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DEMOCRACY AND GOVERNANCE PROGRAMMING IN AUTHORITARIAN SETTINGS: ISSUES AND EVIDENCE

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Democracy and Governance Programming in Authoritarian Settings: Issues and Evidence



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EXECUTIVE SUMMARY

This paper aims to stimulate thinking on USAID’s approaches to Democracy and Governance (DG) programming in authoritarian settings. In the first part, it reviews what we know about why authoritarian regimes survive or fall, which draws from a review of the literature on authoritarianism and a statistical analysis of the impact of USAID DG assistance in authoritarian countries during the 1990-2004 period. This review points to two key factors that account for much of authoritarian resilience: the state’s *control of economic resources* and the *concentration of political power* in the regime, notably in monarchies and one-party rule systems. The research also identifies two key factors contributing to democratic breakthrough: *semi-competitive elections* and *organized civil society*. DG programming in these two areas has had a measurable impact on the level of democracy in authoritarian countries. An analysis of USAID DG allocations finds that for every additional 10 million dollars of DG assistance in either of these two subsectors, a country is predicted to be about 0.3, or one-third of a point higher on one measure of democracy, the seven-point Freedom House democracy score, in a given year.

In the second part, the paper raises a number of strategic issues that shape DG programming in authoritarian settings, and addresses program-specific issues and possible approaches. The paper notes that DG programs need to align with the hierarchy of US priorities and the Mission’s risk threshold in a given country, frequently assess assumptions, set realistic expectations, and determine the appropriate mix of short- and long-term activities.

The focus then turns to recommended approaches in seven DG practice areas: elections, political party building, legislative strengthening, rule of law, anticorruption, service provision, and civil society and media. The discussion offers guidance on when it might make sense to undertake DG programs and when it doesn’t, and which approaches are appropriate and which are not.

The paper suggests that support for the development of autonomous civil society and media is likely to be constructive in most, if not all, authoritarian contexts. DG officers should, however, assess the likely DG impact of support for service delivery civil society groups, and avoid initiatives that have low impact or unintended effects on regime survival.

USAID DG programs should also aim to improve the playing field for electoral challengers in semi-competitive electoral environments through support to elections and political parties. Support may be counterproductive, however, if a regime controls elections and political parties to such an extent that they are ineffective sources of opposition. Legislatures form a complementary target of funding if elections and parties are both worth supporting.

Finally, support for rule of law, anticorruption, and service delivery -- the “governance” side of the equation -- are highly contingent on situation analysis. While DG interventions here may encourage the development of more autonomous and accountable institutions, these interventions also have the potential to strengthen authoritarian regimes. This paper does not expressly address the impact of these kinds of interventions on the possible incremental evolution of hybrid authoritarian regimes.

I. INTRODUCTION

For the fourth consecutive year, as noted in Freedom House’s survey of freedom in the world, declines in democracy outpaced gains in 2009, creating the longest continuous period of deterioration in forty years. At the heart of this trend are both democratic backsliding in the former Soviet Union, Africa, and Latin America and the apparent resilience and adaptability of many authoritarian regimes. This trend has serious consequences for governance and development and, as it accelerates, it may have potential spillover effects in fragile semi-democracies.

This trend also presents important conceptual, strategic and programmatic issues for USAID as an organization that supports democratic politics and governance as an important dimension of development. Currently USAID has democracy and governance (DG) programs in some 30 countries that are categorized as “not free” (Freedom House, 2010) as well as in a number of other countries (such as Sri Lanka, Kyrgyzstan, Madagascar, and Jordan) where there appears to be serious backsliding.

The resiliency of authoritarian rule poses a number of major questions for DG scholars and practitioners. These include: Following the three “waves” of democratization that have occurred globally, are we now working against an “outgoing tide?” Does the success to date of Leninist-legacy regimes such as China and Vietnam or illiberal populist regimes such as Venezuela suggest that there is growing acceptance of non-democratic forms of politics and governance? Are democratic backsliding and the apparent struggle of “fragile democracies” evidence that democratic politics and governance are unsustainable in countries with lower levels of economic development? What does all this say about the presumed role of the middle class as the driver of democratization?

Of more immediate concern for USAID, authoritarian resilience raises a number of important strategic and programmatic issues.¹ Strategic issues include:

Given the opaqueness of many authoritarian regimes, is USAID able to make sound assessments of the prospects for political change?

Can USAID differentiate between cosmetic and meaningful liberalization? Or between genuine evolutionary “reformers” and those who just “talk the talk?”

If liberalization is not imminent, then what is the objective of a DG program?

How does USAID ensure that it “does no harm” by not inadvertently strengthening or legitimizing an authoritarian regime?

USAID’s DG programming options are seriously constrained in countries with the most repressive regimes, such as Burma and Cuba; the kinds of programs that can be implemented in such environments are not difficult to discern. Likewise, programming options may be clear and much more plentiful in situations where an authoritarian regime feels compelled to liberalize (though not necessarily fully democratize) the political system. The biggest challenge for DG officers is what to do in the “messy middle,” that is, in (a) authoritarian regimes that allow some minimal and often merely cosmetic trappings of democratic politics (e.g., Egypt); or (b) once-democratic regimes that preserve a facade of democratic institutions and processes, but in practice ignore or manipulate these institutions or processes to serve the interests of the regime (e.g., Russia).

This paper has been jointly commissioned by Asia Bureau/TS and DCHA/DG in order to stimulate further thinking and discussion on USAID’s approaches to DG programming in authoritarian settings. To do this, it begins with a

¹ Any consideration of strategic issues pertaining to DG work in authoritarian settings must begin with the recognition of the tension that frequently exists in US foreign policy between the perceived need for the USG to engage with—and sometimes support—authoritarian regimes and the competing desire to protect human rights and promote democracy. This paper recognizes this as being a fundamental factor, but will not address it.

review of what we know about why authoritarian regimes survive or fall, which draws from a review of literature on authoritarianism (see Annex A). The review also draws from a statistical analysis of the impact of USAID DG assistance in authoritarian countries during the 1990-2004 period, which uses data compiled under USAID's Strategic and Operational Research Agenda (SORA) project (see Annex B). It then briefly raises a number of thorny strategic issues that shape DG programming in authoritarian settings, and addresses more program-specific issues and possible approaches. It concludes with observations and recommendations for next steps.

II. UNDERSTANDING AUTHORITARIANISM

Authoritarian regimes present multiple challenges at the beginning of this new decade. First, the sustained economic success of some authoritarian regimes, such as China and Vietnam, presents an apparently attractive alternative model to democracy, which places more emphasis on economic growth and improved livelihoods than on political and civil liberties. While some maintain that economic growth in these countries will provide the foundation for democratic change, there is little evidence at this point to support that hypothesis. Second, the redistributive justice carried forward under increasingly authoritarian, populist politics in Venezuela is bringing about some improvements in the underprivileged's access to public services such as education and health. It calls into question the claim of democracy to represent the people and advance their interests. Both high-performing authoritarian regimes and populist authoritarian-trending regimes offer an outcome-based rather than procedure-based model of governance, and which represents a direct challenge to democracy's main source of legitimacy. Finally, authoritarian regimes are becoming savvier and more sophisticated in their management and manipulation of forces favoring liberalization and democratic change. They are learning from the experiences of other authoritarian regimes and sharing innovations and best practices.

A. Trends in authoritarianism

In 2009, there were 89 free countries (46%), 58 partly free countries (30%), and 47 not free countries (24%), which represented 46%, 20%, and 34% of the world's population, respectively, according to Freedom House data.² While democracy in the world has expanded in the last thirty years, declines have exceeded gains in the past four years. Declines have occurred within each category as well as between them. Fiji, Niger, Sri Lanka and Venezuela are notable examples of countries that are backsliding in terms of democracy, but are still in the partly free category, whereas Gabon, Jordan, and Yemen are examples of countries that dropped from the partly free category to the not free category.

Table 1. Countries Rated as Not Free, Freedom House 2009

Score of 5.5	Score of 6.0	Score of 6.5	Score of 7.0
Afghanistan	Cameroon	Belarus	Burma
Algeria	Congo (Kinshasa)	Chad	Equatorial Guinea
Angola	Guinea	China	Libya
Azerbaijan	Iran	Cuba	North Korea
Brunei	Iraq	Eritrea	Somalia
Cambodia	Swaziland	Laos	Sudan

² The most commonly used classification scheme is Freedom House's, which offers a three-part classification of regimes based on a country's average score for civil liberties and political rights. Scores of 1 to 2.5 correspond to countries that are free, 3 to 5 to countries that are partly free, and 5.5 to 7 to countries that are not free.

Congo (Brazzaville)	Tunisia	Saudi Arabia	Turkmenistan
Cote d'Ivoire	Vietnam	Syria	Uzbekistan
Egypt		Zimbabwe	
Kazakhstan			
Mauritania			
Oman			
Qatar			
Russia			
Rwanda			
Tajikistan			
United Arab Emirates			

B. Explanations of authoritarian resilience

A number of economic, political, and social factors explain the resilience of authoritarian regimes. These include:

Control of economic resources. One of the primary factors explaining authoritarian resilience is the state's control of economic resources, including natural resources and state-owned enterprises. A recent study (Ulfelder and Lustik, 2007) finds that autocracies with natural resource wealth are less likely to make a transition to

In **Angola**, President Dos Santos and his MPLA party use oil and diamond revenue to sustain their power via a large patronage system. Approximately \$1 billion per year disappears from Angola's economy to support this system. Angola's rich natural resources also allow the government to operate with little outside influence. Countries such as China, India, and Brazil work with the government to improve infrastructure with few or no strings attached. Other countries have little leverage to push for transparency or human rights.

democracy. The study notes, "Compared with an autocracy that earns no income from the depletion of energy and mineral resources, an autocracy that generates even just 10 per cent of its gross national income from these sources is less than half as likely to transition to democracy in a given year" (p. 363). State discretionary control over the economy, generated either by state-owned enterprises or by reliance on natural resource revenues, provides resources that autocrats can use for political patronage. The resources give authoritarian rulers the means to co-opt opponents, keep supporters in line, and pay for a strong coercive apparatus. The high concentration of wealth in state hands also increases the advantages of incumbency and reduces the resources available to the opposition. Where the state controls the economy and access to rents, elections are primarily about obtaining access to state resources, so people vote for incumbents as the candidates who can deliver services to them.

Concentration of power. Political structures also play an important role in bolstering authoritarian regimes. Political institutions that *strengthen executive authority* advantage authoritarian regimes because they give regimes more levers of control and reduce checks on their power. *Long periods in office* also advantage authoritarian leaders as they give the regime time to exert control over elections, the media, and public spaces, and put in place self-serving constitutional amendments (Bunce, McFaul and Stoner-Weiss, 2010a). *Concentrated authority* also enables authoritarian regimes to withstand factionalism by helping to resolve intra-elite conflict and prevent the defection of influential leaders. Authoritarian regimes benefit from concentrating authority *in the hands of a single individual*, as in a monarchy, and/or in a *ruling party*. Monarchies and one-party regimes are the most-long lived of authoritarian types—enduring on average 25.4 and 17.8 years, respectively (Hadenius and Teorell).³

³ Hadenius and Teorell identify five authoritarian regime types: one party (e.g., North Korea), military (e.g., Burma), monarchy (e.g., Saudi Arabia), no party (e.g., the Maldives), and limited multiparty (e.g., Russia) regimes.

Legitimacy. Authoritarian regimes also sustain their rule through claims to legitimacy. Performance legitimacy serves as a common source of authoritarian regime resilience. Authoritarian regimes like China and Vietnam rely on the strong performance of their economy to legitimate their rule. Authoritarian regimes can also benefit from their performance in providing social services, as in Venezuela; fighting in internal or external conflicts, as in Russia or pre-invasion Iraq; or in withstanding international pressure, as in Iran. Authoritarian regimes can also sustain their rule through claims to legitimacy from their historical role in the liberation or unification of the country. Authoritarian regimes in Zimbabwe, Mozambique, and Namibia are such examples. Congruence with cultural traditions provides another source of legitimacy for authoritarian rule, such as traditional subordination to authority and a focus on collective interests, as is the case after decades of Communist Party rule in Vietnam. Mythmaking, ideology, and control of information are powerful tools that authoritarian regimes can use in establishing their claim to legitimacy.

In **Algeria**, President Bouteflika and the military are widely credited with restoring political stability to Algeria, although attacks by Islamist militants increased again in the 2006-09 period. Algeria's chronic problems with terrorism allow the regime to cite this threat as justification for human rights infractions and limits to freedom.

Threats and fear. Threats to peace, national unity, or ways of life can provide a basis for preserving the status quo. The fear of conflict in the wake of war or threats to national unity in the context of ongoing insurgencies can undergird authoritarian regimes, as in Burma. Similarly, the threat of terrorism can serve as a rationale for maintaining authoritarian rule, as in Algeria or Uzbekistan. Domestic middle class and international donor fear of radical Islam as the alternative should a current regime collapse can also weaken pressure for democracy, as in much of the Middle East.

Weak and/or co-opted civil society. Weak civil societies can serve as a strong impediment to democratic change. Without autonomous, organized groups in society, opposition forces are unlikely to bring down an authoritarian regime. Precisely to control and neutralize such forces, authoritarian regimes have created government-organized NGOs (GONGOs) such as women's organizations, youth movements, and ecological movements.

State coercive apparatus. As referenced above in the discussion of resources in state hands, an extensive, cohesive, well-funded and experienced coercive apparatus is a source of regime stability. Autocrats are more likely to hang onto power when they command such a coercive apparatus that can reliably harass regime opposition and put down protest.

International support. A country's relationships to other countries also influence the resilience of authoritarianism. Foreign investment, development assistance, military training and equipment, and concessionary oil from friendly authoritarian regimes like China, Venezuela, and countries in the Arab League can help shore up authoritarian regimes. By the same token, geostrategic interests such as oil or the war on terror can prompt democratic regimes to support authoritarian regimes, as exemplified by the US government support to illiberal regimes in Egypt or Kyrgyzstan.

Arab regimes have proven to be remarkably resilient because of the enormous assets they control; the international support networks they enjoy; and the measure of participation and competition they provide, which, limited as it is, is seen by most opposition forces as preferable to the instability, the civil conflicts, or the empowerment of illiberal forces that might result from a transition to genuine democracy.

C. Factors contributing to democratic breakthrough

A number of factors contribute to liberalization of an authoritarian regime.

In **Vietnam**, performance legitimacy is the single most important source of regime durability. The Vietnamese Communist Party reshaped a dysfunctional command economy starting in 1989 and continues to deliver better standards of living to the majority of the population and thereby improve the country's standing in the world.

In **Zimbabwe**, President Mugabe and his party, Zimbabwe African National Union – Patriotic Front (ZANU-PF), have relied on the shared experience of the liberation struggle to maintain the support of the security forces and war veterans.

Divisions within the regime. Divisions with the regime are a primary factor contributing to liberalization. Divisions can arise from a succession crisis with no agreed process for identifying a new leader; this is a chronic source of instability in autocratic regimes. They can also arise from a performance crisis ranging from corruption and economic mismanagement to human rights violations and defeat in war. Division can also arise when the regime has achieved its stated goals, such as economic prosperity or stability, and some factions push for elections and others prefer to remain in power. Splits and defections within the ruling elite may provide groups outside the traditional political elite access to electoral resources such as money, media outlets, and patronage, and forestall a crackdown on democratizers.

Mass mobilization. Democratization typically involves mobilization and organization of large numbers of individuals. A popular upsurge plays a crucial role in pushing transitions beyond the mere instances of liberalization at which regime soft-liners and the opportunistic opposition typically aim. Mobilization can take the form of mass demonstrations such as the People Power movement that brought down the Marcos regime in the Philippines or political campaigns that succeed in defeating authoritarian leaders at the polls. A study by Freedom House of 67 transitions between 1972 and 2005 shows that civic resistance was a key factor in driving over 70 percent of these transitions, and that the presence of strong and cohesive nonviolent civic coalitions was the most important factor in contributing to the resulting increase in freedom (Karatnycky and Ackerman, 2005).

Elections. Elections can serve as an opportunity for democratic breakthrough. In most cases, breaking through defensive lines of manipulation is easier than tearing down authoritarian walls of repression. Representative institutions such as the legislature, the judiciary, elections, the media, civil society, and local government are arenas of control and cooptation for authoritarian rulers, but also of contention. They can help rulers respond to democratizing pressures and elicit cooperation from societal groups and individuals, but they also contain the possibility of undermining autocratic rule. As Lindberg points out (2009), elections make democratization more likely if they make repression expensive and spur the opposition to mobilize, and if they trigger defections of state actors to the opposition. By contrast, elections make autocratization more likely if they make it easy to target opposition leaders, split the opposition, and use elections as vehicles for patronage; or if elections simply make toleration too costly for the incumbents.

International context. The international context has become an increasingly significant determinant of both the timing and the mode of transition, as well as its outcome. Transitions in the past twenty years have benefited from the change in the hegemonic pretensions of the Soviet Union, the rise of the democracy promotion business, and the European Union's assumption of responsibility to assist nearby fledgling democracies materially and through incentives tied to the prospect of membership.

D. Factors contributing to sustained democracy

A different set of factors contributes to sustained democracy. These include:

Economic development. The literature on democracy clearly points to the importance of economic development in fostering democracy. Lipset's (1960) seminal work suggests that there is a GDP/capita zone of transition or choice, in which traditional forms of rule become increasingly difficult to maintain and where political elites and the prevailing political values can shape choices. He identifies widespread *education and literacy* as a key reason why economic development contributes to democracy. Another explanation for the impact of development on democracy points to changes in social structure. The most well-know formulation is by Moore (1966), who stresses the importance of a *middle class* (a bourgeoisie) to counter the hegemony of landed elites and push for democracy. With economic development, a middle class has access to more financial and mobilizational resources, and can therefore support an *active civil society* to check the government and propose alternative policies. Others point to the influence of economic development on *state strength*. Wealthier democracies are better able to raise revenues, provide basic services, and have some measure of performance legitimacy. Poorer democracies, by

contrast, have a harder time delivering services, paying employees, and establishing effective security apparatuses, which makes them more vulnerable to revolution and military coups.

Low levels of factionalism. Politics characterized by factionalism also affect prospects for democracy. Factionalism is characterized by a do-or-die approach to politics in which narrow self-interests trump the public good and rivalries are deep. Examples of factionalism include the polarization of Venezuelans following the election of Hugo Chavez in 1998 and the ongoing confrontation between indigenous activists and wealthier lowlanders in Bolivia. Ulfelder and Lustik (2007) find that such polarizing, winner-take-all competition is the biggest predictor of backsliding from democracy after the country's level of development. Democracies beset by polarization are more than six times as likely to backslide as those that are not.

Constraints on the executive. Recent research also points to the importance of constraints on executive authority for the resilience of democracy. Constraints on executive authority include effective and independent legislatures, judiciaries, media, local governance, and civil associations (Goldstone and Ulfelder, 2004). Kapstein and Converse (2008) find that democracy is reversed 70% of the time where constraints on the executive are weak, and only 40% of the time where constraints are strong.

Low levels of ethnic fragmentation. Kapstein and Converse (2008) also find that ethnic fragmentation increases the chance of backsliding. Democratizations in countries with ethnic fragmentation greater than the world average were reversed 51 percent of the time, as compared to 38 percent of the time when ethnic fragmentation was below the average.

Experience with democracy. Research shows that historical experience with democracy helps a country resist backsliding. Kapstein and Converse (2008) show that 47% of first-time democratizations were sustained, whereas 63% of second-time democratizations were sustained for the period 1960 to 2004.

International linkages. Finally, a country's relationships to the West also influence its prospects for democracy. As Levitsky and Way (2005) point out, linkage to the West raises the cost of authoritarianism by: heightening the salience in the West of authoritarian government abuse; increasing the probability of an international response; and creating influential domestic constituencies with a stake in democracy through democracy assistance and international ties. They write, "Although linkage is rooted in a variety of factors, including colonial history, military occupation, geostrategic alliances, and economic development and openness, its primary source is geography. Countries located near the US or the EU are generally characterized by greater economic interaction, a larger number of intergovernmental and interorganizational connections, and higher cross-border flows of people and information than are more geographically distant ones" (p. 23).

E. Implications for DG assistance

This review of the factors contributing to authoritarianism, transitions, and democracy provides guidance on directing assistance to the likely levers of change. It directs attention to the economic foundation of regimes, and the challenges posed by those who have discretionary control over the economy. This issue calls for anticorruption efforts such as the Extractive Industry Transparency Initiative and creative approaches to fostering business outside the state's control, including program approaches in the economic growth sector. It also calls for realism. USAID may have limited ability to bring about democratic change in countries with natural resource wealth and authoritarian regimes. It also points to the importance of concentrated political power, notably in the form of monarchies and one-party rule, as a likely impediment to liberalization. DG programming may gain less traction in such regimes, but relatively more traction in military and limited multiparty authoritarian regimes.

This review also directs attention to the importance of semi-competitive elections and organized civil society in effecting transitions. This finding is supported by analysis of USAID DG programming in authoritarian countries over the period 1990-2004, which concludes that allocations for civil society and elections and political processes

have significant effects on the level of democracy in authoritarian countries. For every additional 10 million dollars of DG assistance in either of these two subsectors, a country is predicted to be about .3, or one-third of a point higher on the 7-point Freedom House democracy score in a given year. Rule of law and governance allocations, by contrast, do not have a statistically significant effect on democracy in this sample (Finkel and Castagnola, 2010) (see Annex B for the full analysis).

III. STRATEGIC AND PROGRAMMATIC CONSIDERATIONS

In this section, we begin with a brief discussion of some of the strategic issues DG officers may grapple with when planning DG programming in authoritarian environments. We then move to the program level and offer a discussion of issues and options for seven DG practice areas: elections, political party building, legislative strengthening, rule of law, anticorruption, service provision, and civil society and media.

A. Strategic considerations

DG programming in authoritarian environments presents a particularly challenging set of strategic issues. These include:

- **Situating DG programming in the hierarchy of USG interests:** USG policy regarding authoritarian regimes runs from tacit acceptance to mild criticism to strong approbation. A strategic approach to DG programming in an authoritarian setting has to factor in the hierarchy of US priorities in the given country. The impact of DG programming will be diminished if it isn't supported by higher level US policy—or worse, if it runs counter to it. It also is important to ensure that USAID's own programming across sectors is consistent. If possible, USAID's programs in other sectors should avoid working with officials known to be abusive or corrupt and, in their implementation, should emphasize elements of “good” governance including public participation in decision making, transparency and accountability.
- **Having sufficient knowledge of what is going on inside authoritarian regimes.** Compared to more open regimes, authoritarian regimes typically present significant challenges in understanding dynamics within the regime. This may be simply because of the highly personalistic nature of the regime (as in the case of Turkmenistan or Libya), because of efforts to keep the internal workings of the regime a secret (as in Vietnam), and/or because of the regime's control over the media. Key questions that are particularly difficult to answer include: How unified and stable is the ruling coalition? What mechanisms does the regime use to maintain support from ruling coalition elites? If the regime opts to provide greater political space, is this liberalization cosmetic or meaningful? And can the regime control and limit any opening that it allows or has forced on it?

As a result, it can be very difficult for USAID to understand—particularly with a high degree of confidence—both the opportunities for and the barriers to political change. For this reason, at the strategic level, USAID may need to think through assumptions regarding the likely direction and pace of political change. It then becomes incumbent upon USAID to frequently reassess the validity of these assumptions and consider adjusting its programs accordingly.

- **Developing a clear-eyed strategic objective.** In countries where democratization seems unlikely in the short to medium term, USAID must confront the issue of what it expects to achieve through DG programming and over what period of time. If the prospects for democratization are limited, then what, if anything, is possible? And are the expected results enough to justify an investment of typically limited DG resources? This is not to imply a bias against DG programs in difficult situations—in the next section we describe a variety of situations when it might make sense to have a DG program. Rather, the point is: (a) there needs to be a realistic set of expectations; (b) resources should be kept in rough proportion to the

prospects for some sort of meaningful change; and (c) time frames should be extended, but should not be open ended.

- **Managing risk.** Some US Embassies and USAID Missions are more willing than others to be “forward leaning,” to be associated with groups advocating for human rights and democracy, and to be overt in their support for democratization. Others may have the same policy objective, but may opt to do it more quietly. Both approaches entail risks to USAID, its programs and its partners. These can run from overt or covert government action against USAID’s partners to media campaigns against USAID to the fueling of anti-US sentiment. So DG programming has to be aligned with the Embassy/Mission’s risk threshold.
- **Determining the appropriate degree of flexibility.** The difficulty of predicting what will happen in many authoritarian regimes makes it hard to know whether to program DG funds with a short-term or longer-term perspective. Less stable environments call for flexibility in order to respond to new opportunities or impediments, but shorter-term programming risks discontinuities and gaps. USAID Missions need to give careful consideration to the appropriate mix of short-term and longer-term projects and be aware of the potential trade-offs.

B. Programmatic issues

With these strategic considerations in mind, we now address program-specific issues and recommended approaches in seven DG practice areas. We focus primarily on those countries scoring from 5.5 to 7 on the Freedom House civil liberties and political rights scales. Political space and programming opportunities will be considerably more abundant in those countries that are partly free and show slightly better scores. This discussion offers guidance on when it might make sense to undertake DG programs and when it doesn’t, and which approaches are appropriate and which are not.

Support for elections

Overall, the literature on transitions finds that most transitions to democracy occur through elections. This accords a clear role to democracy assistance in improving the playing field for challengers in electoral authoritarian regimes. Even when flawed, the repetition of elections can lead to democratization (Lindberg, 2009). One possible reason is that, while representative institutions such as elections are arenas of control and cooptation for authoritarian rulers, they are also of arenas of contention that contain the possibility for undermining autocratic rule (Schedler, 2010).

Thus semi-competitive elections in many countries, including several in the former Soviet bloc, have produced positive DG results (Bunce and Wolchik). Others, however, have buttressed authoritarian regimes, such as the 2008 elections in Angola that solidified ruling party power, and elections in Armenia, Azerbaijan and Belarus. Yet others have produced variable or ambiguous results for democracy over the years, as in Cambodia and Iran.⁴

The question for DG programmers then is, when are elections more likely to support democratization than authoritarian regime survival? Research indicates that elections may lead to a transition to democracy in the short to medium term in the following conditions:

- I. If elections serve to make repression expensive and counterproductive for the regime. Generally speaking, the more the cost of suppression exceeds the costs of toleration, the greater the chance for a competitive regime (Dahl summarized in Lindberg, 2009).

⁴ Ambiguous or uncertain results are particularly likely in conflict and immediately post-conflict settings, such as Afghanistan.

2. If the opposition is unified, able to mobilize, and focused on substantive issues. Multiple studies of transitions have found that elections must be at least somewhat competitive to lead to a transition; conversely, elections are unlikely to lead to democratization where opposition parties are weak, fragmented, and revolve primarily around patronage and/or personalities (Bratton and van de Walle, 1997).
3. If they trigger defections of state actors to the opposition.
4. If they take place at a time when there is widespread recognition that the incumbents are dangerous, unaccountable, incompetent and/or corrupt (Lindberg, et al., 2009; Bunce and Wolchik).

When one or more of these conditions exists USAID should strongly consider providing assistance related to elections, and particularly if moderate, policy-oriented opposition parties regard elections as significant and believe assistance will have impact.

In less favorable conditions, elections may still contribute to democratization, but over a longer term and with less certainty. Contributions in such settings include learning by opposition parties, politicians, civil society groups, and voters related to norms and practices of electoral competition. Elections in these circumstances may also serve to stimulate broader media coverage of issues and political actors. In the longer term, they may contribute to democratization where they strengthen the election administration and set up a future check against election malfeasance.

Where the impact of elections is more uncertain—where few if any of the preceding major factors are present—or where elections are likely to have regressive effects, USAID should consider more limited and targeted assistance (for example, support for monitoring or other mechanisms that may constrain violence and repression, and programs to build awareness of the nature and benefits of free elections and/or issues at stake).

Research indicates that elections are likely to bolster authoritarian regimes or trigger backsliding this occurs where:

- Elections allow the regime to improve its management of dissent: by identifying opposition leaders and groups, and thus making repression easier and more efficient; by identifying supporters and those who might be co-opted, and thus allowing the regime to target patronage more effectively; and generally by alerting the regime to the costs of competition.
- The opposition is split, particularly by the scramble for state-controlled resources. In countries where the regime controls a preponderance of national wealth, and particularly where that wealth derives primarily from natural resources, substantive competition and unified opposition are unlikely to develop. In this setting, elections tend to strengthen the regime and will serve as a catalyst for democratization only if there is a political or economic crisis (Lust, 2009).
- Election results will simply make toleration too costly for the incumbents. A prime example of this is Algeria in 1991-2.
- Election outcomes are highly controlled through restrictions on eligible candidates and parties and their access to the voting public, and through limits on the authority of the offices to which they are elected.

Thus if a regime manipulates elections through its control of officials once they are elected and restrictions on who can run, USAID should think very carefully before entering this arena. Officials who are elected will likely overwhelmingly support the regime and its perpetuation (particularly in countries where the state controls a significant proportion of the country's wealth). And once in office they will be hamstrung by a wide array of constitutional and informal limits on action. These kinds of limits, combined with state control of resources, are likely to be accompanied by weak opposition parties, as the opposition has few incentives or arenas in which to develop. Of course this is a continuum on which it is difficult to draw cut-off lines. But a country like Egypt or Kazakhstan with a dominant party and amended constitution that further strengthens its hold on power is less likely to transition than Algeria or Tajikistan, with a managed multi-party system and some variability in the make-up of the ruling coalition.

Dynamics may be somewhat different at local rather than national levels. For example, there might be fewer restrictions on who is eligible to run, and a lower level of patronage resources at stake. By the same token,

however, local elected officials may have very little power. It is therefore conceivable that USAID could support local level elections with the objective of supporting reformers and exposing citizens to democratic processes without overly contributing to the survival of the authoritarian regime. But local level elections may also serve only as a fig leaf for authoritarian governance and a means of distributing patronage, so support at this level also warrants close assessment.

One striking issue that cannot be resolved through a review of scholarly literature or development practice is the dilemma presented by countries in which a program-oriented, strong opposition exists, but its policies are perceived to run counter to U.S. interests—most obviously Islamist oppositions in North Africa and the Middle East.

Given the preliminary nature of this paper's application of new research to program strategies, USAID should devote resources to better specification of the conditions influencing the effects of elections that are sketched out above, and of usable indicators to assist programmers in knowing when positive and negative conditions are present.

If the decision is made to support elections, projects should—wherever possible—emphasize the following elements:

- Strengthen moderate, democratically-inclined opposition parties, help them become a desirable alternative, and encourage a unified opposition.⁵
- Depending on the level of risk to citizens and other factors, consider support for the training of groups and individuals in methods for responding to manipulated elections, with accurate data and non-violently, in ways that support opposition legitimacy.
- Level the playing field through reform of election procedures, as well as party law, and seek to ensure that reformed laws and regulations are enforced. Where the regime controls a preponderance of national resources and electoral reform is unlikely through USAID program approaches, Lust suggests the key is diplomatic pressure—to reduce government control of the economy, increase the powers of the legislature, and make elections fairer.
- Support voter registration and turnout drives.
- In countries where vote tampering is likely, focus on voter registration, media, parallel counts, election monitoring by domestic monitors; and civil society watchdogs.
- View the elections process, and therefore the design of elections support projects, holistically to avoid unintended effects. Thus, for example, in some countries the election day process itself may be reasonably clean, but substantial intimidation and fraud have taken place prior to election day. Manipulation prior to election day is more difficult to discern, particularly in more closed environments. A superficially clean election day may garner positive assessments from international election observers (if they are permitted), burnishing the regime's international reputation and reducing pressure on it from external forces, if donors and observers have not taken care to monitor the entirety of the process. USAID should therefore seek to support robust election monitoring, where possible, beginning well in advance of election day, by domestic as well as international observers.

A benefit of the elections area is that the outcomes are relatively easy to monitor—including who is allowed to run, how voting is conducted, and how elected officials behave—and funding need not be continuous, allowing USAID to decide on support election by election (acknowledging that inter-election work on improved electoral rules and administration can be worthwhile).

⁵ This approach must, of course, take into account USG policy prohibiting targeted political party support. But in a setting where the opposition appears capable of becoming unified, policy oriented and mobilized, assistance to the ruling party is not likely to be of as much significance as it is to the opposition; USAID should not, therefore, allow concern regarding the possibility of strengthening the ruling party to override a decision to help the opposition. If the ruling party is highly dominant and the party system weak and fragmented, USAID should consider avoiding direct elections and party assistance altogether, as this paper argues.

Political party building

Most transitions to democracy appear to occur through elections. Transitions from closed regimes are more likely to occur indirectly *through* electoral semi-authoritarian regimes than directly to democracy. This finding suggests that democracy assistance should seek to move closed authoritarian regimes to semi-authoritarian regimes, if not to democracy, and to improve the playing field for challengers in semi-authoritarian regimes.

It does not necessarily imply, however, that in closed systems, assistance should go directly to party strengthening. In closed systems USAID should consider directing assistance to changing party law, if the opportunity arises. We do not, however, recommend seeking to make the ruling party in a one-party system more internally democratic, more effective at reaching constituents, better at handling media, etc. The odds are that such assistance will help the dominant party stay in power by strengthening its ability to handle conflict.

In authoritarian settings, USAID should generally consider working with parties, but carefully assess when assistance will have a positive impact. There is significant diversity within the category of authoritarian regimes with regard to the strength of parties, particularly those not in power. For example, Egypt allows parties, but all legal parties other than the ruling National Democratic Party (NDF) are negligible and likely to remain so due to a host of formal and informal constraints, and the powerful Muslim Brotherhood remains illegal. In Algeria, opposition parties are weak and largely personal vehicles (with the exception of the illegal and widely popular main Islamist party), but do display some variety, and the National Liberation Front (FLN), which ruled the country at independence, has experienced periodic severe challenges to its dominance. While a perennial outsider, the opposition Sam Rainsy Party in Cambodia serves important representative functions.

Party strengthening is not recommended in authoritarian regimes like Egypt or Kazakhstan where the executive and dominant party have attempted to deflect international and domestic criticism regarding the lack of competition by tolerating some parties, but have clearly structured the system to maintain the status quo. In countries where patronage conditions much of politics, mainstream parties are likely to be poor objects of party-building assistance, although smaller, poorer parties may be good objects of aid. Countries with program-oriented opposition parties, with meaningful grassroots support and competitive potential, by contrast, should certainly be considered for party support.

Monarchies present something of a dilemma: although some are multi-party, with a track record of competition, few contemporary transitions have led to democracy (Thailand and Nepal are at least partial exceptions to this generalization). There may in such settings be reasons other than a likelihood of transition to support parties, however, including improving representation and policy-making, or addressing extremism.

Formal factors to examine in assessing whether to support parties include:

1. The electoral system, particularly how votes are converted into seats and whether the system confines some parties to permanent minority status;
2. The size of non-ruling parties (as indicated by, for example, the proportion of seats in the legislature);
3. The power of the elective offices to which party politicians are elected; and
4. Party laws, especially with regard to which parties can register and candidate eligibility, and limits on fund-raising, media access, etc.

Other factors influencing the potential for parties to develop include:

- The importance of patronage to party politics, and the degree of state control over resources;
- The history of executive actions with regard to parties, for example the presence of a pattern of tactics that encourage division; and
- The influence and presence of parties at local levels, particularly in the case of emerging opposition groups.

Party strengthening, as the preceding and following sections should demonstrate, should always be considered if the decision has been made to support elections and/or legislative strengthening. As the preceding section argues, elections are unlikely to spur democratization in the absence of a strong, unified opposition. Legislatures, similarly, are unlikely to move beyond democratic window-dressing in the absence of meaningful party competition within that arena.

USAID policy with regard to party strengthening programs requires that all democratically-oriented parties be assisted without favoritism. In settings like Egypt's this is moot, as the ruling party should not receive support and other parties do not show promise for development. Where party support might be warranted, because of the presence of small but program-oriented parties or a meaningful opposition, the fact that support will also flow to the ruling party or to patronage-oriented parties should not prevent party-building efforts if positive impact is anticipated to be equal to or greater than wasted resources or gain for the ruling party.

Sound programming will include:

- Identifying informed and credible leaders of opposition parties or movements—where they exist—and listening to their assessments of what is and isn't politically possible;
- Identifying forces for reform within parties, particularly within ruling or patronage- and personality-oriented parties. DG programmers should seek to understand the interests and resources of such reformers in order to realistically assess their commitment to change;
- Connecting parties to civil society groups, and the independent business community;
- Working on leveling the playing field through formal changes where possible;
- Innovating party development techniques, e.g. more in-depth training, more attention to monitoring of results; and
- Analyzing constraints on parties to avoid low-impact inputs; for example, training in media handling may not be a good investment in countries where media is highly restricted.

Strengthening legislatures

Legislatures were central to the process of democratization in Europe from the eighteenth century on, forming the institutional base from which elected elites extended participation to lower classes. Their role in contemporary transitions is less clear, given that the issue in democratization is not generally expansion of the franchise but change in who controls the legislature. But they are probably less important to transitions, according to much research, than elections and popular movements. Moreover, among ostensibly democratic institutions within authoritarian regimes, legislatures are among the easiest to control because of their small size (Schedler, 2010). The legislature is nevertheless an arena of competition and thus, Schedler argues, of potential resistance to authoritarianism.

We have noted that most transitions to democracy occur through elections. This points to elections and political parties as important drivers of transitions and suggests that legislatures, in at least some settings, might form a complementary target of funding. The legislature, however, is less likely to be a primary target of DG funding in an authoritarian setting than other DG practice areas. If elections and parties are worth supporting, then the legislature may deserve support, because the legal framework will likely permit some competition once politicians are elected. But if elections are highly constrained, along with party formation and activity, AND the legislature is highly constrained, then the legislature would probably not merit support.

Determining whether a legislature merits support as a complement to electoral reform and party building remains complex, however. Legislature autonomy and power to check the executive should be weighed carefully and realistically before funding: training MPs to perform their legislative functions better is likely to yield few results in systems in which the legislature cannot conduct oversight over the executive branch and rarely puts forwards or even amends legislation. At best in such settings, support for better contact with constituents may be more

constructive, although it is problematic to incentivize in proportional systems, as long as it does not work against the legislature acting as a collectivity or unduly help regime politicians burnish their images (Barkan, 2008).

The following categorization of the strategies authoritarian regimes use to control legislatures (Schedler, 2010) provides guidelines for determining the role of the legislature, and its authority relative to the executive in particular:

- Limits on the legislature's powers. Issues to consider include: authority of an upper house, number of appointed members of both chambers, authority (to approve laws and the national budget, override executive veto, approve executive appointments, define own rules, approve own agenda, set own budget, and investigate executive and agencies), and presence of staff not hired by legislators. Extreme measures by the executive include refusing to recognize parliamentary measures and dissolution of parliament.⁶
- Control over legislators via the selection of candidates, parties, and winners, or, after elections, by various means of impelling cooperation. Formal issues include: selection criteria and procedures for legislature candidates and for the registration of parties; and electoral rules conditioning representation of the opposition in the legislature. Informal tactics might include executive withholding/granting of legislator pay raises before key votes, delays that enable important legislation to be enacted during recesses through executive order, etc.
- Fragmentation of the legislature via "divide and conquer" tactics. Patronage politics and selective harassment can serve to win over some opponents and isolate others and so reshape political alignments.

Additional factors to consider in assessing whether support will have positive impact include:

- The state of parties (in addition to how they are affected by controls favoring the executive). Questions will include the extent to which they are concerned with policy, the extent of their grassroots base, and their track record in elective office as members of the legislature.
- The state and legal environment for media coverage of political issues, parties, elected officials and the legislature.
- Public opinion with regard to the need for an active legislature. In some settings, the regime may have the support of the public in limiting legislative power (Herb, 2004).

Lower level legislatures may be worth pilot funding if they offer citizens and elected officials opportunities to experience democracy and to generate pressure for national level reforms.

If the decision is made to provide support to legislative arenas:

- Seek to strengthen legislatures by working with *elected* members of the legislature and *their* staff, and avoid disproportional support to legislative secretariats—they tend to be the instruments of the state in most authoritarian regimes.
- Explore approaches to increasing demand for better performance by the legislature across its core functions of legislation, oversight and representation, and for better enabling conditions (i.e., legislative autonomy and authority). Key steps in the development of legislatures are increases in their ability to block ministerial appointments and approve the budget (Herb, 2004).
- Support a process aimed at endowing legislatures with more power. Fish finds that the constitutional powers of legislatures predict improvements in political openness.
- Foster coalitions for change among informal groups of legislators who are dissatisfied with the status quo (Barkan, 2008).
- Be mindful of the institutional constraints on the legislature and tailor assistance accordingly; e.g., do not support media handling where the media is highly constrained, or legislative drafting where legislators do not put forward legislation, or efforts to raise public confidence in the legislature before reforms are in place.

⁶ An excellent "one stop shop" on legislative authority is Fish and Kroenig's 2009 Parliamentary Powers Index which assigns a rating to most countries.

- Monitor results and impact carefully to avoid the unintended consequence of strengthening the regime.

Strengthening the rule of law

Rule of law (ROL) institutions appear not to have not played the dramatic roles in transitions to democracy that elections and civil society movements have. They have, in some authoritarian settings, sought to serve as a check on the executive and protector of human rights. Rule of law institutions and professions often include pockets of reformers and activists. Thus in Indonesia under Suharto and the Philippines under Marcos, human rights lawyers and groups played important roles in exposing human rights abuses and protecting victims, and contributing to the downfall of those dictators.

But of course ROL institutions can also be controlled by authoritarian states, and act as instruments of repression or favoritism and the selective enforcement of laws. Authoritarian governments can control the legal system by one or more of the following means:

- Disempowerment, through formal constraints on the power of courts, including limits on jurisdictions and denial of investigative powers; hierarchical appeals systems that centralize rulings; and under- or non-enforcement of rulings;
- Fragmentation, through the creation of exceptional courts with jurisdiction over, for example, political or religious matters, and lack of coordinating structures. Such courts are often dominated by the executive and encroach on the jurisdictions of regular courts, weakening the latter; and
- Agent control, through appointment procedures and incentive structures. In this case, judges, prosecutors and other state legal staff may in fact be empowered to administer laws that are unfair and fail to conform to international standards. Ostensibly independent lawyers may be constrained by government-controlled bar associations (Schedler, 2010).

In some countries, notably China and Vietnam, the authoritarian party-state has used law as a tool for reform, but as “rule by law” rather than “rule of law”. The state grants rights and allows activities, rather than protecting inherent rights, or focusing on what may not be done. Nor is it clear under this approach that all individuals and institutions are equally subject to the law, particularly state leadership and the ruling party. These countries are gradually reforming their legal systems—most rapidly and thoroughly in areas that facilitate access to world markets and investments (as encapsulated in WTO regulations). There is some evidence that these countries are shifting to rule of law, as well, but the evidence is mixed and progress is at best slow and uneven.

Finally, where judiciaries appear to exercise some independence, the nature and dynamics of this independence should be carefully examined. In some countries the judiciary may be relatively independent of the executive, but lower level courts and personnel are not independent of the senior judiciary. This may result in practices that are repressive and/or unfair where the senior judiciary is biased, corrupt, poorly trained or an adherent of undemocratic principles. In others, lower judges attempt to render independent and fair judgments that are then overturned on appeal by a more supine higher judiciary.

In some authoritarian settings, there may be non-politicized areas of law, such as civil law, that are less prone to state interference and manipulation. There may be opportunities to support transparent and competent delivery of “everyday” justice in cases that are not of interest to the regime. Assistance in these areas may encourage the independent capacity of the judiciary, lead to improvements in citizens’ lives, and in the long term support the creation of alternative centers of power and good governance. There may also be opportunities to assert or expand (within limits) the rights of individuals and groups vis-à-vis the state through the pursuit of “sectoral” law, such as consumer rights and environmental regulation, as there are currently in China.

Two key questions for DG programmers, therefore, are:

- To what extent is it possible to pursue human rights protections and other strategies, such as the development of “sectoral” law, to extend equal protection to all?

- To what extent is working on ROL issues related to international trade and investment a meaningful lever for larger DG change?

USAID, along with DRL and other US organizations, have extensive experience in supporting human rights in extremely difficult environments, so we will not review best practices here. Generally, where the decision has been made to pursue enhanced protection of human rights but USG contacts with human rights activists may entail risk for the latter, the USG should seek to do no harm, and consider an emphasis on linking activists to European and other activists.

If the decision is made to work on commercial and related forms of law, we recommend USAID seek to:

- Push and facilitate institutional changes that may have larger effects, e.g., separating prosecutorial functions from the judiciary, as part of the package of ROL aid;
- Extend support into realms of law, like consumer rights and the environment, that speak more directly and immediately to citizens' rights, welfare and organizing capacity;
- Work with lawyers, especially defense lawyers, outside the state, as well as with judges, prosecutors and other legal personnel trained and paid by the state;
- Work with associations of judges and lawyers, where they are autonomous or seeking to become more autonomous, to help counterbalance state pressures on these groups;
- Work with universities to change curricula, and to introduce clinical legal education, particularly clinics that serve disadvantaged populations; and
- Support pockets of reformers within the system.

Improvements in less controversial areas of ROL, such as commercial law, some areas of civil law, and grassroots Alternate Dispute Resolution, can increase the government's legitimacy, as often a chief complaint in these environments is the capricious application of justice. This issue extends to judicial/administrative mechanisms directed at dealing with misconduct by state agencies and officials: while governments may welcome increased efficacy within these courts' mandates, the mandates may purposefully or de facto exclude high-level officials, grand corruption, and cases with major political or international implications. As a result the reforms may redress low-level citizen complaints, but they may also help the state identify activist citizens who file complaints. We also do not yet know where work in less controversial areas of ROL is more or less likely to lead to larger changes, so this approach should be regularly and realistically reevaluated if it is adopted.

Curbing corruption

Anticorruption initiatives in authoritarian settings do not have a clear-cut effect on regime resilience. When successful, anticorruption efforts can increase the legitimacy and resources of an authoritarian regime. Yet in some cases, the initiatives can bolster democratic forces as well. Those anticorruption activities that focus on generating public demand for controlling corruption, such as NGO advocacy, anticorruption coalitions, citizen oversight, report cards, media reporting on corruption, freedom of information, and budget transparency, foster the structures, behaviors and attitudes for citizens to demand accountability from state officials, which is a core component of democracy. These activities entail the exercise of civil liberties such as freedoms of association and speech that help to shore up democracy. In Russia, for example, USAID has helped train NGOs to advocate reforms and monitor government operations in partnership with business groups and media, which has yielded practical reforms and also developed skills, networks, and a sense of empowerment that can contribute to democracy.

Anticorruption activities that focus on the supply side, such as meritocratic personnel systems, market-based pay, internal oversight, process reengineering to reduce opportunities for corruption, and administrative penalties, have a more ambiguous effect on authoritarian resilience. In the short run, successful anticorruption measures can increase the legitimacy of authoritarian rulers and can generate more revenue for patronage to maintain the ruling coalition or other needs. In the Philippines under Marcos, for example, an anticorruption campaign cleaned up the

Bureau of Internal Revenue and increased tax revenues and tax returns significantly in the late 1970s. Some claim that Marcos then financed his election campaign in 1986 through pilfering of the bureau's funds (Klitgaard, 1988, p. 60). In the longer run, however, reduced corruption can foster economic development, which can sometimes contribute to democratization.

In an authoritarian country, USAID is more likely to support efforts focused on a particular public office, sector, or region than to support broad anticorruption efforts. Broad anticorruption efforts encompass political corruption as well as administrative corruption and are likely to confront politically sensitive areas. In contrast, more focused administrative anticorruption initiatives may provide a less charged entry point for DG programming in non-democratic regimes. To the extent that the regime is interested in curbing corruption in priority areas and does not find this threatening, USAID support in this arena can provide an opportunity to work on civil society or media programs, and to develop a relationship with government officials. Depending on the context, this kind of opening may be considered important for USG strategic interests. Targeted anticorruption initiatives can complement USAID programming in other sectors, such as health, education, economic growth, and environment.

However, authoritarian rulers may use anticorruption initiatives to mollify critics or target opponents without any real intention of unraveling corrupt systems that help keep them in power. Setting up anticorruption agencies or passing anticorruption legislation without ancillary measures can provide a cosmetic cover for leaders who have no real interest in altering the status quo. As examples the world over have shown, an anticorruption agency cannot work effectively without adequate funding, staffing, and political backing for independent investigations, and anticorruption legislation is useless without functioning prosecutorial and judicial systems.

To judge whether support for anticorruption is warranted, USAID should assess the motivations of the regime and only support anticorruption initiatives that appear intent on reducing corruption. A few factors point to real as opposed to cosmetic or politically targeted anticorruption efforts. The first is the analytical rigor and resources applied to understanding and addressing the causes of corruption. Leaders who do not undertake a thorough analysis of the context and the structures impeding integrity and devote significant resources to tackling them demonstrate a shallow interest in reform. A second marker of commitment to reform is the government's development of incentives and the application of sanctions. Without credible carrots and sticks, anticorruption reforms are unlikely to change behavior. Credible incentives would include performance-based rewards and credible sticks would include the dismissal and/or prosecution of corrupt officials from inside the inner ruling circle as well as outside it, and from senior as well as junior levels in the administration. Finally, a political strategy for dealing with potential losers of reforms represents a third marker of genuine interest in reducing corruption. Such a strategy could include specific deals to offset potential losses of powerful interests or the mobilization of reform beneficiaries in support of anticorruption initiatives.

Anticorruption programming in authoritarian countries should be sure to include:

- Demand side strengthening, including coalition building, public-private partnerships, watchdog initiatives, advocacy programs, public awareness campaigns, investigative journalism, freedom of information, and budget transparency, although the political space for these initiatives may be constrained;
- Assessments and monitoring and evaluation, including vulnerability analyses, surveys of citizen experience with corruption, and corruption indicators.

Sound programming would also include supporting:

- Credible incentives and sanctions to change behavior, including performance-based rewards, dismissals, fines, and prosecution;
- Administrative and regulatory reforms, including streamlined procedures, one-stop shops, and reduced discretion;
- Increased checks and balances within offices and across branches and levels of government.

Improving service delivery

Efforts to improve service delivery in authoritarian settings may, where successful, undermine democratization pressures and efforts even while they produce development gains. By helping to make the government function more effectively, development assistance can strengthen an authoritarian government's legitimacy, elite cohesion, and efficiency. This holds true both for a government that is producing the service itself and for one that is procuring it on behalf of its citizens from a private provider. In both cases, the government will get credit for improving schools, health care, or other desired services, and will capitalize on improved social and economic conditions, such as a stronger tax base. For example, USAID support to the Eritrean Ministry of Education for curriculum development and pedagogy assessment helped improve education outcomes in the country, but arguably strengthened the position of the ruling People's Front for Democracy and Justice as well.

Depending on how they are structured, however, service delivery reforms could serve to strengthen democratic forces. As illustrated in Figure 1, users of services have two potential routes of accountability—a long route, via policymakers who provide financing and also issue directives to the producers, and a short route directly to the producers. Users exercise their voice in the long route of accountability by voting or expressing criticism in the media, and participate in decision-making opportunities in the short route of accountability through town hall meetings, parent-teacher associations, water user boards, user surveys, and similar forums.

Figure 1. Accountability Model in Service Delivery



Source: Meagher, Commins, and Clement, "Service Delivery in Fragile States," p. 8.

While authoritarian regimes may not tolerate substantial reforms to improve the long route of accountability, they may allow efforts to empower direct citizen engagement in service delivery, and perhaps even to redefine what functions the state allows non-state actors to perform. Such participation in service delivery gives citizens experience in advocacy, decision making, and accountability, which may give them the understanding and skills to push for further liberalization. These efforts also entail at least a partial shift in the mindset and practices of government officials from opacity and control to transparency and partnership. In Cambodia from 1999-2004, for example, the World Bank's Education Quality Improvement Project empowered local school communities to identify their needs and make proposals for change and investment, leading to an unprecedented devolution of responsibility in three provinces (*World Development Report 2004*, 2003, p. 125).

Initiatives to improve service delivery may work in tandem with broader efforts to strengthen local governance. Depending on the degree of decentralization, donors may provide assistance to local authorities in strategic planning, financial management, revenue generation, and other operations. Although the effects on democracy may not be immediate, strengthening actors and institutions at the local level could foster alternative bases of power and leadership. In the case of a vibrant region or capitol city, this kind of platform can serve as a potential counterbalance to the executive.

Deciding whether to support service delivery does not fall within the mandate of DG officers, but DG officers can work with colleagues in other sectors to assess how realistic it is to expect sustainable improvement in the public sector given the nature of the regime. And they can help colleagues assess the potential gains of citizen participation and augmented power at the local level against the potential losses of increased legitimacy and efficiency for the authoritarian regime. In weighing the upside, USAID should ask: Is there sufficient civic space to allow for meaningful citizen participation in service delivery? Are there potential reformers at the local level who could benefit from the platform this kind of assistance would provide, or are regime allies firmly entrenched at the local level? In weighing the downside, USAID should ask: How closely does the planned activity fit with the regime's source of resilience? How reliably can we monitor the impact on regime resilience?

Support for service delivery in authoritarian countries should be sure to include:

- Regularized opportunities for citizen engagement in service delivery;
- Engagement by independent NGOs in service delivery; and
- Increased transparency of government operations.

Where there is sufficient decentralization and alternative views at the local level, service delivery support could also include:

- Local government capacity building; and
- Encouragement of contracting out service delivery where appropriate.

Supporting autonomous civil society and media

Support for the development of autonomous civil society and media is likely to be constructive in most if not all authoritarian contexts. The existence of viable civil society has long been established in scholarly research as important to the consolidation of democracy. Civil society helps socialize citizens to democratic practices and produce democratic leadership, provides channels for participation in democratic practices (such as policy-making), and can provide a check on state power. Conversely, weak civil societies are an impediment to democratic change, as a recent examination of democracy and authoritarianism in the post-communist world shows (Bunce, McFaul, and Stoner-Weiss, 2010b). Civil society should arguably therefore be supported before a transition to increase the odds of consolidation after the transition occurs. If, as Freedom House argues, the success of a transition depends greatly on the actors that emerge before it occurs, not least in civil society, this finding reinforces the importance of building a strong, democratically oriented civil society before a transition (2005).

Civil society also plays a direct role in transitions, research finds. Freedom House has found that broad-based, nonviolent civic resistance movements have played a vital role by helping delegitimize authoritarian rulers and erode their sources of support (2005). In addition, mobilization and the organization of large numbers of individuals can play a crucial role during transitions by pushing the liberalization process farther than regime soft-liners and the opportunistic opposition typically intend (O'Donnell and Schmitter, 1986; O'Donnell, 2010), and/or by shifting politics in a democratic direction during the ouster of dictators (Bunce, McFaul and Stoner-Weiss, 2010).

In closed authoritarian polities, civil society groups and new media venues often represent the only means of keeping democratic space open and of protecting human rights. Even when civil society is small and marginalized, it

can generate alternative ideas and nurture future democratic leaders. Civil society groups and new media may also be the only possible targets of support in countries like Burma and Iran.

Many now argue that new media and ICTs are essential tools of civil society, with the implication that media should not be seen as just an optional, additional DG program element (Diamond, 2010). New media and communication tools can help civil society in organizing, expanding participation, holding governments accountable, developing civic skills and practices, and disseminating information. Traditional media can also play these roles if they can avoid government control.

While a vibrant civil society clearly yields many benefits, USAID must still decide on the optimal civil society building strategy in a given setting. Approaches range from support to widespread political reform movements, to a focus on human rights and DG advocacy NGOs, to assistance to grassroots groups concerned with service delivery and everyday community needs. The country setting will determine the role that civil society, and assistance to it, might play in liberalization, as well as what assistance it is possible to deliver, and thus the most effective mix of approaches. Helping civil society groups to play a role in transitions and supporting civil society as a wedge of space in highly authoritarian environments are clearly strategic approaches. The latter, however, sometimes shades into service delivery-oriented and community development-like projects that may become means for authoritarian regimes to channel assistance and deflect criticism. USAID should be clear, if taking this approach, as to how it supports a DG strategy and desired larger changes.

New media and ICTs should also be approached with care. We do not yet have a firm grasp on how virtual organizing most effectively connects to “real world” collective action. Internet-based activities are clearly not a substitute for “real” organizing, although it is increasingly difficult to separate virtual and real groups and efforts. And as has become evident, new communication technologies also provide authoritarian governments with enhanced means of monitoring citizens, and reformers must play a cat and mouse game with authoritarian regimes around Internet and ICT use.

Much has been learned and written about best practices in supporting civil society, including by USAID. Best practices in support for media are receiving increasing attention. This section will therefore provide only brief recommendations on how best to support civil society and media in authoritarian contexts, with an emphasis on how not to do harm. These include:

- In highly repressive and closed environments, structure programs so that the ultimate beneficiaries are not put at risk by USG assistance. This imperative may run against typical sound management practices. For example, USAID may be forced to rely more heavily on self-reporting by partners, and to accept the impossibility of verifying some data (especially by any means that involves contacting beneficiaries directly).
- The concept of “vibrant” civil society may require adjustment. Where groups are under severe pressure from governments, they will not meet in numbers, in the same place, on a regular basis and so on. USAID will need in these environments to think creatively about what constitutes “communities,” “political space” and even civil society. One cannot necessarily demand or expect traditional organizational measures of progress, such as registration, broad outreach, etc. USAID should consider related concepts such as effective collective action, networks and virtual spaces.
- By extension, USAID must be prepared to adapt or develop new monitoring and evaluation techniques. For example, we may need to be content with measures of the effectiveness of the training of individuals, rather than organizational development, because of risks of contact with organizations as such. As implied above, traditional indices of organizational capacity—that examine accounting procedures, board structures, etc.—will be largely misdirected. By the same token, USAID will need to develop tools to measure the strength of online communities and networks.
- Where possible, USAID should try to support changes in the enabling environment for civil society and media. As authoritarian countries become savvier about managing civil society and media, they are enacting laws that purport, for example, to facilitate NGO operation, but in fact place limits on democratic political activity. Thus in some countries, support for a more favorable legal environment may entail opposing or not participating in government efforts to change NGO and media law.

- Similarly, many authoritarian governments are seeking to capture and control media and societal space by founding, or encouraging allies to found, new media outlets and NGOs (often known as GONGO's for government-controlled NGOs). USAID and its partners should carefully vet local partner groups to avoid supporting such government or crony fronts.
- More generally, and as indicated above, carefully assess the potential impact of support for service delivery groups, and monitor for demonstrable effects in the realms of politics and governance, to avoid expensive, low-impact efforts (from a DG perspective), and/or unintended effects on regime survival.
- Where possible, therefore, and not harmful, include support for capacity building that is directly related to advocacy, political coalition building, and other skills that could underpin constructive participation in a transition. Do not, where possible, abandon explicitly politics-oriented NGOs—such as activist student organizations, anti-corruption groups, election monitoring and voter education organizations, independent media, political party training structures, trade unions and worker organizations, women's groups, and think tanks—for service-oriented, community groups.
- Where possible, try to ensure that activist civil society groups understand how they can connect to political parties—to affect policy platforms, party membership and strategies for change.

IV. CONCLUSIONS

USAID's efforts to promote democracy and governance in authoritarian countries face strategic and programming challenges. To better address these challenges, this paper seeks to elucidate sources of authoritarian resilience and forces that can trigger liberalization.

The main finding on authoritarian resilience is the importance of the regime's *control of economic resources*. State access to natural resource wealth and control of the economy enable authoritarian regimes to pay off supporters and co-opt or repress opponents. Economic decline may pose a threat to the regime, but less so if there are no or few groups outside the state with alternative sources of wealth and power. Therefore, USAID Missions in authoritarian countries must have a sophisticated understanding of the political economy of authoritarianism and, in particular, how the regime captures and distributes wealth. There may be little ability to bring about democratic change in countries with hydrocarbon wealth and authoritarian regimes (e.g., Turkmenistan), though over time, the inability of these governments to address the needs of their populations may result in a rising tide of grievances that eventually threatens stability.

A secondary finding on authoritarian resilience is the importance of *concentrated political power*. The power concentrated in monarchies and one-party systems, in particular, helps those regimes resolve intra-elite conflict and prevent the defection of influential leaders. DG programming may gain less traction in those regime types, but relatively more traction in military and multiparty authoritarian regimes.

The main finding on transition dynamics is that *strong civic coalitions and elections* are a key feature of most transitions. USAID DG programs should therefore give priority to supporting civil society movements that are independent of authoritarian regimes. Support for the development of autonomous civil society and media is likely to be constructive in most, if not all, authoritarian contexts. DG officers should, however, assess the DG impact of support for service delivery groups, and avoid initiatives that have low impact or unintended effects on regime survival.

USAID DG programs should also aim to improve the playing field for electoral challengers in these regimes through support to elections and political parties. Support may not be warranted, however, if a regime controls elections and political parties to such an extent that they are ineffective sources of opposition. Legislatures form a complementary target of funding if elections and parties are both worth supporting.

As the paper explains, support for rule of law, anticorruption, and service delivery are contingent on situation analysis. These interventions have the potential to strengthen the authoritarian regime, so only merit support where they are more likely on balance to strengthen prospects for democratization.

One topic in particular merits further exploration. It would be useful to explore the role of the Internet and new media in supporting opposition movements in authoritarian regimes. While the strategies are highly constrained in places like Burma, Cuba, and Iran, they nonetheless offer useful lessons for democracy strategies in countries with more political space, and vice versa.

Another topic for further exploration is the DG work of other donors. A robust review of the kinds of activities donors are trying and the kinds of results they are achieving would be a useful next step to better guide DG programming in authoritarian settings.

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ANNEX I. AUTHORITARIAN LITERATURE REVIEW



USAID
FROM THE AMERICAN PEOPLE

AUTHORITARIAN LITERATURE REVIEW

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This publication was produced for the United States Agency for International Development by Management Systems International. This report was prepared by Phyllis Dininio, MSI.

Authoritarian Literature Review



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INTRODUCTION

For the fourth consecutive year, declines in democracy outpaced gains in 2009, creating the longest continuous period of deterioration in forty years. Backsliding in the former Soviet Union, the Middle East, Africa, and Latin America, and the resilience of authoritarian regimes, such as China and Vietnam, pose pressing challenges for democracy promotion. This literature review examines existing research on transitions to and from authoritarian rule and on authoritarian regimes to generate insights for democracy promotion in authoritarian settings. The review begins with a discussion of regime classifications and trends, and then discusses transition paths, factors affecting democratic regime development and resilience, and factors affecting authoritarian resilience. The review concludes with initial observations and key issues for discussion and further exploration. An annex presents a subset of authoritarian regimes to explore how they stay in power and what threats they face.

I. Regime Classifications

Democracy and authoritarianism represent two ends on a spectrum that ranges from more open to more closed regimes. Where democracy ends and authoritarianism starts is not straightforward, however, as there are an increasing number and variety of hybrid regimes. Several classifications of regime types offer ways to distinguish among them.

Freedom House offers a three-part classification of regimes based on a country's average score for civil liberties and political rights. Scores of 1 to 2.5 correspond to countries that are free, 3 to 5 to countries that are partly free, and 5.5 to 7 to countries that are not free. Table I lists the countries rates as not free in 2009.

The Polity IV Project under the direction of Monty Marshall similarly evaluates regimes on a spectrum that ranges from fully institutionalized autocracies through mixed authority regimes (termed anocracies) to fully institutionalized democracies. Scores of -10 to -6 correspond to autocracies, scores of -5 to +5 to anocracies, and scores of +6 to +10 democracies. The Polity scores evaluate executive recruitment, constraints on executive authority, and political competition.

There is a strong, but inexact, correlation between the Freedom House and Polity scores. The countries identified with an asterisk in Table I are rated as anocracies rather than autocracies by Polity IV, and Polity IV includes Bahrain, Kuwait, and Morocco as fully institutionalized autocracies, whereas Freedom House lists them as partly free. Another difference is that Polity IV codes as anocracies countries that are administered by transitional governments, countries where central authority has collapsed, and countries where foreign authorities maintain local authority, which includes Afghanistan, Cote d'Ivoire, Iraq, and Somalia in this group of countries. Finally, Polity does not include micro-states with populations under 500,000, whereas Freedom House does.

Diamond (2002) offers another classification of democratic and authoritarian regime types ranging from more to less open: liberal democracy, electoral democracy, ambiguous regimes, competitive authoritarian, hegemonic electoral authoritarian, and politically closed authoritarian. He identifies liberal democracies as having an average Freedom House score of 1 to 2, but for the other regime types he uses judgment and not just Freedom House scores, so the country classifications he offers in the 2002 article are more illustrative than definitive.

TABLE I. COUNTRIES RATED AS NOT FREE, FREEDOM HOUSE 2009

5.5	6.0	6.5	7.0
Afghanistan**	Cameroon*	Belarus	Burma
Algeria*	Congo (Kinshasa)*	Chad*	Equatorial Guinea*
Angola*	Guinea	China	Libya
Azerbaijan	Iran	Cuba	North Korea
Brunei*	Iraq**	Eritrea	Somalia**
Cambodia*	Swaziland	Laos	Sudan*
Congo (Brazzaville)*	Tunisia*	Saudi Arabia	Turkmenistan
Cote d'Ivoire**	Vietnam	Syria	Uzbekistan
Egypt*		Zimbabwe*	
Kazakhstan			
Mauritania*			
Oman			
Qatar			
Russia*			
Rwanda*			
Tajikistan*			
United Arab Emirates			

*Denotes countries rated as anocracies by Polity IV.

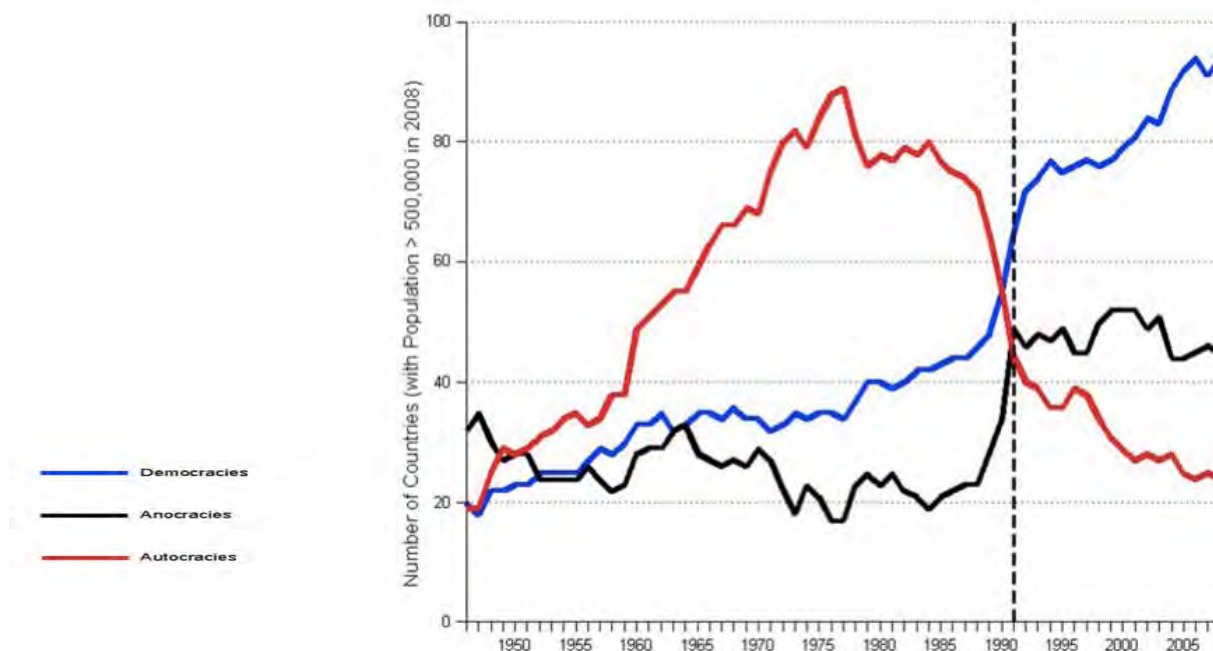
**Denotes countries with incomplete sovereignty, rated as anocracies by Polity IV.

Hadenius and Teorell (2007) offer yet another classification of democratic and authoritarian regime types. They use the mean of each country's Freedom House and Polity scores, converted to a scale from 0 (least democratic) to 10 (most democratic), and identify all regimes with a score below 7.5 as belonging to the authoritarian family. They identify five authoritarian regime types: one party (e.g., North Korea), military (e.g., Burma), monarchy (e.g., Saudi Arabia), no party (e.g., the Maldives), and limited multiparty regime (e.g., Russia). The average democracy scores for these regime types are 1.3, 2.0, 2.1, 2.6, and 4.6, respectively. Thus one-party regimes are the least democratic and limited multiparty regimes are the most democratic of the authoritarian regime types. Limited multiparty regimes are the most common form, representing more than half of all authoritarian regimes. No-party regimes are the least common, with only two or three present at any time during the period 1972-2002. By and large, the limited multiparty regimes in Hadenius and Teorell's classification correspond to the partly free countries in the Freedom House ratings and the anocracies in the Polity scheme.

II. Regime Trends

In the last thirty years, the number of autocracies has plummeted, while the number of democracies and anocracies has increased (see Figure 1). In 2009, Polity data show there were 92 democracies (57%), 46 anocracies (29%), and 23 autocracies (14%). Freedom House data include more countries, and show there were 89 free countries (46%), 58 partly free countries (30%), and 47 not free countries (24%) in 2010.

FIGURE I. GLOBAL TRENDS IN GOVERNANCE, 1946-2008



Source: Monty Marshall and Benjamin Cole, “Global Report 2009: Conflict, Governance, and State Fragility,” Center for Systemic Peace and Center for Global Policy, 2009.

The regime transitions were not unidirectional, however. As Kapstein and Converse (2008) point out, there were 123 democratizations between 1960 and 2004 in 88 different countries. While 67 gave rise to democratic regimes that survived through 2004, 56 ended in a return to authoritarianism. For those cases that ended in reversal, the average length of the democratic episode was just under six years. Anocracies also experienced reversals during this period, and historically have been about three times more likely to experience major reversions to autocracy than democracies (Marshall and Cole 2009).

Transition Paths

Paths of democratization. The literature on transitions suggests distinguishing between four paths of democratization: those led by government, those led by the opposition, those led by joint government and opposition action, and those led by external forces. Huntington (1991) distinguishes between the first three of these democratization processes, but leaves out those led by external forces. Stepan (1988) identifies eight paths from authoritarianism—internal restoration after external reconquest, internal reformulation, externally monitored installation, redemocratization initiated from within the authoritarian regime, society-led termination, party pact, organized violent revolt coordinated by democratic reformist parties, and Marxist-led revolutionary war—which could be reclassified into the four main paths noted above. For example, one could classify organized violent revolt as an extreme subtype of transition led by the opposition. Bunce and Wolchik (2009a) identify elections as a mode of transition in addition to mass mobilization and elite pacts, although one could classify mass mobilization and elections as subtypes of transitions led by the opposition, and could term elite pacts as a transition led by joint government and opposition action.

Divisions within the regime. In their study of transitions in Latin America and Southern Europe, O’Donnell and Schmitter (1986) note that apart from military defeat in an international conflict, “there is no transition whose beginning is not the consequence—direct or indirect—of important divisions within the

authoritarian regime itself, principally along the fluctuating cleavage between hard-liners and soft-liners” (19). While this statement may apply more obviously to the pacted transitions that were the norm in the 1970s and 1980s than to the recent spate of electoral transitions, there are probably still some important ways that splits and defections within the ruling elite allow opposition forces access to electoral resources such as money, media outlets, and patronage, and forestall a crackdown on democratizers. Divisions within the regime can arise because they have achieved their goals, such as economic prosperity or stability; they have not achieved their goals; they have internal fissures over the use of force, the issue of succession, the management of the economy, or some other policy matters; or they face foreign pressures (Przeworski, 1988).

Mass mobilization. O’Donnell and Schmitter (1986) state that democratization involves a crucial component of mobilization and organization of large numbers of individuals. More recently, O’Donnell (2010) stresses that a popular upsurge plays a crucial role in pushing transitions beyond the mere instances of liberalization at which regime soft-liners and the opportunistic opposition typically aim. Bunce, McFaul, and Stoner-Weiss (2010) note the positive impact of significant citizen mobilization on the defeat of dictators and the shift in domestic politics in a decidedly more democratic direction.

International context. As Schmitter (2010) points out, the international context has become an increasingly significant determinant of both the timing and the mode of transition, as well as its outcome. He notes that their earlier work (Schmitter and O’Donnell, 1986) did not anticipate the change in the hegemonic pretensions of the Soviet Union, the rise of the democracy promotion business, or the EU’s assumption of responsibility to assist nearby fledgling democracies materially and through incentives tied to the prospect of membership.

Bunce, McFaul, and Stoner-Weiss (2010) echo these points. They write that regime transitions take place because of the confluence of 3 factors: a domestic struggle between authoritarians and democrats; changes in the behavior of citizens; and short-term changes in the international system.

Economic decline. In their analysis of the 1955-2003 period, Ulfelder and Lustik (2007) find that authoritarian regimes are more likely to make a transition to democracy during periods of economic decline. They find that democracies are not similarly vulnerable to economic crisis, however.

Limited multiparty regimes. Hadenius and Teorell (2007) note that most transitions to democracy occurred from limited multiparty regimes during the 1972 to 2003 period. They write, “This is not surprising, since these regimes hold elections with a degree of openness and contestation and allow some basic political liberties” (153). By contrast, transitions from one-party states and military regimes were more likely to transition to democracy indirectly by first transitioning to limited multiparty regimes than to transition directly to democracy. Moreover, no transitions from monarchies led to democracy; rather, monarchies tended to oscillate between pure monarchism and highly restricted forms of electoral monarchism. Limited multiparty regimes have a shorter life span than other regime types—an average of 5.9 years compared to 17.5 years for democracy, and 11.1, 12.9, 17.8, and 25.4, respectively, for military, no-party, one-party, and monarchy. Limited multiparty regimes can therefore be considered more transitional than other authoritarian regimes.

Elections. Schedler (2010) agrees that electoral authoritarian regimes are vulnerable. He explains that breaking through defensive lines of manipulation is easier, on average, than tearing down authoritarian walls of repression. Representative institutions such as the legislature, the judiciary, elections, the media, civil society, and local government are arenas of control and cooptation for authoritarian rulers, but also

of contention. They can help rulers respond to democratizing pressures and elicit cooperation from societal groups and individuals, but they also contain the possibility of undermining autocratic rule.

Lindberg's (2009) research explores the electoral path from limited multiparty regimes to democracy. He concludes that the repetition of elections, even if flawed, can result in democratization. Those countries which moved early toward elections and persisted with elections have done better at consolidating all aspects of democracy than those countries that delayed holding elections.

Lindberg and contributors to an edited volume (*Democratization by Elections: A New Mode of Transition?*) affirm the following hypothesis on when elections are likely to lead to democracy or autocracy:

- Elections make democratization more likely if they serve to make repression expensive and counterproductive, and spur the opposition to unify and mobilize; and if they make a policy of tolerating the opposition seem to the rulers as if it will make their rule more legitimate, but in fact trigger defections of state actors to the opposition.
- Elections make autocratization more likely if they serve to make repression cheap, easy to target at opposition leaders, or even unnecessary; and if they make it possible for the regime to control toleration of the opposition, to split the opposition, and to use elections as vehicles for patronage; or if elections simply make toleration too costly for the incumbents.

Bunce and Wolchik (2009a) examine the electoral path to democratization in the postcommunist region. They note that elections can bring down authoritarian regimes when there is widespread recognition that the incumbent should not remain in office, including defection of key regime allies, and opposition and citizens engage in an electoral strategy. In examining the eight successful attempts to oust semi-authoritarian rulers through elections between 1996 and 2006, they (2009b) explain that transnational democracy promotion networks developed the electoral model, carried it from place to place, amended it, and carried out electoral challenges to authoritarian rule.

III. Factors Affecting Democratic Development and Resilience

Structural conditions and political leadership. Huntington (1991) notes that no single factor is sufficient or necessary to the development of democracy, and the combination of causes producing democracy varies from country to country and from one time period to another. Political leadership and skill play a crucial role in bringing about democracy, but broader factors facilitate or impede the creation and resilience of democracy. As Linz and Stepan (1978) note, "Structural characteristics of societies—their actual and latent conflicts—constitute a series of opportunities and constraints for the social and political actors, both men and institutions, that can lead to one or another outcome" (4).

Four waves. Huntington (1991) identifies different explanations for each of three waves of democracy. The primary factors responsible for the first wave of democratization appear to be economic and social development, the economic and social environment of the British settler countries, and the victory of the Western Allies in World War I and the resulting breakup of the principal continental empires. The factors largely responsible for the second wave include the victory of the established Western democracies in World War II and decolonization by those democracies after the war. In the third wave, the primary explanations for democratization include: deepening legitimacy problems from military defeats, economic failures, oil shocks, achieving the regime's purpose, and the prevalence of democratic

norms; global economic growth in the 1960s that brought about increased education and an expanding urban middle class; doctrinal changes in Catholic Church; changes in EC, US, and Soviet foreign policies; and a demonstration effect. In the postcommunist fourth wave, McFaul (2010) identifies the disappearance of the Soviet Union and an internal distribution of power favoring challengers to the *ancient regime* as factors explaining the democratic transitions.

Economic development. Many scholars stress the importance of economic conditions in shaping regime dynamics. Lipset (1960) identifies high per capita income and widespread literacy as factors that make democracy more likely to persist. His seminal work suggests that there is a GDP/capita zone of transition or choice, in which traditional forms of rule become increasingly difficult to maintain and where political elites and the prevailing political values can shape choices. Moore (1966) stresses the importance of a middle class (a bourgeoisie) to counter the hegemony of landed elites and push for democracy. More recently, Kapstein and Converse (2008) identify low per capita income, high levels of inequality, and high rates of poverty as factors explaining why democracies fail.

Ulfelder and Lustik (2007) find that a country's low level of development is the largest predictor of backsliding. They hypothesize that "in addition to the changes in social structure, attitudes, and expectations spotlighted by modernization theory, economic development also shapes the resilience of democracy through its relationship to state strength. Poorer states generally have weaker security apparatuses, making them more vulnerable to revolution, and the difficulty they have in paying their soldiers living wages often makes them more vulnerable to military coups. At the same time, incumbent chief executives and ruling parties in poor democracies often face an opposition that is hobbled by a lack of financing and mobilizational capacity, reducing the expected costs of violating democratic procedures in order to remain in power" (370-1).

Factionalism. Politics characterized by factionalism also affect prospects for democracy. Factionalism is characterized by a do-or-die approach to politics in which narrow self-interests trump the public good and rivalries are deep. Examples of factionalism include the polarization of Venezuelans following the election of Hugo Chavez in 1998 and the ongoing confrontation between indigenous activists and wealthier lowlanders in Bolivia. Ulfelder and Lustik (2007) find that such polarizing, winner-take-all competition is the biggest predictor of backsliding from democracy after the country's level of development. Democracies beset by polarization are more than six times as likely to backslide as those that are not.

Executive authority. Recent research also points to the importance of constraints on executive authority for the resilience of democracy. Constraints on executive authority include effective and independent legislatures, judiciaries, media, local governance, and civil associations (Goldstone and Ulfelder, 2004). Kapstein and Converse (2008) find that democracy is reversed 70% of the time where constraints on the executive are weak, and only 40% of the time where constraints are strong.

Ethnic fragmentation. Kapstein and Converse (2008) also find that ethnic fragmentation increases the chance of backsliding. Democratizations in countries with ethnic fragmentation greater than the world average were reversed 51 percent of the time, as compared to 38 percent of the time when ethnic fragmentation was below the average.

Experience with democracy. Research shows that historical experience with democracy helps a country resist backsliding. Kapstein and Converse (2008) show that 47% of first-time democratizations were sustained, whereas 63% of second-time democratizations were sustained for the period 1960 to 2004.

International linkage. A country's relationships to the West also influence its prospects for democracy. As Levitsky and Way (2005) point out, linkage to the West raises the cost of authoritarianism by: heightening the salience in the West of authoritarian government abuse; increasing the probability of an international response; and creating influential domestic constituencies with a stake in democracy through democracy assistance and international ties.

They write, "Although linkage is rooted in a variety of factors, including colonial history, military occupation, geostrategic alliances, and economic development and openness, its primary source is geography. Countries located near the US or the EU are generally characterized by greater economic interaction, a larger number of intergovernmental and interorganizational connections, and higher cross-border flows of people and information than are more geographically distant ones" (23).

IV. Factors Affecting Authoritarian Regime Resilience

The literature also points to a number of factors that make authoritarian regimes more likely to persist. These include economic, political, and social structures.

Resources in state hands. Ulfelder and Lustik (2007) find autocracies that possess energy and mineral resources are less likely to make a transition to democracy. They write, "Compared with an autocracy that earns no income from the depletion of energy and mineral resources, an autocracy that generates even just 10 per cent of its gross national income from these sources is less than half as likely to transition to democracy in a given year" (363). Similarly, Bunce, McFaul and Stoner-Weiss (2010a), Way (2010), and Levitsky and Way (2002) identify state discretionary control over the economy, generated either by state-owned enterprises or by reliance on natural resource revenues, as a pillar of autocrats' strength. Such revenues, Levitsky and Way (2002) note, undermine the development of an autonomous civil society and give authoritarian rulers the means to co-opt opponents and keep supporters in line. The revenues also allow autocracies to pay for a strong coercive apparatus (Diamond, 2010).

Regional explanations of authoritarianism confirm the importance of state resources to regime resilience. Rakner and van de Walle (2009) attribute the resilience of authoritarianism in Africa to the advantages of incumbency and the opposition's limited access to resources outside the state. Similarly, where the state controls the economy and access to rents, Lust (2009) shows how elections in the Middle East and North Africa are primarily about obtaining access to state resources, so people vote for incumbents as the candidates who can deliver services to them. Moreover, Diamond (2010) ascribes the resilience of authoritarianism in the Middle East primarily to natural resource wealth and not to religion. He notes that it is Arab, not Muslim, states that tend to be authoritarian, and of the sixteen Arab countries, eleven are rentier states. These rentier states, he explains, have a strong coercive apparatus, weak, coopted civil society, and little accountability to citizens. Bellin (2004) also identifies the economy in state hands and mineral rents maintaining state coercive capacity as factors explaining authoritarianism in the Arab world, but points to additional factors, including weak civil society, poverty and low literacy rates, high inequality, and tribal traditions of loyalty, nepotism and patriarchy.

Executive authority. Recent research also points to the importance of political structures in bolstering authoritarian regimes. Political institutions that *concentrate executive authority* advantage authoritarian over democratic forces. In their analysis of postcommunist regimes, Bunce, McFaul and Stoner-Weiss (2010a) note that consolidation of authoritarianism is easier where the design of political institutions strengthens

the executive and where *long periods in office* gave leaders increasing control over elections, the media, public spaces, and self-serving constitutional amendments.

Similarly, Haggard and Kaufman (1995) note that the authoritarian regimes best suited for managing crises were those in which authority was concentrated. They write, “Those regimes that fell in the face of crisis were those in which external pressures fragmented the ruling coalition. Collective leaderships or diffuse and decentralized lines of authority were more likely to result in such increased factional conflict and immobilism. Those regimes that survived had developed centralized organizational means for controlling internal dissension, primarily by concentrating both political and military *authority in the hands of a single individual*. Dominant-party authoritarian regimes proved more adept than military regimes at managing conflicts within the government and controlling and coopting broader political challenges.”

Hadenius and Teorell (2007) also find that authoritarian regimes with more *power concentrated in one leader* tend to last longer. They note that in monarchies and one-party dictatorships, more power is concentrated in the hands of a particular leader—what they term personalism—while in military and limited multiparty systems, power is less dependent on a particular person, and tends to shift to new leaders in the same regime.

Along similar lines, Brownlee (2004) shows that authoritarian regimes with *ruling parties* prove more robust than other nondemocratic systems. He explains that a dominant party can resolve intra-elite conflict and prevent the defection of influential leaders, whereas the decline of ruling party institutions generates elite polarization and public rifts, a necessary but insufficient condition for successful opposition mobilization and regime change. Way (2010) also notes that authoritarian regimes are more likely to endure when they have a single highly institutionalized ruling party backed by a nonmaterial source of cohesion such as a revolutionary tradition or highly salient ideology.

State coercive apparatus. As referenced above in the discussion of resources in state hands, the literature also suggests that an extensive, cohesive, well-funded and experienced coercive apparatus is a source of regime stability. Way (2010) notes that autocrats are more likely to hang onto power when they command such a coercive apparatus that can reliably harass regime opposition and put down protest.

Weak civil society. A recent examination of democracy and authoritarianism in the postcommunist world also shows evidence that weak civil societies can serve as a strong impediment to democratic change (Bunce, McFaul, and Stoner-Weiss, 2010b).

Performance legitimacy. Performance legitimacy can provide a pillar of authoritarian regime resilience. Authoritarian regimes like Singapore, China, and Vietnam rely on the strong performance of their economy to legitimate their rule. As noted above, authoritarian regimes are more likely to make a transition to democracy during periods of economic decline (Ulfelder and Lustik, 2007). Authoritarian regimes can also benefit from their performance in providing social services, as in Venezuela, fighting in internal or external conflicts, as in Russia, or in withstanding international pressure, as in Iran.

Historical legacy. Authoritarian regimes can also sustain their rule through claims to legitimacy from their historical role in the liberation or unification of the country. Authoritarian regimes in Zimbabwe, Mozambique, and Namibia are such examples. Historical legacies also include traditional subordination to authority and a focus on collective interests, as is the case after decades of Communist Party rule in Vietnam.

International support. A country's relationships to other countries also influence the resilience of authoritarianism. Foreign investment, development assistance, military training and equipment, and concessionary oil from friendly authoritarian regimes like China, Venezuela, and countries in the Arab League can help shore up authoritarian regimes. By the same token, geostrategic interests such as oil or the war on terror can prompt democratic regimes to support authoritarian regimes, as exemplified by the US government support to Egypt and Kazakhstan.

Threats and fear. Threats to peace, national unity, or ways of life can provide a basis for preserving the status quo. The fear of conflict in the wake of war or threats to national unity in the context of ongoing insurgencies can undergird authoritarian regimes, as in Burma. Similarly, the threat of terrorism can serve as a rationale for maintaining authoritarian rule, as in Algeria. Domestic middle class and international donor fear of radical Islam as the alternative should a current regime collapse can also weaken pressure for democracy, as in much of the Middle East (Diamond, 2010).

Institutionalization. Although not applied to other countries in the literature, Nathan (2003) argues that institutionalization explains the resilience of the Chinese regime. He focuses on four aspects of the Chinese Communist Party regime's institutionalization: the increasingly rule-bound nature of its succession politics; the increase in meritocratic as opposed to factional considerations in the promotion of political elites; the differentiation and functional specialization of institutions within the regime; and the establishment of institutions for political participation and appeal that strengthen the party's legitimacy among the public at large. As noted in the case study of China below, other factors such as rapid economic growth have also buttressed the resilience of the authoritarian regime.

VI. Summary

This literature review points to a number of variables that can contribute to democratic transitions. These include:

- Divisions within the regime
- Mass mobilization
- Favorable international context
- Economic decline
- Succession crisis
- Elections even under limited competition

The literature review also points to a number of variables that can contribute to democracy, such as:

- High levels of economic development
- High levels of literacy and education
- A middle class
- Availability of resources outside the state
- Low levels of political polarization and extremism
- Constraints on the executive
- Low levels of ethnic fragmentation
- Active civil society
- Historical experience with democracy
- International linkage

The foregoing review also points to factors that can advantage authoritarianism, such as:

- High concentration of national wealth in state hands
- Few constraints on the executive
- Concentration of power in individual leader or ruling party
- Strong coercive apparatus
- Weak civil society
- Performance legitimacy
- Historical legacy
- International support
- Threats and fear
- Regime institutionalization

V. Initial Observations

A few observations stand out from this review of the literature. While discussion at the workshop will develop these further, this paper lays out some initial ideas for consideration.

Overall, it seems clear that most transitions to democracy occur from limited multiparty regimes and through elections. This accords a clear role to democracy assistance in improving the playing field for challengers in limited multiparty regimes, and in moving closed authoritarian regimes to limited multiparty regimes if not to democracy.

The control of economic resources plays a large role in authoritarian resilience. State access to natural resource wealth and control of the economy enable authoritarian regimes to pay off supporters and co-opt or repress opponents. Economic decline may pose a threat to the regime, but less so if there are no or few groups outside the state with alternative sources of wealth and power.

Strong economic performance provides legitimacy for authoritarian regimes such as Russia, China, and Vietnam, but is not necessary for authoritarian regime survival. Poor performing, repressive regimes, such as those in Zimbabwe and Burma, have persisted for decades, though they may need to rely on more force than high performing regimes.

VI. Key Issues for Discussion and Further Exploration

This literature review has made an initial contribution to understanding the dynamics of regime transitions and authoritarian resilience. It points, however, to several key issues for further discussion and exploration. These include:

1. Is it possible to discern trends regarding liberalization and/or possible openings in authoritarian regimes? How can USAID do this?
2. If liberalization or an opening seems possible, how does USAID/DG best position itself?
3. If liberalization or an opening seems unlikely, what should USAID/DG do? What is the rationale/purpose of DG programming under these circumstances?

4. In what circumstances does it make sense to support "reformers" in authoritarian regimes? How can this best be done? What has been the impact of doing so?
5. In what circumstances and in what ways should USAID consider supporting controlled (less than fully competitive) elections?
6. How does the advent of new media affect authoritarianism and our thinking about political transitions? Does it create significant new opportunities for USAID/DG?
7. In what circumstances and for what purposes does it make sense for USAID to support the "good governance" agenda of an authoritarian regime (such as rule of law, anti-corruption and decentralization)?

ANNEX II. REVIEW OF AUTHORITARIAN REGIMES

For this literature review, MSI examined 11 authoritarian regimes to understand how they stay in power and what threats they face. The list includes: Algeria, Angola, Burma, Cambodia, China, Egypt, Iran, Kazakhstan, Russia, Vietnam, and Zimbabwe. What follows are the brief descriptions of regime resilience and weakness in each country.

ALGERIA

Political and Economic Systems

In Algeria, the military, president, ruling party⁷ and state apparatus share power but continually compete. The legislative and judicial branches of government are subordinate to the executive, while key issues of security and other policy have been decided by a secretive group of senior army and intelligence officers.

The president is elected by universal adult suffrage for five-year terms. President Bouteflika was first elected in 1999, after his opponents withdrew to protest alleged fraud; he was reelected in 2004 with over 85% of the vote, despite facing what was considered to be strong competition. Constitutional amendments passed in 2008 allowed him to run for a third term in 2009, which he did successfully (and effectively unopposed). The amendments also increased the president's powers relative to the prime minister (whom he appoints) and other entities. Although Bouteflika owed much of his early success to military support, he has grown increasingly autonomous in recent years.

While Algeria is not an electoral democracy, parliamentary elections are more democratic than those in many other Arab states. Constitutional amendments made in the late 1980s paved the way for a multi-party regime, replacing the single-party system dominated by the National Liberation Front (FLN) since independence in 1962. Several aspects of the constitution and electoral law, however, limit competition and representation, along with the ability of parties to challenge the regime: political parties based solely on religious or regional bases are prohibited, and the major opposition party, the Islamic Salvation Front (FIS), has been banned under this law; parties must be approved by the Interior Ministry; and the electoral system is closed list PR, privileging central party leadership.

The judiciary is not independent of the executive. The security forces cite the threat of terrorism as justification for human rights infractions, as well as limits on assembly. Terror groups linked to al-Qaeda continue to attack government and foreign targets. Journalists face an array of government tools designed to control the press, and the government has significantly improved its internet monitoring power, beginning to block websites. Private newspapers are published, however, and journalists have been aggressive in their coverage of government affairs in recent years. Permits are required to establish nongovernmental organizations, and those with Islamist leanings are regarded with suspicion by the government. Workers can establish independent trade unions.

Sources of Regime Resilience

⁷ It is more accurate to say ruling parties, since the dominant party since the war of independence, the FLN, has ceded power to the military and, much more briefly, the military-backed FLN-breakaway RND.

The current administration has survived since 1999 due to:

- Widespread fear of extreme political violence: President Bouteflika, working with the military, is widely credited with restoring political stability to Algeria, although attacks by Islamist militants increased again in the 2006-09 period. The president has also helped Algeria overcome years of international isolation for Algeria.
- Managed competition: The FLN has returned to power, in competition with FLN breakaway factions, and co-opted Islamist groups.
- Cooptation funded by natural resources: Oil and natural gas revenues enable transfers to disgruntled groups. For example, in an attempt to diffuse Berber unrest, in the past few years the government has increased economic aid to the region and made Tamazight a national, although not an official, language.
- US foreign policy: Since 9/11 and given the presence in Algeria of AQIM, the United States has considered Algeria an important partner in the fight against terrorism, and this legitimacy has also allowed the government to avoid profound political liberalization.

Threats to the Regime

- Illegal Islamist opposition/ insurgencies: The regime's policy of excluding the radical Islamist opposition from politics, and otherwise repressing it, has failed to eliminate its attractions for many Algerians.
- Youth discontent and the economy: Population growth and associated problems—unemployment and underemployment, the inability of social services to keep pace with rapid urban migration, corruption, inadequate industrial productivity, and a decaying infrastructure—continue to plague Algeria.
- Uncertainty around presidential succession and elite infighting: the president is reportedly in poor health and may not live out his term, while members of the military and bureaucracy appear to be engaged in infighting under the guise of corruption investigations.

Evolutionary Path (5-10 years)

Despite the uncertainty surrounding presidential succession, the regime overall is likely to maintain the current level of authoritarianism in order to control the Islamist opposition. Natural resources will enable it to assuage its under-occupied young male population, at least in the short term.

ANGOLA

Political and Economic System

Although Angola theoretically operates under a multi-party system, the 2008 elections resulted in a landslide victory for the ruling party, the Popular Movement for the Liberation of Angola (MPLA). MPLA received 81 percent of popular vote, followed by the National Union for the Total Independence (UNITA) which was only able to secure 10.5 percent. These elections solidified the reality of a one-party system while working at the same time to legitimize the government's authority.

There is a strong dissonance between the democratic reality and the theoretical systems of checks and balances within the Angolan constitution. The president serves as chief advisor on government issues, leader of the MPLA, commander in chief of military forces, and has the privilege to nominate and dismiss

the prime minister, the cabinet, and provincial governors at any time. Power sharing between the prime minister and the president is largely emblematic as the president has control over the most lucrative and powerful departments (including the department of finance and the state-owned oil and diamond companies). The General Assembly is elected by the public, however resource control, and the control of state-owned media, have also turned the Assembly into a one-party system with 191 out of the 200 elected seats from the MPLA party. Although the constitution calls for judicial independence, the Justice Department is completely under the control of the Ministry of Justice, and Supreme Court decisions are often made in order to provide legitimacy to the MPLA. Court systems are fragmented and have little influence due to lack of resources, political interference and the overall unfamiliarity of the general population with their rights, and what to do if these rights are violated.

Sources of Regime Resilience

The president and MPLA party are able to sustain their power with a large patronage system, a firm control of civil society, control over media outlets, and a society exhausted from civil war. These systems of control are supported by the massive wealth that Angola derives from oil and diamonds. Patronage systems extend to militias used for political intimidation as well as to parties of opposition to maintain the current hegemonic order. Civil society is controlled by recent defamation laws (in direct violation of the constitution) which prevent any direct opposition to the government. Laws have also been passed in order to assure that all NGOs are partially dependent on the state and federal funds. Finally, all sources of media are owned by the state except for a few small radio stations that are not allowed to broadcast outside of the major cities. In addition and probably in correlation to this control over media, the opposition party, UNITA, was seen as a guerilla force within the civil war, and has a hard time distancing itself from its past. Slogans within the 1990s read, "MPLA Steals but UNITA Kills" representing the choice of the public of a lesser evil.

Threats to the Regime

There are few threats to President Dos Santos regime. Angola's rich natural resources allow the government to operate with little outside influence. Due to Angola's diverse resources, countries such as China, India, and Brazil have agreements with the government to help improve infrastructure with little to no strings attached, and therefore there is no pressure for transparency or focus on human rights. There is inadequate civil society presence and limited social rights and education; despite the massive divide between the rich and poor, the masses have no ability to mobilize. Currently, the National Committee is working with the president on a revision of the constitution which will not be completed for at least two years, and thus will delay local elections for the timing being. Though they are fraught with corruption, there is a possibility of change through local elections.

Evolutionary Path (5- 10 years)

Without illness or perhaps death (dos Santos is 67 years old) it does not look like the MPLA President will step down, or another candidate would be supported. There is however, a rapidly growing youth population, who are not currently being engaged within the government. The coupling of exclusion from leadership positions within the government and the rise of youth unemployment may offer a window of change (if an avenue for mobilization is found). Mid- to longer-term threats to the regime could include the worldwide economic recession and a drop price of oil. Since the patronage system is, at best, an instable and fragile system of support, an absence of or sharp decrease in oil revenues could lead to regime upheaval and/or an increase the need for outside aid coupled with international influence.

BURMA

Political and Economic System

Burma is a closed military dictatorship that is transitioning to electoral authoritarianism. The current junta, formed in 1988, is introducing a new constitution and planning elections for later this year. Daw Aung San Suu Kyi, who has been under house arrest for most of past two decades, announced that her party would boycott the elections due to the unjust election process. This move led to the automatic dissolution of the party, in accordance with the election law. Western governments had said that her participation and that of her party were prerequisites for legitimate elections. Although the new constitution and election process are designed to maintain the military's control—for example, the constitution reserves 25 percent of seats for the military in the new Parliament—elections could decentralize some of the military's power.

The military government is also moving away from years of Soviet-style economic management that has left the majority of the country's 55 million people in dire poverty. It has begun the largest sell-off of state assets in the country's history, including government buildings, port facilities, factories, and a large stake in the national airline. Businessmen allied with the military are buying many of the assets, the proceeds of which may allow military elites to build up cash for election campaigns or ensure that civil servants and soldiers are paid.

Sources of Regime Resilience

- Burma is endowed with rich natural resources, including gold, gemstones, copper, nickel, oil, gas, and timber, which provide a source of revenue for the military junta despite the country's widespread poverty. The military also secures revenue from trafficking in heroin.
- There are few alternative sources of wealth outside the military and its cronies.
- The regime has a strong coercive apparatus, as evidenced by brutal suppression of the 2007 popular demonstrations, and the successful offensive against Karen militants in 2009.
- Due to the extreme repressiveness of the regime and the regime's establishment of government organized non-governmental organizations (GONGOs), independent civil society is weak in Burma.
- Ethnic insurgencies and the threat of secession bolster support for strong-armed rule.

Threats to the Regime

- Weakened legitimacy poses a threat to the regime. The attack on Buddhist monks and other unarmed protestors in 2007, the regime's resistance to aid in the wake of Cyclone Nargis in 2008, and extreme mismanagement of the economy have elicited worldwide condemnation and pushed some in the military to question the regime's legitimacy to rule. This is especially the case among younger officers, who are concerned about their own futures.
- Power may be less concentrated after the 2010 elections.
- Ethnic insurgencies continue to pose a threat to the regime, including Karen militants and the Kachin and Wa ethnic groups.

Evolutionary Path (5-10 years)

The regime is initiating a gradual opening, which it will likely be able to control in the next few years. The development of alternative sources of power in a new business elite may pose longer-term threats to the authoritarian regime.

CAMBODIA

Political Economic System

The political system of Cambodia is a one-party dominant system based on patronage, cooptation and intimidation. The current ruling party in Cambodia, the Cambodia People's Party (CPP), is led by Prime Minister Hun Sen, who is now the world's longest serving chief executive. Although election procedures are somewhat competitive, electoral competition is limited by the ruling party's superior organization and control over state resources and the economy. With little independent power, the parliament, judiciary and local government of Cambodia provide limited checks and balances to the prime minister and ruling party. There are independent civil society and media organizations, but they tend to be small and their influence is limited by the hostile political environment.

Cambodia is one of the poorest countries in Asia and its economy is based largely agriculture. However, there has been relatively strong economic growth in recent years driven largely by foreign investment in property, tourism, and light manufactures. Overall the economy is open and market-driven; however, in practice the domestic private sector is closely tied to the political elite.

Sources of Regime Resilience

After the horrors of the Khmer Rouge era, there followed a dysfunctional era that occurred when the CPP shared power with the FUNCINPEC - a royalist political party in Cambodia that merged with CPP prior to the 2008 election. These experiences have left Cambodian society with a general desire for peace and stability.

Hun Sen continues to provide long-running and effective leadership. The CPP has established its presence and influence throughout Cambodia and has effective control over the military and police. Currently, there is weak opposition to the CPP and strong support for the party from neighboring China.

Threats to the Regime

While there are no major immediate threats to the regime, the long-term future is uncertain. Because the political state relies heavily on the leadership of Hun Sen, his death or incapacitation would damage the regime and leave it vulnerable. Furthermore, dissonance within the party itself or a potential economic crisis could split or rupture the CPP. In addition, excessive corruption and or human rights abuses could challenge the legitimacy of the state. The ability of the current regime to rule the younger generation is also in question.

Evolutionary Path (5-10 Years)

Although much depends on the health of Hun Sen and his continued ability to marginalize any significant opposition, continued economic growth also plays a contributing fact to the regime's evolutionary path over the next five to ten years.

CHINA

Political and Economic Systems

China is a one-party state whose politics are dominated by the Communist Party of China (CPC), the world's largest political organization. The party has overseen China's rapid socio-economic development while at the same time seeking to preserve political "stability" and social "harmony." The continued success of the Chinese economy has led to China's recognition as a global power and consequently a surge in national pride and self-confidence.

Although China is a highly centralized unitary state, its size and diversity require significant de facto regional discretion and variation in governance. There exists a nascent, inconsistent and slowly evolving "rule of law," but this is limited largely to apolitical areas. Although nascent and highly imperfect, some semblance of checks and balances between society and the political system manifests itself within the relationships between the CPC, the state, the burgeoning private sector and overall society. The government is open to "citizen participation" but is wary of the collective action represented by organized civil society. There is a vibrant media, but it operates only within permissible political boundaries and is vulnerable to being harassed or shut down at any time.

China has a mixed economy. The Party/government determines the economic policy environment at the macro and sectoral levels. The economy has both a dynamic private sector and many large and profitable state-owned enterprises. Sound economic policies, bountiful and inexpensive labor, openness to foreign investment and export orientation have combined to produce rapid economic growth and dramatic social development over the last two decades.

Sources of Regime Resilience

The CPC-dominated regime has proven itself remarkably adaptive and durable. Its overall stability in the face of past challenges led to the country's rapid economic growth and national development resulting in a strong amount of national pride. Although the CPC remains repressive in many ways, it also fears that social dissatisfaction could lead to organized political opposition, so the party and state are fairly responsive to major social problems and dislocations. Because of this, no major threats to the regime are evident in the immediate future.

Threats to the Regime

However, potential areas of insecurity for the future exist. The increased complexity and sophistication of the Chinese society could prove challenging for the CPC, particularly in the case of mismanagement of a serious social issue such as the increasing social stratification and growing disparity in income and wealth. Also, the process by which the regime addresses a major economic reversal or the mishandling of a major and widespread social catastrophe, such as a health or environmental calamity, could challenge the legitimacy of the CPC. A serious split in party leadership could also threaten the regime.

Evolutionary Path (5-10 Years)

Over the next five to ten years, China's trajectory will depend on a number of factors: the pace of economic growth; the social consequences of that growth; and the continued ability of the party and or the state to manage social change. Most likely this evolutionary path will include the continued ebb and flow of space for independent social activism and media. Finally, as an adjunct to the party and or state, stronger 'civil society' and 'rule of law' will most likely be developed.

EGYPT

Political and Economic Systems

The president of Egypt is elected, but under rules that have almost guaranteed the election of the incumbent. The security forces are next or equal in power to the chief executive, representing the largest single category of government employment. A state of emergency has been in place since the assassination of Sadat in 1981. It gives the executive almost unlimited powers of search and arrest, limits public gatherings, and allows military courts to try civilian cases. The Ministry of Justice also heavily controls major aspects of the judiciary. The rule of law and legal institutions are thus subordinate to State of Emergency regulations and the executive.

Competition is extremely restricted, via the constitution, laws on parties, association, assembly and speech, the manipulation of elections, and informal practice and power structures. Egypt has a multi-party system but the largest opposition force, the Muslim Brotherhood, is banned, and the legal opposition is marginalized. The ruling party, the National Democratic Party, dominates the People's Assembly, and helps control local government, mass media, organized labor, and the huge public sector. The absence of competition extends to civil society. Since Nasser, the state has either brought under its control or created organizations intended to occupy politically sensitive, socio-economic space or to mobilize supporters under the leadership of the state, such as unions and syndicates. Freedom of the press is restricted in law and practice.

Egypt is highly centralized. Local government is largely under the control of appointed governors, most of whom have security backgrounds, while the NDP controls over 90 % of the seats and ran unopposed in most in 2008.

Sources of Regime Resilience

- **Patronage:** Public patronage is based on Egypt's huge public sector, including major sectors of the economy, which hires 2/3 of all university graduates and provides a range of subsidies. Patronage flows through personalistic networks from the president down.
- **Repression:** The state apparatus is focused on control, including extensive use of surveillance and the use of informers; controls are enshrined in the constitution and a host of restrictive laws and regulations.
- **Divide and conquer tactics:** Executive interventions have weakened political opposition in part by fomenting rivalries.

- Fear of the alternative: The regime is able to refer to a plausible threat of Islamic fundamentalism; and the middle class fears unrest, as well as success by the Muslim Brotherhood.
- Foreign friends:
 - U.S. foreign policy is not aimed at punishing Egypt for continued authoritarianism, given its vital need for Egyptian cooperation on military and geo-strategic issues in the region. Broadening competition might be antithetical to US interests at least in the short term, since the MB would benefit.
 - The regime is also benefiting from investment from Gulf countries, and growing economic ties with China and Russia.

Threats to the Regime

- The increasing age and frail health of the President.
- The decay of public institutions and decline in the state's ability to deliver social entitlements, due to its preoccupation with security and corruption.
- External economic shocks and internal economic mismanagement. A decline in world commodity prices is hurting Egypt's subsidy system, job growth and wages. Economic reforms have exacerbated inequality. Political order had been predicated on the government's maintenance of a social safety net (free health care is a constitutional right for example).
- Limited outlets for public dissatisfaction with governmental policies.
- Division within the regime about how to deal with economic problems and unrest (and succession).
- The rise of new forces for change, using new technologies, although they are not yet well organized.

Evolutionary Path (5-10 years)

The political backsliding that began in the wake of the November/December 2005 parliamentary elections will not easily be reversed, due to the institutionalization of new constraints on political competition and participation; a protracted and uncertain presidential succession; increasing concern within the regime with growing social unrest; the emergence of new, harder-to-contain forms of dissent; adverse economic trends; and the appeal of political Islam to significant segments of the population. The most likely scenario: Gamal Mubarak succeeds his father and maintains the structural status quo; significant political liberalization is unlikely. Less likely but possible: one or a small group of top-level military/security generals take control, possibly with a president who is a figurehead; liberalization is also unlikely under this scenario.

IRAN

Political and Economic Systems

Overseeing the country's political structure—*above* the three branches of government—is the supreme leader (first, Ayatollah Ruhollah Musavi Khomeini, now Ayatollah Ali Khamenei), who is indirectly elected. He appoints and as a result maintains influence over all or portions of all key state institutions, and he exercises ultimate veto power. Through the Office of the Supreme Leader, Ali Khamenei maintains

control of and access to both the informal and formal networks existing within the Islamic Republic. The president is elected and is in principle second in authority to the supreme leader.

The Guardian Council is central to the degree of competition present in formal politics. Half its members are clerics appointed by the supreme leader. The council is constitutionally mandated to review parliamentary legislation for adherence to Islamic principles, and has appropriated the role of vetting election candidates, including for the presidency. The council has been able to eliminate reformers from political arenas and veto reform-oriented legal change.

Domestic security forces include the Law Enforcement Forces (LEF), the Ministry of Intelligence and Security (MOIS), the Islamic Revolutionary Guard Corps (IRGC or Pasdaran) and the Basij Resistance Forces (the Basij). Their roles overlap and all devote considerable effort to monitoring domestic political and social behavior as well as what US observers would consider crime. With its large budget and extensive organization, the Ministry of Intelligence and Security is one of the most powerful ministries in the Iranian government, operating under the guidance of the supreme leader.

The constitution and legal codes provide for a variety of rights, but modify these rights with generally worded exceptions concerning adherence to Islamic principles and national security. These loopholes, along with security-related amendments to the codes, are deployed by government authorities in arbitrary and subjective ways, so as to favor the state and suppress what the regime perceives as criticism. The judiciary, along with the Guardian Council, is one of the major instruments of conservative control over society.

Parliament is directly elected, continues to serve as an arena of debate, and is not necessarily a rubber stamp for executive decisions. But it is now dominated by conservatives. In addition to national level elections, Iran since 1999 has held elections for urban and rural municipal councils. These contests have been meaningful, but the Guardian Council has taken over the vetting of candidates at the local level from Parliament. In addition, legislation since 1999 has weakened local council powers, leaving most localities highly dependent on financial transfers from the center. More powerful are the provincial governors, who are appointed by the Ministry of Interior, and perhaps also the imams jomeh or Friday prayer leaders, who are appointed by the supreme leader and are effectively his representatives at local levels.

Media and civil society face harsh suppression if they are perceived to oppose the regime, despite constitutional protections. While Iranians are proficient in the use of communications technology and continually develop ways to avoid government restrictions, the environment in Iran for the competition of ideas has deteriorated since 2005. The state owns all legal broadcast media and bans satellite dishes; it also tries to block overseas Persian-language channels. News reporting is tightly controlled. The government systematically blocks websites inside and outside Iran that carry political news and analysis or are deemed "immoral." NGOs are allowed to form under the constitution, and current estimates range from five to eight thousand. All NGOs must register with and report on their activities and finances to the government or face severe penalties. They are effectively barred from engaging in political activity.

Restrictions on the rights of assembly, association and speech were tightened after the victory of hard-liners in the 2004 parliamentary elections. The Ahmadinejad administration, after its inauguration in 2005, showed even less tolerance for dissent. Since Ahmadinejad's reelection last year, and the protests that accompanied it, the regime has cracked down even more extremely, closing papers and website; beating, arresting and even executing critics; and further suppressing student and workers' organizations.

Sources of Regime Resilience

- Repression is thorough and increasingly extreme.
- Formal and informal reshaping of the institutional setting by conservatives in the regime to ensure conservative institutions/ organizations/ laws are more powerful than democratic elements.
- Divisions within the opposition.
- Nationalism that includes pride in Iran's nuclear program and ability to resist outside control.
- Patronage and cooptation of broad segments of the population, through subsidies and state employment (government employs up to 45% of the labor force); and key segments like the Revolutionary Guard.
- Apathy, particularly among youth.

Threats to the Regime

- Opposition forces: have not been completely wiped out, represent a major stream of political belief in Iran, and are now in alliance with some pragmatic factions.
- Highly factionalized politics, such that even the conservative alliance currently ruling Iran may split, e.g. over the economy, and or the degree of repression.
- Economy and government resources: Challenges include a rapidly growing, young population with limited job prospects and high levels of unemployment; heavy dependence on oil revenues and vulnerability to oil price declines; substantial external debt; poverty and growing inequality; and double digit inflation. At the same time, Iran is burdened by expensive state subsidies on many basic goods; a large, inefficient public sector (estimated at as much as 45% of total employment); and state monopolies over large parts of the economy. The government may have boxed itself in: in the absence of social safety nets for those in the private sector, and significant job creation, trimming public sector employment and lessening transfers can only increase social unrest.
- Khamenei and conservative, politically active religious leaders have lost legitimacy in some sectors.

Evolutionary Path (5-10 years)

Prospects for internal reform remain limited. Despite domestic opposition, factional disputes and a mounting economic crisis, the regime continues to remain in firm control for the foreseeable future. If the economic situation worsens sharply (perhaps in part due to new sanctions), and prompts regime change, there are three possible outcomes. (1) the Green Movement and its pragmatist allies are sufficiently strong to replace the current government and initiates reforms; (2) a military figure takes over à la Reza Khan in the 1920s, or Mobarak in Egypt, and establishes a military dictatorship with religious overtones; or (3) the Revolutionary Guard could install another highly conservative cleric as supreme leader and continues on more or less the current path.

KAZAKHSTAN

Political and Economic Systems

Nursultan Nazarbayev, the chairman of the National Democratic Party (Nur Otan) has been the only president since independence in 1991. The National Democratic Party holds 98% of seats in Parliament. The National Democratic Party maintains strong control of politics and the economy. The government regulates almost all media.

The country has experienced rapid economic development from foreign investment in the oil industry. Fuel and metals exports account for over 60 percent of Kazakhstan's total export earnings. There is little investment in the agricultural development, despite the fact that the country used to be the largest wheat supplier in the region.

Sources of Regime Resilience

- Single president and party rule
- Strong dominance over socio-economic and political situation
- Strong political and economic relationships with developed countries as well as Russia

Threats to the Regime

Short term: No major threats

Longer term:

- Lack of government support to other industries besides extraction of natural resources, predominantly oil, gas, and coal
- Corruption and absence of political competition
- Economic monopoly
- Violation of media freedom

Evolutionary Path (5-10 years)

Projections for the 2012 election suggest that the next president will be appointed like the past two presidents of Russia (Putin and Medvedev), the government will maintain control of politics and the economy, and corruption will continue unabated. However, reduced oil wealth and the high cost of living may lead to an economic crisis.

RUSSIA

Political and Economic Systems

Russia's constitution provides for a strong president, a bicameral parliament, and a constitutional court. In practice, Prime Minister Vladimir Putin has extensive personalized power, with President Dmitry Medvedev serving as a loyal, dependent supporter. Regular elections take place, but are rigged in favor of the authorities. The ruling United Russia party has supermajorities in the national parliament and effectively controls almost all regional legislatures. Opposition parties exist, but are irrelevant.

In practice, the parliament and courts do not check Putin's power, but it is limited by extensive corruption, an expansive bureaucracy, the large size of the country, and a violent insurgency in the North Caucasus that remains active despite (and in reaction to) the regime's use of repressive force. Rule of law is limited by the executive branch's use of the courts for political purposes. There is little regard for property rights. Russia has a federal structure although the president appoints all 83 governors. Taxing and budgetary powers are mostly centralized in Moscow.

The economy is dependent on natural resource exports, rising and falling with the price of oil. While the service sector is growing, conditions are not conducive for small business. There is a mixed picture for foreign investors. Only the energy and arm industries are globally competitive.

The global economic crisis has frayed overall popular satisfaction with the regime, though regime stability is likely during the next 5-10 years due to repression of the opposition, limited media freedom, and a politically apathetic population. The government regularly announces prominent efforts to diversify/modernize the economy and fight corruption to little practical effect, though some firms are importing technology from the West.

Sources of Regime Resilience

Putin's popularity derives mainly from improving individual living standards. The key is management of natural resource income to smooth oil price fluctuations, energy subsidies to households and factories, cooptation of potential opposition groups, controlled television, sophisticated manipulation of the Internet, and selective repression of investigative journalists and public protests.

Threats to the Regime

Short-term: An incompetent response to a natural disaster or large-scale industrial accident, the exposure of direct links between officials and political assassinations, increasing public anger over police and other official corruption, or a spike in organized crime activity are potential short-term threats to the regime.

Medium-term: the need to increase state spending to reduce social tensions, a potential drop in the oil price and declining demand for Russian natural gas exports, the 2012 presidential elections (requiring Putin and Medvedev to clarify their relations more), embarrassment related to 2014 Sochi Olympics, or the spread of North Caucasus violence represent medium-term threats.

Evolutionary Path (5-10 years)

Russia's most likely future is political stagnation under a "Putinist" regime characterized by a managed (but largely inert) civil society, modest economic growth, and continued reliance on natural resource exports. Potential alternatives include a split within the elite leading to a more democratic system (perhaps within the framework of a single party) or a global economic crisis cutting energy income and leading the government to rely on increased repression.

VIETNAM

Political and Economic Systems

Vietnam's political system is dominated by a single party, the Vietnamese Communist Party (VCP). No other political parties are allowed to operate. The election of party leadership is a top-down process with some consultation with lower levels. Internally the party is governed primarily by the Leninist principle of "democratic centralism" according to which internal debates are allowed, but once decisions have been made, all party members are expected to comply. The party has an extensive grassroots reach, with members and organizational structures extending into most villages and urban neighborhoods, and it organizes cells in all state organizations. Parallel to the party at all administrative levels are state agencies and mass organizations (MOs). In theory, the party controls only personnel and broad policy directions,

but in practice the party intervenes. The overlap of the party with the state and with non-state institutions means that there is no formal system of checks and balances.

Vietnam has popularly elected organs, such as the National Assembly and People's Councils (at local levels). Candidates in these elections are pre-screened, however, so that only persons acceptable to the party are allowed to appear on the ballot. Recently the National Assembly has been allowed to serve as an arena for debate, but these organs play secondary roles in the system to the party and state bureaucracy.

The legal system is a mixture of common law, civil law and Leninist theory. Both the content and administration of Vietnam's body of law are undergoing rapid change to meet international trade and investment standards. The party's accountability under the new approach, however, is ambiguous. The courts are not independent.

Vietnam is somewhat decentralized, and in practice local governments often ignore central policy with impunity, or comply only when subsidies and other incentives are given.

In recent years, civil society organizations have increased in number, but the government keeps close tabs on associations. Media are tightly controlled.

Vietnam's economic reforms have been impressive, but political liberalization has not really moved since 1986. While economic growth and structural change have prompted, and eased, a number of governance and legal reforms, these reforms are intended to sustain growth and thus the regime. The manner in which established institutions like the media, the National Assembly, local People's Committees/Councils, and mass organizations are becoming increasingly active is watched and manipulated to ensure that VCP primacy is not put in jeopardy. In the case of the private sector, the VCP seems to have decided "not to fight them but to join them."

Sources of Regime Resilience

Performance legitimacy is the single most important source of regime resilience in Vietnam. The VCP reshaped a dysfunctional command economy, continues to deliver better standards of living to the majority of the population, and has improved Vietnam's standing in the world.

Other sources are:

- **Historic legacy:** The party's role in expelling imperialist powers and national reunification has been important, although it is being weakened by the youth of the population.
- **Controlled competition and mobilization:** through such means as party organizations, popularly elected institutions, admission of business interests to the party, some coverage of official corruption and policy debates.
- **Dense networks of patronage** based on personal relationships and ascriptive ties.
- **Repression:** the state acts firmly if limits on criticism of the party, one-party rule, government policies, and/or "Ho Chi Minh thought" are exceeded.
- **Ideology/ tradition:** Vietnamese traditional culture and decades of Communist Party rule have made arguments about collective interests intuitively convincing to most people without need for further elaboration or justification.

Threats to Regime

At this point in time, there are few serious threats.

- Corruption: inequality of treatment of citizens may undermine the state's performance legitimacy.
- Performance legitimacy may quickly erode if Vietnam experiences an economic downturn.
- China: If China chooses to increase economic and other pressures on Vietnam, the latter's economy will suffer with negative consequences for the reform process.
- Unresolved land disputes. Land has been one of the most contentious issues in
- Vietnamese politics, as the state and private interests have sought to obtain land from peasants and other lower income groups since decollectivization began.
- Labor unrest, although it is relatively less than in many countries.

Evolutionary Path (5-10 years)

Political change will most likely come, gradually and unevenly, primarily from within the Party. The country is likely to continue on its trajectory towards "softer" authoritarianism, with improved governance and regulation that bring broad societal benefits. The populace at large will likely be willing to tolerate political limitations as long as economic reforms bring material benefits. If, however, Vietnam suffers a severe economic downturn, the VCP may slow or halt reforms in the face of unrest.

ZIMBABWE

Political and Economic Systems

Zimbabwe is an electoral authoritarian regime. On paper, its constitution prescribes a semi-presidential system of government with universal elections for president and parliament. In practice, it is a militarized regime, and until the 2008 parliamentary elections, was effectively a one-party state, with the interpenetration of the security forces and the ruling party. President Mugabe's Zimbabwe African National Union – Patriotic Front (ZANU-PF) has been the dominant party since independence in 1980, and has used violent repression to remain in office. The rule of law has eroded because the ruling party has neutralized the judiciary and mobilized violence by war veterans and ZANU-PF youth. Gross economic mismanagement and the seizure of white-owned farms and businesses have led to rampant unemployment, poverty, corruption, and hyperinflation. The World Economic Forum's Global Competitiveness Report ranks Zimbabwe 132 out of 133 countries.

The parliamentary elections ended ZANU-PF's monopoly of power. The opposition party, Movement for Democratic Change, won the majority of seats in parliament, and thereby the prime minister's office. The opposition candidate, Tsvangirai, also won the first round of presidential election, but the security chiefs allegedly refused to let Mugabe surrender power. Instead, they called for a runoff election and unleashed a violent crackdown on the opposition, leading to Tsvangirai's withdrawal from the race. After protracted negotiations, Tsvangirai entered into a power-sharing agreement with Mugabe and became prime minister in 2009. Mugabe remains head of the armed services, but the two men share responsibility for the Home Affairs Ministry, which oversees the police. However, the power-sharing government has failed to end rights abuses against ZANU-PF's opponents or to institute fundamental reforms.

Sources of Regime Resilience

- Zimbabwe is endowed with rich mineral resources. Diamond mining, particularly from the Marange diamond fields in eastern Zimbabwe, provides a parallel source of revenue for ZANU-PF and its repressive machinery.
- Increasing state intervention in the economy has left few independent sources of wealth outside the hands of the state or those connected to ZANU-PF.
- Over the past decade, the government restructured the judiciary with party loyalists effectively stamping out any judicial independence. For its part, the parliament does not have the authority or capacity to check and balance the executive.
- The regime has relied on the shared experience of the liberation struggle and a common hope for an independent Zimbabwe to maintain support from the security forces and war veterans. It has politicized the military and police forces and used war veterans and youth militias to enforce its rule.

Threats to the Regime

- Zimbabwe has experienced a sharp economic contraction over the past decade that has reduced gross national product by almost half. The collapsing economy has led to struggles over dwindling resources within the party-state institutions. Lower ranking, poorly paid soldiers rioted in late 2008 and early 2009 prompting the Government of National Unity to make payments to the military a priority.
- Power is less concentrated than it was before the 2008 elections. Although limited in what it can do, MDC does occupy a seat at the table within the government of national unity. Succession issues and the worsening economy also have increased cracks within the military/ZANU-PF elite.

Evolutionary Path (5-10 years)

There is a good chance that the coalition government will last until the next election. The military/ZANU-PF elite has an incentive to maintain the arrangement in order to garner a fig leaf of legitimacy, while the MDC has an incentive to maintain its seat at the table. Real change is unlikely to occur in this arrangement where the military and ZANU-PF still wield disproportionate power. Change is most likely to occur in the next election.

ANNEX III. USAID DG ASSISTANCE IN AUTHORITARIAN SETTINGS: ALLOCATIONS AND IMPACT: 1990-2004



USAID
FROM THE AMERICAN PEOPLE

USAID DG ASSISTANCE IN AUTHORITARIAN SETTINGS

ALLOCATIONS AND IMPACT: 1990-2004

SEPTEMBER 2010

This publication was produced for review by the United States Agency for International Development. It was prepared by Andrea Castagnola and Steven E. Finkel, MSI.

USAID DG Assistance in Authoritarian Settings Allocations and Impacts: 1990-2004



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Question 4: What is the impact of USAID DG sub- and sub-subsectoral allocations on Freedom House scores, controlling for U.S. Military Assistance (and other potentially relevant variables)? 15

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INTRODUCTION

This memo shows the results of several analyses requested by MSI concerning the allocation and impact of Democracy and Governance (DG) assistance among authoritarian countries between 1990 and 2004. We were asked specifically to:

1. Ascertain the proportion of DG assistance in authoritarian countries by subsectors (Elections and Political Processes, Rule of Law, Civil Society, and Governance), and by sub-subsectors where relevant (Human Rights within Rule of Law, and Mass Media within Civil Society).
2. Compare the levels of US military assistance with DG assistance in each of the subsectors (and sub-subsectors) for authoritarian countries.
3. Determine the impact of DG allocations in each sub- and sub-subsector on Freedom House (FH) democracy scores in authoritarian countries.
4. Determine the impact of DG assistance in each sub- and sub-subsector on Freedom House score, controlling for the amount of US military assistance allocated to a particular country (and controlling for other relevant variables that may also predict Freedom House scores).

Questions 1 and 2 refer to the *allocation question*, i.e., how USAID has allocated DG assistance in authoritarian countries. We use descriptive statistics such as bar and pie charts to present these results below. Questions 3 and 4 address the *impact question*, i.e., how overall or subsectoral DG assistance may have affected the level of democracy in authoritarian countries. We use econometric models suitable for cross-sectional time-series or panel data to answer these questions.

Our dependent variable in all subsequent analyses is the Freedom House summary measure of the extent of democracy in a country in a given year. Freedom House (www.freedomhouse.org) provides a rating of the presence of political rights and civil liberties in 192 countries, with scores for the two variables ranging from 1 (highest level of rights and liberties) to 7 (lowest level of rights and liberties). Following the standard procedure, we combined the two scores into a single index of liberal democracy. The variable was rescaled so that a value of “1” represented the *lowest* levels of democracy, and “14” the highest one. Again following standard practices, we consider “authoritarian” those countries that that score between 1 and 4 on the overall Freedom House scale; these are the countries considered “not free” in the Freedom House nomenclature. The dataset we used for the analysis was created for the second phase of the research project “Cross-National Research on USAID’s

Democracy and Governance Programs” (www.pitt.edu/~politics/democracy/democracy.html); see Finkel et al. (2007; 2008) for more details.⁸

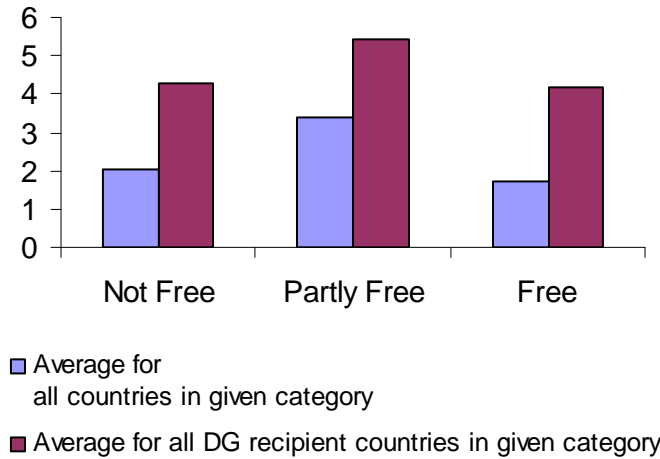
One final preliminary detail is of importance. The second phase of the project covered the 1990-2004 period, which included the first year following the onset of the Iraq War in March 2003. The democracy and governance allocations to Iraq in 2004 were \$261 million in 2000 dollars, representing nearly one-third of all global USAID DG assistance. Similarly, Iraq received some one-quarter (23%) of all (non-combat) US military assistance in that period as well. Given the unique situation surrounding these allocations, as well as the extremely low Freedom House scores registered for Iraq in that time period, it was decided to introduce a so-called “dummy” or indicator variable for Iraq in 2004 into the analysis as a control for any possible distortions that this case could produce. For the descriptive analyses of Questions 1 and 2, we exclude Iraq 2004 from the bar and pie charts altogether so that a clearer picture of how allocations were generally made in authoritarian settings could be obtained.

Question 1: How has USAID allocated DG assistance for authoritarian countries from 1990 to 2004?

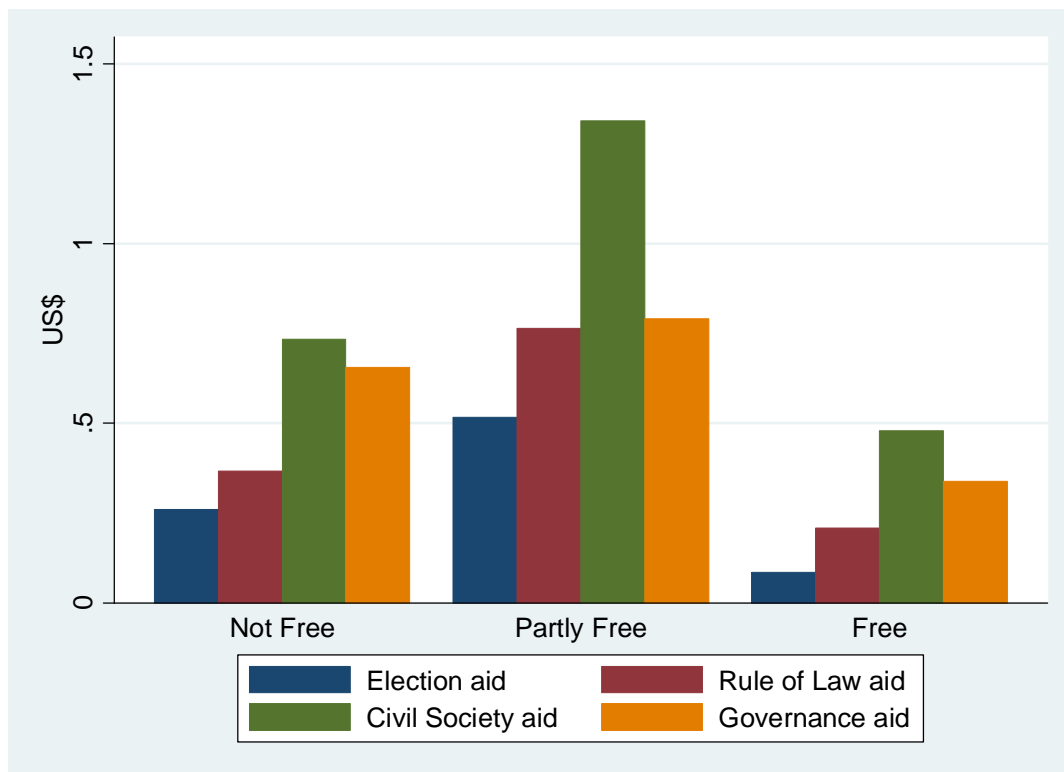
Graph 1.1 shows the overall total allocations for authoritarian, partly free and free countries for the 1990-2004 period (excluding Iraq in 2004). The gross total DG allocation for all authoritarian countries for the 1990-2004 period was \$1586.8 million dollars (in 1990 constant dollars); the corresponding total for “free countries” is \$1338.1 million and for “partly free” countries, the total is \$2871.1 million. Taking into account the total number of countries in the world in each category, we can calculate an “average” allocation for authoritarian countries during the period to be \$2.01 million dollars, larger than the \$1.11 million on average allocated to “free” countries, but less than the \$3.41 million on average allocated to “partly free” countries. This relative ranking of USAID allocations --- from “partly free” to “not free” to “free” -- is also seen if we examine only those countries that received *any* USAID DG assistance. These calculations show that the average allocation for USAID DG recipients among “not free” countries was \$4.27 million (in constant 2000 dollars), compared to \$5.45 million for the average “partly free” USAID DG recipient, and \$4.16 million for the average USAID DG recipient among “free” countries.

⁸ The full Freedom House scale is variable “dg02” in the project data set; a trichotomized version of the scale is “dg06”, where a value of “1” represents countries that are “not free” or authoritarian for purposes of these analyses. Appendix A lists all countries that were considered “not free” at some point during the 1990-2004 period.

Graph I.1: Average Democracy and Governance Allocations for “Not Free”, “Partly Free”, and “Free” Countries, 1990-2004 (excluding Iraq in 2004)



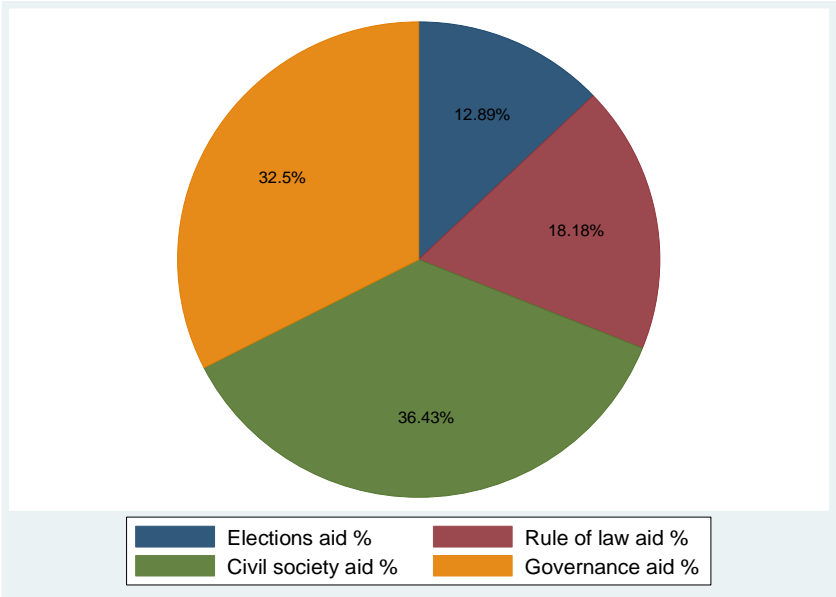
Graph I.2: Average Subsectoral DG Allocations for “Not Free”, “Partly Free”, and “Free” Countries, 1990-2004 (excluding Iraq in 2004)



This graph shows the relative average amounts allocated to programs within each USAID DG subsector for authoritarian, “partly free” and “free” countries. The same pattern is present for each of the four subsectors of the USAID DG portfolio as in the overall graph I.1: “partly

free” countries receive the highest average amount per country (using all countries in the world in each category as the denominator), followed by “not free” and then “free” countries. The relative allocations among the four subsectors are similar for all three country types as well, with the largest amounts for Civil Society, followed by Governance, Rule of Law, and Elections and Political Processes.

Graph I.3: DG Subsectoral Allocations for Authoritarian Countries only (in percentages)



This graph shows the percentage of assistance that was allocated to each of the four subsectors of the USAID DG portfolio for all authoritarian countries in the 1990-2004 period. It shows that most of the aid (68.9%) for autocracies was oriented towards Civil Society and Governance programs, followed by Rule of Law and Elections and Political Processes. Within the Civil Society subsector, 10% was allocated to Mass Media programs (resulting in this sub-subsector representing 3.68% of overall DG allocations), and 90% was allocated to non-Mass Media programs (representing 32.75% of the overall DG allocations). Within the Rule of Law subsector, 16.8% was allocated to Human Rights programs (representing 3.1% of overall DG allocations), and 83.2% was allocated to non-Human Rights programming, representing 15.13% of overall DG allocations.

We also examine the *trends* in DG allocations within particular subsectors over time. The following table (Table I.1) shows the total USAID allocation by year, the total allocations in each subsector, and the “average” allocation taking into consideration all authoritarian countries in the world at that time, and then the “average” allocation among those countries that received any USAID DG assistance.

The table shows that DG allocations in authoritarian settings have been steadily increasing over time. The gross amount allocated to these countries has risen from 8.57 million dollars in 1990 to approximately 250 million dollars in 2003 and 2004 (not taking into account the 261 million

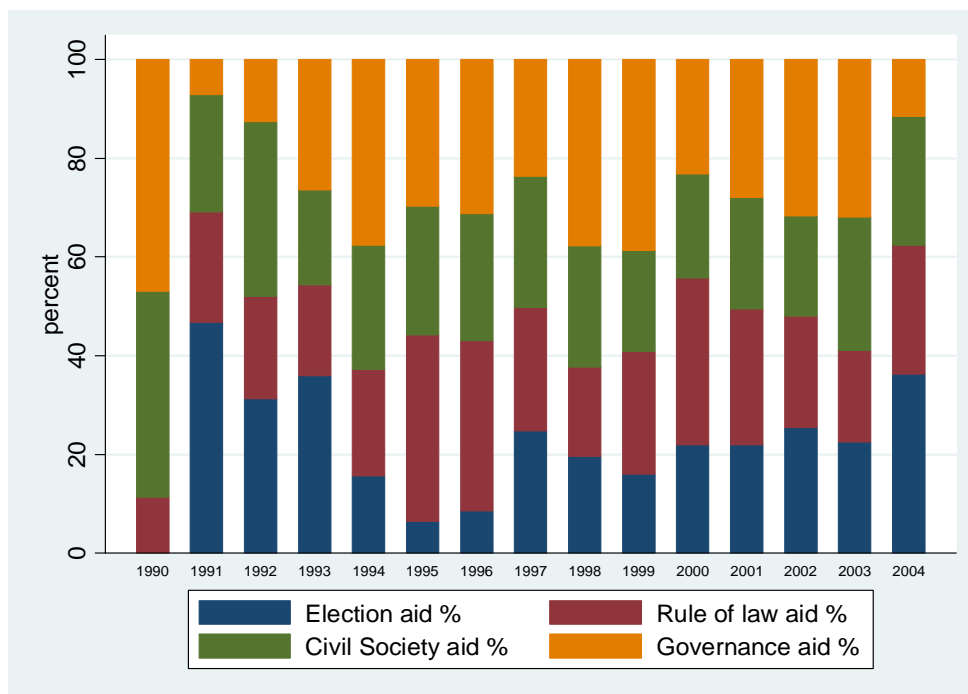
allocated exclusively in that year to Iraq). This translates into an “average” increase in the allocation for countries that received any US DG assistance from 1 million dollars in 1990 to over 8 million dollars in 2004. If we consider all “not free” countries in the world, regardless of whether they received US DG assistance or not, this translates into an average allocation of only .15 million in 1990 to nearly 5 million dollars on average in 2004. The table also shows that the number of authoritarian countries that receive *any* US assistance in the DG sector rose from about 10 in the 1990-1991 period to 30 or more in the post-2001 period.

In terms of subsectoral allocations, it can be seen that there have been increases in each of the subsectors over time, though with a significant amount of fluctuations as well. Civil Society allocations quickly became the largest category of assistance among authoritarian countries, though by the late 1990s Governance allocations had more or less reached the same level. Elections and Political Processes and Rule of Law allocations were somewhat smaller throughout the period. Rule of Law allocations were generally larger, though Elections and Political Processes allocations appear to be increasing more rapidly in recent years.

**Table I.1. DG Allocations and Subsectoral Allocations to Authoritarian Countries
Over Time, 1990-2004
(Excluding Iraq 2004, all Figures in Constant 2000 dollars)**

Year	DG	Elections	Rule of Law	Civil Society	Governance	# countries not free	# countries not free that received any DG aid	Avg. DG Assistance per countries receiving DG aid	Avg. DG Assistance per total not free countries in the world
1990	8.57	0.00	1.24	5.98	1.35	58	8	1.071	0.15
1991	19.29	4.90	5.49	8.33	0.56	54	11	1.753	0.36
1992	33.03	5.11	7.06	19.24	1.62	53	18	1.835	0.62
1993	56.43	10.66	15.31	23.39	7.06	57	26	2.170	0.99
1994	42.80	2.90	9.34	21.70	8.86	55	24	1.783	0.78
1995	61.06	2.00	22.75	26.12	10.19	53	23	2.655	1.15
1996	77.65	4.28	31.17	26.11	16.09	53	25	3.106	1.47
1997	100.86	13.06	22.69	37.97	27.14	53	29	3.478	1.90
1998	126.39	10.13	14.19	39.87	62.21	48	25	5.056	2.63
1999	121.45	9.72	19.45	33.48	58.80	49	22	5.520	2.48
2000	136.92	13.88	34.46	47.82	40.76	54	31	4.417	2.54
2001	131.91	11.86	22.07	51.59	46.39	51	30	4.397	2.59
2002	171.01	23.40	21.57	54.67	71.37	51	35	4.886	3.35
2003	258.00	27.40	23.98	95.91	110.71	50	35	7.371	5.16
2004	241.44	65.21	37.72	85.94	52.58	49	29	8.326	4.93

Graph I.4: DG Subsectoral Allocations for Authoritarian Countries per Year (in percentages)



We can see the relative priorities associated with each subsector visually in Graph I.4, which shows the development of DG assistance in terms of the percentages allocated to each subsector allocations over time. The main findings are as follows:

- At the beginning of the period (1990), USAID allocated nearly all of its aid on Civil Society and Governance programs, with very little on the rule of law and none whatsoever on programs in the Elections and Political Processes subsector.
- Between 1991-1993, authoritarian received substantial amounts of aid for Elections and Political Processes programs; from 1994-1996, USAID then reduced the proportion allocated for this type of assistance and increased assistance on Rule of Law and Governance programs.
- The relative amount allocated to the subsectors remained fairly constant between 1997-2003, with the largest categories being Civil Society and Governance.
- 2004 saw a sharp increase in the relative percentage of allocations to Elections and Political Processes, and a sharp decrease in the allocations for Governance.

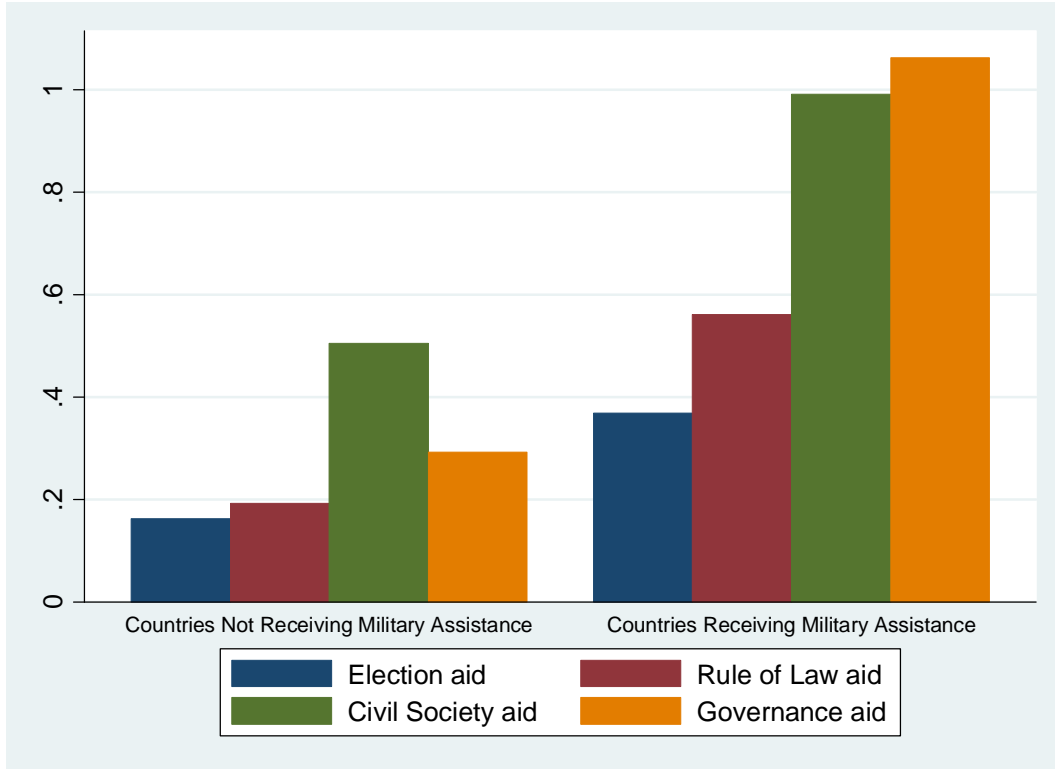
Question 2: How does USAID Democracy and Governance assistance relate to U.S. military assistance among authoritarian countries between 1990 and 2004?

In order to compare the allocation of USAID Democracy and Governance assistance with U.S. military assistance, we first created a variable that captures whether or not an authoritarian country received any U.S. military assistance in a given year.⁹ Among authoritarian countries, approximately 50% do receive some U.S. military assistance, with the numbers ranging from 19 countries in 1998 to 27 countries in 2004. A comparison of total and average allocations shows clearly that more DG assistance flows to countries that also receive U.S. military assistance: among military assistance recipients (excluding Iraq in 2004), DG allocations totaled \$4919 million for the 1990-2004 period, compared to \$921 million of DG assistance for all countries that did not receive any U.S. military assistance. This translates into a 2.86 million dollar average yearly DG allocation for U.S. military assistance recipients compared to a .8 million dollar average yearly DG allocation for non-U.S. military assistance recipients. Among countries that received *any* DG assistance, countries that also received some U.S. military assistance were allocated \$5.04 million dollars in DG assistance on average, compared to \$3.71 million dollars in DG assistance on average for countries that received no US military assistance. Clearly, there is a positive relationship between receiving U.S. military and receiving U.S. democracy assistance in the period under study: the statistical correlation between the two variables is .14 for all country-years excluding Iraq in 2004, and .26 for all country-years where *some* US DG assistance was allocated.

We can examine these relationships for DG sub and sub-subsectoral allocations as well. The following graphs present these results.

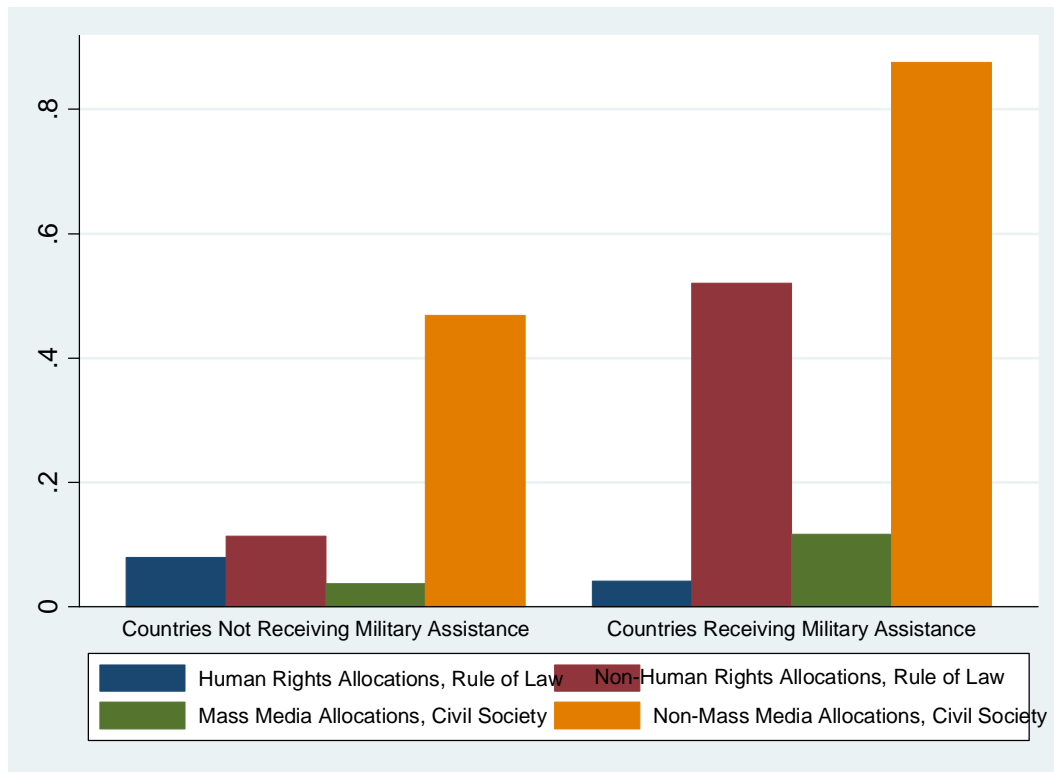
Graph 2.1: Average DG Subsectoral Allocations for Countries Receiving and Not Receiving U.S. Military Assistance, 1990-2004 (excluding Iraq in 2004)

⁹ This was obtained from the variable FPP01, which measures the percentage of U.S. military assistance allocated to a country in a given year. All countries where FPP01 was greater than 0 in a given year were considered as having received some U.S. military assistance.



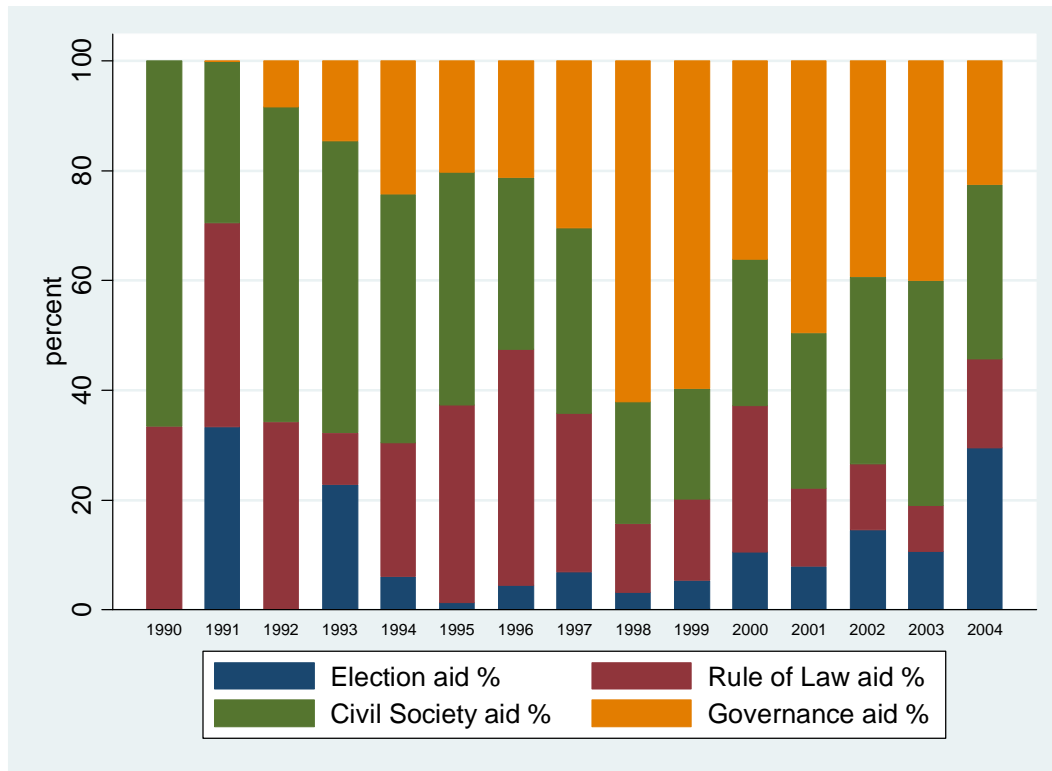
This graph shows that the allocations for the four DG subsectors differs somewhat for countries that received U.S. military assistance and those that did not. Among countries that received U.S. military assistance, the two largest subsectoral allocations are Governance and Civil Society programs, while Civil Society is by far the largest subsector for countries that did not receive U.S. military assistance, with average allocations that are more than double any of the other three subsectors.

Graph 2.2: Average DG Sub-Subsectoral Allocations for Countries Receiving and Not Receiving U.S. Military Assistance, 1990-2004 (excluding Iraq in 2004)

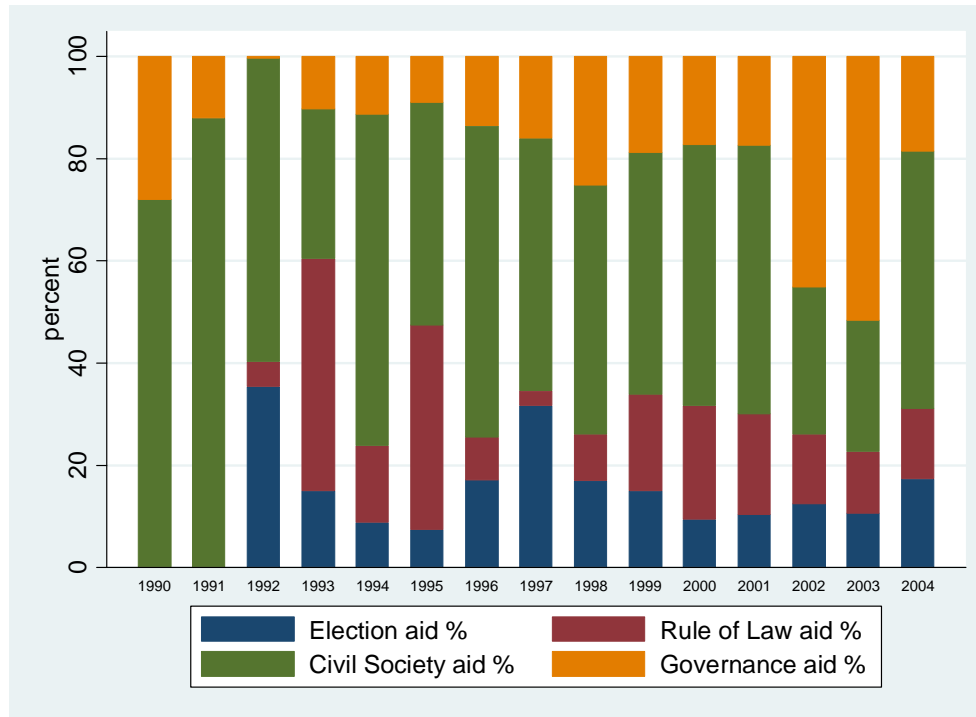


However, when we examine sub-subsectoral allocations (Graph 2.2), an interesting pattern emerges. Among countries that did not receive any U.S. military assistance, Human Rights and non-Human Rights allocations within the Rule of Law subsector are roughly equal, while among countries receiving U.S. military assistance, nearly all of the Rule of Law allocations are concentrated in non-Human Rights oriented programs. In fact, the average allocation for Human Rights is larger among countries that did not receive U.S. military assistance than among countries that did, despite the much larger overall allocations in the Rule of Law subsector among U.S. military assistance recipients. The pattern for Mass Media allocations within the Civil Society subsector is similar for both U.S. military assistance and no military assistance recipient countries, with the vast majority of allocations being in non-Media programming.

Graph 2.3: DG Subsectoral Allocations, Countries Receiving US Military Assistance (in percentages)



Graph 2.4: DG Subsectoral Allocations, Countries Not Receiving US Military Assistance (in percentages)



Graphs 2.3 and 2.4 show the percentage allocations over time for all DG subsectors for countries that received U.S. military assistance (2.3) and for countries that did not (2.4). For countries receiving military assistance, allocations early in the period are concentrated in Civil Society and Rule of Law, with increasing Governance allocations from about 1996 onwards. For countries not receiving military assistance, there is a steady dominance of Civil Society allocations throughout the period, some increases in Governance allocations in later years, and fluctuating levels of Rule of Law and Elections and Political Processes allocations with little consistent patterns. Further analysis confirms that among countries receiving U.S. military assistance, the dominance of non-Human Rights allocations over Human Rights allocations is present throughout the period; the percentage of Human Rights allocations within the Rule of Law subsector ranges from 0 to 26% in all years since 1993. For countries not receiving U.S. military assistance, the corresponding percentage allocations for Human Rights programs within the Rule of Law subsector ranges from 25% to 50% in 11 of the 12 years since 1993.

Question 3: What is the impact of USAID DG sub- and sub-subsectoral allocations on Freedom House scores among authoritarian countries?

We estimate the impact of USAID DG sub-sectoral and sub-subsectoral allocations in the context of cross-sectional time-series regression models. These models have the relevant USAID DG variables as independent variables and Freedom House scores as

dependent variables, along with “fixed effects” or dummy variables for each country and “fixed effects” or dummy variables for each year to control for factors other than USAID DG allocations that may lead particular countries to be generally more or less democratic (within the authoritarian category), and to control for factors other than USAID DG allocations that cause all countries in a given year to be generally more or less democratic as well. We also model each equation’s error structure to be “first-order autoregressive” to control for unobserved year-to-year factors that may lead a country’s Freedom House score to be similar over time.¹⁰ We include no other independent variables aside from a dummy variable for Iraq in 2004; in this sense the models here may be thought to represent the simple effect of USAID allocations without considering any other time-varying independent variable. We add additional control variables to the equations in subsequent sections.

Table 3.1 presents the results of the regression model distinguishing the impact of DG assistance on the subsectors (model 3.1) and sub-subsectors (model 3.2).

¹⁰ The models were estimated in STATA 11 using the “xtregar” command with fixed year and country effects. These are standard models in wide use in a variety of cross-sectional time-series econometric applications in political science and economics. The models use “dg02i” as the primary dependent variable. This variable imputes the Freedom House scale for those cases with missing data, again following the procedures outlined in our previous work.

Table 3.1: The Impact of USAID DG Sub- and Sub-Subsectoral Allocations in Authoritarian Countries

	Model 3.1		Model 3.2	
	Coeff.	S. Error	Coeff.	S. Error
DG Elections	0.032**	(0.013)	0.034**	(0.014)
DG Rule of Law	0.029	(0.019)	-	-
<i>DG Human Rights</i>	-	-	0.002	(0.048)
<i>DG Non Human Rights</i>	-	-	0.034	(0.021)
DG Civil Society	0.039***	(0.015)	-	-
<i>DG Mass Media</i>	-	-	0.064	(0.137)
<i>DG Non Mass Media</i>	-	-	0.037**	(0.016)
DG Governance	0.006	(0.01)	0.007	(0.01)
Iraq 2004	-2.633**	(1.237)	-2.717**	(1.254)
Intercept	-1.186***	(0.175)	1.161***	(0.176)
Number of observations	702		702	

Note: *** p<0.01, ** p<0.05, * p<0.1 Year and country fixed effects not shown.

The results of model 3.1 indicate that USAID DG allocations for Elections and Political Processes, and for Civil Society programs have significant effects on the level of democracy in authoritarian countries. The effect of .032 for USAID DG on elections indicates that for every additional 10 million dollars of DG assistance in this subsector, a country is predicted to be about .3, or one-third of a point higher on the Freedom House democracy score in a given year. The impact of DG assistance on Civil Society programs, as a whole, is also statistically significant and of similar magnitude. We note that the magnitude of the coefficients for Elections and Civil Society in authoritarian countries is very similar to the .046 and .040 values obtained in the 2006 report (page 70) for *all* eligible countries. This indicates that the same two subsectoral categories of assistance appear to be influential when *all* countries are considered and when only authoritarian or autocratic countries are considered as well. The main difference from the findings in the previous report is that in this case, the .029 coefficient for allocations in the Rule of Law subsector is not statistically significant, while Rule of Law allocations did appear to be significant (at a lag of one year) when all countries were considered in the 2006 report.¹¹

Model 3.2 presents the corresponding findings for the sub-subsectoral analysis. The results indicate that neither Mass Media allocations within the overall Civil Society subsector, nor Human Rights allocations within the overall Rule of Law subsector, have significant impacts on Freedom House scores. The explanatory weight in the Civil Society subsector is due to non-media allocations, while neither the Human Rights nor

¹¹ We tested for lag effects and found no significant relationship for lagged Rule of Law allocations among authoritarian countries.

non-Human Rights effects within the Rule of Law subsector are statistically significant. We conclude that USAID DG assistance in Elections and Political Processes, and in non-media oriented Civil Society programming, have the largest positive impacts on Freedom House scores among authoritarian countries in the 1990-2004 time period.

Question 4: What is the impact of USAID DG sub- and sub-subsectoral allocations on Freedom House scores, controlling for U.S. Military Assistance (and other potentially relevant variables)?

We assess whether the effects found in the previous models change once the amount of U.S. military assistance that the country receives is taken into account. We also include a series of additional “control variables” to test the robustness of the effects, using all of time-varying factors that we considered as controls in our previous reports. These include first, a series of US bilateral and multilateral aid variables: the amount of democracy aid the country receives through the National Endowment for Democracy; the amount of democracy aid the country receives from other US Government sources; regional and subregional democracy assistance that is not directly linked to specific programs in the country that would have been captured by the USAID variables already included; democracy assistance from non-US sources; and USAID non-democracy assistance. Second, we add the U.S. military assistance variable, the country’s percentage change in GDP per capital in the past year, an index of political and social conflict, an indicator of state failure, a weighted index of the democratic levels of neighboring countries, and a measure of the country’s population. The reasoning for including all of these variables was established in our previous work.

The results of these analyses are shown in Tables 4.1. and 4.2. The results from these models are not altered if we consider U.S. military assistance as the *only* additional control variable, and hence we present the more comprehensive full model in this section in order to convey all relevant information.

Table 4.1 The Impact of USAID DG Sub- and Sub-Subsectoral Allocations in Authoritarian Countries, Full Model with U.S. Military Assistance and other Control Variables Included

	Model 4.1		Model 4.2	
	<i>Coeff.</i>	<i>S. Error</i>	<i>Coeff.</i>	<i>S. Error</i>
DG Elections	0.039**	(0.017)	0.042**	(0.018)
DG Rule of Law	0.030	(0.019)	-	-
<i>DG Human Rights</i>	-	-	-0.009	(0.048)
<i>DG Non Human Rights</i>	-	-	0.037*	(0.021)
DG Civil Society	0.041*	(0.024)	-	-

<i>DG Mass Media</i>	-	-	0.086	(0.142)
<i>DG Non Mass Media</i>	-	-	0.039	(0.025)
DG Governance	0.009	(0.012)	0.010	(0.012)
US Military assistance	-0.043	(0.029)	-0.043	(0.029)
Iraq 2004	-2.785*	(1.568)	-2.866*	(1.580)
USAID Non DG	-0.001	(0.001)	-0.001	(0.001)
National Endowment for Democracy Funding	0.045	(0.228)	0.052	(0.228)
U.S. Assistance other than USAID or NED	0.000	(0.001)	0.000	(0.001)
Regional and Sub-Regional DG	0.007	(0.165)	0.007	(0.165)
Regional and Sub-Regional Non DG	0.002	(0.023)	0.004	(0.023)
Bilateral Non-US Democracy Assistance	0.001	(0.001)	0.001	(0.001)
Bilateral Non-Democracy Assistance	-0.000	(0.000)	-0.000	(0.000)
Annual Growth in GDP Per Capita	0.010***	(0.003)	0.010***	(0.003)
Democratic Diffusion	-0.039	(0.104)	-0.045	(0.105)
Index of Social and Political Conflict	0.000	(0.001)	0.000	(0.001)
State Failure Indicator	-0.048	(0.099)	-0.052	(0.099)
Average Population	0.000	(0.000)	0.000	(0.000)
Intercept	- 3.600***	(0.923)	- 3.564***	(0.927)
Number of observations	702		702	

Note: *** p<0.01, ** p<0.05, * p<0.1. Country and Year fixed effects not shown.

The results from Table 4.1 largely corroborate the results from Table 3.1. Model 4.1 shows the same results as Model 3.1; both DG assistance on Elections and Political Processes and Civil Society have a positive impact on reducing the level of authoritarianism, once all of the control variables are included. When the sub-subsectoral analysis is carried out in Model 4.2, the results are very similar again to Model 3.2., but here the effect of DG allocations on non-Human Rights programs within the Rule of Law sector attains statistical significance. This result suggests that programs on non-Human Rights have a significant impact on improving the Freedom House index in authoritarian countries, once all of the control variables are included in the model. Regarding the control variables only the dummy variable for Iraq 2004 and the annual growth in GDP per capita resulted statistically significant while US military assistance in itself has no impact on the level of authoritarianism. The Freedom House score deteriorates for Iraq in 2004 while the opposite is true for countries that become wealthier.

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APPENDIX I: LIST OF AUTHORITARIAN COUNTRIES INCLUDED

Country	Years not free
Afghanistan	1990-2004
Angola	1990, 1992-2004
Albania	1990
United Arab Emirates	1990-2004
Azerbaijan	1993-1996, 2000-2004
Burundi	1990-2002
Burkina Faso	1990-1991
Bahrain	1990-2001
Bosnia-Herzegovina	1992-1995
Belarus	1996-2004
Brunei Darussalam	1990-2004
Bhutan	1990-2004
Central African Republic	1990-1992, 2003-2004
China	1990-2004
Cote d'Ivoire	1993-1996, 2000, 2002-2004
Cameroon	1990-2004
Congo, Republic of the	1990, 1997-1999
Cuba	1990-2004
Djibouti	1990-1998
Algeria	1992-2004
Egypt	1992-2004
Eritrea	1993-1994, 1999-2004
Ethiopia (incl. Eritrea)	1990-1991, 1993
Ethiopia	1994
Georgia	1991
Ghana	1990
Guinea	1990-2004
Gambia	1994-2000
Guinea-Bissau	1990-1993
Equatorial Guinea	1990-2004
Haiti	1991-1993, 2000-2004
Indonesia	1990-1997
Iran	1990-2004
Iraq	1990-2004
Jordan	2002

Kazakhstan	1994-2004
Kenya	1990-2001
Kyrgyzstan	2000-2004
Cambodia	1990-1992, 1995-2004
Kuwait	1990-1991
Laos	1990-2004
Lebanon	1990, 1993-2004
Liberia	1990-1996, 2000-2003
Libya	1990-2004
Lesotho	1990
Morocco	1992
Maldives	1990-2004
Mali	1990
Myanmar (Burma)	1990-2004
Mozambique	1990, 1993
Mauritania	1990-2004
Malawi	1990-1993
Niger	1990-1991, 1996-1998
Nigeria	1993-1997
Oman	1990-2004
Pakistan	1999-2004
Peru	1992
Korea, Democratic People's Rep (N)	1990-2004
Qatar	1990-2004
Romania	1990
Russian Federation	2004
Rwanda	1990-2004
Saudi Arabia	1990-2004
Sudan	1990-2004
Sierra Leone	1990-1995, 1997
Somalia	1990-2004
Swaziland	1990-2004
Seychelles	1990-1991
Syria	1990-2004
Chad	1990-2004
Togo	1990-1998, 2002-2004
Tajikistan	1992-2004
Turkmenistan	1991-2004
Tunisia	1992-2004
Tanzania	1990-1994

Uganda	1990-1993, 2000-2001
Uzbekistan	1991-2004
Vietnam	1990-2004
West Bank and Gaza	1997-2004
Yemen	1990-1991, 1994-2002
Yugoslavia (Socialist Rep)	1991
Yugoslavia (Serbia-Montenegro)	1992-1998
Zaire	1990-1996
Congo, Democratic Republic of / Za	1997-2004
Zambia	1990
Zimbabwe	1999-2004