results use abstract language, indicators are heavily relied upon to explain what accomplishments the Mission is expecting. At the same time, without a clear definition of the result, it is difficult to determine the extent to which indicators are adequate measures of the achievement of any given objective. It can enhance understanding and ease the process of selecting indicators if clear definitions of any given objective or result are laid out. For many democracy objectives and intermediate results, this may mean laying out the two or three key dimensions or aspects of the result.

Example: A Justice System That Has Greater Compliance with International Standards

WHAT DOES THIS MEAN?

To choose good performance measures, start by defining the objective:

1. The justice system is regarded as more competent and honest by the international community.

Indicator: Decline in criticism of the judiciary by U.N. Human Rights Reports

2. Businesses are more confident of the justice system's predictability and efficiency.

Indicator: Percentage change in cases brought by the commercial sector

3. The justice system prosecutes human rights abuses and government corruption.

Indicators: 1) Percentage change in human rights cases accepted by the courts; and 2) Percentage change in corruption cases accepted by the courts

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2. The indicators should measure progress toward strategic objectives and intermediate results as directly as possible. Both a proponent and a skeptic of the program should agree that the indicator is a valid measure of whether the objective has been achieved. Often, it is difficult to derive indicators for democracy objectives that are direct in the way that the Total Fertility Rate is a direct measure of an objective of reduced fertility. There are few culminating events or phenomena in democracy that can be measured with one indicator. Therefore, we generally need to measure the key dimensions of a democracy objective.

Example 1: Objective - Expanded Knowledge of Human Rights

Weak Indicator: Numbers reached by civic education

Better Indicator: Percent of the population understanding specific rights

Example 2: Objective: More Effective and Responsive Legislature

Weak Indicators: 1) Legislative agenda established and followed; 2) Legislative support staff trained; 3) Legislative information system established and functioning

Comment: The first indicator is one sign of a more effective legislature, although the quality of that agenda may be an important consideration. It is hardly adequate by itself as a sign of effectiveness. The second and third indicators are inadequate because they essentially measure lower level inputs or outputs. There is no measure of responsiveness. Better indicators could include some of the following: 1) Members use research center briefing papers in debate; 2) Percent of bills passed for which public hearings were held; 3) Number of bills passed that are substantially amended by the legislature; 4) Percent of total bills passed that are initiated by the legislature.

3. The indicators should enable cost-effective measurement. There is no point in selecting indicators that are theoretically elegant but too costly to measure. In some instances, partial or proxy indicators will be required because it will be too costly or difficult to measure an objective precisely. When possible, select indicators that will permit reliance on existing secondary sources of data, as long as those sources are considered to be relatively reliable.

Example: Objective - Improved Application of the Law by Judges in Commercial and Civil Cases

Possible Indicators: 1) Sample survey of cases to check on whether the law was appropriately applied; 2) Percentage change in the number of commercial or civil cases; 3) Percent of judges knowledgeable about specific aspects of the law; and 4) Sample of particular kinds of cases to gauge correction of common misapplications of the law.

Comment: Indicator 1 would require a panel of legal specialists and intense review of a sample of cases. It would be very costly to collect these data and there could well be reasonable objections to the decision made in any given case, since legal specialists may differ on the meaning of the law.

Indicator 2 is a clever proxy - data collection for it would be very inexpensive. It assumes that citizens will not bring cases if they do not think that the law will be correctly and predictably applied. Managers do need to think about whether other factors could be responsible for an increase or decrease in the number of cases, prior to choosing 2 as an indicator.

Indicator 3 relies on testing a sample of judges (impossible in most countries) and would probably need to be accompanied by self-reporting on whether the judges thought they were applying this knowledge. The "testing" could rely on self-reporting also. The quality of the information this might produce may not be worth the investment in a sample survey.

Indicator 4 could also represent a clever response to a difficult measurement problem. If common misapplications of the law can be identified, and judges trained to understand those aspects of the law better, than a sample of cases involving only those aspects could be identified and reviewed to see if the application of the law was correct subsequent to training. Data collection for this indicator would be less expensive than for indicator 1.

4. Indicators should be specific and sensitive enough to reveal those changes being measured that can be reasonably linked to USAID efforts. In other words, they are related to the magnitude of the investment.

Example: Objective - To Consolidate Gains in the Transparency, Accountability, Competency, and Responsiveness of Mongolia's Democratic Institutions

Proposed Indicators: 1) Freedom House civil liberties and political rights index; 2) Percentage of the electorate believing that elected bodies, the judicial system and civic NGOs facilitate their needs and interests

Comment: These indicators are too ambitious given the very small investments (approximately $400,000 p.a.) being made.

5. The indicators should permit verification of measurement accuracy, reliability and thoroughness. In other words, others could replicate the process in order to check on measurement quality. This means that if you are drawing on secondary data sources, you need to use the same sources each year or sources that you know will ensure comparable data. If you are involved in primary data collection, you need to ensure that the approach to generating the data is carefully recorded and followed each time data are collected.

6. Indicators must be selected in conjunction with a review of data sources since data quality and timeliness are critical. There should be consistency in the source and data collection methodology. In cases where the data are unreliable or uncollectible, proxy indicators will have to be selected. It is a good idea to label proxy indicators as such so that external audiences understand that better measures were not possible.

7. The Agency requires annual reporting on program performance:

a) Strategic Objective indicators might rely on data resulting from government data generated annually but alternatively might rely on periodic surveys, which can be undertaken only at longer intervals. In addition, at the Strategic Objective level, it may take more than one year to produce results that will show up in changing numbers. When choosing indicators for Strategic Objectives that will not produce data annually, some attempt should be made to pair those indicators with proxy indicators that will permit more frequent measurement. This is not always possible or even helpful, if those proxy indicators are at a much lower level. It is one of the reasons that indicators are required for intermediate results. In a sense, intermediate results indicators are the proxies for strategic objective indicators.

b) Most Intermediate Result indicators should be measurable annually. In some cases, change will not occur that quickly or it is not practical to collect data annually. It would be useful then to pair the indicator that cannot be

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measured annually with a proxy indicator that will permit annual measurement. This pairing then gives planners some information on whether progress is being made in achieving a particular outcome. The ADS guidance does require substantial annual reporting for Intermediate Results indicators on an annual basis.

8. Indicators do not always have to be purely quantitative. They can be qualitative. Often, purely quantitative indicators can tell us very little about democratic gains. If we want to measure an improved partnership between local community organizations and local governments, what, after all, will counting the number of meetings between the two tell us? With democratization objectives, we are often trying to measure complex processes, and we need measures that help us understand the quality of interaction between different groups. It is possible to use as indicators a critical events agenda (events that have to happen for an objective to be met along with dates for when they must take place), policy reform matrix or rating scales that show organization strength. Political liberalization or democratization are areas where USAID is making increasing use of rating scales or indices because it is difficult to come up with quantitative indicators that measure progress.

9. Quantitative measures should be expressed not just in terms of a numerator (i.e., an absolute number) but should include the denominator whenever possible. It is the denominator that indicates the size of the problem being tackled. It is usually better, therefore, to specify measurement in terms of (for example) ratios or percentages rather than absolute numbers.

Example: Objective - Government Deals More Effectively with Human Rights Violations

Weak Indicator: Number of reported human rights violations investigated

Better Indicators: 1) Percent of reported human rights violations that are investigated; and 2) Percent of investigated violations that are prosecuted

Comment: The better indicators assume that most violations get reported. If this is not the case, due to fear of repercussions in reporting violations, then the indicators do not adequately measure the objective.

There is an exception to the preference for ratios or percentages over absolute numbers. When the base is very low (i.e., 2 foundations for making loans to micro-enterprises exist already), it would be misleading to record the indicator as the percentage increase in institutions supporting micro-enterprise credit. If the

Mission proposes to increase the number from 2 to 4 foundations, the increase would be 100%, a percentage that misleads the reader about the magnitude of the accomplishment.

10. Where possible, indicators selected for the highest level objectives should express people-level impact or some sense of the effect on people's lives. Valid indicators of people impact tell us how the project affected the lives of those people it was intended to benefit. This makes for more effective and convincing reporting.

11. Where possible, indicators should be applicable across a wide range of geographic settings, in order to permit Bureau or Agency aggregation of similar indicators for measuring progress toward similar objectives. This currently is an issue with democracy indicators, so G/DG and PPC will be working with field staff to determine improved standard indicators.

12. The indicators should have significance for a wide audience, including local managers and external donors. This is less of a problem for Democracy indicators than for indicators in economic growth or the environment, but beware of alphabet soup!

> **Example: Objective - Improved Responsiveness of Democratic Institutions with Greater Citizen Participation**
>
> Indicator: 1) Professors using RTAC Texts for classroom teaching; 2) Public confidence in the judicial system; and 3) CLASP trainees showing more effectiveness in the community
>
> Comment: Interpreting two of the three indicators requires an in-depth knowledge of the program.

13. When selecting more than one indicator to measure progress toward an objective, it is important to think about the relationship between those indicators. For example, if the values start to move in the anticipated direction for one indicator but in the opposite direction to what was anticipated for the second indicator, what does that tell planners about progress? Too many indicators selected to measure progress toward the same objective might confuse more than enlighten. This is a particular problem for democracy indicators since we often need to measure the various dimensions of an objective. The relationship between the indicators should be explained - do they all have to be achieved for the objective to be met? Is one the real indicator, which cannot be reported upon annually, and the others proxies, which are less adequate measures but are capable of being reported upon annually? It is also important to keep the performance information system simpler and to try to get by with as few key

indicators as possible.

14. Where appropriate, it is often useful to disaggregate data by sex or according to other population characteristics that appear to be important (i.e., rural-urban, ethnic group). At this point, most democracy indicators which relate to people generally are disaggregated by gender.

15. The indicators at different levels in the results framework need to be consistent with each other. In other words, make sure that your intermediate result indicators are not at a higher level than your strategic objective indicators. While this sounds like an unlikely occurrence, it is not at all uncommon.

> **Example: Strategic Objective - Citizen participation in processes for achieving public policies increased**
>
> > Indicator: Number of calls on members of elected bodies by civil society organizations or NGOs
>
> **Intermediate Result 1: Voters' and candidates' confidence in the freedom and fairness of elections increased**
>
> > Indicators: 1) Election monitors' assessments of the quality of elections; 2) Number of election protests filed; 3) A majority of eligible voters cast ballots in national and local elections
>
> **Intermediate Result 2: Policy development and oversight capacity of elected bodies strengthened**
>
> > Indicators: 1) Ratio of private to government bills tabled; and 2) Percentage of members of parliament who describe the committee process as effective
>
> Comment: The single s.o. indicator appears to match the statement of the s.o. It has, however, very little to do with the I.R. indicators and does not look like the outgrowth of any of them. It could also be argued that at least some of the I.R. indicators are at a higher level of impact than the s.o. indicator.

16. Once indicators are selected, the following information needs to be recorded in a monitoring plan: a precise definition of the indicator; the relevance of the indicator and why it tells us about progress toward the objective; data source(s) and reliability; data frequency and when available; and how measurement will be done.

ESTABLISHMENT OF BASELINE DATA AND TARGETS

1. Baseline Data: Once the indicators are final, planners need to select the year for which baseline data will be recorded. It is useful if baseline data for the year that the strategy begins can be recorded but this will not always be possible. In the instance that it is not possible, the baseline year should be the most recent past year for which the relevant information exists or can be acquired.

2. Setting Targets:

   a. Think about how easy it will be to set targets when you are selecting indicators. For example, an indicator that purports to measure improved interaction between local government and civil society groups, such as the number of meetings between the two, could be very difficult to set targets for accurately.

   b. Only set targets for years in which you expect to collect data.

   c. Think about what the trend has been in the past for any given indicator. Historical data for some period prior to the start of the strategy (perhaps for 5-10 years) will be required to assess how rapid change has been in the past. A few years ago, a couple of LAC Missions projected export targets (as a result of their trade and investment strategies) that actually lowered the historical trend line. This made it appear that the net effect of USAID efforts was to lower the country's growing potential to export. While enhanced competition from other countries could in fact be responsible for a declining trend, this was simply a case of not having thought about the trend line and what it might mean for future exports. In a parallel example, some African Missions projected continued decreases in infant and child mortality, without thinking through the trend line for HIV/AIDS. These mortality rates were actually rising due to HIV. Often we lack trend data for democracy indicators, because we are measuring new situations, so making projections about change can be very difficult.

   d. Think through when your activities, and those of other key donors and partners, will have an impact on indicator values. Do not straightline targets (i.e., increasing a variable by 2% per annum over 5 years because you project a total change of 10%).

   e. Think about external conditions which may affect indicator values over time. For example, in one country where the number of citizens attending town meetings was being used as an indicator to demonstrate municipal

governments becoming more responsive, the number of attenders did rise for a while, but then suddenly declined. Reportedly, it declined when a pot of money that municipal governments had had for small development projects was exhausted. If citizens were coming merely with the hope of accessing this limited amount of money for a project they favored, then the indicator may not have told us much about the behavior of municipal governments.

f. Unless the baseline is zero, try not to set targets until you have determined the baseline and understand how hard it might be to bring about change.

drafted: Lynn Carter, MSI, 4/4/96

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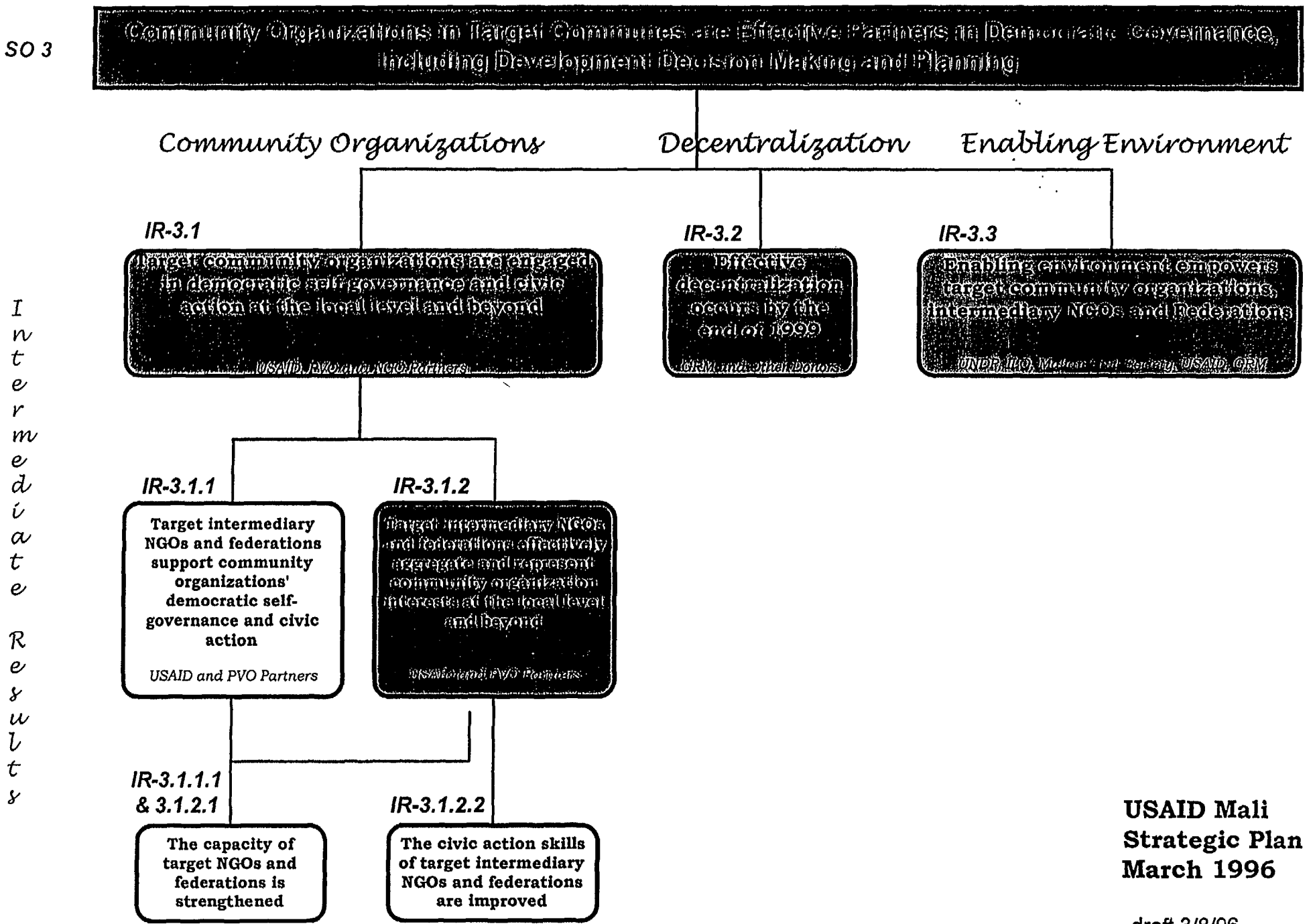
CHECKLIST FOR REVIEWING INDICATORS		
CRITERIA	YES	NO
1. DOES THE INDICATOR MEASURE PROGRESS AS DIRECTLY AS POSSIBLE?		
2. DOES THE INDICATOR SHOW THE SIZE OF THE PROBLEM AS WELL AS THE PORTION THAT USAID IS TACKLING?		
3. DOES THE INDICATOR HAVE SIGNIFICANCE FOR A WIDE AUDIENCE?		
4. IS THE INDICATOR PRACTICAL AND COST-EFFECTIVE TO MEASURE?		
5. DOES THE INDICATOR PROVIDE A MEASURE THAT CAN BE RELATED TO THE MAGNITUDE OF THE INVESTMENT?		
6. CAN THE INDICATOR BE MEASURED WITH SUFFICIENT FREQUENCY?		
7. ARE THERE TOO MANY INDICATORS TO MEASURE PROGRESS TOWARD THE STRATEGIC OBJECTIVE OR ANY INTERMEDIATE RESULT?		
8. DOES THE INDICATOR SPECIFY THE POPULATION OR GEOGRAPHIC AREA COVERED?		
9. ARE THE INDICATORS AT DIFFERENT LEVELS IN THE RESULTS FRAMEWORKS CONSISTENT WITH EACH OTHER?		
10. IF THE MEASUREMENT PROCESS WERE DUPLICATED, WOULD IT PROVIDE THE SAME OR COMPARABLE ANSWERS?		

Democratic Governance Strategic Objective



USAID Mali Strategic Plan March 1996

Results in shaded boxes are reported to AID/W

draft 3/8/96

TABLE 1 PERFORMANCE MONITORING PLAN FOR USAID/MALI DEMOCRATIC GOVERNANCE STRATEGIC OBJECTIVE

INTERMEDIATE RESULT 1.1.1: THE CAPACITY OF TARGET MALIAN INTERMEDIARY NGOS AND FEDERATIONS IS STRENGTHENED

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE, SET DATA QUALITY	EVAL. METHOD/ APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED, COSTS OF COLLECTING	RESPONSIBLE PERSON/ OFFICE
1) Target intermediary NGOs and federations govern themselves democratically	Number of target groups that meet the following criteria: a) they are voluntary in founding & membership b) the leadership is elected in accordance with the by-laws and for a specific time period that allows alteration c) meetings are held according to the by-laws d) attendance at meetings averages 75% for Board meetings & 60% for general meetings (yes/no responses)	annual PVO partner assessment	target groups must receive a "yes" response on a) through d) to be counted as governing themselves democratically. This indicator may not capture participation in decision-making unless most important decisions are made at either board or general meetings. This will need to be reviewed at some point - the criteria may not be rigorous enough.	annual, October.	not collected now Cost: annual survey cost Source: PVO partners	
2) Target groups have sound management practices	Management index, with following criteria:	annual PVO partner assessment	1. Target groups must meet 4 of the six criteria to be counted as having sound management practices; and 2. all internal or sub-criteria for the 6 criteria must be met for a "yes" response to be given on any criterion	annual October	not collected now Cost: annual survey cost Source: PVO partners	

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE, SET DATA QUALITY	EVAL. METHOD/ APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED, COSTS OF COLLECTING	RESPONSIBLE PERSON/ OFFICE
	1) good financial management practices as judges by: a) publication of annual financial report; b) annual external audit conducted and published c) audit recommendations implemented or in process				not currently collected; annual survey cost	
	2) good strategic planning practices: a) use of gender analysis; b) existence of vision statement, goal or objectives; c) existence of reasonable strategic plan (can be informal) (plan is in line with resources and country conditions) d) plan is being implemented				same	
Comments/Notes:						

Table 1 PERFORMANCE MONITORING PLAN FOR DEMOCRATIC GOVERNANCE STRATEGIC OBJECTIVE
Intermediate Result 1.1.1: The capacity of Target Malian Intermediary NGOs and Federations is Strengthened

PROGRAM INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/ OFFICE
Groups with sound management practices continued	3. Good training and facilitation practices, as judged by: a. 1 or more trained trainers on staff doing training ; b. the training is participatory; c. training curricula with learning objectives exist		Training of trainers must have included gender issues.		As above	
	4. Good personnel practices: a. organizational chart exists; b. job descriptions exist for all core staff c. at least one woman employed in a professional position		core staff would include professional, technical and admin. staff		same	
	5. Ethical standards respected, as judged by: a. code of conduct; b. staff trained or introduced to code of conduct c. evidence that code is implemented (?)		item c is difficult to gauge. Annual audit recommendations will be used as a proxy. One idea was to look at whether any staff were sanctioned in the last five years, but a "no" response could be a good sign and not a sign that the code is not enforced.		same	

TABLE 1 **PERFORMANCE MONITORING PLAN FOR THE DEMOCRATIC GOVERNANCE STRATEGIC OBJECTIVE NO.**
Intermediate Result 1.1.1: The Capacity of Target Malian Intermediary NGOs and Federations is Strengthened

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED, FUTURE COSTS OF COLLECTING	RESPONSIBLE PERSON/ OFFICE
Sound management practices continued:	6. Good conflict resolution skills, as judged by: a) 1 or more staff trained in conflict resolution; b) evidence that conflict resolution skills were used in at least 1 situation in the last year.		b) would be by self-reporting of those trained in conflict resolution, by naming the situation(s) and how skills were applied.	annual	as above	
2)					Cost: Source:	
3)						
Comments/Notes:						

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Table 1 PERFORMANCE MONITORING PLAN FOR THE DEMOCRATIC GOVERNANCE STRATEGIC OBJECTIVE
Intermediate Result 1.1.2: The Civic Action Skills of Target Malian Intermediary NGOs and Federations are Strengthened

PROGRAM INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED; FUTURE COSTS OF COLLECTING OF FUNDS	RESPONSIBLE PERSON/ OFFICE
1) Intermediary NGOs and federations with staff trained in civic action	# intermediary NGO and federations with one or more staff trained in civic action techniques	semi- annual, PVO partner assessment		semi-annual, Oct. & April/May	Training records exist Cost: none	
2) amount of training in civic action	average # of person days of training in civic action techniques per intermediary NGO or federation Person days = # days training x # participants	PVO records		semi-annual, Oct. And April/May	Cost none:	
3) Intermediary NGOs and federations use civic action techniques	# Intermediary NGOs and federations using 1 or more civic action techniques in which trained on more than one occasion	NGO logbook and interviews	PVO assessment	annual, Oct.	Not currently collected; INGO survey cost	

Table 1 PERFORMANCE MONITORING PLAN FOR THE DEMOCRATIC GOVERNANCE STRATEGIC OBJECTIVE
Intermediate Result 1.1: Malian Intermediary NGOs and Federations Support CO's Democratic Self-Governance and Civic Action

PROGRAM INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED; FUTURE COSTS OF COLLECTING	RESPONSIBLE PERSON/ OFFICE
1) average number of days of training and TA per C.O.	total number of days of training and TA provided to all C.O.s divided by the number of.C.O.S.	NGO and Federation records on training and TA	This can be divided according to subject of interest: i.e., gender issues, financial management, strategic planning, etc.	Semi-annual Nov. And May	? Some groups may be maintaining training records now	
2) C.O. which report that they made organizational changes and/or used at least one of the new skills in which they were trained.	% of C.O.s	survey of COs	sample survey implem. By PVOs and NGOs	annual, Nov//Dec.	Not currently collected; Cost survey cost:	
Comments/Notes:						

TABLE 1 PERFORMANCE MONITORING PLAN FOR DEMOCRATIC GOVERNANCE STRATEGIC OBJECTIVE
Intermediate Result 1.2: Target Malian Intermediary NGOs and Federations Effectively Aggregate and Represent COs Interests at the Local Level and Beyond

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED; FUTURE COSTS OF COLLECTING	RESPONSIBLE PERSON/ OFFICE
1) Target Federations and Intermediary NGOs effectively represent C.O. interests	# Federations and Intermediary NGOs for which two or more of their C.O. partners report that the intermediary NGO or federation effectively represents their interests. The total will be reported as will the number of women's NGOs and Federations.	based on the above-mentioned sample survey		annual, Nov/Dec.	Cost: survey cost Source: PVO coop agreement	
2) # federations of C.O.s form to address specific concerns related to government decisions	New federations must meet the following criteria: a) at least 5 C.O.s are involved; b) evidence that the new federation is addressing concerns (meeting with officials, talking to the press, meeting with citizens. Federations do not need to be permanentl, but can disband after addressing an issue. After the passage of a law granting legal status to federations a criterion will be added: c) is seeking or has obtained full legal recognition.	PVOs to track		annual, Nov/Dec.	Not currently collected; cost nominal	
3) # target federations whose membership is stable or increasing	# total target federations - # members remain the same or increase	PVOs to track; federation records	Members will drop out if they are dissatisfied with federation performance.	annual, October	records exist	

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED; FUTURE COSTS OF COLLECTING	RESPONSIBLE PERSON/ OFFICE
4) # target federations and intermediary NGOs engaged in sustained action on issues of mutual concern	Number of target federations and INGOs which engage in joint Federation or Intermediary NGO civic action - at least two of the target groups must be involved and there must be reasonable signs of sustained action. The number counted will be the total involved. This will be disaggregated by a) total groups and b) women's groups.	INGO and federation logbooks; PVO assessment		annual, Oct.	Not currently collected	
Comments/Notes:						

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Table 1 PERFORMANCE MONITORING PLAN FOR DEMOCRATIC GOVERNANCE OBJECTIVE
Intermediate Result 1.1: Target COs are Engaged in Democratic Self-Governance and Civic Action at the Local Action and Beyond

PROGRAM INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED; FUTURE COSTS OF COLLECTING	RESPONSIBLE PERSON/ OFFICE
1) Target community organizations govern themselves democratically	% of target c.o.s that meet the following criteria: a) they are voluntary in founding & membership b) the leadership is elected in accordance with the by-laws and for a specific time period that allows alteration c) meetings are held according to the by-laws d) attendance at meetings averages 75% for Board meetings & 60% for general meetings (yes/no responses)	C.O. logbooks and interview, annual PVO/NGO partner assessment; sample survey	target groups must receive a "yes" response to be counted on a) through d) to be counted as governing themselves democratically	annual, Nov/Dec.	not collected now Cost: nominal Source: PVO partners	

PROGRAM INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED; FUTURE COSTS OF COLLECTING	RESPONSIBLE PERSON/ OFFICE
2) Target C.O.s have sound management practices	% of target c.o.s with sound management practices, as judged by the management index: a) legal recognition; b) external audit conducted within last 12 months & available; c) strategic planning (strategic or action plan with objectives and approaches and evidence of gender analysis); d) 80% of the Board members are functionally literate e) dues collected according to the by-laws (All yes/no questions)	C.O. logbooks and interviews, annual PVO/NGO and federation assessment,	Target groups must meet all 4 criteria to be counted. For item c), there must be a strategy document AND evidence of gender analysis. The s.o. team needs to figure out whether the literacy requirement is too high. If the training package changes due to coordination with other s.o. teams, then these criteria might need to be changed.	annual, Nov/Dec coordinate w/ other s.o. teams?	not currently collected; annual survey cost	
3) # mixed gender C.O.s with women in leadership positions	% of target mixed gender C.O.s with at least one woman in a leadership position	C.O. records, NGO sample survey	NGOs will pull this information together from the records of their partner C.O.s	annual	records exist, not compiled now	

PROGRAM INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED; FUTURE COSTS OF COLLECTING	RESPONSIBLE PERSON/ OFFICE
4) C.O.s pursuing civic action	% C.O.s pursuing civic action at a) the commune level and b) below the commune level. For Washington reporting a) and b) will be aggregated. Report total C.O.s and # women's C.O.S.	C.O. logbooks, information to be collected by NGO and PVO partners in sample survey	USAID will work with partners to design logbooks to track civic action. The standard here will be modest and will require only some evidence that public advocacy has taken place on a given issue.	Annual, Nov/Dec	not currently collected, cost of annual survey	
5) % of C.O.s pursuing issues with effective civic action	% of C.O.s counted in indicator #4 above for which there is evidence that for any single issue a) the problem was analyzed; b) a position was developed; c) an action plan was formulated; d) the gov't, population, and (if relevant) other C.O.s or intermediary NGO s or federations were contacted; e) the membership was involved in civic action; and (if relevant) (f) joint C.O. or INGO/fed. action took place. The s.o. team will report on % of total C.O.s and % of women's C.O.s.	C.O. logbooks, interviews - NGO/PVO sample survey	There are six criteria included in this index - for an issue to be counted as "effectively pursued" four of the six criteria must be met to some reasonable standard.	Annual, Nov/Dec	not currently collected, cost of annual survey	
6) financial sustainability - C.O.s that mobilize resources from non-USAID, non-member sources	% C.O. s that a) secure credit; b) raise money from the community; or c) obtain non-U.S. grants	C.O. interviews or financial records, annual sample survey	Any amount of funding from any one of the sources described is meets the criterion.	Annual, Nov/Dec	financial records seem to exist but quality may differ; coordinate with groups working on credit supply	

Comments/Notes:

TABLE 1 PERFORMANCE MONITORING PLAN FOR DEMOCRATIC GOVERNANCE STRATEGIC OBJECTIVE
Intermediate Result 1.2: Effective Decentralization Occurs by 1999 (GRM and Other Donor Result)

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON/ OFFICE
1) all communes created by 1999	will be informally tracked		INFORMAL TRACKING - MORE SPECIFIC BENCHMARKS TO BE DEVELOPED		Cost: Source:	
2) communal elections held by 1997	will be informally tracked		"		Cost: Source:	
3) all laws and regulations about decentralized councils' authority and resources decided by 1999	will be informally tracked		"			
4) communes have some authority, and human and financial resources to provide essential development services	will be informally tracked		"			
5) communes generate and keep some of their own financial resources	will be informally tracked		"			
6) transparency rules at the commune level ensure public knowledge of council operation	will be informally tracked		Consideration will be given to expanding this to general democratic governance rules.		Cost: Source:	

TABLE 1 **PERFORMANCE MONITORING PLAN FOR DEMOCRATIC GOVERNANCE STRATEGIC OBJECTIVE NO.** INTERMEDIATE RESULT 3: Enabling Environment Empowers Target C.O.s and Intermediary NGOs and Federations (Other Donors, GRM and USAID)

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED; FUTURE COSTS OF COLLECTING	RESPONSIBLE PERSON/ OFFICE
1) The law is changed to grant full legal recognition to community organizations and federations/cooperatives. (UNDP/ILO result)	Response will be configured as one of the following: full legal recognition; improved right to legal recognition; or no change Measurement will assess status of a) C.O.s and b) federations and cooperatives separately.	GRM law	USAID will assess directly. USAID is tracking UNDP/ILO progress in reforming the law.	Periodic.	Mission is tracking Cost: negligible	
2) # target intermediary NGOs or federations working together in a systematic manner to address significant environmental constraints	To be counted, an INGO or fed. must be working with at least one other parallel group on an environmental constraint that has significant impact on many C.O.S The quality of civic action should be good and the collaboration should be sustained over 6 or more months (unless problem is solved in shorter period of time). Civic action should include both meetings with government officials and reaching out to the public and/or C.O. members. It may be more interesting to count alliances or environmental issues, but projections would be difficult to make.	NGO/federation interviews or records	The Mission hopes to encourage groups directly affected by environmental constraints to take responsibility for addressing those constraints because over the longer term this will be a more effective strategy for dealing with environmental constraints than top-down, USAID directed policy dialogue. Therefore, the s.o. team believes that it is sufficient to capture civic action efforts rather than specific successes.		Not currently collected Annual survey cost	

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED; FUTURE COSTS OF COLLECTING	RESPONSIBLE PERSON/ OFFICE
3) % C.O.s knowledgeable about their rights and obligations vis-a-vis local governments	% target C.O.s whose leadership (1 or more leaders) is knowledgeable about specific rights (list to be developed)	sample survey of C.O.s asking about a four or five key rights	this is to be geared to civic education offered by Mission. Coordinate w/ other s.o. teams which are providing info. On rights	annual, Nov/Dec	not collected currently; annual survey cost	

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Table 1 PERFORMANCE MONITORING PLAN FOR DEMOCRATIC GOVERNANCE STRATEGIC OBJECTIVE
Strategic Objective: Community Organizations in Target Communes are Effective Partners in Democratic Governance, Including Development Decision-Making and Planning

PROGRAM INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED; FUTURE COSTS OF COLLECTING OF FUNDS	RESPONSIBLE PERSON/ OFFICE
1) % of C.O.s which have affected 2 or more development decisions	% of target C.O.s which have affected or changed 2 or more government development decisions through their civic action. Per annum not cumulative. Disaggregated by total % and % of women's C.O.S.	sample survey of C.O.s, C.O. tracking system (logbooks) of changes to which they contributed		Annual, Nov/Dec.	Not currently collected; annual survey cost	
2) # regional and national-level gov't decisions target intermediary NGOs and federations and C.O.s affected.	regional and national level decisions will be aggregated - there must be evidence that this is a decision that 1 or more intermediary NGOs and federations undertook civic action concerning. Per annum, not cumulative. Disaggregated by total # and # of decisions specific to women's problems or concerns.	Intermediary NGO and federation logbooks; interviews		Annual survey, Oct.	Not currently collected; annual survey cost	

PROGRAM INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED; FUTURE COSTS OF COLLECTING OF FUNDS	RESPONSIBLE PERSON/ OFFICE
3) % target C.O.s forming a good partnership with local government in delivering public services	% target C.O.s which can demonstrate growing or high levels of cooperation with government in the provision of services. Cooperation can be financial, material or technical. Financial support can include the provision of personnel, such as school teachers for community schools Disaggregated by % of total C.O.s and % of women's C.O.s.	C.O. logbooks; interviews; annual survey	The s.o. team will need to establish criteria for how much cooperation and of what kind demonstrates a good partnership. Criteria could include 1) assistance of more than 1 kind; 2) est. a minimum level of assistance provided by gov't; 3) evid. of increasing degree of collaboration.	Annual survey, Nov/Dec	not currently collected, annual survey cost	
4) % of target communes in which new c.o.s have formed during the year	% of total target communes in which one or more new c.o.s have formed during the year. New c.o.s must show some evidence of activity and democratic operation in order to be counted. They do not have to be formally recognized by the government.	interviews with existing c.o.s and new c.o.s in target communes; annual sample survey	this indicator measures the spread effect from target c.o.s . While it might be more interesting to count the total number of new c.o.s formed, this number could not be drawn from a sample survey, so a different data collection mechanism would be required.	annual survey, Nov/Dec	not currently collected, survey cost	
5) % target communes in which non-target c.o.s adopt civic action practices	% total target communes in which one or more non-target c.o.s begin to use civic action techniques in representing their own interests	interviews with target and non-target c.o.s	this indicator measures the spread effect. Again, it could be more useful to count the number of non-target c.o.s which begin using civic action skills but the sample survey cannot elicit that information.			

PROGRAM INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/SET DATA QUALITY	EVAL. METHOD/ APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED; FUTURE COSTS OF COLLECTING OF FUNDS	RESPONSIBLE PERSON/ OFFICE
6) % C.O.s expanding their development services & activities	% target C.O.s 1) delivering new services; 2) trying to solve a different problem which is unrelated to their original mandate; and/or 3) expanding the provision of existing services (either a new element to the service or serving more clients). Disaggregated by % of total and % women's C.O.s.	sample survey, confirmed by C.O. records	The s.o. team believes that once a group is empowered by working together on the first problem identified, it is possible that it will undertake new activities or will expand its services.		not currently collected, annual survey cost	
Comments/Notes:						

CANDIDATE INDICATORS FOR CIVIL SOCIETY AND GOVERNANCE

TABLE 3: Strengthened Civil Society

OBJECTIVES	INDICATORS
Objective 3: Strengthened Civil Society	*RESULT 1: Increased citizen/societal participation/influence in public policy making* 1. Number of changes made to government policy as a result of civil society advocacy, participation, etc. 2. Number of draft legislative initiatives introduced and voted upon by legislative branch in which there was societal participation in the deliberative process 3. Number of parliamentary committee meetings held in which there was citizen/societal participation 4. Number of executive branch commissions and councils established which provide a forum for state-society dialogue 5. Percent of legislation passed with CSO lobbying 6. Number/percent of legislative debates attended by CSOs 7. Number of new government/CSO consultative mechanisms established *RESULT 2: Broadened or increased citizen participation in civil society organizations* 8. Increased diversity of CSOs 9. Increased number of CSOs 10. Number of new consortia, umbrella organizations, federations, coalitions formed (horizontal and vertical integration) *RESULT 3: Changes and broadening of democratic (civic) culture, values, beliefs, knowledge (and practices)* Missions participating in civil society groups stated that they have such indicators already developed 11. Increased tolerance for dissent, diverging points of view, and CSOs representing minorities 12. Increased practice of democratic principles and processes (e.g., voting for board members, participation in decision-making) and good governance (e.g., transparency, accountability, and responsiveness) within CSOs

OBJECTIVES	INDICATORS
Objective 3: Strengthened Civil Society (con't.)	*RESULT 4: Free flow of information from independent and diverse sources*
	13. Degree of media censorship (qualitative indicator)
	14. Percent of media outlets privately owned (either for-profit private outlets or non-profit CSO outlets)
	15. Degree of opposing opinions or viewpoints expressed
Supporting Objective 3.1: Promoting legislation that encourages organization and operations of CSOs	*RESULT 1: Legislative Framework: Ease of establishing and operating CSOs (absence of legislation restricting formation of CSOs)*
	1. Existence of laws protecting freedom of association, assembly and speech
	2. Mechanisms, either judicial or regulatory, that provide CSOs with means for redress against restrictive legislation
	3. Consistent application of laws by concerned state agency regulators
	4. Perceptions of CSOs concerning legislative framework governing CSOs
	5. Concerned laws adequately communicated to and known by CSOs
	RESULT 2: Financial Framework: Incentives, policies, and/or legislation that encourages formation and operation of NGOs
	6. Existence of 'transactions costs' to form and operate CSOs onerous or supportive (e.g. rent-seeking or corrupt practices)
	7. Existence of tax incentives to encourage citizens to contribute voluntarily to CSOs
	8. Existence of tax exemptions on taxes (e.g. duty-free exonerations) provided for voluntary organizations, CSOs or NGOs

OBJECTIVES	INDICATORS
Supporting Objective 3.1: Promoting legislation that encourages organization and operations of CSOs (con't.)	*RESULT 3: Lack of bureaucratic and administrative impediments to CSO formation and operations (new result)* 9. Length of time to register a CSO 10. Total financial costs for registration 11. Existence of other impediments to registration such as geographic location where registration must take place 12. Existence of onerous requirements for CSO registration following registration (e.g., periodicity of reporting requirements, audits and evaluations) 13. Opinions of CSOs concerning impediments or incentives to CSO formation and operations *RESULT 4: Protection of CSOs from state (political) interference* 14. Harassment of CSO officers and media owners and journalists 15. Number of violent acts against CSO staff, members, media owners, journalists, etc. in past year 16. Number of CSOs and media outlets closed down in past year 17. Number of complaints filed with human rights organizations 18. Number of legal proceedings taken against state executive agencies related to CSOs

OBJECTIVES	INDICATORS
Supporting Objective 3.2: Strengthening civil society's oversight of state institutions	*RESULT 1: Increased capability of CSOs to ensure state institutions practice good governance* 1. Number of CSO prepared studies, analyses, and assessments that are widely disseminated in society and government 2. Increased informational openness and transparency of executive and legislative branch and decision-making processes, including the allocation and management of public resources 3. Increased accountability of state institutions for their impact on their public policy decisions 4. Increased responsiveness to citizen requests for information or redress of state actions 5. Existence of publications of parliamentary debate of policies and their frequency 6. Existence of publications of the budget and budgetary expenditures and their frequency 7. Frequency of legal challenges to legislation and/or public policies 8. Number of CSOs directly engaging the state over issues of public government performance

OBJECTIVES	INDICATORS
Supporting Objective 3.3: Promoting more effective management of CSOs	*RESULT 1: Financial viability* 1. Percent of funds from independent sources supporting CSO operations and programs 2. Percent of funds coming from members 3. Percent of funds recovered from members or clients that contribute to financing CSO operating costs 4. Percent of funds coming from donors and the diversification (i.e., number) of donors 5. Percent (extent to which) of funds generated by CSO covers overall operating and program costs *RESULT 2: Transparency of CSO management* 6. Organizational records available 7. Financial records regularly audited by independent source 8. Completeness of meeting minutes *RESULT 3: Increased demand for CSO services* 9. Number of clients being served by CSO 10. Number of requests by government for CSOs to participate in service delivery 11. Number of donors funding CSOs to undertake services formerly provided by government 12. Number of clients requesting CSOs for services

OBJECTIVES	INDICATORS
Supporting Objective 3.4: Increasing Internal CSO Democratic Governance Practices	*RESULT 1: Increased member/client participation in decision-making* 1. Number of members voting on policy initiatives 2. Number of sub-committees of board of directors and members per sub-committee dealing with policy formulation 3. Number of decentralized units of the CSO involved in decision and policy making 4. Number of consultations held with clients to gain input into policies/decisions which affect them 5. Types and numbers of mechanisms which CSO employs to gain member/client input (e.g., evaluations, open fora) *RESULT 2: Representativeness of membership* 6. Elections of governing entities held at regular intervals 7. Degree of turnover of CSO officers/board members 8. Officers/management reflect composition of management *RESULT 3: Accountability and responsiveness of officers/board members and management body to members and/or clients* 9. Types and number of mechanisms through which members and clients can convey feedback on policies and services provided by CSO 10. Number of responses by CSO to member, client or general public inquiries 11. Time between member, client or general public inquiries and CSO response 12. Frequency of CSO reporting, including financial reporting of members/clients, government and donors

OBJECTIVES	INDICATORS
Supporting Objective 3.5: Increasing participation in policy formulation and implementation	*RESULT 1: Increased direct methods undertaken to influence public policy* 1. Number of direct actions (e.g. petitions, participation on presidential commissions) taken up in support of opposition to government (executive branch) policies 2. Number CSOs brought into legislative process (e.g. testifying before congressional committees) 3. Number of policy papers and draft legislation prepared on national and local issues 4. Number of legal cases brought by CSOs before courts (constitutional, criminal and civil) challenging policies and laws 5. Number of actual policies and/or laws changed as a result of CSO lobbying/advocacy 6. Number of reforms/reformist actions taken 7. Number and types of fora in which CSOs engage state institutions in policy debate 8. Increased and more diverse media coverage or public debates *RESULT 2: Increased proportion of population involved in influencing public policy* 9. Percent of population represented by CSOs 10. Number of CSOs taking positions on public issues *RESULT 3: More minority groups involved* 11. Number of CSOs representing women's issues 12. Number of CSOs representing ethnic and religious minorities

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OBJECTIVES	INDICATORS
Supporting Objective 3.5: Increasing participation in policy formulation and implementation (con't.)	*RESULT 4: CSOs join to promote/oppose specific policies or laws*
	13. Number of coalitions formed to promote/oppose specific policies/legislation
	14. Number of networks, umbrella organizations existing that represent groupings of CSOs
	15. Number of cross-sectoral coalitions and alliances which include CSOs
	16. Diversity of coalitions formed
	17. Duration of coalitions
Supporting Objective 3.6 Broadening the acceptance of democratic (civic values)	*RESULT 1: Citizens show more tolerance for minority groups*
	1. Percent of citizens polled expressing positive attitudes towards minorities
	2. Number or percent of anti-minority incidents reported
	3. Degree of participation of minorities in public life
	RESULT 2: Women participate fully in social, economic and political life
	4. Number of women in elective offices
	5. Number of women appointed to leadership positions in executive branch agencies
	6. Number of laws restricting women's employment opportunities or access to commercial loans
	RESULT 3: Civic education actively pursued
	7. Number or percent of population attending civic education classes
	8. Civic education included in school curriculum
	9. Number of CSOs providing civic education

OBJECTIVES	INDICATORS
Supporting Objective 3.6 Broadening the acceptance of democratic (civic values) (con't.)	*RESULT 4: Citizen acceptance of democratic principles and governance practices increased* 10. Percent of citizens who adhere to democratic principles and good governance practices 11. Percent of citizens who understand constitutional responsibilities 12. Number of citizens who belong to and participate in self-governing associations at both the local and national levels
Supporting Objective 3.7 Promoting a more independent and effective media	*RESULT 1: Media represents all segments of society* 1. Number/percent of media outlets owned or operated by minority groups 2. Number/percent of women in media 3. Media content, including views and opinions reflecting wider society *RESULT 2: Government control of media is limited* 4. Number or percent of privately-owned media outlets 5. Percent of media outlets independent or government funding 6. Degree to which materials and facilities are distributed equally or to which there is equitable access *RESULT 3: Open access to different points of view* 7. Degree of media censorship 8. Number of media outlets closed down or suspended 9. Number of journalists harassed or jailed 10. Percent of news coverage expressing opposing views

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OBJECTIVES	INDICATORS
Supporting Objective 3.7 Promoting a more independent and effective media (con't.)	*RESULT 4: Media adhere to professional standards* 11. Number or percent of journalists professionally trained 12. Recognized professional associations develop and hold members to code of conduct 13. Libel laws enforced 14. Investigative reporting free and unbiased

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Table 4: More Accountable Governance

OBJECTIVES	INDICATORS
Objective 4: More Accountable Governance	*Local government public services and revenues* 1. Percent of countries where 50% of public revenues are locally generated and controlled 2. Number of regional and local governments providing social and public services previously provided by the central government; percent of citizens receiving them *Rate of growth of democratic institutions* 3. Rate of growth of democratic institutions (Parliament, NGOs, etc., trade unions) *Citizen perception of responsiveness of governments to citizens/minorities* 4. Citizens are treated as customers of government/government personnel 5. Number of citizens who believe they have a voice in the decisions that affect their lives, either individually or through associations formed around common interests (by gender) 6. Ethnic/religious minorities who feel their rights are protected and promoted *Citizen awareness/participation in decision-making - individuals, NGOs, collectively* 7. Percent of communities in a country where X% of resources are being efficiently used for projects by voting citizens 8. Number/percent of citizens who individually or collectively have been in contact with MP or staff member (or legislature) 9. Percent of countries whose systems of governance provide avenues for participatory public policy making at the lower level appropriate 10. Number/percent of governments (at all levels) that have active systems in place for publishing/disseminating information 11. Increased active public debate on key issues/decisions of government and extent of NGO involvement in debate

OBJECTIVES	INDICATORS
Objective 4: More Accountable Governance (con't.)	*Relative independence/power of legislature vis-a-vis other branches*
	12. Number of independent-functioning legislatures
	13. Number of countries in which legislatures and judiciaries hold significant power in relation to executive branch (a balance of power among the three branches)
	14. Percent of countries with X% of legislation (a) drafted and (b) enacted by the legislative branch rather than the executive branch
	15. Percent of countries where national budget is controlled by the legislature
	16. Extent to which legislatures have and use the authority to review/approve government decisions, budgets, appointments, etc.
	U.S. policy/national interest objectives
	17. Number of American companies experiencing greater access/trade to/with developing country markets without resorting to corruption/pay off to government officials
	18. Percent reduction in anti-American activities (including terrorism) from non-democracies and transitioning developing countries
	19. Number of conflicts in which the US has been engaged
	Movement toward democracy
	20. Number of countries operating under constitutions that represent social compacts (fundamental law)
	21. Percent of actual governments that have increased efforts toward democratic governance [including experiments, dialogues, discussions] that didn't previously exist)
	22. Number of countries in which highest executive branch officials are chosen by national election

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OBJECTIVES	INDICATORS
Objective 4: More Accountable Governance (con't.)	*Money saved from reduction in corruption/inefficiency*
	23. Number of dollars saved from corruption, efficiency as a result of executive oversight, legislative oversight and independent audits (could be percent of national budget)
	Officials prosecuted
	24. Number of countries in which high-level officials are prosecuted, convicted, sentenced for corrupt practices
	Executive control of military budget
	25. Number of countries in which executive branch has control of military budget
Supporting Objective 4.1: Increased Local Government Participation in Basic Government Functions	1. Percent of national revenue allocated to local government
	2. Amount (%) of locally-collected revenue in local government budget (closely related to number 1)
	3. Passage of legal, fiscal, and procurement reforms that empower local government

OBJECTIVES	INDICATORS
Supporting Objective 4.2: More effective and independent legislatures	1. Percent of citizens who believe they are being represented by the legislature 2. Percent of membership-based organizations that believe they can access, be heard by the legislature 3. Extent to which legislature uses information provided by research units 4. Number of public hearings held 5. Percent of laws passed that have been significantly amended by the legislature 6. Number/type of NGO groups working with the legislature: providing testimony to...; giving information to..., helping draft information on.... 7. Legislature is fulfilling its constitutional responsibilities 8. Number of bills (introduced/enacted) by (minority party members/members of Parliament) 9. Number of sanctions: identified (hearings); made (adopted); accepted by the Executive 10. Number of recommendations: identified (hearings); made (adopted); accepted by the Executive

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CHECKLIST FOR REVIEWING INDICATORS		
CRITERIA	YES	NO
1. DOES THE INDICATOR MEASURE PROGRESS AS DIRECTLY AS POSSIBLE?		
2. DOES THE INDICATOR SHOW THE SIZE OF THE PROBLEM AS WELL AS THE PORTION THAT USAID IS TACKLING?		
3. DOES THE INDICATOR HAVE SIGNIFICANCE FOR A WIDE AUDIENCE?		
4. IS THE INDICATOR PRACTICAL AND COST-EFFECTIVE TO MEASURE?		
5. DOES THE INDICATOR PROVIDE A MEASURE THAT CAN BE RELATED TO THE MAGNITUDE OF THE INVESTMENT?		
6. CAN THE INDICATOR BE MEASURED WITH SUFFICIENT FREQUENCY?		
7. ARE THERE TOO MANY INDICATORS TO MEASURE PROGRESS TOWARD THE STRATEGIC OBJECTIVE OR ANY INTERMEDIATE RESULT?		
8. DOES THE INDICATOR SPECIFY THE POPULATION OR GEOGRAPHIC AREA COVERED?		
9. IF THE MEASUREMENT PROCESS WERE DUPLICATED, WOULD IT PROVIDE THE SAME OR COMPARABLE ANSWERS?		

CONTENTS

Democracy Programming in Post-Conflict States 8

Comparative Lessons

Readings:

Ball, Nicole, and Tammy Halevy. "Making Peace Work: The Role of the International Development Community." ODC Books in Brief. Washington, DC: Overseas Development Council, 1996.

Ball, Nicole. "Demobilization and Reintegration of Soldiers: Findings from Africa." Washington, DC: Overseas Development Council. Draft paper, December 1995. (Prepared for *Rebuilding War-Torn Societies: Critical Areas for International Assistance*, Boulder: Lynne Reiner, 1996.)

DRAFT – NOT FOR CITATION

Demobilization and Reintegration of Soldiers: Findings from Africa

Nicole Ball

Overseas Development Council
Washington, D.C.

Prepared for:

Rebuilding After Civil War: The Role of International Assistance During Transition

Rebuilding War-Torn Societies: Critical Areas for International Assistance. Lynn Rienner, 1996

December 1, 1995

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DRAFT – NOT FOR CITATION

The last 30 years have offered enormous opportunities and challenges to the countries in sub-Saharan Africa. Important progress has been recorded in economic and social sectors, although the gains have often come more slowly and unevenly than anticipated, especially during the 1980s. In consequence, economic stagnation has combined with deteriorating terms of trade, rapid population growth, exceptionally high levels of indebtedness, and the effects of prolonged conflict to produce an economic crisis of significant proportions.

In the political arena, one-party rule, military juntas, and authoritarian regimes have far outnumbered multiparty systems, offering citizens little opportunity to provide input into the decisions which shape their lives. The crisis in governance has intensified the economic crisis as resources have been put to unproductive uses, retarding efforts to achieve sustained development. The crisis in governance has also contributed importantly to the conflicts that have afflicted the region. Some of these have resulted from protracted decolonization struggles and from foreign military intervention. Prior to 1990, African conflicts were often exacerbated by the Cold War. But in many cases, domestic political and economic inequalities have played a central role.

Fundamental to both improved governance and sustained economic and social development is a re-examination of the role of the security sector. While the armed forces can play an important role in nation-building, they can also severely constrain national well-being by absorbing too many resources, preventing the growth of responsible, accountable government, and encouraging conflict over compromise. In these respects, the military has imposed a heavy burden on sub-Saharan Africa. Reducing the size and political power of the security sector can substantially increase economic and political stability and thereby

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significantly enhance a country's long-term development prospects.

Restructuring the security sector involves demobilizing troops, separating internal and external security functions, enhancing transparency, accountability, and civilian control, reassessing missions, and, in some cases, creating entirely new security forces. This chapter focusses solely on the demobilization of troops, their initial reinsertion into civilian life, and their long-term reintegration as productive members of society. Seven African countries have significantly reduced the size of their security forces since the early 1980s--Chad, Eritrea, Ethiopia, Mozambique, Namibia, Uganda and Zimbabwe. The coming years could witness troop reductions in perhaps another half dozen or so African states. Development cooperation agencies have increasingly been asked to provide technical and financial support. A review of recent demobilization and reintegration efforts suggests that while some unresolved questions remain, considerable valuable experience has been accumulated.

This chapter begins by describing the four phases of the demobilization-reintegration process and identifying the roles played by the various actors involved. Three categories of lessons are then discussed: general lessons, lessons pertaining to assembly and discharge and lessons applicable to reinsertion and reintegration.

The Demobilization-Reintegration Process

While military life sometimes provides soldiers with technical and administrative skills that will stand them in good stead in civilian life, most African ex-combatants constitute a specially disadvantaged group. The typical veteran is semi-literate at best, unskilled, with few

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personal possessions, often no housing or land, but frequently many dependents. Some are also physically and psychologically handicapped by wartime experiences. Many find it difficult to take independent initiatives and cope with the ordinary demands of civilian life. Even when they possess a marketable skill, such as mechanic or driver, ex-combatants tend to have little or no experience in the labor market, having taken up arms at an early age. They also tend to have an imperfect understanding of the state of the economy. In consequence, ex-combatants often have unrealistic assumptions about civilian life and require a period of adjustment to assess their personal situation and options. These characteristics are particularly relevant for former foot soldiers, whose opportunities for education and personal advancement were more limited than those of the officer corps, and for members of the armed opposition.

Donors and NGOs have sometimes been reluctant to assist veterans following conflicts, because of their role in uprooting non-combatants from their homes and causing considerable loss of life, destruction of physical infrastructure, and suffering. Still, peace agreements often specify such assistance, and, from a political standpoint, it may be very difficult to avoid aid to demobilized soldiers even if it is not mandated by peace accords in view of their capacity to disrupt the peace process. Demobilization-reintegration programs for ex-combatants and, in some cases, their families have been and will continue to be part of the transition landscape in Africa (World Bank 1993; Colletta, Kostner, and Wiederhofer, 1996).

The demobilization-reintegration process consists of four major phases through which soldiers progressively pass: assembly, discharge, short-term reinsertion, and longer-term reintegration. The first two constitute the demobilization stage; the latter two, the reintegration stage. The duration of these four phases varies from country to country, but

experience from Africa and elsewhere suggests that donors should anticipate remaining involved for three to four years.

Assembly

Soldiers are typically assembled, or cantoned, as the first step in the demobilization-reintegration process. Following conflicts, assembly has primarily political and security objectives: to account for all combatants and their weapons and, where wars end without a clear winner, to build confidence between the former warring parties that each side will maintain the commitments expressed in the peace accords. Some soldiers are exempt from cantonment in order to maintain the functioning of the armed forces. Senior officers may also not be required to enter assembly areas.

The precise needs of cantoned troops vary considerably. When confined to barracks as most government troops are, the requirement for supplementary shelter, food, clothing, sanitation facilities, and medical care may be minimal. However, governments, which often owe their troops substantial back pay, may not have the resources to provide for soldiers' basic needs during cantonment. Opposition forces typically require that everything be provided for them, and they often need this assistance urgently. Finally, cantoned soldiers may have special health needs, particularly members of the armed opposition who have frequently only had access to very basic medical care for many years. Prior to discharge, soldiers often receive orientations to help them adjust to civilian life.

Because of the political context in which they occur, post-conflict demobilization

processes governed by negotiated settlements rarely, if ever, adhere to the timetables established by peace agreements. As the cantonment period is extended, provisioning the encamped soldiers becomes more costly, and new needs are created. For example, it can be difficult to avoid providing some services such as basic medical care for the soldiers' families who progressively join them in assembly areas as well as to nearby civilians.

Discharge

When large numbers of soldiers are demobilized, they are generally discharged over a period of time. From a social and economic perspective, it may be preferable to discharge troops over a several year period. For political-military reasons, however, post-conflict demobilizations, particularly those governed by negotiated settlements, are often required to be completed within the space of one year, and the discharge of troops may be closely linked to compliance with other provisions of the peace accords.

Upon discharge, soldiers are generally transported to their home districts which tends to be less expensive and safer than independent travel and facilitates the initial geographic dispersal of ex-combatants. They are usually provided with food or funds to purchase food for the journey. In some cases, veterans are required to attend post-discharge orientation meetings upon their arrival in their home districts. In addition, soldiers often receive some portion of their reinsertion benefits at the point of discharge.

FIGURE 4-1 ABOUT HERE

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Reinsertion

Reinsertion assistance is a form of transitory safety net that provides veterans with the basic necessities of life--such as shelter, medical care, food, clothing, and household goods--for a period of between several months and two years. Delivery methods include cash payments, vouchers (for medical care and children's school fees), and in-kind transfers (housing material, food, clothing, transportation). Some reinsertion programs have offered special support to physically handicapped veterans. Psychological problems have received less attention. Some assistance has been provided to help veterans regenerate their traditional coping skills through the creation of bodies to which soldiers can turn for advice and information.

Reintegration

The objective of reintegration is the incorporation of the veteran and his family into civilian society and the attainment of financial independence through involvement in productive activities. Refugees, internally displaced persons, and veterans have many needs in common, and donors increasingly agree that programs to reintegrate ex-combatants into civilian life in post-conflict environments are most appropriately linked with economic revitalization activities at the community level. To date, however, most assistance has been targeted on ex-combatants. The most frequently employed mechanisms are cash payments, counselling (employment and psychological), vocational training, apprenticeships, formal

education, job generation, support for job search, access to land, credits, technical assistance, and support in identifying market needs.

FIGURE 4-2 ABOUT HERE

Major Actors

The demobilization-reintegration process is both highly politically charged and administratively complex. Governments frequently request economic and technical assistance to devise a framework for demobilization-reintegration efforts, and to develop and implement specific programs for demobilized soldiers. They may also require external political support to overcome obstacles to the timely completion of the demobilization process. In addition, for a variety of reasons, programs are frequently implemented by non-governmental organizations, both domestic and international, and by public international organizations. Figure 4-3 summarizes the major actors in the demobilization-reintegration process and the roles each commonly plays during its four phases.

FIGURE 4-3 ABOUT HERE

General Lessons

1. **Flexibility in planning and implementation is crucial. Post-conflict demobilizations**

are particularly vulnerable to delays and other program changes. All involved should anticipate and plan for the unexpected. Demobilization is inherently a political process and, as such, is subject to a variety of political pressures: to slow implementation, to speed implementation, to change the beneficiary pool, to alter the benefits package. Following conflicts with no clear winner, these pressures are particularly strong. Personnel have to be able to adapt rapidly to new circumstances. Enhanced flexibility does not, in and of itself, solve all problems. However, without the ability to respond to changing circumstances, programs face an even greater chance of failure.

"A plan is an agreed-upon basis for change." United Nations peacekeeping official, Mozambique, January 1995

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2. Flexible, quick disbursing funds are essential to the success of demobilization and reintegration programs. The importance of financial flexibility has been stressed time and again by development practitioners involved in demobilization-reintegration efforts, but this lesson has not yet been fully internalized by development assistance bureaucracies. Although both relief aid and development assistance are routinely employed in demobilization-reintegration efforts, neither are well-suited to this purpose. Development assistance is slow disbursing and the more accessible relief aid is often limited to activities that save lives. Mechanisms urgently need to be developed to speed disbursement, including means of overriding any restrictions on assistance to military organizations where necessary.

One possible mechanism would be a "transition/post-conflict waiver authority" to support demobilization-reintegration activities. Alternatively, donors could co-finance structural adjustment loans with the multilateral development banks to increase the volume of quick-disbursing funds available to governments. Redirecting funds already appropriated for other programs offers a third option that donors frequently use, but significant funds are not always available for this purpose.

Equally important, special attention needs to be given to UN procurement practices in view of the central role accorded UN peacekeeping operations when conflicts end in negotiated settlements. One means of increasing the flexibility of UN funding would be to provide PKOs with reasonable local expenditure authority so that only major expenditures would have to be referred to New York.

3. For demobilization-reintegration to proceed smoothly and with maximum possible effectiveness, planning should begin well before troops enter assembly areas. This means that donors should be prepared to act early on, ideally before wars actually end. Governments invariably require financial and technical assistance to plan as well as implement their demobilization-reintegration programs. Thus, if planning is to begin early, donor support must begin early. Adequate lead time will facilitate the timely delivery of assistance, and enable donors to determine if ongoing programs--health care, vocational training, credit, and so on--could be expanded to meet the needs of ex-combatants.

There are three additional reasons in favor of early donor involvement. First, it is possible that the process of reaching peace agreements could be expedited if the parties to the

conflict knew that specific programs would be available to ease the difficult transition to civilian life for their soldiers. Second, when wars end in negotiated settlements, demobilization tends to begin before a legitimated government is established which, at present, generally occurs through internationally supervised elections. Indeed, demobilization may be a pre-condition for holding the elections. Under these conditions, mistrust of transitional governments among the armed opposition may necessitate some degree of international supervision of the demobilization-reintegration process. Third, post-conflict countries typically suffer from extreme institutional weakness. Their governments are overextended and unable to fulfill key functions and deliver critical services. It would be helpful in these situations for the donors to work with appropriate government officials (at the national, regional, and local levels), relevant international NGOs and multilateral institutions, representatives of the opposition, local communities and non-governmental bodies, and the soldiers themselves to plan demobilization-reintegration activities.

4. As with any development program, a key element in the success of the demobilization-reintegration process is adequate institutional support. Three functions that must be fulfilled are: a) strategic planning, b) coordination within the government and with the donor community, and c) oversight of implementing bodies. The governments of wartorn countries invariably have substantial institution-strengthening needs. If they are to develop the capacity to fulfill key functions and deliver essential services, some level of material and technical assistance will be necessary. The planners of demobilization-reintegration efforts should, therefore, incorporate institutional-strengthening and human resource capacity-building

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into their programs where appropriate and feasible.

a) **Strategic planning.** In order to assess institutional needs, donors might encourage the establishment of an informal forum in which donors, the government, and the armed opposition could engage in dialogue on: 1) the overall policy and institutional framework within which demobilization-reintegration activities will occur; 2) the key tasks for government and the appropriate level of government to assume responsibility for each task; 3) methods of incorporating the views of the soldiers to be demobilized; and 4) the specific roles that individual donor agencies and NGOs will play to help implement demobilization-reintegration programs.

b) **Coordination.** Recent experience suggests that a civilian, quasi-governmental commission is the best mechanism for guiding the overall demobilization-reintegration process and effecting coordination between the country undergoing demobilization and the donor community (Colletta, Kostner, and Wiederhofer 1996, p. 16). The primary objective must, however, be to assist veterans, not create an elaborate administrative structure. In addition, donors must make every effort to encourage such commissions to operate in a problem-solving mode and to avoid falling prey to the post-conflict power struggles that afflict countries when conflicts end with no clear winner.

To facilitate donor-government coordination, the resident donor community should appoint a lead donor–a bilateral aid agency, the World Bank, or UNDP. Where demobilization occurs as part of a peace process supervised by the United Nations, a PKO may be responsible for coordination. In these cases, an effort must be made to draw as much as possible on existing donor coordination mechanisms–both formal and informal. Whatever

the donor coordination mechanism employed, it is critical that the individual responsible for overall coordination possess a collaborative, inclusive personal style. It is also important that the donors give priority to veterans' needs rather than to their own interests, something which has often not occurred in recent demobilization-reintegration efforts.

c) **Implementation oversight.** Local oversight mechanisms are typically discredited or severely weakened in countries that have experienced lengthy civil wars. One means of strengthening local capacity would be to constitute community-based committees composed of government representatives, community leaders, local NGOs, businessmen, and other local citizens, including ex-combatants. Such committees could initially provide input on project/program design and implementation and ultimately assume oversight responsibility. Involving local representatives in this way should increase the community's stake in the successful incorporation of veterans.

Although time-consuming to establish, the return on investment from such committees is likely in most cases to outweigh the costs in terms of more appropriate programs, enhanced local capacity, and more rapid social integration of ex-combatants. If this approach is to succeed, however, local participation must be genuine. Community members must be consulted, not informed; authority must be progressively transferred from central and regional governments to local entities (Colletta, Kostner, Sitani, and Wiederhofer 1996, pp. 44-45, 53).

5. Program planners should take into account the needs of special vulnerable groups. The disabled, the chronically ill, child soldiers, and women are among those most frequently cited as requiring special attention. In some African countries, a significant number of the

soldiers discharged from military service are infected with HIV. Other veterans carry the physical and psychological scars of lengthy wars. Female combatants and the wives of male veterans face a variety of social and economic constraints and burdens which derive to a large extent from the traditional role of women in African societies. If not overcome, these can cause considerable hardship for the women and their children. Child soldiers are a particularly unfortunate legacy of war.[1] Even soldiers who are in their twenties at the time of demobilization may need special assistance because they have had no experience of civilian life as an adult. Although there have been some efforts to address the problems of these special vulnerable groups, they have generally received less attention than warranted (Colletta, Kostner, and Wiederhofer 1996, pp. 13-14).

6. **A crucial component of any demobilization/reintegration scheme is an effective monitoring and evaluation capacity.** To conserve increasingly scarce resources, it is vital that assistance reaches its intended beneficiaries, that programs are cost-effective, and that leakage is minimized. In addition, monitoring and evaluation in the course of project execution enable mid-course corrections that can be extremely valuable in terms of maximizing beneficiary satisfaction by making adjustments in program content and the way in which benefits are delivered. A unified database is critical to these functions and should be created at the beginning of the demobilization-reintegration process.

Lessons from the Assembly and Discharge Phases

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1. **Lengthy periods in assembly areas prior to demobilization can create significant political and social problems and increase costs substantially. They should accordingly be avoided whenever possible.** It is widely understood that there are significant economic, political and social benefits to minimizing the amount of time troops spend in assembly areas (Refugee Policy Group 1994, p. 10). Nonetheless, demobilizations following wars that end without a clear winner invariably encounter political obstacles to rapid discharge. **It is therefore critical that planners of post-conflict demobilizations under these conditions develop contingency plans on the assumption that significant delays will occur in implementing the peace process and that soldiers will remain in assembly areas considerably longer than anticipated in the peace accords timetable.**

2. **One method of mitigating problems associated with lengthy periods in assembly areas is to update cantoned troops regularly on the status of the demobilization process and, whenever possible, avoid communicating "dates certain" to them.** Although it is probably impossible to eliminate the frustration of long encampment periods, explaining the complexity of the process to the soldiers and keeping them constantly updated on progress (or the lack thereof) may help to mitigate some of the tensions that develop. **In order to facilitate this communication, it is important to ensure that as many of the personnel supervising assembly as possible speak local languages.**

3. **It is desirable to begin preparing soldiers for civilian life prior to discharge.** Soldiers can usefully receive information on a broad range of subjects that will assist them

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reintegrate into civilian life. It is desirable to include soldiers' wives (or husbands) in these orientations whenever possible. Where soldiers are encamped for lengthy periods of time, the pre-discharge orientation can be more detailed than in situations where they are assembled for a shorter time, and basic skills enhancement can be provided as well. However, assembly periods should never be lengthened solely to provide soldiers with training.

Upon arrival in their home district, it may be helpful to provide a post-discharge orientation before veterans and their families disperse. The purpose of this exercise would be to familiarize the new arrivals with the local economic situation, customary rights of women, and other relevant information and to acquaint them with representatives of local government and relevant NGOs (Colletta, Kostner, and Wiederhofer 1996, pp. 8-9).

UGANDA VETERANS ASSISTANCE BOARD PRE-DISCHARGE ORIENTATION FOR SOLDIERS AND THEIR WIVES

Soldiers were demobilized in three phases in Uganda between 1992 and 1995. During this period, the content of the pre-discharge orientation was progressively refined. As a result, the length of the orientation sessions was extended from a short briefing prior to mustering out in phase I to at least 20 hours spread over five days in phase III. During phase I, soldiers wives were not included; during phase III, the sessions were conducted jointly with wives to the extent possible.

The eight phase III pre-discharge orientation modules were:

- entitlements (banking and installments, education and health, roofing materials)
- veterans' associations and veterans' experience to date (projects undertaken, economic opportunities, personal finances)
- women's legal rights and civil responsibilities
- services and cost-sharing at local health facilities
- household health issues (preventive care, first aid)
- AIDS/HIV (basic information, access to counseling and support resource)
- PTA fees and importance of basic education for veterans' children
- women's legal rights issues (basic education for both veterans and veterans' wives).

Source: Nat Colletta, Markus Kostner, Emilio Mondo, and Ingo Wiederhofer, *From Swords to Ploughshares: Demobilization and Reintegration of Ex-Combatants in Uganda* Working Paper (Washington, DC: Africa Technical Department, The World Bank, 1996), p. 22.

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4. **Child soldiers should not undergo assembly.** Every effort should be made to identify child soldiers, to remove them from assembly areas or encampments around assembly areas, provide them with psychological counselling if at all possible, and reunite them with their families. Armed forces frequently refuse to admit that they have child soldiers in their ranks and to give relief workers early access to the children. Donors need to make every effort to overcome these obstacles, and should be supported in their efforts by the key members of the diplomatic community, including the Secretary-General's Special Representative.

5. **If time permits, it is desirable to conduct a trial run of assembly-discharge activities in order to fine tune the process.** By discharging some 400 soldiers several weeks before the formal start of the demobilization process, the Uganda Veterans Assistance Board was able to identify program design and implementation weaknesses and make a number of adjustments to their procedures. Some of the lessons learned were that: 1) It is desirable to have military escorts accompanying veterans and their families during transportation to the district reception centers; 2) It is desirable to take out group insurance to protect against the loss or theft of benefits distributed at the time of discharge during transport to the districts; and 3) It is important to fully prepare reception and temporary sleeping arrangements at the district reception point to accommodate veterans and their families await transport to their home villages.

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Lessons from the Reinsertion and Reintegration Phases

1. **Demobilization-reintegration programs should include a combination of benefits, which are available to all demobilized soldiers, and opportunities, which are available to ex-combatants who meet certain criteria. In order to minimize the potential for discontent among veterans, the distinction between benefits and opportunities needs to be communicated clearly and consistently.** Providing all veterans with relatively short-term reinsertion benefits that function as a transitory safety net addresses both real physical needs and the psychological need for formal recognition of personal sacrifices during their years of military service. Where different benefit packages are provided--based on the personal characteristics (female, child soldier, disabled), destination (rural or urban), or intended occupation--every effort should be made to develop packages of roughly equivalent value. In addition, it probably is preferable to distribute only benefits to soldiers as long as they remain in large groups, that is, during the assembly and transport phases.

Longer-term reintegration assistance should be presented as a series of opportunities since it is highly unlikely that employment, training, and education opportunities can be provided to all veterans, particularly in post-conflict societies where the lives of large numbers of people have been disrupted by war and resources are exceptionally constrained.

2. **The benefits package should consist of short-term reinsertion subsidies, in cash or in-kind, to tide soldiers over the initial period of return home. Opportunities should include medium- and long-term assistance aimed at identifying immediate employment openings,**

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supporting economic revitalization, promoting community development, and increasing longer-term employment possibilities. In order to minimize the potential for demobilization-reintegration programs to increase polarization among social groups, it is important to limit the number of targeted programs and shift as early as possible to community-based programs and/or programs benefitting all of the most-severely war-affected populations.

a) **Short-term reinsertion assistance.** Short-term reinsertion assistance can provide ex-combatants with a vital breathing space while they establish themselves in the civilian economy. It also reduces the burden that veterans and their dependents place on the communities to which they return and enhances veterans' self-esteem by ensuring that they will be able to finance their basic needs. Reinsertion assistance in the form of cash can help to remonetize the economy and stimulate local production of basic goods and services. The duration of reinsertion programs depends on local circumstances but should probably be six to twelve months. The value of the reinsertion package should take account of regional variations in purchasing power, as well as the local cultural environment and mode of subsistence. It is important, of course, that this assistance not come to be considered an entitlement. Therefore, a termination date should be established at the start of the demobilization process and communicated clearly and consistently to veterans.

While financial payments arguably provide the demobilized and their families with greatest flexibility and are the least costly method of providing benefits, the most appropriate method of delivering reinsertion assistance--cash payments, in-kind assistance, vouchers--depends on local conditions. Each of these methods should be considered during the planning phase. When cash payments are the chosen form of assistance, payments spread over several

installments with an option of advances for investment purposes are preferable to lump-sum payments. Cash payments can also be used to strengthen the capacity of local financial institutions.

Donors should be aware of the ways in which the type of assistance they offer influences program design, costs, and outcomes. Whatever form their assistance takes, donors should make every effort to provide it in a timely fashion to avoid the negative impact that disbursement delays can have on program beneficiaries.

DONOR INFLUENCE ON THE HOUSING COMPONENT OF REINSERTION ASSISTANCE IN UGANDA

"...the following assistance was rendered to a veteran for erecting a simple house: 20 galvanized corrugated iron (GCI) sheets and five GCI ridges in kind as well as in-cash contributions to the purchase of poles, doors, windows, nails, vents, and skilled labor.

"...it was initially contemplated to provide veterans with a total cash package to reduce logistical and transaction costs of procuring, storing, transporting, and distributing such large amounts of iron sheets and ridges. However, one donor willing to entirely support this component could only contribute to the program through commodity provisions....

"...While pledged in autumn of 1992 [for phase I demobilization, December 1992-July 1993], actual delivery took place between December 1993 and February 1994....

"Phase II procurement experienced similar delays, this time due to the late arrival of funds and procurement procedures....Consequently, the arrival of the iron sheets for phase II veterans is now expected in August/September 1995...

"Ideally, a veteran would receive the in-kind housing benefits immediately after returning to the community. Only then would he/she be able to make full use of this component. Until the house was built, a period of maybe one to three months, he/she was expected to stay with relatives or friends. As a result of the delays, however, many veterans did not have adequate shelter for a prolonged period of time after arrival, though few veterans were actually homeless two or three months after discharge....

"Because in-kind and cash benefits were not provided at the same time, in fact more than one year apart, many veterans were not able to save the cash components until the sheets arrived...."

As a result of this experience, it has been decided that cash payments equivalent to the value of the iron sheets would be substituted for the sheets themselves during the third round of demobilization.

Source: Nat Colletta, Markus Kostner, Emilio Mondo, and Ingo Wiederhofer, *From Swords to Ploughshares: Demobilization and Reintegration of Ex-Combatants in Uganda* Working Paper (Washington, DC: Africa Technical Department, The World Bank, 1996), pp. 37-39.

[NOTE: This citation should be checked against the final version of the Working Paper once

it is published.]

b) Medium- and long-term reintegration support. Demobilized soldiers and their spouses require three types of assistance to facilitate their productive reintegration into the civilian economy: 1) information about economic and social programs from which they could benefit; 2) information about specific job opportunities; 3) means of acquiring or upgrading skills essential for employment.

Past experience has demonstrated the value of both information (benefits and opportunities) and referral (employment and training) services for ex-combatants, even in countries where the local economy is extremely weak and job opportunities outside the family agriculture sector are limited. In the future, however, it would be worthwhile examining if this function could be targeted on the community as a whole. Since a growing economy provides the best hope for long-term reintegration, it makes good sense to focus as many resources as possible on strengthening the local economy.

A community information and referral capacity could be established to provide community members with referrals to employment and training opportunities. This capacity could be attached to existing local government offices or be lodged in a community center. In the latter case, it could possibly house NGOs and other agencies providing a variety of information and services and even become the locus of community-based conflict management and reconciliation efforts where necessary and appropriate. Nat Colletta. 1993. "War-to-Peace Transition in Uganda." *Finance and Development* June: in either case, the objective would be to designate specific staff members to work solely with veterans and their families. It is important, particularly in the first months following demobilization, that there

is a place to which veterans can turn for advice and support.

Rather than establish job and credit schemes specifically for veterans, additional funding could be made available to existing community-development, microenterprise, public-works and other relevant programs to enable them to absorb a certain number of ex-combatants or their spouses into ongoing activities. Resources could be allocated on a priority basis to districts with particularly high concentrations of veterans and low employment opportunities.

A number of recent African ex-combatant reintegration efforts have included training programs intended to raise skill levels and enable some ex-combatants to become self-employed. These experiences suggest that such programs are not an efficient use of limited resources, particularly in countries with limited employment opportunities and weak training infrastructure. Rather, future reintegration schemes for demobilized soldiers should concentrate first of all on developing apprenticeship opportunities which help overcome the training-employment disconnect and various problems associated with training centers, such as quality, capacity and geographic distribution. According to the World Bank, apprenticeships are "the most feasible and cost-effective element for the majority of urban ex-combatants" (Colletta, Kostner, and Wiederhofer 1996, p. 13). An additional priority would be to provide vouchers for formal education and vocational training to qualified veterans. Incentives can also be offered to private-sector firms to hire veterans.

3. Surveys of 1) the socio-economic characteristics and employment aspirations of soldiers and 2) the local opportunity structure and institutional capacity will result in more

appropriate programs and help manage expectations. In the absence of detailed information, donors often make unwarranted assumptions about demobilized soldiers, the capacity of the economy to absorb labor in specific sectors, and the ability of institutions, such as training facilities and local governments, to contribute to reintegration efforts.

In Africa, reintegration planners commonly anticipate that the agricultural sector will absorb most veterans and that by virtue of their peasant background, most veterans know how to farm. Reality is often quite different. Government troops in particular are frequently urbanized. In many countries, many farmers find that off-farm employment is necessary to supplement the family income. Equally important, in no country does a peasant background guarantee that an individual has the necessary skills to become a successful farmer. Indeed, many African soldiers have entered military service at an early age and spent long periods under arms.

THE IMPORTANCE OF ASSESSING THE LOCAL OPPORTUNITY STRUCTURE

In 1994, the German Technical Cooperation Agency (GTZ) agreed to finance an on-the-job training program for 30 demobilized soldiers in Manica province in Mozambique through its Open Reintegration Fund. One-third of the trainees were to become shoemakers while the remainder were to become shoe repairmen. All were to receive kits and start-up material to help them establish themselves in the informal sector. While GTZ believed that there would be a demand for shoemakers and shoe repairmen, no market survey was conducted to verify this. In addition, once training got underway, it was realized that the self-employed shoemakers would experience difficulty in obtaining raw materials on a sustained basis. A second project was established in order to provide the newly employed shoemakers with raw materials at reasonable prices. It can be predicted, however, that most of the trainees who attempt to become self-employed will end up concentrated in a small area and that only a few of them will survive in the medium- to long-term. Indeed, GTZ has recognized that some trainees may not succeed in establishing viable businesses.

Source: Author's interviews

One reason why demobilization-reintegration programs are based on untested assumptions in post-conflict environments is the difficulty that almost always exists in obtaining information about the intended beneficiaries and particular localities prior to the end of hostilities. In countries where wars end without a clear victor, this situation often extends into the early days of the peace process when levels of mistrust are still very high. The speed with which programs have to be developed can also limit local input.

It is possible that access to beneficiaries could be increased and implementation facilitated if donors engaged the parties to the conflict in discussions of reintegration-reinsertion issue during the course of peace negotiations. It may also be possible to overcome some of the constraints on obtaining timely information on the local situation by adapting strategies that have worked in similar circumstances. For example, vocational training programs for ex-combatants could usefully be viewed as a special form of adult basic education program (UNDP 1993, p.72).

4. It is important to promise no more than can be delivered. Governments emerging from long periods of civil strife which are eager to consolidate their power, reward loyal followers, or enhance their legitimacy frequently promise benefits that they cannot deliver. In view of the economic constraints facing most countries undergoing demobilization, it is difficult for governments to finance extensive benefits packages. In addition, the highly contentious political environment that characterizes many post-conflict countries can complicate government efforts to redistribute assets such as land.

Unfulfilled promises to ex-combatants only exacerbate the political problems facing

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these governments. It is important for donors to assist governments in shaping programs that are as realistic as possible, thereby avoiding frustrations and resentments that can all too easily generate social discontent.

5. **Reinsertion-reintegration is a family affair.** One clear lesson from recent African experience is that reinsertion-reintegration programs should be aimed at the soldier and his dependents, not just the soldier him/herself. Programs that do not take into account the fact that many veterans must provide for dependents (and frequently a sizable number) will not provide the degree of support these former soldiers need and may delay their productive reintegration into society.

6. **Reinsertion-reintegration is also a community affair.** The more community support veterans receive, the greater their chance of rapid reintegration. Since extended families can be an important support to newly demobilized soldiers, veterans should be encouraged to take up residence in communities where family members reside. For a variety of reasons, however, including past personal experience with the security forces, communities may have negative attitudes toward demobilized soldiers. It would therefore be desirable to survey communities during the planning phase to ascertain their attitudes and their capacity to assist veterans. Where necessary, community sensitization efforts can be undertaken to enhance local understanding of challenges facing veterans and their families and the role that the community can play in helping them make the transition to civilian life. One method of strengthening community acceptance of veterans and their families would be to provide

communities which absorb a substantial number of veterans with some tangible benefit, such as the resources to finance a rehabilitation project chosen by the community.

Conclusion

The lessons outlined in this chapter constitute a first step toward charting a course for demobilization-reintegration efforts during the first three to four years following the cessation of hostilities. They are based on a growing body of very recent evaluations of demobilization and reintegration activities.[2] These evaluations suggest that additional longer-term investigations of beneficiaries and detailed cost analyses would be fruitful.

In addition, it would be helpful for donor agencies to meet at a senior policymaker level--perhaps under the auspices of the World Bank or the OECD Development Assistance Committee--to discuss a broad framework for demobilization and, especially, reintegration assistance and to develop a preliminary division of labor. Conclusions reached as the result of such a meeting should be communicated clearly and consistently to field staff. In particular, it would be helpful if field staff could receive guidance on the issues pertaining to country-level donor coordination.

Figure 4-1. Menu of Potential Support to Ex-combatants During the Assembly and Discharge Phases

Assembly	Discharge
Food	Short-term food supplements
Shelter	Transport
Clothing	Orientation on conditions in
Sanitation	Orientation on conditions
Medical exams	district of residence
Medical care	First tranche of reinsertion
Basic education	benefits
Leisure activities	
Orientation on adjusting to civilian life, including financial counselling, health counselling, civic duties, income generation, for soldiers and spouses	
Assistance to child soldiers	
Census	
Discharge documentation	

Figure 4-2. Menu of Potential Support to Ex-combatants During the Reinsertion and Reintegration Phases

Reinsertion	Reintegration
Food supplements	Job generation, including public works, community development, microenterprises, salary supplements to employers, cooperatives
Clothing and personal items	Job placement services
Housing material	Training, including apprenticeships, formal vocational training, managerial/administrative training
Short term medical care	Credit schemes
Basic household goods	Education
Land	Agricultural extension services
Basic agricultural supplies (seeds/tools)	Veteran/spouse information/counselling
Severance pay/other cash allowances	Rehabilitation for physically/mentally disabled soldiers
Veteran/spouse information/ counselling	
Assistance to child soldiers	
Rehabilitation for physically/ mentally disabled soldiers	

ıre 4-3. Roles of the Major Participants in Demobilization-Reintegra Process Following Civil Wars

Government	In principle, governments are involved in assembly, discharge, reinsertion, and reintegration. In practices, peace agreements governing the transition in countries with no clear winner may be required to cede some of their responsibilities to other actors. Government tasks range from identifying assembly areas, provisioning assembly areas ad selecting soldiers for discharge through developing benefits packages for assembly, reinsertion, and reintegration, and identifying implementing agencies to ensuring that programs for ex-combatants harmonize with government priorities, delivering benefits, and monitoring reinsertion and reintegration programs.
Armed opposition	The armed opposition typically participates in selecting assembly areas and developing benefits packages for assembly, reinsertion, and reintegration. It may also participate in delivering benefits.
Demobilized soldiers	Demobilized soldiers frequently have little input into the demobilization-reintegration process. They have, however, sometimes been involved in developing and implementing benefits packages and counselling other ex-combatants.
UN peacekeeping operation	UN PKOs have provided military, technical and political support for the demobilization process. UN troops have helped select, establish, monitor, and provision assembly areas and disarm combatants. UN staff have participated in the discharge of soldiers and monitored their transport to home districts. UN staff have helped design and implement programs for assembly, reinsertion, and reintegration programs. The Special Representative of the Secretary-General has played an important role in helping to overcome political obstacles to demobilization.
UN development and humanitarian assistance bodies	UN development and humanitarian assistance bodies have participated in the development, implementation and monitoring of reinsertion and reintegration programs. They have also provided funding for such programs.
Bilateral governments	Bilateral governments have supported the Special Representative of the UN Secretary-General in creating conditions conducive to demobilization.
Bilateral aid agencies	Bilateral aid agencies have participated in the development, implementation and monitoring of reinsertion and reintegration programs. They have also provided funding for such programs.
NGOs/PIOs	Non-governmental organizations and public international organizations have participated in the development, implementation and monitoring of reinsertion and reintegration programs.
World Bank	The World Bank has participated in the development, implementation and monitoring of reinsertion and reintegration programs. It has also provided funding for such programs.

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NOTES

1. According to "The Convention on the Rights of the Child," adopted by the United Nations General Assembly on November 20, 1989, entered into force on September 2, 1990, "...a child means every human being below the age of eighteen years unless, under the law applicable to the child, majority is attained earlier" (Article 1).

2. In addition to the items cited in the text, this chapter has made use of the following reports: Ball 1995, Clark 1995, Colletta and Ball 1993, Colletta, Kostner, Wiederhofer and Woldu 1996, Colletta, Kostner, Mondo, and Wiederhofer 1996, International Labour Office 1995a & 1995b, Klingebiel *et al.* 1995, and Organization of African Unity and Global Coalition for Africa 1995.