Advancing Democratic Governance:

A Global Perspective on the Status of Democracy and

Directions for International Assistance

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GLOBAL DEMOCATIC TRENDS

The last quarter of the twentieth century witnessed the greatest expansion of democracy in the history of the world. If we define democracy in the minimal sense, as a system of government in which the principal positions of political power are filled through regular, free, and fair elections, then about three of every five independent states in the world are democracies today. In the judgment of Freedom House, there were 121 democracies in the world at the end of 2001—the highest number in history. Some of these regimes, possibly as many as seventeen, may be better classified as "competitive authoritarian," in the sense that elections, while competitive, are either not free and fair or do not confer on those elected full power to rule. Even if we count democracies very conservatively in this way, electoral democracy is now the predominant form of government in the world. When the most recent, third "wave" of democratization began in 1974, only about 28 percent of the states in the world were democracies.[1] In total, there were only 39 democracies in 1974. Today, there are about three times as many (Table 1).

With the growth in the number of democracies has come a parallel, albeit more gradual, expansion of freedom in the world. The proportion of states rated as "free" by Freedom House increased from one-third in 1985 to over 40 percent in 1991, and today it stands at about 45 percent, nearly the highest level ever (Table 2).[2] The average freedom score (on the Freedom House scale from 7 as least free to 1 as most free) improved from 4.29 in 1985 to 3.61 in 1992, and after a slight deterioration thereafter it has continued a modest pace of improvement (Table 3). The current average of 3.47 is a full point lower than that in 1974, when the third wave began. In

most years since 1990, the number of countries showing discernible improvement in political and civil liberty has outpaced the number of countries in decline.

The global expansion of democracy was particularly rapid in the years immediately after the fall of the Berlin Wall in 1989 and the collapse of the Soviet Union in 1991. Within just a few years of the implosion of the Soviet communist empire, democracies increased, as a proportion of all the world's states, from about 40 to 60 percent. Since 1995, however, the overall number of democracies in the world has remained more or less constant (particularly if we discount marginal and dubious cases of democratization). Transitions to democracy have been largely offset by reversions from democratic to authoritarian rule.

In the past few years, democracy has scored a number of strategically and symbolically important advances. In 1999, democracy was introduced in two of the largest and most influential developing countries (with among the largest Muslim populations), Indonesia and Nigeria, even while democracy was breaking down that year in Pakistan. In 2000, Mexico completed a transition to democracy with the peaceful electoral overthrow of seven decades of hegemony by a single party. That same year, one-party hegemonic regimes were also brought down at the ballot box in Senegal, Serbia, and Ghana, while Taiwan (already a democracy) experienced a historic breakthrough to a more competitive system with the defeat of the long-ruling KMT. In each of these countries, the victory of the opposition party signaled the arrival or deepening of democracy, with promising long-term implications for the regional status of democracy.

The march of democratic progress has been one of the defining developments of the late twentieth century. By the mid-1990s, democracy was the only broadly legitimate form of government in the world, and many other regimes had liberalized their politics at least superficially. Indeed, today well over half of the remaining non-democracies of the world portray

themselves as democratic by holding regular, multiparty elections.[3] Few regimes explicitly eschew and condemn the basic principles of democracy. And most of the non-democracies have significant societal movements or critics seeking democratic political change. Internationally, there has also been a distinct trend toward the affirmation of democratic principles, which are increasingly being codified into international law through various international and regional treaties and resolutions.[4]

However, beyond the leveling off of democratic expansion since the mid-1990s, there have been four other major caveats to the democratizing trend. First, as democracy has spread rapidly in the world, it has become a more shallow phenomenon. The quality of governance and the rule of law have actually deteriorated in some existing democracies, and the more recently established democracies have tended to be less liberal and more corrupt. Second, the spread of democracy has been far from uniform across regions and sub-regions. While some regions of the world are now overwhelmingly democratic, others have been only very partially touched by the democratic trend, while the Arab world remains without a single true democracy. Third, many of the regimes (particularly in Africa and the former Soviet Union) that once appeared to be "in transition" from authoritarian rule have settled into varying shades and forms of authoritarian rule that fall well short of democracy.[5] Finally—and cause for perhaps the greatest concern—many of the democracies that have come into being in the past two decades exhibit growing problems of governance that are eroding their legitimacy among the public and undermining their stability. With the breakdown of democracy in Pakistan in 1999, the recent economic and political crisis in Argentina (which could spread to other Latin American states), and mounting citizen disgust with corruption worldwide, the global democratic trend is at greater risk of reversal than at any time since the end of the Cold War.

The Rise of "Illiberal Democracy"

The "third wave" of democratization has seen a growing divergence between the form of electoral democracy and the deeper structure of liberal democracy. The latter entails not only regular, free, and fair elections but also a strong rule of law, buttressed by an independent judiciary and other institutions of accountability that check the abuse of power, protect civil and political freedoms, and thereby help to foster a pluralistic and vigorous civil society.[6] A rough indicator of "liberal democracy" is an average score of 2.0 or better (lower) on the Freedom House combined seven-point scale of political rights and civil liberties.

With the dramatic expansion in the number of democracies during the third wave, the phenomenon of "illiberal democracy" has markedly increased. In 1974, over 80 percent of the democracies of the world were "liberal" (as indicated above), and all of them were rated "free" by Freedom House. Even in 1987, almost three-quarters of the democracies of the world had average freedom scores indicating liberal democracy. However, as democracy exploded with the demise of communism, liberal democracies declined markedly as a percentage of the overall number of democracies in the world. By 1991, less than 60 percent of the democracies in the world were "liberal," and that proportion continued to fall with the expansion of democracy through the mid-1990s (Table 4). While the proportion has come back up since the late 1990s, the figures tell an important story. The presence of democracy in the world today is broader but also thinner than a decade ago. There has been a striking rise of illiberal democracy. In fact, some of these regimes are only ambiguously democratic, and many of them function very poorly in protecting human rights, controlling corruption, and addressing economic and social problems.

The shallow and illiberal nature of so many existing democracies in the world demands concern for several reasons. First, human rights and the rule of law are ends in themselves, and a number of democracies (as well as all authoritarian regimes) fall seriously short of their obligations to foster and protect the basic rights of their citizens. Second, there is growing evidence of a strong association between the quality and the legitimacy of democracy in the minds of the public. Citizen support for democracy is more robust, and democracy is more stable, when there is greater civil liberty, restraint of power, justice, and accountability.[7] Third, underlying this relationship is the strong connection between the quality of governance and the stability of democracy. Where democracy is less liberal, governance is poorer—more corrupt, wasteful, incompetent, and unresponsive. This entrenches poverty, obstructs economic development, disposes the country to recurrent crisis, and prevents poor countries from making effective use of international assistance. Liberal democracy is thus a major foundation of the architecture of good governance that fosters and sustains broad-based development.

Regional Disparities

In its reach around the globe, democratization has been sweeping but far from universal. There remain significant regional disparities in the extent, depth, and stability of global democratization. The United States and Canada, Australia, and New Zealand, together with the 24 states of Western Europe (some quite small), are all stable, liberal democracies. *Stable* means that they are *consolidated*: there is such widespread and deeply ingrained commitment to the legitimacy of democracy among all major elite groups and social strata, and major democratic institutions have such strength, depth, and predictability, that there is no prospect of a breakdown of democracy.[8] These 28 advanced industrial democracies are also *liberal* (as defined above).

Outside of Western Europe and the Anglophone states, liberal democracy is much more uneven and thinly rooted.[9] In Latin America and the Caribbean, Cuba remains the only country of significant size to resist completely the democratic trend. Haiti has competitive elections but, tragically, it has increasingly reverted to its long historical pattern of autocracy and violence. There have been important breakthroughs. As electoral administration became more neutral and fair, Mexico made a transition to democracy in the late 1990's, leading in 2000 to the defeat of the long-ruling party. Peru returned to democracy in 2001 with the implosion of the autocratic, military-dominated regime of President Alberto Fujimori. Overall in Latin America and the Caribbean, about nine of every ten states are democratic, but only about half are liberal democracies.[10] And a few, such as Argentina, Jamaica, and Trinidad and Tobago, have seen the quality of democracy deteriorate in recent years. As with other regions, there is significant variation among sub-sets of countries. With their British, rule-of-law traditions, two-thirds of Caribbean states are liberal democracies (by virtue of a strong average "freedom" score), but only two Central American states and only half of the twelve South American states are (Table 5).

Similarly, in the Asia-Pacific region overall, 22 of the 37 states (59%) are democracies and eleven states (30%) are liberal democracies. However, these overall proportions are distorted by the fact that the small Pacific-island states are much more democratic than other parts of Asia. Of those twelve states, eleven are democracies and eight (two-thirds) are liberal democracies. Among the other sub-regions of Asia, half of the six Northeast Asian states (Japan, Korea, and Taiwan) are liberal democracies, but none of the states in Southeast or South Asia are. Half of the eight South Asian states are democracies (India and Sri Lanka almost continuously since independence). However, only three of eleven Southeast Asian states are democratic—Thailand, the Philippines, and Indonesia—and the latter is only tenuously and ambiguously so. Aside from Japan, Korea,

Taiwan, and India (where democratic regimes confront serious challenges of economic and political reform), democracy in Asia tends to be shallow and insecure. Of the 25 states of East and South Asia, only about 2 in 5 are democracies. Four of the world's five remaining communist regimes (China, Vietnam, Laos, and North Korea) are in this region, and other highly closed regimes (such as Burma) also persist.

Among the 27 postcommunist states that were part of the former Soviet bloc, we find a similar pattern of divergence. The first group consists of the three Baltic states, which are more European in their outlook and pre-Soviet histories, and the twelve states of East Central Europe that were not part of the Soviet Union. Fourteen of these fifteen states are democratic (Bosnia is still an international protectorate), and most of them are liberal democracies. Even such formerly autocratic postcommunist states as Albania, Croatia, and Yugoslavia (Serbia and Montenegro) are becoming more liberal and democratic. Eleven of these fifteen Central and East European states are liberal democracies, and overall the region is moving steadily if still unevenly toward economic liberalization, democratic consolidation, and European integration. By contrast, of the remaining twelve states of the former Soviet Union, only three of these are counted in Table 5 as democracies, and three of these —Armenia, Georgia, and Ukraine—are only ambiguously so. In each case, electoral fraud and impediments to political pluralism and competition make it unclear whether it is really possible to change the national leadership through the electoral process. Russia is more clearly beyond this point, and so "electoral authoritarian." There are no liberal democracies among the post-Soviet states, and the general direction of freedom in this region is negative. In the Kyrgyz Republic, for example, democracy has been extinguished under the weight of electoral fraud, corruption, and the increasing centralization and abuse of power by the president.

In the 48 states of Sub-Saharan Africa, democracies, or at least popular aspirations for and appreciation of the democratic form of government, are more prevalent than at any time since decolonization. However, many African regimes that are labeled as democracies are hollow and ambiguous, and many others stake a claim to democratic status that is manifestly false. Only two African states have been continuously democratic since independence, Mauritius and Botswana. Both have small populations (around two million or under), and both have achieved a pace of economic development that has eluded most other countries in the region. Since 1990, most African countries have experienced some pressure for regime change, and have at least legalized opposition parties and opened up more space for civic organization. Nevertheless, only about a third of the states (somewhere between 14 and 20, and by this count, 16) have elections that are sufficiently free, fair, and competitive to meet the standard of democracy; only five of these democracies have a liberal Freedom House score. The most important liberal democracy in Africa is South Africa, which has so far sustained high levels of freedom despite political turbulence, economic hardship, and dominance by a single party. By contrast, Africa's other big states are all struggling politically. The effort to build democracy in Nigeria, the most populous African country, is besieged by corruption, religious and ethnic violence, and a weak and fractious party system. Sudan remains a highly repressive regime unable to resolve its 19-year-old civil war. The Democratic Republic of the Congo (DRC) is struggling to overcome a profoundly debilitating legacy of predatory corruption, state failure, and civil war. While a few African countries, such as Ghana and Mali, seem to be functioning reasonably well as democracies, most of Africa's new democracies and quasi-democracies seem to be slipping backwards to less accountable, more abusive and personalistic rule. Africa remains an arena of highly contested forms of governance, where both democratic and authoritarian institutions are weak and open to change.

Of the principal regions of the world, the Middle East (including North Africa) is the one least hospitable to democracy at present. At most, only two of the 19 states in this broad region—Israel and Turkey—are democratic (and in Turkey, the military still exercises a veto on many important issues). None of the sixteen Arab states is a democracy, although several (Lebanon, Jordan, and Morocco) have at least some degree of electoral competition and societal pluralism. Bahrain is gradually exploring a possible democratic opening. Yet not a single Arab state affords its people true political sovereignty, and the very tentative movement toward greater political openness has largely been arrested and reversed by the growing fear of terrorism and radical Islamic mobilization in the wake of the September 11 attacks on the United States. The only liberal democracy in the region is the only Western-oriented state, Israel, and there freedom has diminished in recent years under the stress of terrorism.[11]

The prospects for democratic development appear especially dim in the Arab Middle East because of the likelihood in some countries that a sudden and immediate opening to free and fair elections would bring the victory of antidemocratic Islamist forces. The alienation and extremism of these radical Islamists have been stimulated by the mix of globalization and the development failures of their own societies. Now, even the Islamists who pursue nonviolent political struggle and social mobilization appear intent on using electoral competition merely as a vehicle to win power so that they can impose an Islamic fundamentalist order on society—and thus in many respects, a more rigidly repressive regime. Unfortunately, a number of Arab authoritarian regimes—as in Egypt, Algeria, and Syria—have deliberately played on this danger to delegitimize political opposition in general. This has created a more polarized political arena, and a kind of self-fulfilling prophecy, in which the radicalized Islamists constitute the only viable opposition in the eyes of a growing proportion of the population.

The Arab Middle East, then, is not only the region with the weakest prospects for democracy but also the one that harbors the greatest near-term dangers for U.S. national security. Many of the strategically important authoritarian regimes that have been friendly to the United States and Europe—such as Egypt, Algeria, and Saudi Arabia—have become more unstable. In these and other states in the region, the old "ruling bargain," in which society acquiesced to autocracy in exchange for economic and social resources, has broken down as resources have become scarcer and social problems and divisions have intensified. A growing number of observers believe that these regimes must begin now to construct a new ruling bargain based on better, more accountable governance, gradually increasing freedom and pluralism, and serious reform of the economy and state. Otherwise, they face the prospect of deepening political instability and possibly breakdown.

Electoral Authoritarian (Pseudodemocratic) Regimes

After a decade of arrested and inverted political openings, it can no longer be said that countries like Kenya, Cameroon, Cambodia, Haiti, Morocco, Egypt, Kazakhstan and Azerbaijan are "in transition" to democracy. There were transitions *from authoritarian rule*[12] and they imploded or went off course, leaving authoritarian regimes still largely intact. In most cases, however, these regimes did not completely close off political pluralism. Rather they are *electoral authoritarian*: they allow multiple political parties to contest in elections that are held at regular, constitutional intervals, but they do not allow opposition parties and candidates full freedom to campaign and a fair chance to win. Formal democratic institutions, like multiparty elections and parliaments, exist precisely to obscure (and sometimes soften) the reality of authoritarian domination. Rather than a true form of rule, they are a legitimating façade with which to purchase

some acceptance from the international community and domestic constituencies (hence the term *pseudodemocracy*). Such regimes combine varying degrees of competition, pluralism, and repression. In the more *hegemonic* of these regimes, such as Cambodia, the ruling Cambodian Peoples Party, under the former communist autocrat, Hun Sen, thoroughly dominates power and political life, both through corruption and extensive violence and intimidation. But the political opposition has a significant presence both in parliament and in the local government councils, and there is at least some space to question government policy and conduct. In the more *competitive* of these regimes, such as Russia, alternative voices in politics, government, and civil society are stronger and more numerous. Even though Russian President Putin has largely eviscerated the principal independent media, opposition parties and leaders still win elections in some of the regions and challenge government policy in the Duma (parliament), and the resulting competition and pluralism inject some uncertainty into political life. With reform of the electoral process, mobilization by civil society, and relative unity among opposition forces, this uncertainty can mutate into the surprising defeat of once hegemonic parties, as has happened in recent years in Mexico, Senegal, Serbia, and Ghana. But the mere fact of regular, multiparty elections does not put these regimes on a path to democracy. Unless, there are fundamental changes in the nature of the regime to permit free and fair elections and greater civic and political space, a transition to democracy is most unlikely.

The Mounting Problems of Democratic Governance

Since the mid-1990s, two global trends have been colliding, making for a more turbulent and unpredictable world politically. One trend has been the surprisingly robust and resilient third wave of democratization, producing a record number of electoral democracies. The other trend

has been a spreading democratic malaise in many parts of the world. In most countries outside Western Europe and the four other Anglophone states, democracy (where it exists) is not functioning very well. Serious deficiencies of governance are heightening public cynicism about parties and politicians in general, and diminishing public esteem for democracy.

Three generic problems of governance underlie this malaise and obstruct the consolidation of democracy. The most urgent and pervasive problem is the weakness and frequently the decay of the rule of law. No problem more alienates citizens from their political leaders and institutions and undermines political stability and economic development than gross, endemic corruption on the part of government and political party leaders, judges, and officials up and down the bureaucratic hierarchy. The more endemic the problem of corruption, the more likely it is to be accompanied by other serious deficiencies in the rule of law: smuggling, drug trafficking, criminal violence, personalization of power, and human rights abuses. Even in the wealthy, established democracies of North America, Europe, and Japan, scandals involving political party and campaign finance have eroded public confidence in parties and politicians. In the less established democracies, where the legitimacy of democracy is not so deeply rooted, political corruption scandals are much more likely to erode public faith in democracy itself and thereby to destabilize the entire system. This is particularly so where corruption is part of a more general syndrome involving the growing penetration of organized crime into politics and government, the misuse of executive and police powers to intimidate and punish political opposition, and the politicization and inefficacy of key institutions of "horizontal accountability," such as the judiciary, the audit agency, and even the electoral commission. In many countries today, democracy is weak and insecure because political leaders lack sufficient democratic commitment—"political will"—to

build or maintain institutions that constrain their own power. And civil society is too weak, or too divided, to compel them to do so.

The second broad source of malaise is economic. Economic reforms—insofar as they have even been implemented—have not yet generated rapid, sustainable economic growth in most of the developing and post-communist states. A few states have experienced rapid growth, and some others are at least growing modestly. However, in most new and troubled democracies, economic growth is not rapid enough, and is not broadly distributed enough, to lift large segments of the population out of poverty or a very tenuous economic existence. In most of Latin America, in some parts of Africa (such as South Africa), and in some Asian countries (Pakistan, the Philippines), the problem is compounded by extreme levels of inequality in income and wealth (especially, in rural areas, land). Very little progress has been made in these countries in reducing poverty and tempering massive inequalities of income and wealth. It is inconceivable that democracy can be consolidated in these countries unless substantial progress is made toward reduction of poverty and inequality.

The third problem is the inability to manage ethnic, regional, and religious differences in a peaceful and inclusive way. Cultural diversity is not, in itself, an insurmountable obstacle to stable democracy. With all of its problems, India has learned how to manage this diversity through complex institutions of federalism. Spain largely contained its secessionist pressures with the adoption of a system of asymmetrical federalism, and, like the United States, Canada, and Australia, Europe is learning to adapt its democratic institutions to assimilate immigrants from a wide range of other countries and cultures. The problem arises when one ethnic or religious group seeks hegemony over others, or when some minorities perceive that they are being permanently and completely excluded from power, including any meaningful control of their own affairs.

These three problems—indeed, crises—of governance intensify and reinforce one another. Highly visible corruption accentuates the sense of injustice and grievance associated with poverty, unemployment, and economic hardship. Corruption has also been a major obstacle to the successful implementation of economic reforms, especially privatization. Poverty and economic stagnation reinforce the resentment of discrimination and political marginalization felt by the indigenous peoples of the Andes (and many other parts of Latin America). The entrenchment of political corruption and clientelism as the principal means of economic advancement aggravates ethnic and regional conflict in Africa and Asia, by raising the premium on control of the state and rendering politics a more desperate, zero-sum struggle for control of economic opportunity. The weakness of the rule of law makes it easier for leaders of different ethnic and sectarian groups to mobilize violence at the grassroots as part of their efforts to win power for themselves. It also facilitates electoral fraud and violence. Underlying all of this in many countries is a weak commitment to the public good and the rule of law. Citizens and élites have low levels of trust in one another and in the future. Thus, they strategize on how to take from a stagnant stock of resources, rather than on how to cooperate and produce to enlarge that stock. They focus on ends rather than means—securing power and wealth by any means possible, rather than doing so with respect for the constitution and the law.

These interrelated crises of governance account for the main sources of democratic insecurity in the world today. All three crises contributed prominently to the breakdown of democracy in Pakistan in October 1999. The accumulation of poor governance and deferred economic reforms led to the implosion of the Argentine economy and the resignation of its president amid public rioting and looting in December 2001. Each of the three crises of governance is visible in the current travails of democratic performance in Nigeria and Indonesia, as

well as in the Andean region and many other smaller countries. The weakness of the rule of law and continued economic stagnation and decay now also threaten the prospects for building democracy in Russia, Ukraine, and other post-Soviet states. In these and other countries, not only are major political leaders ambivalent (at best) in their commitment to democracy, but democratic political parties and civil society groups lack the resources, the organizational strength, and the popular bases to promote successful democratic reforms.

The failure to govern effectively ultimately takes a toll on the legitimacy and stability of democracy. The democratic malaise is particularly visible in the trends in public opinion in Latin America. The 2001 Latinobarometro survey recorded significant drops in support for democracy among most of the countries it surveyed in Latin America. Between early 2000 and April-May 2001, support for democracy as "preferable to any other kind of government," declined from 60 percent to 48 percent in the entire Latin American region. Support for democracy declined in a number of key countries in the region, from 71 to 58 percent in Argentina, from 50 to 36 percent in Colombia, and from 39 to 30 percent in Brazil. These decreases do not always give rise to parallel increases in support for authoritarian rule, but there is, at a minimum, growing apathy with and alienation from democracy. Even in Uruguay and Costa Rica, the most stable and clearly consolidated democracies in the region, support for democracy declined by five and twelve percentage points respectively.

Latin America's democratic malaise is driven by the accumulation of governance problems. Three in five Latin Americans overall rated their country's economic situation as "bad" or "very bad" in 2001. A growing proportion, now four in five, believe that crime and drug addiction have "increased a lot" in recent years, and the same proportion give the same response about corruption. Trust in major democratic institutions is very low and continuing to decline;

only around one in five trust the national congress or political parties; trust in the judiciary has declined to under 30 percent.[13] While support for democracy appears greater in the postcommunist countries of Central and Eastern Europe, those democracies also suffer high levels of disaffection, with only 22 percent trusting parliament and only 13 percent political parties in 1998.[14] And in Korea, support for democracy declined sharply after corruption scandals and economic crisis in 1997, from 69 to 54 percent.[15]

The spread of democracy in the world today is thus impressively broad but worrisomely thin. With the demise of communism, and other one-party socialist regimes, and with the failure of the Islamic fundamentalist state in Iran to become an attractive and dynamic model, liberal democracy remains the only model of governance with any broad ideological and political attraction in the world. Globally, democracy today is triumphant and dominant. However, it is also under severe and growing strain from the intersecting crises of governance.

The next decade will thus be a time of great danger and opportunity for democracy in the world. If the crises of democracy are not addressed with lasting reforms to improve governance by reducing corruption, strengthening judicial, administrative, and political institutions, and professionalizing the state bureaucracy, especially economic management, many more democracies are likely to disappear. Breakdowns may come through a military coup, as in Pakistan, an executive coup, as in Peru in 1992, or often through the slow strangling of democratic pluralism and competition by an overbearing president. On the other hand, improvements in governance, even incrementally, could buy time for democracy to gradually sink deeper roots in political party life and diverse areas of civil society, as well as in the culture of a country.

A Strategy for Assisting Democratic Governance

The prospects for development, and the potential for development assistance to be effective, heavily depend on the quality of governance—the way in which public power is exercised and public resources are managed and expended. Good, democratic governance is the key to development, and to aid effectiveness. Unless states can be made more responsible, competent, efficient, participatory, open, transparent, accountable, lawful, and legitimate in the way they govern, stagnating and poorly performing countries will not experience the kind of vigorous, sustained development that transforms levels of human development and permanently lifts large segments of the population out of poverty. And badly governed states will produce diffuse threats to global. How can we foster stable and effective democratic governance in the coming decade?

First, we must be clear about our objectives. The goal is not simply to advance democracy in the world. As was demonstrated by the collapse of democracy in Pakistan in 1999, a country can have vigorously competitive national elections with frequent alternation in power and still have rotten governance that fails to generate development and loses the confidence of the people. Neither is the goal simply better, more capable and transparent government. Few are the leaders in the world who can deliver and sustain good governance—with its overarching commitment to the public good and restraint of the abuse of power—without the institutionalized means of accountability to other branches of government and to the people that democracy provides. Even when non-democratic leaders come into power with a manifest and sincere commitment to reform, the absence of any institutional mechanisms to restrain and monitor the exercise of power eventually degrades the quality and legitimacy of governance.

In almost every country, good—responsible, accountable, public-spirited governance—must ultimately go hand in hand with democracy. Of course, for peoples around the world, from every culture and religion, democracy and human rights are ends in themselves, independent of the material development progress that they facilitate. But democracy is an essential companion of good governance for several reasons. For one thing, democracy provides the people with an indispensable instrument of electoral accountability—the opportunity to remove leaders who do not perform well. Second, when this opportunity is denied—through impediments to fully free, fair, competitive, and neutrally administered elections—the incentive of incumbents to restrain themselves and serve the public good withers. Corruption seeps through the financial and political system, as in Indonesia. Rulers become not only venal and distant from public concerns, but also increasingly abusive of human rights, as in Zimbabwe. Rot and sclerosis set in, because there is no way of cleansing the system of bad leadership. Third, democracy provides publics with the freedom and institutional means, in between elections, to scrutinize the conduct and policy decisions of public officials and hold them accountable. Thus, fourth, leaders in a democracy have more pressures, means, and incentives to explain and justify their decisions, and to consult a broad range of constituencies before passing laws and making decisions. Fifth, wider public dialogue and participation in the policy-making process produces decisions that are more legitimate and sustainable.

Competitive, free and fair elections are the *sine qua non* of democracy. But other institutional components of good governance are also much more likely to be vibrant and effective in a democracy than a non-democracy. These include an independent judiciary with a clear and predictable rule of law; an elected parliament that is autonomous and

capable of checking and scrutinizing the executive branch of government; and a civil society with the freedom and resources to monitor, evaluate, question, and participate in the making and implementation of policy. When governance is open to the scrutiny and involvement of a wide range of societal actors (NGOs, interest groups, think tanks, and the mass media), it is more likely to be transparent, public-spirited, and thus legitimate. There is no guarantee that electoral democracy will bring such transparency and inclusion, but it is an illusion to imagine that "liberal autocracy" is a developmental option in the contemporary world. Precious few are the examples of a well-governed autocracy, and the few that exist (Singapore, for example) have sustained good governance for highly idiosyncratic reasons that are not broadly transferable. The typical recipient of US foreign assistance is a country that needs the openness, competition, and broad and free public participation of democracy in order to develop truly good governance.

The pursuit of stable and effective democratic governance will entail different sequences of political reform and development in different countries. In some cases, the basic framework of multiparty democracy is in place, but it needs to be deepened and made more effective and accountable in a variety of ways. Some emerging democracies suffer from more particular obstacles to consolidation—such as the institutionalization of the rule of law. In some repressive, corrupt, and closed regimes, multiparty competition, if it exists at all, is largely a façade, but the reform of the economy and the strengthening of moderate forces in civil society might be more viable near-term steps than an immediate transition to electoral democracy.

It is impossible to offer a general strategy or sequence of political reforms to fit such widely varying cases. That is why careful assessment must be done of the current

state of democracy and governance in each country. There is no one sector that provides the key to fostering democracy and good governance. There is no one "answer." And there are no shortcuts. In most countries that lack stable and effective governance today, we must be prepared to work on a number of fronts over a prolonged period of time.

Nevertheless, a few characteristic priorities do emerge with striking regularity. These priorities involve making democracy work better to advance development and respond to the needs of society. They would generate the capacity for and commitment to using the public resources of a country to advance the public good. Most of these themes and approaches are not new. The foreign assistance community has worked in and with most of them, particularly over the past decade. What is needed now is not wholesale invention but innovation, adaptation, refinement, elaboration, a deepening of commitment, and an expansion of activity in some areas.

Strategic priorities for democratic development (and for the assistance of international actors for that purpose) include:

- controlling corruption and improving the entire apparatus of horizontal accountability;
- strengthening the rule of law and the way it affects the lives of individual citizens, not only through judicial functioning but through more professional, vigorous and democratic policing;
- strengthening and democratizing political parties, and deepening their roots in society;

- helping pro-democracy and good-governance NGOs to widen their domestic constituencies while also using more traditional interest groups to strengthen democracy; and
- developing stronger, more professional and capable states that are better able to respond to rising societal demands for better governance.

A Comprehensive Approach to Difficult Cases

International democracy and governance assistance is difficult and uncertain work. The countries that most need such assistance are precisely the ones most resistant to positive change. These are the countries with chronically poor governance. In these countries, rulers—who have typically been in power without accountability for a long period (sometimes decades)—have little commitment to the public good, and the distinction between public and private is scarcely recognized by those with access to political power and public resources. In these countries, political power bestows enormous wealth and privilege, and incumbents do not wish to give it up or have it checked. Lacking voluntary and sincere support, autocrats must accumulate vast fortunes to purchase it, in chains of patron-client relations that cascade throughout the decrepit system.

In this context—so common in Africa, the Middle East, and the former Soviet Union—democracy assistance fails because it is "disconnected from… the structures of power, authority, interests, hierarchies, loyalties, and traditions that make up the dense weave of sociopolitical life."[16] In countries like Nigeria, Kenya, Egypt, Morocco, Georgia, Azerbaijan, Haiti, Paraguay, and Cambodia, the odds are stacked against democratic progress in part because a number of unfavorable factors reinforce one another. Endemic

corruption drains away resources, energy, and purpose from development. Poverty usually goes hand in hand with illiteracy and ignorance. Society is fragmented and organized mainly on hierarchical, clientelistic lines. People in growing numbers may have come to recognize the importance of freedom and responsible, accountable government, but they understand only vaguely the norms and practices necessary to sustain democracy, and they lack the skills, resources, and organizational strength to hold their rulers accountable. The scope for political and economic reform therefore heavily depends on "political will" within the state and the ruling party—especially at the highest levels of leadership. But it is precisely leadership commitment to serious reform that is lacking.

At its most intractable and egregious, bad governance constitutes a vicious cycle that is very difficult to penetrate. Corruption and rent-seeking have seeped so deeply into the culture that everyone expects public officials will use their power for private gain, and there is great pressure on them from clients and kin to do so. Corruption tilts investment decisions toward contracts that yield large kickbacks rather than public goods. State rules and regulations proliferate in deliberate pursuit of ever more opportunities to collect rents. Businesses cannot get licenses to operate, and farmers can't get title to their land. These distortions stifle private enterprise and generate chronic deficits and resource scarcity, making society even more dependent on corruption and clientelism to survive. All of this reproduces the culture of corruption: diffuse distrust and lack of commitment to the public good. People lack confidence in their fellow citizens and in all of their public institutions—the executive, parliament, parties, the judiciary, the civil service, local government, the military, and the police. Ethnic and religious communities vie intensely for state power, resources, and favor, and often clash violently. State institutions lack any

real sense of public purpose or discipline, as they mainly function to loot and extract rather than generate or protect. The state as a complex of institutions of power because so hollowed it and dysfunctional it is at risk of collapse.

The more a country approaches this model of bad governance, the more formidably difficult is the challenge of improving governance, and the more international engagement must be coherent and cumulative to be effective. The strategy proposed here thus relies heavily on a comprehensive and integrated approach to intractable cases of development failure—"poorly performing states." To turn around a poor performer, every source of influence must work toward a common end. Every point of leverage must reflect a clear and common purpose: fundamental reform of governance. If different international actors work at cross-purposes, or if the different elements of an aid program do not cumulate and interact, foreign assistance will fail, and the country will remain mired in poverty and oppression.

In instances of protracted development failure, foreign assistance must pursue dense linkages and a synergy of investments if it is to have a significant and lasting impact. But ultimately, governance cannot improve and development cannot happen without political will for reform. In fact, one reason why linkage and synergy is so crucially important is precisely to help generate, deepen, and amplify this will.

Generating (and Assessing) Political Will

In most countries where development has failed or stalled, the most important missing ingredient is the political will of the nation's leaders to improve the quality of governance. "Political will" is the commitment of a country's rulers to undertake and see

through to implementation a particular policy course. At its most resilient, political will here involves a broad consensus among ruling elites, across parties and sectors of government, in favor of democratic and good governance reforms. But consensus is always imperfect, and will is most important at the top levels of government (among major political leaders and senior civil servants). There, political will must be robust and sincere. That is, reform leaders must be committed not only to undertake actions to achieve reform objectives, but also "to sustain the costs of those actions over time."[17]

Without a robust commitment to fundamental reforms—to control corruption, open up the economy, enhance the rule of law, respect basic civil and political rights, and allow independent centers of power both within and outside the government—foreign assistance will fail to ignite sustainable development. Children may be inoculated, only to find that they have no access to education, and then no jobs that lift families out of poverty. Schools may be built and then destroyed in civil war. Clinics may be constructed and then not be sustained because there is no access to medication. Participation may be stimulated at the local level, but improvements in local governance may be overwhelmed and vitiated by a national context of predatory government. Opposition political parties may be strengthened organizationally only to be marginalized by massive electoral fraud. Judiciaries may be assisted technically and then corrupted and intimidated by the national leadership.

Political will is not an either/or phenomenon. In the typical recipient country, the will to reform is mixed and ambiguous in several respects. Within the state and ruling party, there are some elements who favor reform (or would favor it if it gained any momentum) and a number of obstructionists. Different officials may favor different kinds

of reform; some may favor economic reform to the extent it can be accomplished without surrendering political power or favored monopolies. Others may favor democracy but only of the "neo-patrimonial" kind, driven by the lavish dispensation of corrupt patronage. A president or prime minister may promise international donors a package of governance reforms, but then grow cold when he realizes the political risks. Or he may promise anything to get aid, with no serious intention of ever delivering In the worst cases (often countries of some strategic importance to one or more donors), international development assistance takes on the appearance of a mutual con game: intractable countries pretend to be developing, and international donors pretend to be helping them. No one is facing up to the reality that development is not happening because governance is rotten. Over time, it is this rotten governance that most often drags a society down into violent conflict and a state into decay and collapse.

The most urgent challenge for international assistance in the coming years is to determine how to engage such "poor performers"—regimes with grossly inadequate political will. How can the will to bring about basic, systemic reform be generated? Such political will is generated from three directions: from *below*, from *within*, and from *outside*. Organized pressure from *below*, in civil society, plays an essential role in persuading ruling elites of the need for institutional reforms to improve the quality of governance. There may also be some reform-minded elements *within* the government and the ruling party or coalition who, whether for pragmatic or normative reasons, have come to see the need for reform (but are reluctant to act in isolation). Finally, *external* actors in the international community often tip the balance through persuasive engagement with the rulers and the

society and by extending tangible benefits for improved governance and penalties for recalcitrance.

International assistance can help to develop the first two forms of pressure, and in fact has done so in a number of countries in the past decade. When political will for systemic reform is clearly lacking, the principal thing that foreign assistance can do to help governance is to strengthen constituencies for reform in civil society, including NGOs, interest groups, think tanks, and the mass media. Assistance can enhance these actors' understanding of key reform issues, their knowledge of other country experiences, their coordination with one another, their capacity to analyze and advocate specific institutional and policy reforms, and their mobilization of support and understanding in society. Often political will appears more patchy and ambiguous. In that case, the best strategy is to work with those elements of the government in particular agencies or ministries that seem serious about improving governance, while seeking to enhance demand for reform within the society.

A key lesson from international efforts to stimulate governance reform is that fundamental reform is only sustainable when there is a "home-grown" initiative for it. If changes in policies and institutions are promised merely in response to international pressures, they will not be seriously and consistently implemented. "Imported or imposed initiative confronts the perennial problem of needing to build commitment and ownership; and there is always the question of whether espousals of willingness to pursue reform are genuine or not."[19] International engagement, therefore, does not succeed if it simply compels a government to sign on the dotted line of some package of dictated reforms, as has frequently been the case with IMF assistance packages. Its goal must be deeper and

more procedurally democratic: to generate public awareness and debate, and to induce government leaders to sit down with opposition and societal forces to fashion a package of reforms that is unique to the country and owned by the country.

The vigor and depth of the political will to reform can then be assessed by several additional criteria. First, to what extent have (self-proclaimed) reformers undertaken a rigorous analysis of the problem and used it "to design a technically adequate and politically feasible reform program" that rises to the scale of the challenge? Second, to what extent have reformers mobilized political and societal support for their initiatives broad enough to overcome the resistance of threatened interests (and how sustained are these efforts to rally support)? Third, to what extent are reformers seeking changes in laws and institutions and allocations of human and financial resources that hold promise of effecting real change? In the case of controlling corruption, this would include, for example, laws to monitor and punish corrupt conduct and an anti-corruption agency with the authority and staff to enforce them. Another key lesson of democracy and governance (DG) assistance is the need to periodically use the above criteria "to track the evolution of political will over time" and to feed that assessment back into the reform implementation process.[20]

Successful international engagement must shift from *conditionality* to *selectivity* in foreign assistance. Traditionally in international lending, for example, conditionality has been "*ex ante* in the sense that governments promise to change policies in return for aid." As a result, "reforms are 'owned' by the donors." A better approach is to dispense aid selectively to reward and deepen, and thus preserve and consolidate, reforms that have already begun to be implemented by the country, according to its own design.[21] Selectivity

focuses aid on good performers—countries that have reasonably good policies and institutions—and on assisting reform movements that are seriously underway, by governments and societies that have taken responsibility for the design of their own policies and institutions.[22]

Linking Supply and Demand for Political Reform

Across a number of sub-sectors, one of the major lessons to emerge from DG assistance over the past decade has been the need to balance the demand and supply sides of the political reform equation. DG assistance cannot be successful if it only works on one side or the other. Even if state elites propose institutional reforms—for example, to privatize state industries, reform the tax system, or crack down on smuggling and bribery—these reforms may not be sustainable unless society is educated about the need for them and mobilized to support them. Urgently needed reforms are often vitiated in implementation because of the failure to generate broader pro-reform constituencies among logical "stakeholders." State officials who want to promulgate reforms need technical assistance within their ministries or agencies to accomplish the changes and to train and equip the new institutions. But sustainable reform also requires complementary programs targeted at interest groups (such as chambers of commerce and trade unions), advocacy NGOs, think tanks, and the mass media. And often, the momentum for systemic governance reform begins with the articulation and mobilization of these kinds of groups.

By the same token, reform cannot be accomplished only with a strategy of pressure from below, in civil society. In the absence of genuine political will, that is a necessary place to begin, and in some countries at some historical junctures, it may be the only arena

in which a DG program can work. But ultimately, it is the leaders of various governmental and political institutions who must enact and implement reform. And once new, more democratic and accountable institutions are constructed, they must be enabled to work and to respond. When DG programs focus too heavily for too long on civil society, to the neglect of political parties and formally democratic state structures, they may help to generate a level of demands and expectations with which the state and political system simply cannot cope. The resulting overload of political participation and consciousness can generate not better and more stable governance but heightened cynicism and frustration, a growing rupture between the people and their government. Development assistance must pay more attention to the supply side of reform, in programs to strengthen the capacities of the state and political parties to respond to citizen expectations and complaints and to deliver development and good governance.

Strategic Priorities for Assistance

Given the difficulties of democratic governance and the intractable nature of corruption and autocracy in much of the world, what should be the substantive, thematic priorities for international assistance to advance democracy and improve governance in the coming decade?

When results are disappointing and conditions frustrating, there is always a temptation to search for something new—a new method, a new set of tactics, new strategic priorities. There is always the hope that a new approach will catapult us over the muck of

the deeply embedded norms and structures that perpetuate venal, sloppy, abusive, exploitative governance. There is always the search for the miracle cure.

Unfortunately, there are no miracle cures for what ails the politics of badly governed countries. We can and must periodically reevaluate our strategic priorities, both globally and within each country. We must give more attention, as indeed we have begun to do in recent years, to some of the key bottlenecks to democratic progress: political corruption, feckless political parties, and weak states. But obstacles that rise into sharper focus may co-exist with more longstanding targets of concern, and each country represents a distinctive mix of problems, possibilities, and currents of progress or sclerosis. The overarching lesson is that DG assistance priorities must fit the particular political conditions of the country, and this requires periodically an authoritative, shrewdly perceptive, and well-focused strategic assessment. We consider in this section first the question of how to assess and prioritize countries, and then the substantive programmatic priorities.

Assessing and Classifying Countries

Fortunately, countries are not entirely unique. Their political regimes can be roughly grouped into categories according to the extent and nature of democratic development. Strategic priorities overlap across categories, but a country's place in a typology of regimes begins to tell us something about what needs to be done.

At the extremes are two types of regimes. One type is the consolidated democracy, which by its level of economic and political development has "graduated" from assistance. Botswana, Mauritius, Costa Rica, Chile, Poland, Hungary, and the Czech Republic fall into

this group. These countries can play an important role in democracy assistance to their neighbors in the region, by providing institutional lessons and human resources for cross-border linkages. But they no longer need significant external assistance. The second extreme is occupied by repressive, closed regimes where there is very little space for democratic development at present.

In between these extremes (more or less) are some 75 or more countries where democracy is not consolidated but where there is scope for democratic progress, and for international assistance for this purpose. This includes almost the entire former Soviet Union, the politically lagging countries of Eastern Europe, 25 African countries, and most of Latin America. These countries can be roughly grouped into the following four categories of regime:

1. *Electoral democracies with problems of democratic performance.* These regimes—such as Ghana, Mali, Senegal, Benin, South Africa, Namibia, the Philippines, Bangladesh, Brazil, Mexico, and most of Central and South America—have more or less institutionalized competitive, relatively free and fair elections. In some of these countries, not even that basic element of democracy is secure, but in most, the threats to democracy derive from other shortcomings: corruption, judicial inefficacy, party weakness, human rights abuses, state incapacity, and in a few cases one-party dominance. This also includes very new democracies, such as Kenya.
2. *Ambiguous (quasi-democratic) regimes.* In these cases—most prominently Ukraine, Nigeria, and Venezuela—it is just not clear (and independent experts disagree) as to whether elections are really free and fair, or elected authorities

have full power to govern. These countries have competitive, multiparty elections, but there is significant fraud and manipulation or insecurity surrounding the contest. There are all the formal institutions of democracy, but most of them function poorly or with constraints. To the extent that their elections are not democratic, the regimes in this category are instances of "competitive authoritarianism," a sub-type of the category below.

3. *Electoral authoritarian regimes.* These regimes have multiparty elections, and they may even be quite competitive, but elections are so tainted with fraud and tilted with advantages for the ruling party (and typically the incumbent president) that they cannot be considered free and fair. This category encompasses wide variation. To the extent these regimes allow for serious competition and pluralism (as in Russia, Jordan, Lebanon, Morocco, Uganda, Tanzania, and Georgia), this is evident not only in the electoral arena but also in the actions of legislative and judicial systems that may take prudent steps to break free of executive domination. The mass media may be another sector that seeks to erode constraints and exercise some accountability.[35] At the lower boundary are regimes that maintain the façade of multiparty elections while in fact allowing little real pluralism or freedom, as in Egypt, Azerbaijan, Belarus, and most of the Central Asian republics. To the extent these regimes become seriously challenged (as in Zimbabwe) they can also become quite brutally repressive.
4. *Closed authoritarian regimes*. These regimes do not conduct multiparty elections and generally exhibit the highest levels of political repression and

closure. There is precious little space for opposition or dissent in civil society or the political system. The state executive and the security apparatus are thoroughly dominant, at least within the territory they control.

A scheme of categorization such as that above is not an arid, academic exercise. It helps to organize thinking about strategic priorities. Within these four categories, different countries will need different strategies for democratic progress. But generically, the following strategies and priorities are likely to be most suitable for each group of countries.

1. *Electoral democracies* face one overriding challenge: to improve the quality of governance and political representation. Securing the freedom and fairness of elections may be important in some of these countries. However, in the majority of them, it is either no longer a major problem or it is one that domestic political actors have learned to manage through their own organization and resources (or which domestic actors can be assisted to manage with modest further investments of aid). In these countries, where democracy is not consolidated and major problems of governance persist, a nearly universal priority is **corruption control and the rule of law**. Nearly all of these countries need significant help in strengthening and professionalizing their judiciaries, their other institutions of horizontal accountability, such as counter-corruption commissions, and their political parties. The overriding goal must be to make politics more transparent, accountable, and responsive. In all of these countries, civil society has an important role to play in educating and mobilizing for systemic reform and deepening democracy.

2. *Ambiguous, quasi-democratic regimes* share the programmatic priorities of the first group, but with one major addition: electoral assistance. In these countries, there is often still considerable need for several dimensions of electoral assistance: to develop the technical capacity, independence, neutrality, and professionalism of electoral administration; to educate and inform voters; and to empower domestic monitoring efforts in civil society. In a few cases, particularly Indonesia, civilian authorities need help developing their capacity to manage the military and subordinate it to their constitutional authority.
3. *Electoral Authoritarian Regimes* encompass wide variation. Some of these regimes have considerable competition and pluralism, and could become democratic if elections became free and fair. For these more competitive regimes, electoral assistance (see above) is a major priority, as is assistance to civil society to intensify demand for reform. (n many electoral authoritarian regimes, such as Zimbabwe, Liberia, Belarus, Cambodia, and Haiti, improving the credibility and fairness of the electoral process is vital to preventing violent conflict and securing progress on other governance fronts. In other words, without the uncertainty and incentives generated by truly democratic competition, the political will for reform is unlikely to emerge.
4. *Closed authoritarian regimes* fall into two categories: failed states, struggling to reconstruct a viable political order, and very repressive regimes in which political opposition is banned. In failed states, rebuilding state capacity (even in very elementary aspects of administration) is essential for improving governance. Yet even in these cases, unless some means of political

accountability, participation, consultation, and power sharing emerge, the state is unlikely to garner the minimum level of legitimacy necessary to consolidate peace and establish effective governance. That is true as well for states still plagued by civil war or violent conflict, such as Angola, Sudan, and Congo.

The problem with the typical, repressive closed regime is that there is little political will for liberalization, since that means surrendering some political power and resources (or risking control altogether). In these circumstances, probably the most that international assistance can do is to work with civil society to keep hope alive: to improve the demand and potential for democratic governance, to defend citizen rights by fighting the worst abuses of power, and to promote peaceful resolution of conflict and even reconciliation among warring parties. Raising citizen awareness and access to information, and empowering citizens to organize peacefully for political change, are particular imperatives. In some cases, it may also be possible to help courts and representative bodies to become more independent and effective. However, it makes little sense to train or work with state agencies or actors (including parliaments) in closed regimes unless there is evidence of some commitment to improving governance and opening up political life, even if that will only happen incrementally.

In thinking about prospects and priorities for DG assistance, it is important to be realistic about where a country stands. As Thomas Carothers has recently noted, most electoral authoritarian (or what he calls “gray-zone”) regimes are not “in transition” or

"stuck in transition." The way they combine authoritarian and (often quite limited and superficial) democratic elements constitutes a distinct and possibly persistent regime form.[36] This recognition underscores two points. One is that for these regimes (particularly the less competitive, more repressive ones) to become democracies they must actually *initiate* a transition, not complete one that is still "underway." This necessitates a whole series of institutional reforms to allow a more level and neutrally administered field of electoral competition, and to allow more space for independent civil society and political actors. And second, this returns analysis to the crucial matter of the political will to reform.

Fighting Corruption: Promoting Transparency and Accountability

No problem is more broadly shared across all four classes of regimes (above) than corruption in government and party politics. And no problem has more seriously eroded public confidence in democratic institutions and the stability of electoral democracies. Across Central and Eastern Europe (including Russia, Ukraine, and Belarus), surveys find that over 70 percent of the public, on average, believe that their new regime is more corrupt than its predecessor, and in every postcommunist country surveyed a majority of the public believes the national government is corrupt.[37] The Latinobarometer, surveying public opinion in 17 Latin American democracies since 1995, has consistently found similarly high levels of cynicism. When asked whether corruption has increased a little or a lot, remained the same, or decreased a little or a lot in the last 12 months, an astonishing 75 percent of Latin Americans said in 2000 that corruption has increased *a lot*. Another 10 percent said corruption has increased a little and less than five percent perceived any decline.[38] Even in countries with strong support for democracy, such as Costa Rica,

Uruguay, and Argentina, most people think corruption has increased a lot. These figures reflect a pervasive perception that parties and politicians of all stripes are corrupt and self-interested, rather than serving the public good, and this perception is alienating many citizens from the democratic process. Tenuous democracies cannot become consolidated and regimes of all kinds cannot improve the quality of their governance and their capacity for sustainable economic development unless corruption is significantly diminished. For this reason, assisting counter-corruption institutions and programs must become one of the major priorities of international political and development assistance in the next decade.

International donors have learned a great deal in the past decade about what is necessary to control corruption. To repeat a general lesson, nothing is more important than political will to reform on the part of top leaders. The global struggle against corruption should thus continue on two tracks: to mobilize public demand and support for reform, and to change the institutional environment in which the public and private sectors interact. To become more effective, these efforts need more forceful and coordinated diplomatic engagement to back them up.

On the demand side, assistance should raise public awareness of the costs of corruption, changes expectations about ethical behavior, and empowers the public with information. Citizens must come to see that corruption obstructs development, heightens inequity, and damages the entire country. Public advocacy NGOs, think tanks, the mass media, and explicit anti-corruption organizations—particularly local chapters of Transparency International—have a large role to play in documenting the problem, educating the public, and pressing for specific institutional reforms. Linkages of all kinds are important here: between advocacy NGOs and the mass media; between NGOs and

sectoral interest groups (such as business chambers, trade unions, and professional associations); between local actors and international business; and between national movements and international networks and conventions. Where state actors are themselves pushing reforms, there is also a need to foster public-private partnerships to deepen and accelerate the process. Advocacy NGOs need not be focused on the corruption issue per se in order to have an impact. In many countries, environmental groups have galvanized public action by exposing the links between environmental abuses and political corruption.[39] In Nigeria and other African countries, human rights organizations are making the link between corruption (as a major motive for obtaining and retaining power) and repression, and they have campaigned eloquently for serious institutional reforms. In many countries, chambers of commerce, business associations, and other advocates for economic reform chip away at the enabling environment for bribery and corruption by seeking to streamline state regulations, eliminate unnecessary controls, and make government more transparent.[40] For example, Ecuador's National Association of Entrepreneurs (ANDE) has enlisted the support of business leaders, government officials, NGOs, and even the Catholic Church in its effort to mobilize public concern and institutional reforms to address corruption.[41]

The mass media have a crucial role to play in the campaign against corruption. We need to enhance the skill—but also the professional responsibility—of the media in investigating and reporting on acts of corruption. This can be done in part through assistance to journalism training centers and to national media associations to strengthen professional skills and norms and to advocate for legislative and administrative reforms to improve transparency and media openness. NGOs can also be assisted in their efforts to

use the mass media to educate and mobilize the public against corruption. Argentina's Poder Ciudadano has developed imaginative television and radio spots as part of its public education campaign.

Regional and international initiatives are also vital in changing the normative climate of tolerance for corruption and pressing for national-level changes. One hopeful step was the OECD adoption (in December 1997) of the Convention on Combating Bribery of Foreign Officials in International Business Transactions. One of the most important international civil society initiatives is Transparency International (TI), which has spawned chapters in more than 77 countries while dramatically increasing awareness of the problem and of best practices to combat it.[42] TI is one of the truly great success stories of international civil society mobilization and public-private partnerships to improve governance over the past decade. Its practical methods for promoting public debate, making government more transparent, forging reform coalitions, and assembling comprehensive national systems of integrity have put it on the conceptual and political cutting edge of the campaign against corruption.

On the supply side, there are many things that can be done to help change the environment in which the public and private sectors interact. These include:

- Supporting legal and regulatory reform to reduce government's involvement in areas more efficiently handled by the private sector. Here economic reform and anti-corruption efforts converge.
- Streamlining and making more transparent government procedures (including budgeting and procurement) to reduce the opportunities for corruption.
- Elaborating and improving governmental institutions of accountability, and

- Introducing incentives for officials to act in the public interest.

Reforms need to establish independent government oversight and auditing institutions, streamline regulations, standardize and computerize government financial management, improve contracting procedures, train in fraud investigation, and reform and strengthen judiciaries.

The problem is that where political will is lacking, new laws and institutions amount to a Potemkin village: the façade is impressive, but there is nothing behind it. When political leaders want to frustrate anti-corruption reforms, they staff oversight agencies with cronies or timid timeservers, or they starve the bodies of funding and authority. (This has repeatedly undermined the quest for accountability in Nigeria, for example). They file false assets declarations and forbid their public disclosure. They open up new avenues of corruption just as old ones are closed. They intimidate and stonewall auditors and investigators. They may even murder them if they come too close to the truth. They transfer corrupt practices to levels and arenas that reforms have not yet penetrated. And they routinely use the privatization process itself as a major vehicle of corrupt accumulation.

Anti-corruption initiatives therefore do not succeed unless demand proceeds apace to stimulate and sustain political will for reform. Institutional reforms must include some kind of independent, authoritative, and resourceful counter-corruption commission, designed in conjunction with reform advocates in civil society, and clearly empowered to investigate, expose, and prosecute corrupt conduct.[44] The entire structure of horizontal accountability—including the courts, public auditors, ombudsman's office, and human rights commission—must have similar autonomy, energy, and resources. International

pressure is crucial, not in dictating the precise shape of institutions but in demanding that government officials take seriously societal demands for reform and allow home-grown institutions the authority, autonomy, leadership, and resources to function effectively.

Political Party Assistance

In most of the electoral democracies and competitive authoritarian regimes, political parties are a major problem. Quite often they are corrupt, insular, internally undemocratic, detached from societal interests, and ineffective in addressing the country's problems. When one weighs their performance against high citizen expectations for performance and accountability after authoritarian rule, it is perhaps no surprise that they are held in astonishingly low repute.

It is tempting in these circumstances to write off political parties; they are not very serious about governing, not very democratic, and so we should focus on strengthening "purer" actors in the state or civil society. Such a blanket dismissal would be a grave mistake. In a modern society, democracy cannot function without political parties. It is political parties that structure electoral competition, organize government, and recruit leaders. And even if parties are only one among many vehicles for stimulating political participation and representing interests, they remain essential to the overall functioning of democracy.[45] To the extent that they are feckless and corrupt, so is democracy itself.

Democratic political parties must become more capable and mature as organizations, more internally competitive and transparent, and more externally responsive and accountable. At the same time, international assistance and cooperation efforts must serve the larger goal of creating a representative and competitive multiparty *system*, which

offers citizens choices of leaders and policies, responsiveness to their concerns, and a means for exercising vertical accountability. For both of these broad strategic aims, work with political parties must be ongoing, not just a temporary program a few months in advance of an election.

Party assistance programs should continue to focus on three traditional objectives while intensifying work in two more innovative arenas. The three established themes are:

1. *Organizational development:* helping parties to research issues, assess public opinion, develop policies and platforms, craft long-term strategies, build professional staffs, recruit members, raise funds, and manage resources.
2. *Electoral mobilization:* helping parties to select and train candidates, craft campaign messages, manage campaign organizations, improve communication skills, contact voters, identify and mobilize supporters, and activate women and youth.
3. *Governance:* helping parties to function effectively as a legislative caucus, to constitute a government or opposition (including at the regional and local levels), to forge coalitions, to reform electoral laws, and to monitor elections through poll-watching.

Two more recent foci that merit much more emphasis in the coming years are:

4. *Internal Democratization:* helping parties to develop more democratic and transparent means of selecting candidates (e.g., through primaries and caucuses), choosing leaders, making decisions, formulating policies, and eliciting member participation.[46]

5. *Reforming party and campaign finance*: helping party, legislative, governmental, and civil society actors to identify alternative rules and systems for reporting and monitoring financial donations to parties and campaigns, auditing party accounts, providing public funding to parties and campaigns, and widening the access of all political parties to the electronic mass media. Also: helping parties to promote higher standards of ethical conduct among their leaders, candidates, and members; and helping civil society actors and electoral administrations to develop better technical means to monitor party and campaign finance.

The traditional and newer objectives are intimately related. Many parties cannot develop organizationally because they are personal vehicles of the party leader. Unless they become more broad-based and democratic in their internal governance, their institutional development will be stifled. If parties are going to be effective in deepening their organization, mobilizing support, and structuring governance, they must improve their image among the people. Such improvements will only be possible (and certainly, only sustainable) if parties become more open to grassroots participation, more internally democratic, more transparent in their financing and decision-making, and less corrupt. The challenge of reforming party and campaign finance is a particularly vexing one, because campaign costs are continually rising (especially as countries become more reliant on television and other modern technology), and no democracy in the world has a very satisfactory system. Nevertheless, the problem is central, because in most electoral regimes, a good portion of the corruption in a country goes to fund the ruling party at various levels. To the extent that countries adopt systems of partial public funding for

parties and guaranteed media access for campaigns, it will also help to level the electoral playing field.

What is the incentive for a party that is personalistic and corrupt to become more internally democratic and externally responsive and accountable? One overriding incentive may become more apparent over time. Parties that do modernize and reform themselves may gradually develop wider appeals and competitive advantages over those that do not. Moreover, if momentum gathers behind other efforts at institutional reform—to rein in bribery, kickbacks, vote buying, and electoral fraud, and to raise citizen intolerance for these practices—parties will come under growing pressure to reform, and will be at significant risk if they do not

Political parties will not be strengthened by party assistance alone. If one of the problems is that parties are detached from societal interests, democratic development strategies may also find value in approaching the party issue from the civil society angle. Interest groups and NGOs can be supported in efforts to forge channels of communication and working relations with political parties. Civil society activists can be given training if they opt to enter the arena of party and electoral politics. One of the crucial challenges of improving party politics is recruiting better-educated and more public-spirited actors into the process.

Strengthening Judicial Capacity and Autonomy and the Rule of Law

Democracy cannot be consolidated and governance cannot be improved without broad enhancement (and in some cases sweeping transformation) of all the institutional

components of the rule of law: legal codes, constitutional frameworks, judiciaries, prosecuting authorities, police, and the entire legal profession, including legal education. In most emerging democracies and virtually all non-democracies, judges need better, more up-to-date training, greater resources (technical and financial), and greater autonomy from political pressure. Typically also, the courts need to streamline their administrative management and their capacity to track and process cases, both criminal and civil.

Both bilateral and multilateral donors have made substantial investments over the past two decades in court administration and facilities, including computerization of case administration procedures and legal codes and precedents, as well as the physical infrastructure of the courts, legal information systems, and public law libraries. In many countries, these needs remain huge and will for many years to come. Rule of law strategies must also continue to advise and support law schools and judicial training academies, and the drafting of strategies for judicial reform—including the insulation of judges and prosecutors from political control. Bar associations must also be strengthened, not only to advocate for rule-of-law reforms, but also to work among legal practitioners to elevate professional norms and monitor the conduct of the legal community.

Fundamental reform usually requires legal and constitutional reform. Transitional systems and tentative democracies need to draft well-conceived constitutions that learn from the institutional experience of other countries. They also need new, better, fairer, and clearer legal frameworks that protect civil liberties, property rights, and the rule of law. International assistance and cooperation can help with these efforts.

However, technical and infrastructural assistance to the judicial sector will not in itself strengthen the rule of law. If corrupt political leaders appoint pliant judges who are

politically obligated to the politicians, if the judges, prosecutors, and court administrators are themselves corrupt, if the broader context of bad governance is not addressed, millions of dollars in assistance to the judicial sector may have only a marginal impact, producing judges that are more knowledgeable and better equipped but no less corrupt or politically dependent. A major lesson of rule-of-law assistance to strengthen and modernize formal institutions is that it must be accompanied by societal demand for more capable, neutral, professional, and accessible systems of justice, and by societal capacity to monitor and make use of these systems.

Deepening democracy and improving governance thus requires strengthening the rule of law from below as well as above. Citizens must be educated to know their rights under national law and international covenants. Society must be organized effectively to demand protection for these rights and specific reforms in the judiciary and police to secure individual rights. A major pillar of rule of law assistance thus involves aid to human rights, good governance, and civic education groups. Assistance in this realm helps NGOs and networks to engage in public advocacy and media campaigns on such issues as human rights, official and police impunity, judicial independence, and corruption. Public interest law groups also have a major role to play in creating a fairer legal system. Donors can help marginalized groups gain access to justice through support for the public interest law movement among civil society groups and grassroots organizations, and through help to establish or expand legal aid centers and public defenders offices, and to train criminal defense attorneys and public defenders representing poor people.

Police assistance and reform is also a vital dimension of improving the rule of law—and of the related goals of mitigating conflict and enhancing citizen security—for

several reasons. The police are one of the institutions of the state with which the ordinary citizen is most likely to have contact, and from which citizens most often suffer abuse. Rampant violence and crime diminish social trust and public faith in democracy. They are two of the pervasive concerns of poor people in particular and major obstacles to development, deterring investment and generating huge costs in health, productivity, and distorted investment (for example, in private security measures). Security of persons and property is essential to lowering transaction costs and generating productive investment. Policing is thus a realm in which international assistance must be more active in the coming decade, particularly in countries that have been devastated by internal conflict or face rising levels of violent conflict and crime.

To be effective, police assistance must be part of a broader program of rule-of-law assistance that includes not only the police and the judicial system but also neighborhood crime prevention groups and projects and human rights NGOs. In this context, international assistance programs have helped to improve the professional competence of the police—their criminal investigative capabilities, police academy training programs, forensics, management, community relations, and coordination with prosecutors and judicial agents. More must be done to develop competent, professional policing that is also more respectful of human rights.

Because the rule of law touches on virtually every other aspect of democracy and governance, and so many dimensions of development, there is great scope for cross-sectoral linkages. A stronger rule of law requires an effective counter-corruption apparatus, and a national legislature that is competent and autonomous in its law-making functions. In helping poor people and marginalized groups get access to justice, legal aid

programs also help them address the environmental problems of their communities, the obstacles to registering a business, obtaining credit, and getting title to land, and other issues that are fundamental to the development process. Strengthening policing, if done in the appropriate way, can also enhance human rights and accountability, and can proceed well in tandem with community human rights programs.

Strengthening Civil Society

In recent years, international donor assistance to civil society has become a subject of growing controversy. The gathering critique of Western civil society assistance indicts it on several counts:

1. That it has focused too heavily, if not exclusively in many countries, on assistance to NGOs (particularly public advocacy or democracy NGOs), which are only one type of actor in civil society.
2. That the kinds of NGOs supported are "top down," elitist, often internally undemocratic, and based in the capital city, with weak roots in society and faint connection to real societal interests.
3. That Western donors, particularly USAID, have imposed their own goals and agendas on civil society recipients of aid, robbing them of ownership and initiative and orienting them away from their own societies.
4. That the organizations and efforts funded are unsustainable without continued international aid, particularly given the salaries they pay and the technology they use.

5. That the relatively generous international funding is drawing human talent and energy away from other, more authentic institutions and activities into these structures born in the image of the West.[50]

These criticisms are overly generalized and often lacking in a balanced recognition of the contributions that many NGO recipients have made to democratic development around the world. Nevertheless, strategies of DG assistance in the coming decade must begin from a frank recognition of the validity of much of this criticism. There has been too much emphasis on aiding a certain kind of civil society actor, which explicitly (and perhaps exclusively) targets issues of democratic governance reform, and which speaks the stylized language of Western donors. There has been too little consultation with the broad social forces of these societies, and too little readiness to respond to what existing civil society actors see to be their organizational and developmental needs. Assisted NGOs are sometimes lacking in accountability to anyone but the donors, while floating in an ethereal and largely internationalized space above their own societies. And even the most effective organizations are likely to remain dependent on international funding for many years, if not decades, to come.

Yet these criticisms are only part of the story. Some "democracy" or public advocacy NGOs are having a significant impact in raising public awareness and propelling good governance reforms. This is particularly true, for example, of local chapters of Transparency International, which often receive international donor support. International assistance supports a wide range of civil society groups, including coalitions of professional associations, civic education groups, women's rights organizations, business and labor federations, media groups, bar associations, environmental activist groups, and human rights monitoring organizations. Finally, many of the

most promising impacts on politics and governance are coming, as noted above, from cross-sectoral linkages in which DG goals are incorporated into funding for development-oriented civil society actors.

The challenge for international assistance in the coming decade is not one of wholesale redesign but rather to adapt strategies and programs to address the real problems of past approaches. One need for adaptation is in the time horizons that shape strategy. Building effective and stable democratic governance is going to require protracted engagement over at least another decade, and probably several. In any country with deeply entrenched structures of power and privilege, a serious strategy to foster democratic and accountable governance must aim for the long haul, undertaking efforts that may only exhibit an impact on the quality of national governance gradually over a long period of time.

Viewed in this way, one promising strategic priority lies in increased assistance to civil society organizations that have as their ostensible purpose economic or social development but that are taking on DG objectives as well. The battle against corruption requires the involvement not only of explicit democracy or good-governance NGOs, but of groups with an environmental, gender, or agrarian focus as well. The struggle to raise citizen awareness and mobilize civic participation can only reach an enduring critical mass when it seeps into the deep structures and concrete interests of daily life. As Stephen Golub has observed:

> Battered women, subsistence farmers, street vendors, and urban squatters usually respond far better to appeals to their legitimate self-expression than to their democratic spirit. They may well care about important concepts like democracy, and may be moved to action in times of dramatic national transition. But once the smoke has cleared,… they act on 'felt need.'[51]

International assistance in the coming decade must therefore do much more to get programs addressing "felt needs"—such as family planning, (women's) literacy and health, potable water, rural livelihood, and ending domestic violence—to also serve DG objectives, such as extending legal services, rights education, and civic participation.[52] Such integration accelerates momentum for DG reforms by rooting them more broadly in society, especially in organizations that have built up credibility dealing with issues that are more functional and (often) less controversial.

It is important to emphasize that such a cross-sectoral approach need not and must not entail a wholesale shift away from NGOs that advocate more explicitly for democracy and systemic governance reforms. "Professionally run NGOs and watchdog groups are indispensable to sustaining democratic change because they are typically more 'civic-minded' and are relatively resistant to governmental corruption and repression."[53] The campaign for more accountable and responsive governance may lose its energy, dynamism, and strategic focus if it lacks the articulate involvement of NGOs and think tanks that are pushing an explicit agenda of democratic reform. In fact, one recent assessment of USAID civil society assistance programs in seven countries suggests that fundamental improvement of democratic governance is unlikely to occur without sustained support of civil society initiatives for system change.[54]

However, more must be done to encourage these reformist organizations to reach out to the mass public, to establish links and alliances (as some of them have been doing) with interest groups and other organizations, to develop regional offices and programs, and even to recruit dues-paying members (however nominal the sums raised). It is a mistake to conclude that because these organizations are run by Western-educated elites who are paid comfortable, middle-class salaries, and because they begin with a narrow organization and focus, they are fundamentally incapable of sinking broader roots in the society. Many of them will not sink such roots, because they are

poorly led, opportunistic, or half-hearted. But given time and incentives, some (perhaps many) of them will do so. In fact, many of these NGO leaders are capable, serious, sensitive to their own cultures, and working at some sacrifice (given the professional opportunities they forego in their own private sectors or in the West).

In some countries where the legal environment for civil society is relatively benign (if not positively facilitating) and where professional competence, breadth, and integrity have been demonstrated among civil society leaders, it may be time for international donors to consider endowing indigenous foundations to assist civil society. These foundations would have to establish some scope of purpose and priorities. They might initially have foreign representation on their boards, but they would be locally "owned" and governed, and would make judgements about funding and priorities that would respond to local demands and needs rather than to US or other external assessments. With less demanding and expensive requirements for auditing and reporting, they could make grants to a wider variety of civil society organizations, including smaller and more informal groups. International donors could periodically evaluate the work of the foundation, and increase its endowment if it performs well.

More also needs to be done to build up the enabling environment for civil society. At a minimum, laws and regulations that put barriers in the way of registering and legally protecting independent organizations need to be removed. Where necessary, diplomacy needs to weigh in with state elites who are not inclined to want a vigorous and independent civil society. In countries that are more advanced economically and politically (such as Mexico, Brazil, and South Africa), an important reform frontier lies in changes to laws and tax regimes that permit and encourage private philanthropic grants to civil society organizations. Some NGOs may be assisted to develop services, such as public opinion polling, policy analysis, or development activities,

which can earn significant consulting or user fees. Beyond this, a strong note of realism is warranted on the part of international donors. The plain truth is that many of the best public interest organizations are not really self-sustaining even in the United States or Western Europe. The difference, of course, is that in the U.S. or Europe, public advocacy NGOs can turn to a vast array of foundations; in poor countries, they have only their own corrupt governments or the outside world. Golub therefore suggests that a better test for continued support than the prospect of sustainable domestic funding would be whether the NGO is generating sustainable *impact* because it is doing "quality work."[55] If it is, and it is gradually building indigenous constituencies for that work, there is no reason why external donors should not be prepared to support it until that time—well into the future—when the society becomes rich enough to assume the burden.

Conclusion: A "Tough Love" Strategy for Development

Global democratic progress has slumped in recent years. Many countries that once seemed "in transition" have settled into varying shades of authoritarian rule. And even many electoral democracies are performing poorly and losing public confidence. Democracy assistance has achieved uneven results, and in some countries, sizeable efforts in some sectors appear to have had little if any impact. None of this is cause for despair. The world has seen striking democratic progress in the past two decades, and most people still want to be governed in democracy and freedom. However, if a broad reversal of democratic progress is to be averted, if development is to be generated where it has been blocked and stalled for decades, if we are to prevent the collapse of more and more states

into catastrophic cycles of political violence, social chaos, rampant criminality, and humanitarian crisis, we must induce sweeping transformations in the quality of governance.

To achieve these transformations, we need a more vigorous, robust, and comprehensive strategy. This strategy must go beyond aid; it must resolve to use every aspect of international engagement to pressure for more democratic and accountable governance. It must set clear standards and communicate them vigorously. If governments want help in developing their economies, they must get serious about development. If political leaders want the world to help their publics, they must themselves demonstrate commitment to the public good. Governments that show a commitment to the institutions that govern responsibly and promote growth—by controlling corruption and implementing democracy, freedom, and the rule of law—should be helped generously, not only with increased development assistance but also with debt relief, trade liberalization, and investment promotion. States that lack any such commitment should be penalized in the distribution of these benefits and pressed to do better, while their civil societies are assisted in the campaign for governance reform.

No doubt, the designation of clear governance standards for substantial levels of development assistance to states will be criticized by some—not least the corrupt leaders of poorly performing states. But if there is an international obligation to aid development, it is not owed to states but rather to people who are poor and suffering. And the leaders of democratic donor states have an obligation to their own publics as well to spend aid budgets effectively. There is no point in simply measuring development assistance "effort." If we are interested in reducing poverty and improving human welfare and freedom, we must measure results.

Only if governance in poorly performing states becomes more democratic and accountable are we going to see development results. And only with a comprehensive, consistent, "tough love" approach from the international community is political will for governance reform likely to emerge and be sustained among the poor performers. Once there is evidence of such political will, DG assistance must move energetically and synergistically on a number of fronts to develop the institutions that fight corruption and defend the rule of law, to strengthen and democratize political parties, to improve the functioning of representative and administrative institutions, and to assist a wide range of civil society actors that are working to reform governance, deepen democracy, promote development, and improve human welfare.

When political will for decent governance is lacking, there is no higher priority for development than to generate it, and probably no way to do so except through civil society aid. But when democratic governance reforms do take place, reform leaders must must realize tangible and rapid rewards for the progress they make and the risks they take. Good performers—and these will mainly be democracies that are fighting corruption—must see their countries move onto a different path, where resources flow in and there is money to dramatically improve health, education, and public infrastructure; where average incomes rise and the quality of daily life visibly improves.

We are still at a relatively early stage of sustained international effort to promote democratic governance. We are still learning. But some lessons are clear. DG assistance strategies must focus relentlessly on generating and sustaining political will for systemic reform. Diplomacy must work hand in hand with aid to help generate and reward such will. Donors must work with one another. Experience must be shared across borders. And

democracy and governance objectives must inform and inspire every sector of development assistance. To have an impact on the difficult and the seemingly intractable cases, we must do more, more coherently across a range of objectives, and we must sustain it (with periodic assessment and adaptation) over a long period of time. This will require patience and a long-term perspective.

Doing more means spending more—on international development and humanitarian assistance in general, and on democracy and governance assistance in particular. There is no way around this. Democracy will not be advanced by indiscriminate increases in funding. And often we can do better with the resources we now have. But too many DG assistance programs are forced to choose between a "deep but narrow" focus on one or two objectives and a "broad but shallow" focus on many. More ambitious and comprehensive assistance is needed. Promoting democratic governance must become a higher priority of all the bilateral and multilateral donors. It is not only essential if we are to generate development and reduce poverty in the poorly performing countries. It is also vital to international security, and to the kind of world we want to live in.

Table 1

The Growth of Electoral Democracy, 1974, 1990-2002

YEAR	Number of Democracies	Number of Countries	Democracies as a Percent of all Countries	Annual Rate of Increase in Democracies
1974	41	150	27.3%	
1987	71	164	43.3%	
1990	76	165	46.1%	n.a.
1991	91	183	49.7%	19.7%
1992	99	186	53.2%	8.1%
1993	108	190	56.8%	8.3%
1994	114	191	59.7%	5.3%
1995	117	191	61.3%	2.6%
1996	118	191	61.8%	0.9%
1997	117	191	61.3%	-0.9%
1998	117	191	61.3%	0
1999	120	192	62.5%	2.6%
2000	120	192	62.5%	0
2001	121	192	63.0%	0
2002	121	192	63.0%	0

Sources: Data from Freedom House, *Freedom in the World: The Annual Survey of Political Rights and Civil Liberties, 1990-91, 1991-92,* etc. (New York: Freedom House, 1991 and years following); and *Journal of Democracy* 14, no. 1, January 2003.

Note: Figures for 1990-2002 are for the end of the calendar year, from the Freedom House survey for that year. Figures for 1974 reflect my estimate of the number of democracies in the world in April 1974, at the inception of the third wave. Figures for 1987 are also my estimate. In contrast to Freedom House, Russia is here scored as a non-democracy in 2001 and 2002, and Kenya as a democracy at the end of 2002.

Table 2 Freedom Status of Independent States, 1972-2000

Year	Free	Partly Free	Not Free	Total
1972	42 (29.0%)	36 (24.8%)	67 (46.2%)	145
1980	52 (31.9%)	52 (31.9%)	59 (36.2%)	163
1985	56 (33.5%)	56 (33.5%)	55 (32.9%)	167
1990	65 (39.4%)	50 (30.3%)	50 (30.3%)	165
1991	76 (41.5%)	65 (35.5%)	42 (22.9%)	183
1992	75 (40.3%)	73 (39.2%)	38 (20.4%)	186
1993	72 (37.9%)	63 (33.2%)	55 (28.9%)	190
1994	76 (39.8%)	61 (31.9%)	54 (28.3%)	191
1995	76 (39.8%)	62 (32.5%)	53 (27.7%)	191
1996	79 (41.4%)	59 (31.1%)	53 (27.7%)	191
1997	81 (42.4%)	57 (29.8%)	53 (27.2%)	191
1998	88 (46.1%)	53 (27.2%)	50 (26.2%)	191
1999	85 (44.3%)	59 (30.7%)	48 (25.0%)	192
2000	86 (44.8%)	59 (30.7%)	47 (24.5%)	192
2001	86 (44.8%)	57 (29.7%)	49 (25.5%)	192
2002	89 (46.4%)	55 (28.6%)	48 (25.0%)	192

Sources: For 1972, 1980, and 1985: Raymond D. Gastil, ed., *Freedom in the World: Political Rights and Civil Liberties, 1988 89* (New York: Freedom House, 1989). For 1991 2001: See Table 1.

Note: Ratings refer to the status of the countries at the end of the calendar year. See text for an explanation of the basis of the ratings

Table 3
Trends in Overall Freedom Levels, 1974-2000

Year	Number of Declining Freedom Scores	Number of Improving Freedom Scores	Median Freedom Score	Average Freedom Score
1974	16	16	5.0	4.47
1980	24	25	5.0	4.26
1985	12	9	5.0	4.29
1990	18	36	4.0	3.84
1991	17	41	3.5	3.68
1992	31	39	3.5	3.61
1993	43	18	3.5	3.72
1994	23	22	3.5	3.69
1995	11	29	3.5	3.63
1996	13	31	3.5	3.58
1997	9	13	3.5	3.58
1998	11	32	3.5	3.56
1999	18	26	3.5	3.49
2000	18	25	3.5	3.48
2001	18	17	3.5	3.47
2002	28	11		3.38

Sources: See Tables 1 and 2.

Table 7.4

Year	Number of Democracies	Number of Liberal Democracies FH Score 1-2	Liberal Democracies As a Percentage of all Democracies	Number of Free States FH Score 1-2.5
1974	39	32	82.1	39
1987	66	48	72.7	57
1990	76	53	69.7	65
1991	91	54	59.3	76
1992	99	57	57.6	75
1993	108	62	57.4	72
1994	114	62	54.3	76
1995	117	67	57.2	76
1996	118	68	57.6	79
1997	117	69	59.0	81
1998	117	69	59.0	88
1999	120	71	59.2	85
2000	120	74	61.7	86
2001	121	75	62.0	86
2002	121	73	60.8	89

Sources: See tables 1 and 2

Notes

[1] The previous two waves of global democratic expansion were the first long wave, ending with the breakdown of many democracies in the period between World Wars I and II, and the post-World War II wave, ending with the "second reverse wave" that began in the early 1960s. See Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman, OK: University of Oklahoma Press, 1991).
[2] Adrian Karatnycky, "The 2001 Freedom House Survey," *Journal of Democracy* 13 (January 2002): 99-112. Freedom house rates as "free" those states with an average score between 1 and 2.5 on the combined 7-point scale of political rights and civil liberties.
[3] Of the 71 regimes that are not rated by Freedom House as democracies, 46 have regular multiparty elections and only 25 are politically closed in this respect. See Larry Diamond, "Elections without Democracy: Thinking about Hybrid Regimes," *Journal of Democracy* 13 (January 2002): Table 1.
[4] See Thomas Franck, "The Emerging Right to Democratic Governance," *American Journal of International Law* 86 (January 1992): 46-91; Roland Rich, "Bringing Democracy into International Law," *Journal of Democracy* 12 (July 2001): 20-34.
[5] Thomas Carothers, "The End of the Transition Paradigm," *Journal of Democracy 13* (January 2002): 5-21.
[6] Civilian control of the military is also necessary. For a more detailed conceptualization, see Diamond, *Developing Democracy*, pp. 10-13.
[7] See Diamond, *Developing Democracy*, Chapter 5 for a summary of some of the evidence from public opinion surveys in developing and postcommunist countries.
[8] For theoretical perspectives on democratic consolidation, see 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, 1996), ch. 1; Larry Diamond, *Developing Democracy: Toward Consolidation* (Baltimore Johns Hopkins University Press, 1999), ch. 2; and Andreas Schedler, "What is Democratic Consolidation," in Larry Diamond and Marc F. Plattner, *The Global Divergence of Democracies* (Baltimore: Johns Hopkins University Press, 2001): 149-164.
[9] For the purposes of this estimate, a democracy is considered liberal when it has an average freedom score of 2 or better (that is lower) on the combined 7-point Freedom House scale of civil and political liberties.
[10] The classification of countries as democracies in this discussion follows the Freedom House annual survey.
[11] For more discussion of the "democracy gap" in Muslim-majority, especially Arab, countries see Karatnycky, "The 2001 Freedom House Survey."
[12] This term (rather than "transitions to democracy") was carefully chosen by Guillermo O'Donnell and Philippe Schmitter to capture the indeterminacy of the process they treated in their volume, *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies* (Baltimore: Johns Hopkins University Press, 1986). See page 3.
[13] "The Latinobarometro Poll: An Alarm Call for Latin America's Democrats," *The Economist* July 28th 2001: 37-38.
[14] Marta Lagos, "How People View Democracy: Between Stability and Crisis In Latin America," *Journal of Democracy* 12 (January 2001): Table 3, 143
[15] Yun-han Chu, Larry Diamond, and Doh Chull Shin, "How People View Democracy: Halting Progress in Korea and Taiwan," *Journal of Democracy* 12 (January 2001): Table 1, 125.
[16] Thomas Carothers, *Aiding Democracy Abroad: The Learning Curve* (Washington, D.C.: The Carnegie Endowment for International Peace, 1999), p. 101.
[17] Derick W. Brinkerhoff, "Identifying and Assessing Political Will for Anti-Corruption Efforts," Working Papers no. 13, *Implementing Policy Change* project, USAID, January 1999, p. 3. See also Brinkerhoff, "Assessing Political Will for Anti-Corruption Efforts: An Analytic Framework," *Public Administration and Development* 20 (2000): 242.
[18] L Carter, "Linking USAID Democracy Program Impact to Political Change: A Synthesis of Findings from Three Case Studies," L Carter, revised fourth draft (unpublished), 8/8/2001, p. 22.
[19] Brinkerhoff, "Identifying and Assessing Political Will," p. 3.
[20] Brinkerhoff, "Assessing Political Will," p. 249.
[21] Paul Collier, "Learning from Failure: the International Financial Institutions as Agencies of Restraint in Africa," in Andreas Schedler, Larry Diamond, and Marc F. Plattner, eds., *The Self-Restraining State: Power and Accountability in New Democracies* (Boulder, CO: Lynne Rienner Publishers, 1999): 322.
[22] Collier also calls this conditionality "as an agency of restraint." Ibid, p. 327.

[23] For a similar approach, see Paul Collier, "Making Aid Smart: Institutional Incentives Facing Donor Organizations and their Implications for Aid Effectiveness," prepared for the Forum Series on the Role of Institutions in Promoting Economic Growth, Directed by the IRIS Center, sponsored by USAID, February 25, 2002.
[24] Brinkerhoff, "Assessing Political Will," p. 249.
[25] "Promoting Transparency and Accountability: USAID's Anti-Corruption Experience," DG Center, January 2000, p. 18
[26] Hal Lippman, *Linking Democracy and Development: An Idea for the Times*, USAID Program and Operations Assessment Report No. 29, Center for Development Information and Evaluation, USAID, June 2001, p. 5.
[27] Ibid, p. 6. For a summary of the report, see "Linking Democracy and development: An Idea for the Times," USAID Evaluation Highlights No. 75, December 2001.
[28] Ibid, pp. 21-22.

[30] For an example of such a regional forum, see the work of the Democracy Forum for East Asia, at http://www.ned.org/asia/index.html.

[32] Harry Blair and Gary Hansen, "Weighing in on the Scales of Justice: Strategic Approaches for Donor-Supported Rule of Law Programs," Assessment Report No. 7 (Washington, DC: USAID, Center for Development Information and Evaluation, February 1994).
[33] L Carter, "Linking USAID Democracy Program Impact to Political Change: A Synthesis of Findings from Three Case Studies," L Carter, revised fourth draft (unpublished), 8/8/2001, p. 35.
[34] Center for Democracy and Governance, USAID, "Decentralization and Democratic Local Governance Programming Handbook," Technical Publication Series, May 2000.
[35] See the essay on "competitive authoritarianism" by Steven Levitsky and Lucan Way, *Journal of Democracy* 13 (April 2002).
[36] Carothers, "The End of the Transition Paradigm."
[37] Richard Rose, "How People View Democracy: A Diverging Europe." *Journal of Democracy* 12 (January 2001): 101.
[38] Data provided by Marta Lagos from the Latinobarómetro. The percentages saying corruption has "increased a lot" were 75% in 1996, 79% in 1997 and again in 1998, and 75% in 2000.
[39] "Promoting Transparency and Accountability: USAID's Anti-Corruption Experience," Center for Democracy and Governance, USAID, January 2000, p. 11. Many of the examples that follow are drawn from this document.
[40] Summaries of such programs supported by the Center for International Private Enterprise can be found at www.cipe.org.
[41] www.cipe.org/pub/overseas9903/features/testifies.html.
[42] For further information, see www.transparency.org.
[43] Judicial reform is discussed separately below. For examples of specific USAID investments in institutional reforms, see "Promoting Transparency and Accountability," pp. 6-11.
[44] Larry Diamond, "Fostering Institutions to Contain Corruption," World Bank PremNotes, 1999/06/30, report no. 21572, http://www-wds.worldbank.org/servlet/WDSServlet?pcont=details&eid=000094946_01010505342546, and Michael Johnston, "A Brief History of Anticorruption Agencies," in Schedler, Diamond, and Plattner, *The Self-Restraining State*.
[45] Larry Diamond and Richard Gunther, eds., *Political Parties and Democracy* (Baltimore: Johns Hopkins University Press, 2001), pp. 7-9, and Center of Democracy and Governance, "USAID Political Party Development Assistance," Technical Publication Series, April 1999, pp. 7-8.
[46] See the Report of the Workshop on "Democratization of Political Parties in East Asia," March 21-22, 2000, Seoul Korea, Democracy Forum for East Asia at http://www.ned.org/asia/march00/introduction.html. The report underscores the need for most political parties in emerging democracies to become more internally democratic, but it also highlights the trade-off between internal democracy and party coherence. For example, if there is no role for the central party leadership in candidate selection, a party may lack unity of purpose, programmatic or ideological coherence, and organizational discipline.
[47] "Political Party Strategies to Combat Corruption," The National Democratic Institute for International Affairs (NDI) and The Council of Asian Liberals and Democratics (CALD), Executive Summary by Laura Thornton, ….2001?

[48] In this case, the effort to strengthen democratic parties and advance democracy inevitably merges into an effort to influence the election in a broad direction. This is a high-stakes decision which should require the approval of high levels of authority in Washington.

[49] It also violates the Foreign Assistance Act of 1961, which explicitly prohibits US election or party assistance from seeking to influence specific political outcomes in any country. [CHECK WORDING]

[50] See Marina Ottaway and Theresa Chung, "Debating Democracy Assistance: Toward a New Paradigm," *Journal of Democracy* 10 (October 1999): 106-109; Carothers, *Aiding Democracy Abroad*, pp. 207-251; and Marina Ottaway and Thomas Carothers, eds., *Funding Virtue: Civil Society Aid and Democracy Promotion* (Washington, D.C.: Carnegie Endowment for International Peace, 2000), particularly their concluding chapter 11.

[51] Stephen J. Golub, "Democracy as Development: A Case for Civil Society Assistance in Asia," in Ottaway and Carothers, *Funding Virtue*, p. 137.

[52] For a number of Asian examples of such integration, see ibid, pp. 139-144.

[53] E. Gyimah-Boadi, "Debating Democracy Assistance: The Cost of Doing Nothing," *Journal of Democracy* 10 (October 1999): 121.

[54] Harry Blair, "Is Building Democratic Constituencies Enough? Civil Society and USAID Program Impact in Seven Countries," paper presented to the Annual Meeting of the American Political Science Association, August 30-September 2, 2001, San Francisco.

[55] Golub, "Democracy as Development," p. 146.