

THE BROOKINGS INSTITUTION

POLITICAL TURMOIL AND RECEDING REFORM:
DEMOCRATIC GOVERNANCE IN UNCERTAIN TIMES

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Overview of Findings:

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Panel Discussion:

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P R O C E E D I N G S

MS. GRAHAM: Welcome all of you to our event on Political Turmoil and Receding Reform: Democratic Governance in Uncertain Times. My name is Carol Graham. I'm with Brookings. Sometimes I remark I'm a piece of the furniture here, but I have been here a long time, in many capacities, and it's a pleasure to co-host this, the Foreign Policy program at Brookings with Freedom House. And my job today is the easiest of many of us on a very complex panel because all I have to do is welcome and say a few things about Freedom House, which is an organization I think very highly of.

But before doing that, I'd like to thank Jake Dizard of Freedom House and Ted Piccone of Brookings for really bearing the brunt of organizing this event. I think we've got a great panel and a good audience and it should be a wonderful discussion going forward.

I just thought I'd say a few words about Freedom House and I have to disclose, for the sake of transparency, one small fact, which is Jennifer Windsor is a very good friend of mine. But that aside, I am a social scientist. I'm an economist rather than a political scientist, but I do use the Freedom House data all the time and I read work that uses the Freedom House data all the time, and so I can step back from talking about a wonderful friend to talking about what a wonderful organization she's running.

And I have to say that Freedom House is just a model for a serious, empirically-based organization that does good metrics and good measurement and good following of countries, and by doing that and taking that job seriously, is actually changing the real lives of millions of people around the world. Its rankings of democracy and non-democracy, really just giving us a really reliable metric to look at how free or un-free countries are around the world has a huge impact. I think countries look at their own rankings. There's a lot of work that includes these rankings in terms of making

recommendations about how we can improve democracy and all sorts of other things. They are a powerhouse in the area and I think really make a difference as countries go down the path towards democracy, or unfortunately not, but it's -- Freedom House is really the player.

And so it's a pleasure to sponsor this report of "Countries at a Crossroads" because it really is the set of countries that are in some kind of change and where, for the most part, it's countries that want to join the world of -- you can't say perfect democratic players, but the world of advanced democracies. And some are closer than others, there are also countries that risk falling off that path, and this report does a wonderful job of identifying not just where countries rank, but the very different dimensions on which they rank. And I think it's a report that's certainly worth reading if you haven't done so, and very much merits the kind of discussion we're going to have today.

So, with that, and no further ado, I'm going to turn it over to Jake to start the proceedings and welcome to all of you.

MR. DIZARD: Thanks a lot, Carol. And a very hearty thanks also to Brookings and everyone, especially Ted and Emily as well who have helped us get together this event with very little fuss and great flexibility. And thanks to all of you for turning out today for what should be a very compelling panel.

So, I'm just briefly going to describe -- set some context for us by describing what the survey is and mentioning briefly what some of the findings were in the 2010 edition. So, and I guess all the panelists will have to maintain a very distinguished demeanor because everyone will be staring over your heads here.

So briefly, this is the fifth edition of "Countries at the Crossroads." Many of you are likely to be familiar with Freedom House's flagship publication, which is "Freedom in the World." When we were creating "Countries at the Crossroads" the goal was to take some of the critical elements of democratic governance that are included in "Freedom in the

World” and build on those to create a more detailed look at the key factors related to state performance in assuring adherence to basic rights and tenants of good governance.

The analysis looks at four core areas, which I’ll describe in a minute. A total of 70 countries are evaluated over each 2-year crossroad cycle in alternating sets. While some of the -- while a number of important states are included in the survey that are either relatively consolidated democracies or stubbornly authoritarian states, the vast majority are comprised of developing middle performing states that are of great interest to policymakers and donors and have exhibited at least some potential for reform and the possibility of joining the ranks of consolidated democracies.

The survey’s key components are the quantitative ratings, which allow for comparison across countries as well as assessment of country performance over time, and the country narratives, which complement and reinforce the scores by using the analysis of independent experts to explain in qualitative terms the key governance dynamics that are being quantified in the country ratings.

The analysis is generally designed to serve a primarily diagnostic function rather than prescribe specific courses of action, although each country report does also offer a set of policy recommendations that address particular areas of weakness and places where there are opportunities for improvement.

Briefly, the four categories that “Crossroads” generally uses, which are in turn divided into 17 subcategories are: accountability in public voice, civil liberties, rule of law, and anti-corruption and transparency. For those interested in the complete methodology, which is made up of 75 individual questions, I encourage you to -- a summary version is in the booklets that you may have picked up on your way in, and I would encourage you to visit our website for a complete methodology.

Also contained in the booklet are an overview of the 2010 results. I’m just

going to touch on some of the basic overall findings which are described with a great deal more nuance and depth in the overview essay, and especially in the country reports which I would urge you to check out on our website.

So, to provide some general context, one key thing to bear in mind is that "Freedom in the World" has identified, for four straight years running, more deterioration than advancement in freedom in the world. And, in fact, in the most recent edition it was described as a freedom recession. Worryingly, the countries at the crossroads subset of countries also indicates greater backsliding than progress among the 21 countries for which we have previous data.

The largest and broadest declines were in media freedom and civic engagement, both of which are intensely important for citizens who want to hold their governments accountable. Both areas were affected not just by crude repression, although that certainly occurred in a number of contexts, but also by the arbitrary application of laws as well as the expansion of abuse to new forms of activism including online activity and social media. We'd also want to note that there was regression in the categories that assessed due process rights and the protection of property rights.

The news certainly wasn't all grim. We included in this survey a number of countries that are considered relatively strong performers, including places like Ghana, Brazil, South Africa, and Indonesia, all of which certainly face challenges, but are generally characterized by steady, if incremental, gains. There was also progress registered on some areas of anti-corruption policy. And one very important thing that we identified in this edition was progress in a number of states that showed promising signs that are either post-conflict or highly fragile states that have benefitted from United Nations presence, that includes Sierra Leone, Liberia, East Timor, and, at least prior to the earthquake, Haiti.

Finally, one other thing I wanted to mention is that we actually seemed to

see a widening of the gap between law and implementation in this year. A number of countries have increasingly sophisticated legal frameworks, but in attempts to take what's on the books and apply it in practice, there have been a number of problems. Sometimes when governments are well meaning, this, of course, is related to capacity and resource constraints, but we've also seen a number of cases where it's related to a lack of political will among the elite -- among political elites in these countries.

So to briefly look at some of the commonalities in the countries that are responsible for the rather pessimistic title of today's event, there are a few factors that we can identify. One set of states is those that experienced a high degree of internal turmoil. In places like Sri Lanka and Yemen, this meant internal unrest that created a vicious circle in which human rights abuses led to further unrest among the population often with an ethnic or religious component.

Kenya and Honduras witnessed serious institutional clashes within the political class, one of which led to a military coup in the case of Honduras, of course, and one of which led to horrific violence in the case of Kenya.

Another set of states are those where the executive branches clearly sought to accrue ever greater power and limit space for potential challengers. In Nicaragua, Cambodia, and Uganda, the opposition has faced various forms of harassment in recent years. Supposedly independent institutions like ombudsmen's offices and electoral commissions have been neutralized and the space for civil society in the media to operate has been limited.

To briefly look at some country examples that we'll just discuss in further detail during the panel, the first example is Kenya, which had previously shown some -- a number of areas of stagnation, but also certain areas of progress. According to the perception of the analysts this year, there were falls across the board, with accountability

and public voice problems generally related to the gravely flawed elections in 2007 and rule of law issues related to the widespread violence committed by state security forces generally with impunity. Those were two of the most significant factors in the scoring declines, but by no means the only one.

Indeed, the Kenyan narrative presents a fairly grim picture in presenting a political class that continues to treat policymaking as a zero sum game and has not been moving fast enough to deal with political and ethnic tensions that remain quite acute.

Uganda is a somewhat different case. In Uganda, the government has shown willingness to engage with donors and, in fact, has enacted a number of important political reforms and passed a number of important legal projects. However, the overwhelming concentration of power in the executive branch very much limits the degrees to which these laws have resulted in real progress, particularly when the interests of the president or his allies are at stake, and particularly within the sphere of anti-corruption. Moreover, a troubling side in the most recent edition had to do with the fact that the biggest fall was in the accountability and public voice category. Restrictions during the elections in 2006 as well as on civil society in the media signal that there may be limits placed on future political pluralism.

Moving to Latin America, Nicaragua is a country that has a history of sordid political pacts and elite machinations, but it's also demonstrated at least some reform impulse, particularly during the administration of Enrique Bolaños. However, since the administration of Daniel Ortega came to power, democratic governance has regressed in nearly every area as is evident from the graph that you see.

Power concentration in the executive branch and within the Sandinista party, to the detriment of what were already relatively weak institutions, has been intensified. Again, the steepest declines related to the accountability and public voice categories

especially based on the local elections in December 2008, but also related to legal and physical harassment of media and civil society.

Finally, we look at a case from Asia that encapsulates a number of the troubling issues presented in this year's survey. Cambodia is a small country, but it has received a great deal of donor retention and foreign assistance and was, in fact, perceived to have made some progress during the middle of the last decade as indicated by the moderate improvements between 2004 and 2006. However, the government has moved strongly in the direction of less pluralism and more power concentration to the point that the author's phrase in the narrative is authoritarians has become normalized in Cambodia. Harsh methods have been applied to punish critics, including the suppression of protests and criminal and civil convictions of journalists and opposition members.

Economic growth has been steady and has had some benefits, but has not been accompanied by greater transparency to ensure that increased resources are not diverted into the pockets of elites. It has also, in fact, created some new problems such as an increase in land values that has encouraged land grabs which are nearly impossible for ordinary citizens to contest.

Finally, Cambodia has been one of the most significant recipients of increased Chinese aid and investment, which has twisted incentives and will certainly be further discussed during the panel.

So, that's a brief and somewhat superficial snapshot of some of the central and most problematic findings in this year's edition. We'll dig a bit deeper now in some of these cases and examine what the international community might be able to do in response. Meanwhile, I very much encourage you to go to our website, check out the country reports, and contact us for further information if you're interested. Thanks very much. (Applause)

MS. WINDSOR: Well, first of all, welcome to everybody. Thank you for

coming late in the afternoon and I hope that we can make this lively enough that everyone can stay awake.

I am a quite serious moderator so I am going to encourage our panelists to answer questions as succinctly as possible, and I will ask our audience to also try to refrain from comments and think about questions so that we can have a real dialogue in a short period of time.

I want to thank Brookings. I want to thank my two friends, Ted Piccone and Carol Graham, and all the people here at Brookings that made this happen. I also want to thank Jake Dizard and Chris Walker who are here from our New York office and who have pulled this publication together with a lot of late nights and a lot of hard work and I'm extremely proud to be affiliated with, but can take no credit for any of the positive things about it. I can only absorb any criticism that people might have, that's my job.

And I want to thank our experts and advisors, some of which are here today, but many of which are not. This is probably one of the hardest -- people that write for "Freedom in the World" complain because it's so short, but this is actually so complicated as a methodology that the work that goes into it far exceeds the amount of money that we can provide to experts and advisors, and I just want to thank everybody that's been involved in it.

And I want to thank USAID who -- "Countries at a Crossroad" had been previously funded by DRL at the beginning of the Millennium Challenge Account and they shifted their priorities away from studies and USAID really made an investment in this. And it's allowed us to continue what we think is an important set of analyses that we can go more into detail on and I hope you will agree with it.

So, I also do want to recognize a number of Freedom House board members that have taken the time to come here today, so Tom Dine and Diana Negroponte and many other friends and real experts that I see in the audience.

So, we're going to start with -- and I know Joel Barkan needs to leave early as does Josh. I'm not going to introduce them because anybody that doesn't know them should, and you can read the bios because I want to jump directly into the discussion.

So, I'm going to go directly into some of the country examples and then we're going to step back and talk about some of the more general themes. Ted's going to join us, and Larry Garber, to give all the answers about how the U.S. Government is going to take on all the recommendations that we're going to put forward today.

But Joel, tell me a little bit about what you think the findings say about Kenya and Uganda. In particular, I think, looking at some of the issues of post-election violence, how that's affected currently the state of political institutions in Kenya, and also the issue of corruption, which since the time that I worked on Africa with you, guided by you in the early '90s, has been an ongoing concern. Have there been any positive changes? Give us a little bit of a snapshot of what you think where Kenya is and what the most dominant factors are.

MR. BARKAN: Okay, thank you very much, Jennifer. Before I answer your question I just want to comment on what Carol Graham said at the beginning about developing a metric here. This is really a marvelous metric. I had the good fortune, I think, as the third round of "Countries at the Crossroads" and I really urge you to look at the website. It's better than "Freedom of the World" because it captures the multidimensionality of democratization and governance and progress can occur on one dimension and not in others and we need to develop a more nuanced understanding of what is going on here.

With respect particularly to Kenya and Uganda, for that matter, the country studies and the ratings I found were accurate. The country reports were good. But keep in mind that the country narratives were written almost a year ago and there is a bit of a lag. And I would say, unfortunately, in respect to Uganda, things are accelerating in a negative

direction whereby in Kenya it's not all bad news for reasons that I'll discuss and try to be as short as possible.

But the real challenge here in this middle group of states is that both countries, but particularly Uganda, is a good example of electoral authoritarianism. Rwanda, Ethiopia, would be other good examples. These are countries where the government has got the macro right and as a result are getting large infusions of aid, particularly budget support which shores up growth rates. But then when you peel back the onions a bit, what you find in Uganda is a country that increasingly represents the Kenya that we saw in the early 1990s, that is a neo-patrimonial regime, a regime of big man rule, focused on one individual who won't let go of power, increasing kleptocratic tendencies. And corruption has spread its tentacles there largely through the first family, in the army, among other things, into local government, which has undermined what was originally a very promising devolution reform, and increasingly of parliament. Parliament had really flexed its muscles in the late '90s and early part of the decade just concluded in Uganda, and now there's been a real rollback. And one of the reasons for this, I think we have to keep in mind, are demographics. Some countries are just better endowed than others and Uganda remains largely an agrarian society.

Civil society is concentrated in Kampala. There is a relatively free press, but it's all very concentrated and, therefore, the prospects of developing institutions, of countervailing power, particularly in civil society, just are not as robust as they are in Kenya.

Now, in Kenya, we all focus on the violence that followed the 2007 election. I would just point out, first of all, to say that the level of violence, while certainly horrific, had occurred before in 1992. Since then things have been somewhat under control, but the most important and good news coming out of Kenya is, at long last, Parliament has -- and also a special commission have reported out a draft of a new constitution for which there will

be a referendum in July. That draft is extremely promising compared to the current constitution in Kenya. It cuts back on the imperial presidency. It provides for a real measure of devolution, along the patten, I might say, as occurred in Nigeria. That is, it breaks up the large ethnic groups while addressing the concern for group rights. Democracy is just not individual rights, it's group rights as well, and this devolution does it. It provides for fixed terms for the legislature; it enhances the power of subpoena and of the legislature to hold hearings, to hold the executive to the account; and it also -- and here's really the good news -- it limits the attorney general's term to one six-year term, which has been a real problem in Kenya because there have been dozens of cases that have been brought on corruption and yet no one ever gets prosecuted.

The real question for Kenya is whether Kenya can get from here to there, that is to say, pass the referendum and not have the referendum become a very divisive political football as it occurred in 2005 in a previous referendum, which was really the precursor of what happened after the 2007 elections. And here, there is certainly room for diplomacy on the part of the United States. And I'm happy to say that the President has already made a public statement on Kenya -- to Kenya, essentially congratulating the political class on the draft, but Kenya is in the run-up to the 2012 election and it's a very fluid time.

So, the long and short of it, there's good news and bad news, and I think I've probably gone on long enough.

MS. WINDSOR: Right. And what I'm thinking is we'll first talk a little bit about what's happening in the countries, and I do want to ask our panelists -- of course, there's a time like when you're trying to get all of these country narratives, so feel free to draw on when -- where things have changed. That's an excellent point.

So, Kevin, moving to, you know, Honduras having -- I'm not a Latin

American specialist by any means, but Honduras was always one of those countries that was sort of considered slow and steady progress and really had fallen off the radar screen. I know when I was in USAID, before I came to Freedom House, you know, no one paid much attention to Honduras. Nicaragua, El Salvador, you know, Mexico, there was a lot of back and forth, but Honduras suddenly sort of jumped into the limelight with the -- another post-election set of political crises. What is your sense on what's happening there now? What are the possibilities of improving the institutions of democratic governance? And if you could talk a little bit about the violence against activists and journalists recently, what does that mean about where Honduras is today and any comments on the chapters that you might want to share?

MR. CASAS-ZAMORA: Well, thank you very much, Jennifer. I'm actually - I have to start by saying that I am very proud to be part of this presentation of a report that I regard as a terrific contribution to the discussion on human rights in the world.

I guess that part of the problem with Honduras was and is that it's been so long below the radar screen, and actually what the report shows very clearly is that what we are witnessing is a steady deterioration both in Honduras and Nicaragua, across all categories and across all different indicators.

Actually, if I have to say something about this report, I would say that the thing that struck me the most was how similar they are and how similarly bad they are. What they show is two countries in which electoral practices have more or less become routine, but not the rule of law and not the notion of checks and balances. And if Paul Collier has it right and elections are not that important for long-term development, well, we have to worry because checks and balances and the rule of law are very important for long-term development prospects. And what we're seeing here is a couple of countries in which these notions are not only absent for all practical purposes, but, if anything, are getting weaker.

And among the interesting implications of this is the fact that, you know, when you hear some people talk about Latin America here in Washington, particularly after what happened in Honduras, the guys that are running Honduras are regarded as good guys and Ortega is part of the baddies. And, you know, I'm pretty convinced that Ortega is part of the baddies, but the other guys are just as bad, and actually, I mean, that's exactly what the numbers show. I mean, in terms of respect for different kinds of basic elements of a democratic system, both countries are doing just as badly.

A significant part of the problem in both countries, and this became particularly clear in the case of Honduras over the past year, is a chronic problem of politicization, of controlling institutions. Institutions that are supposed to check on the exercise of power are simply used to do the bidding of political parties and they're completely captured by those that are in power. So, I mean, that has all sorts of implications, you know, including and in a very prominent way the dire state that both countries find themselves in when it comes to corruption. I mean, there's no transparency whatsoever because the institutional setup is designed in such a way as to make it totally impossible to uncover corruption.

And I guess the sad part of the whole episode in Honduras, if I were to point it out, is that, to use Rahm Emanuel's felicitous phrase, the crisis in Honduras was wasted. And I guess the chances of serious institutional transformations in Honduras, the chances of preventing Honduras from going back to a wretched political system, a wretched political system that is shown in all clarity in this report -- because make no mistake, I mean, this notion that again, I mean, it has become a very common narrative here in Washington that the election in Honduras made it possible for the majesty of institutions to return, the majesty of democratic institutions to reign. I mean, that's baloney. That's baloney. I mean, this report was written well before the coup and what you see here is a political system that

is rotten to the core.

So, my impression is that even though recognizing the results of the election in Honduras was the right thing to do, because otherwise this crisis would have lingered on forever, it was a sad thing that that recognition came without any price being paid and that the people that are running the show in Honduras were not asked to -- for instance, to rethink a constitutional architecture. That is totally crazy and that makes the country very prone to democratic breakdowns, actually. They were not asked to enact any kind of social reform that changes somewhat a situation in which populism becomes an irresistible temptation. I mean, they got rid of this liar, but they won't get rid of the next liar that comes along. And so my sense is that after the elections were recognized and the new government was sworn in, the chances of any serious institutional reforms taking place in Honduras is between very slim and nonexistent.

And that gets me to the question of violence, which is very concerning, actually. As late as February of this year, after the new government was sworn in, a number of very disturbing killings of journalists have taken place amidst a whole range of other human rights violations. That's after the new government was sworn in.

There's a mixture of things going on there. I mean, number one, there's the political polarization that stems from the whole crisis. And, you know, one of the things that we are witnessing is that activists and journalists that supported former President Zelaya are being targeted and this has been documented and denounced by the Inter-American Commission of Human Rights, by Human Rights Watch, you name it, (inaudible), et cetera.

Number two, and this is, again, one of the common elements, one of the common threats of both studies, but it's particularly clear in the case of Honduras, is corruption. If you're a muckraking journalist in Honduras, you're putting your skin on the line. And my sense is, and this is a very complicated conversation, I'm not going to get into that,

but both stories are linked in the sense that I can assure you -- I mean, I don't have the hard proof of this statement, but I'm totally convinced that the underlying factor between the political dispute we saw in Honduras in 2009 was money. It was a dispute between factions of the elite for the control of procurement contracts, for the control of specific institutions that are essential for economic activity. So, the story of corruption and the story of political polarization, the political dispute, are related.

And finally, in the case of Honduras, you have another factor that feeds into this violence, which is the fact that the country has had a problem with violence that is chronic. I mean, in 2008, Honduras had the highest murder rate in the world. So, I mean, this is pretty -- this is a pretty sad thing, but my impression is that some of the journalists that got killed, got killed randomly just because it's a very dangerous place. I mean, living in San Pedro Sula is twice as dangerous as living in Baghdad if we read the figures.

So, I mean, all those things, I guess, make it unavoidable to say that in a place like Honduras, in a place like Nicaragua, it would be interesting to see -- I mean, I didn't see the numbers and the narrative for Guatemala, but you have a number of countries in Central America that are in many ways unraveling politically in a way that one would have not expected it, say, 20 years ago when there was pervasive optimism as to the prospects of Central America after the civil wars had been -- had ended.

MS. WINDSOR: Great. First of all, the people in the back, there are some seats up here and we'll all promise to look the other way and talk if you want to come up here as opposed to standing.

So, I will promise, by the way, that we will get in the discussion of some of the good cases so that we don't -- and we'll also talk about what we can do, what are the prospects.

But let's continue the bad news a little bit more. There's nothing that's more

uplifting than talking about Cambodia, I find. I went there for the first time I think in 1997, and we were -- there was a lot of discussion about how Cambodia was on the road to reform and that it was just a feckless opposition, that was the problem, and that Hun Sen was going to bring the country together out of a terrible, violent past. It sort of reminded me a little bit about the African narrative, which is, you know, the most important thing is peace and then we'll talk about accountability later because, you know, the people need a strong hand.

So, tell me about the strong hand and has it -- it seems like it's gotten tighter rather than looser, and talk a little bit about the influences if you could. I want to have a specific discussion afterwards to talk about the role of the U.S. Government, but if you could talk a little bit about Cambodia, where's it going. Any good news?

SPEAKER: No, I don't think there's much good news. I'm sure Hun Sen has in his mind actually some of the elements of the way Uganda is and was in terms of it's a no-party state and really it's a one-party state.

But actually I think Cambodia has declined significantly since the '90s and definitely since the early 2000s, but I think it's also a good example of some of the major trends why democracy is on its back foot in a number of places around the world. Cambodia symbolizes a lot of those.

You have -- Hun Sen is encouraged because of these trends. You definitely have, I think, from the U.S. Government perspective, less pressure on Cambodia. That's partly just because the U.S. has got other things to worry about. Hun Sen's been sort of a mildly sympathetic partner on terrorism to the extent that there is anything to do in Cambodia. But the major reason is that the U.S. and the other Western donors and Japan don't have the leverage that they had before -- and more Japan, but the Western donors, too, the U.S. and France -- in that Hun Sen now openly thumbs his nose at the Western donors. And he can do so because China is the largest donor there. China is the largest

investor and China's interests are not -- they don't correlate with the Western donors and with Japan. And although there has been some progress in which China participates in the donor's group there, in which Chinese officials come to the meetings, they don't coordinate with the other donors in terms of governance, political reform, et cetera. And Hun Sen, much more than many other leaders, openly -- he has a very antagonistic relationship with the U.N., with certain Western nations, and he openly touts sort of China as a weapon to use against them. Now, it's not necessarily in China's interest to play this role long term, but right now they're sort of playing this role.

And the third thing I think you have in terms of a broader trend that Cambodia symbolizes is you have a shift from sort of just blatant crackdowns -- like actually in 1997, Hun Sen launched essentially a coup to push himself back into power, and what you have now is a transition to sort of seemingly milder means, but means that are just as effective. But what they -- for example, Hun Sen now sues a lot of opponents and journalists in compliant courts and gets libel decisions against them. He uses other types of aspects of Cambodian law to crack down on opposition parties. There's still the same sort of base level beatings and threatening of opposition activists. But the use of this more allows -- well, first of all, it allows him to present it as he's just using the court system. You see that, for example, even next door in Thailand, which is more democratic, but there's a widespread use of the courts and the royal -- and the law against defaming the king to discredit the opposition. That's part of a broader trend.

And it also, I think, to some extent, it allows Western countries, including the U.S., to say that Hun Sen has gotten a little bit better or Hun Sen has changed his stripes. If you look at the really harsh criticism of Cambodia by U.S. Government officials in the late '90s, early 2000s, you don't see that so much anymore. France, Japan -- the previous Japanese ambassador was extremely critical. Japan has also changed its stance

on what -- Japan, like the U.S. also has to sort of calibrate how it views any of these countries in relationship to China. But all of these play into the fact that Hun Sen is extremely savvy. He's been around a long, long time. He reads the political winds and he knows that most of the factors that would have been against him in '98, '99, et cetera, are now almost completely in his favor. So, why would he change the way that he's operating? There's almost no opposition left in Cambodia. The royalist opposition is decimated, the Sam Rainsy Party is very weak, and Hun Sen has nothing pushing back against him, so I can't say it would be an optimistic story.

MS. WINDSOR: Let me follow up a little bit. The idea is that we would finish this part. I'm going to do another round of questions and then ask for audience -- but I just want to quickly, since we got into the U.S. -- the role of the U.S. and also outside actors, to give Joel a chance to talk about U.S. strategy and also other forces on Uganda and Kenya. And you talked a little bit about civil society and I'd like to tease that up a little bit for each of you to talk about what the role of civil society might be and how we can strengthen that.

So, Joel, role of the U.S. donors, Chinese, all in a few minutes.

MR. BARKAN: Let me actually pick up on the civil society comment, though, because I said a few words in my opening remarks about the weakness of civil society in Uganda.

It's very different and much more complex in Kenya. It's larger, it was largely responsible for the initial gains that were made in Kenya, but then in a pattern similar to what we saw in South Africa after -- during 1994, a lot of civil society activists went into the government and civil society did not quite know what its role would be in the first term of Mwai Kibaki who succeeded Daniel arap Moi in 2002, and so it sort of felt its way. But that's now regenerated itself, in part because there are just more people around and Kenya is also

wired to the world like no other country is in the African region, at least in the Eastern African region. The fiber optic cable, which has now connected the entire eastern and southern part of the continent, has opened up immense possibilities for call centers and contribute to the openness. Technology is, however, a double-edged sword. Cell phones can be used for monitoring elections and have been, but they're also vehicles for hate speech as has been the proliferation of FM and AM radio in Kenya, and it partly fueled the violence following the 2007 election.

So, the point is, is that civil society is more complex and some of these other things that flow from it, the linkage between civil society and the press, are also more complex than what we thought they were in the mid and late '90s.

As for the U.S., the U.S. is sort of between a rock and a hard post in respect to not only Uganda, but we face a similar set of problems vis-à-vis Ethiopia and Rwanda. These are all electoral, authoritarian regimes. They all get the macro right. And for various reasons we embrace these countries as the new leaders of Africa and now the new leaders do not want to give way.

There's clearly a recognition on the part of Assistant Secretary Carson that he's got a problem here. The approach is going to be one of quiet diplomacy. Meles has indicated he's going to step down. But in a really unfortunate move, Museveni reversed term limits in 2005, went for his third electoral term, and now is going to go for the fourth. So, one question here is -- and it comes back to your point on leverage vis-à-vis Cambodia - - what sort of leverage does the U.S. have?

And here it's not so much the Chinese, but in respect to Kenya, Kenya finances only 8 percent of its budget through the donors and budget support. Long and short of it is, we don't have a lot of leverage there except for persuasion, but the U.S. is highly respected and so our ability to persuade is probably greater there than in the other

two countries. But in respect to Uganda, with about 1,500 to 2,000 troops in Mogadishu defending the weak transitional government in Mogadishu, it's hard for the U.S. to encourage the continuation of that presence and, on the other hand, take on Museveni head on over a fourth term. And yet, if we really mean business, we're going to have to speak out on term limits.

Final point here, I regard term limits as, in many ways, one of the most important constitutional provisions across Africa. Thirty-three countries now have it; very few countries have reversed it. Malawi and Zambia tried, they failed; Nigeria tried and failed. During the first term of the Bush Administration, it was our announced policy to enforce term limits. We have to return to that and make it a centerpiece of our African policy again, not just in Uganda, but generally and we also have to search, to the extent possible, of soft landings for people like Museveni. But Museveni is not a Julius Nyerere or a Nelson Mandela. In fact, he's openly scorned taking the so-called Nyerere or Mandela option and stepping down, and I think sadly he will be there until perhaps he's overthrown.

Finally, in respect to Uganda, he has been able to manage the ethnic dimensions of political conflict in Uganda up until now, mainly by playing the southern card, uniting all the groups in the south against the north because that was the region that supported Ubote and Amin and the rotten regimes that came before it. But now he's lost the support of the Buganda and you cannot govern Uganda without Buganda and we're going to see how that plays out. There have already been two severe outbreaks of violence in the last six months and I'm actually rather pessimistic on how that will play out.

MS. WINDSOR: Kevin, just a few -- I gathered from your comments that -- I mean, I want to make a point, which is I think it was really very unfortunate that this administration did not appoint its leadership from Latin America and, of course, Congress was partly to blame for that.

But I think, actually, you can really see the lack of leadership in Latin America. And that's a continuation from, frankly, the past administration I think as well, which is that Latin America was kind of seen as done. And I haven't seen real interesting, innovative policy towards Latin America for a number of years.

So, I -- that's my general opinion. Take it in the space of a moderator. But tell us a little bit about other influences. The influence of Venezuela, is this real? I know there's a lot of talk around here, there's -- you can see it in terms of we have a whole analysis of how Venezuelan assistance has been used throughout Latin America, and the role of the U.S.

Just briefly and then I'm going to open it up. So, please get ready for your questions.

SPEAKER: (inaudible)

MS. WINDSOR: What? Go directly to the discussants. Okay.

Please, go.

MR. CASAS-ZAMORA: Okay, good. I mean, the role of the U.S. I mean, the whole Honduras fiasco was not a very happy hour for the -- you know, from the standpoint of U.S. diplomacy. I mean, the approach towards the crisis was inconsistent, to put it mildly. In the end, the U.S. chose, for very good reasons I think, to recognize the election. But in doing so it lost a lot of the leverage that it could have had to push for some of the most fundamental changes that are badly needed in a place like Honduras.

There's one important issue that is being played out as we speak and I would like to mention it very specifically. I mean, one of the crucial provisions for political reconciliation in Honduras, one that was negotiated in the course of the crisis, was the creation of a Truth Commission, a Truth Commission to look into the events that led up and that followed the coup of June 28.

Well, the creation of the Truth Commission has proved slightly problematic, particularly in what regards its mandate. Because there's a huge pressure from right wing sectors in Honduras to exclude from the mandate of the Truth Commission any human rights abuses that might have taken place after the coup, which is outrageous, quite frankly.

And the current government has been very ambiguous about it. I mean, they have generally supported the commission, but they have not come swinging in favor of the commission having its natural mandate. And that is, you know, looking into human rights abuses as part of its -- all the things that it has to look into.

And there's one interesting opportunity as we speak, which is the fact that Honduras has to negotiate a standby agreement with the IMF. And that standby agreement is crucial for the economic recovery of Honduras.

My sense is if I have to give one recommendation to the U.S. is please, by all means, block any standby agreement with the IMF until and unless the current government in Honduras gives a very clear mandate to the Truth Commission to look into human rights violations. And that applies also to European Union member states, by the way. So, that's the U.S.

The role of Venezuela, very shortly, I think is important in Nicaragua. I think one of the reasons why Nicaragua has been able to withstand the fact that a lot of the traditional European donors -- such as Finland, Britain, Germany -- have, for all practical purposes, withdrawn from the country -- this is a country, by the way, in which one-seventh of the economy is official development assistance. I mean, one of the reasons why Nicaragua has been able to withstand that is that it's getting a lot of money from Venezuela.

It will be interesting to find out how much money, actually. Because when it comes to Commander Chavez, pledged money is not the same as disbursed money, by the way. But I think that it is getting a lot of money, which, by the way, is outside the budget.

So, that creates a whole sort -- you know, a whole lot of problems with regards to transparency.

In the case of Honduras, to put it very shortly, I think that, you know, one of the biggest losers of the whole episode was Hugo Chavez. And I don't think that he has any leverage whatsoever upon the new authorities in Honduras. Quite to the contrary. Actually, one of the things that was very evident throughout the crisis was that the guys that are now running the show in Honduras and the guys that gave the coup in June were absolutely paranoid about Hugo Chavez. And some of the things that they did along the crisis could only be explained by this absolutely insane paranoia about how Chavez was about to take over the country. So, I don't think he has any influence whatsoever at this point.

MS. WINDSOR: Okay. So, I think if I'm correct, Ted Piccone and Larry and Jake will come up here. And we'll ask -- get to ask them -- they'll get to ask some questions.

Thank you, everybody, for -- and Joel, for -- who has already had to depart for the airport. (Applause)

MS. WINDSOR: And if you have any difficult questions on -- for the panelists, you can just direct them to Jake, I think, since they've all left.

So, I want to recognize Larry Garber, who is back at USAID. Thank god for Larry, who is one of really the most well-known experts on democracy, governance, and human rights issues. So, he has volunteered to be the recipient of all the critical things about all the parts of the U.S. Government that he has probably no control over as well as to give his own perspectives. And Ted Piccone, who has been also a leader in democracy and human rights issues. And I think we have a number of Latin American experts here, between Jake and Ted, as well.

So, comments, Ted? And then Larry.

MR. PICCONE: Sure. Good afternoon, everyone.

I want to congratulate, as the others have, Freedom House for this report. And there are a number of excellent elements to call attention to. But I want to, in doing a quick reading of the report, focus on one thing in particular, which is how they've analyzed the various factors in the regression against the regime types and how -- what implications that has for U.S. policy.

You'll see in one section of the report, there's a section called "Long-Term Leaders," which I would re-characterize as the "Elite 8" or the "Egregious Elite 8." And I think it's really important to focus in on those countries. I mean, your overarching point that these middle group of countries are wavering and critical, I think, is very important, so -- for policymakers and where development and AID dollars go.

But it also, on the reverse side, says, well, how should we deal with these egregious group of countries? And I also wonder, methodologically, why they're even -- some of them are in here because I don't think they come anywhere close to being a middle group. They're nowhere near a process of reform. So, Saudi Arabia and Zimbabwe and Vietnam, you know, does that skew your results? But leaving that aside, I think there's a host of good questions for policymakers in this part of the analysis.

If you line up where things are weak and going backwards, it's issues of civil societies, civic engagement, accountability, transparency, and these all happen to be much weaker in these set of countries. And you have a group of leaders that are entrenched, no term limits; I thought that was an excellent point that Joel made. And if you look at that, that should tell us something about how we should steer our dollars.

And I think it means, obviously, that there needs to be a lot more support to those elements, what you call the coordination goods, the providers of the referee services, the, you know, independent media, the civil society groups, monitoring watchdogs. These

are critical for any process of democratization, but it really jumps out at you from reading the statistics and the analysis that you've included in here. So, maybe Larry can comment on that.

The other issue I'd point to is, who is your audience for this? And I think you've been a little modest, actually, in talking about the role that the Freedom House numbers plays vis-à-vis the Millennium Challenge Account. And as people know, it's one of the criterion for deciding which states qualify for assistance under the MCC.

And I wonder, obviously that's a core audience of this work, as is the World Bank. I think there are a lot of other actors who would learn a lot from this. You have a short reference to positive trends in places like Liberia and Sierra Leone, and maybe that says something positive about the U.N. role, since the United Nations has had such an important post-conflict role in those countries. And I wonder after hearing Kevin talk about Central America, and thinking in particular about Guatemala and El Salvador and the amount of effort that the U.N. has put into those countries, yet we're getting a quite negative result after some initial positive -- is the U.N. learning something along the way or are these just very different cases? I just throw out there something that requires some more thought and research.

I think, you know, going back to one final point on this alternation in power question, whether there should be a harder line within U.S. policy on where we come out on that. I mean, if there are no term limits -- I mean, you know, in Latin America there's a different trend. The trend is, well, is away from term limits, and there are some obviously negative consequences of that.

Colombia has turned a corner and held on to the term limits, which I think is an important indicator. But in the case of Brazil, where Cardoso had the benefit of an extended mandate, a lot of people would argue that that was very good for the long-term

stabilization and growth of Brazil. And Lula has benefited from it as well, and maybe Brazil in terms of a number of indicators has benefited as well.

So, you can't take it too far, but clearly when you've got entrenched authoritarians who have been in power for 10, 15, 20 years, we've got to adjust our policies accordingly.

I'll leave it there.

MS. WINDSOR: Great. Jake, do you want to answer some of those issues? And then I'm going to give Larry a time to talk about U.S. approach to the long-term leaders and what the possible levers are. And, of course, we'd love to hear you talk about the decision on cutting off all democracy and human rights assistance in Bolivia, which wasn't on the agenda, but I'm using my prerogative as the moderator.

Jake?

MR. DIZARD: Sure, sure. Yeah, I'll just comment on a couple of things that Ted mentioned, and thanks for the generous comments.

First of all, on the country basket. The reality is that with the funding we currently have, we're able to cover 70 countries. And once you strip out the former Soviet states -- which are covered in Nations in Transit and other Freedom House publications -- microstates and Western Europe, which is basically -- and the countries that are on the high end of really no longer at the crossroads, well, we cover most of the rest at this point. So, it's allowed us to broaden the country mix within the survey.

And there are some countries that are doing quite well that we've added this year. Brazil, Argentina, Mexico, Ghana were all added this year. But on the other end, we decided that it would be -- it would serve the survey well to add some of the countries that are -- that people consider quite important, and large and strategic and important in any number of facets at the bottom end as well, and give them the same analysis that were

given to the other countries. So, that's why you have countries like Saudi Arabia and the Democratic Republic of Congo that were added this year.

The Congo has transitioned -- I'll also mention about the U.N. We actually had a briefing just on Monday with the Department of Political Affairs at the U.N., and, of course, they were delighted to hear about some of these things: the progress in Liberia, the progress in -- the promising signs, I should say, in Liberia, since it was analyzed for the first time; the progress in Sierra Leone; the progress in East Timor; some of the good things that we've seen in Haiti, certainly, which will, of course, be challenged now. They were very happy to hear that.

Of course, there are some other circumstance that complicate that picture a little bit, one of them definitely being the situation in the Congo, where you see that a lot still remains dependent on the political will of the lead actors. In Sierra Leone, Liberia, East Timor, you have people in power who really seem relatively determined to push forward on institutional progress. That seems to be a much more complicated picture in the Congo and in a few other places, including Cote D'Ivoire as well.

So, it's a little bit of a mixed picture, but overall they were very happy to hear certainly that, according to our analysis, as long as there are leadership in place who seems to understand that the best role for the U.N. in these circumstances might be to serve as a bridge between recently resolved or semi-resolved conflict and possibility of functioning institutions, that was certainly a positive sign.

And in terms of term limits, I guess one thing I would mention is just that, of course, it seems to be -- with the flurry of activity in various regions and various countries on term limits over the last few years, it seems to be that whether efforts to dismantle term limits succeed or fail seem to say a lot about the institutional functionality and certainly the separation of powers in various countries.

I would say in Latin America that it is certainly the case. Countries -- there seems to be a clear divide between countries that have -- where presidents have either opted not to attempt to dismantle term limits, partially because they might have failed in some circumstances -- and who wants to end their first or second term failing on something so major? -- and then in other countries where the lifting term limits has succeeded because of the overwhelming power that politicians have in those countries.

In Africa, the only thing that I would mention is that there -- one thing that we've seen that seems to be limiting progress to some degree, even in the countries that perform relatively well in the survey, is that there are countries where it's not necessarily a single leader maintaining power throughout -- indefinitely. But there are single party dominant states as well. And so even among some of the better performers -- Tanzania, which increased in every category this year; South Africa, which remains among the relatively stronger performers -- to the degree that institutional progress remains incremental and steady -- rather steady but incremental, I would say, part of it relates to the fact that the single -- the dominance of single parties in those countries still functions as a check on separation of powers.

So, those are a couple things that emerged throughout the entire set of countries included.

MS. WINDSOR: I'll just say, briefly, in terms of audience, it was -- "Countries at the Crossroads" was originally designed by Freedom House because we felt that while we were happy that Freedom in the World and the World Bank governance indicators were included in the Millennium Challenge Account determinants, that we thought that there was a tremendous possibility of actually using the Millennium Challenge Account as leveraging a positive incentive to get countries to actually take the right decisions. And we didn't -- obviously Freedom in the World was designed 30-whatever years ago. And it

wasn't designed to, one, judge governments in what was happening and, two, to go into any specifics of the kind that the U.S. or other donors could use.

And what we were also -- we were being flooded by governments coming in to argue with us about the Freedom in the World methodology. And my colleague Tom Melia is here and I've systematically given him that responsibility after I had a shouting match with the Rwandan government. I'm not as diplomatic as he is. But there were a number of other governments that really wanted some recommendations about specifically what to do, not just what they failed. And so, the "Countries at the Crossroad," also, we've tried very hard to include recommendations. It's hard, though, because analysts of country situations don't necessarily sort of know how to translate it into specific recommendations. But that is our hope.

And I think it's a very -- that the next step for this would be actually to take this to the countries themselves. And I would hope that the aid missions or embassies would take this to the countries, see what the people inside of the countries think about these, and have a debate. Because in the best of all circumstances that's what this tool is for, is to sort of encourage a debate, saying here's what we're seeing, here's what the recommendations are. So, it's got multiple audiences.

And, you know, I think it can be used even more. And I think the U.S. could really do a lot more with the Millennium Challenge Account than it's done so far.

Larry?

MR. GARBBER: So, that's a nice lead-in, Jennifer, for what I wanted to say, which is that I certainly appreciate that we -- that Freedom House invested in the methodology to develop "Countries at the Crossroads" and, you know, quite happy that we saw fit to invest last year in making sure the reports continued.

One of the things that we highlighted a couple of years ago as part of a

National Academies of Science study that I was part of was what we called the deficit of the intermediate indicators that Jennifer is referring to. That Freedom House -- and the world scores were basically too high for effective use in terms of helping us evaluate program interventions and even for the purposes of diplomatic engagement with governments on specific issues.

So, having this type of resource, I think, is incredibly important. And not just, as Jennifer is emphasizing, for the Millennium Challenge Corporation, but for the entire U.S. Government; not only USAID, but for the State Department, for the Treasury Department that's responsible for the interactions with the international financial institutions, and across the board. And one of the things that, you know, we would hope is that this document does not become simply a document that's provided to USAID for our use, but that really is subject for the type of discussion within the broader U.S. Government and used effectively that way.

So, I think the challenge is, you know, what are the ways that we can use this document? And I would -- again, maybe just to repeat, but more systematically, I mean, one is diplomatically. I mean, we should be using this to identify where there are weaknesses and to engage with the governments, as Jennifer was suggesting, governments and the society in the different countries on those issues, saying okay, here's what we've found. Here's what the scores that we've come up with suggest. How -- you know, what is the reaction to that and how do we -- what can we do to assist in perhaps improving that? Obviously also to use these scores as part of the resource allocations that the U.S. Government makes in various countries, both in the Millennium Challenge Corporation context, but in our development programs, also.

Third is in our programming. I think, again, the -- by going down to the level that these scores go down and leaving aside what I assume some of the social scientists in

this room would have as methodological critiques, they do provide a basis for identifying where there are gaps in different countries and where specific programming support might be useful.

And lastly, certainly not least, but certainly not the only thing, is in helping us measure progress with our investments and using these scores and this data, this rich data, in a much more interactive way.

So, what are the constraints for our doing this? And I'll just highlight four.

First -- and someone, I can't remember if it was Joel or Kevin or someone mentioned this -- is the issue of the time lags. So, right away we have to figure out how to overcome that. We're now planning our budgets and our strategies for, you know, the next 5 years and we're, you know, using a document that's based on data that may be 6, 12 months; you know, not out of date, but 6, 12 months old. And the world changes and we need to figure out, you know, how to address that at the same time as being able to use it.

The second is we need to affect our own cultural mindset and bureaucratic mindset, which has, unfortunately, been, you know, internalized by some decisions made over the last several years, which is to focus much more on output-oriented indicators. And we need to get away from that and emphasize much more outcomes and the transformations that we're looking for in the different societies.

And it sounds easy and it sounds like, you know, a talking point that you've heard over and over again. It's not easy. I mean, I have, you know, highlighted in my time back at AID -- you know, several times when I just saw things that surprised me that the U.S. Government was using as, you know, indicators of progress: the number of people coming to a training session or things like that. And I think we need to use this type of data in a much more aggressive fashion.

The third and perhaps the most difficult from a political perspective is what

are the implications of the results? I mean, so what does it mean when we come up with a score that says, you know, the rule of law is going down in a certain country? Is that the time we cut off assistance because, obviously, there's not a good partner that we're working with? Or is that the time that we need to be creative and figure out how we can help address this problem?

And again, if there was an easy answer to that question, you know, we would all, you know, be geniuses and not have to worry about it. But these are very tricky questions, particularly in the context of, you know, broad policymaking that has multiple dimensions and not just, you know, the development program.

And here, I'll just make a point -- this is something Jennifer and I have debated over the years -- is, I think we need in terms of our focus on democracy, specifically, to get away from an, you know, an overarching emphasis on the amount of resources we're spending in particular countries and overall in democracy. It's -- obviously, we want to see that grow, but much more important for the type of progress that we need to affect the scores that "Countries at the Crossroads" is talking about is a holistic effort of which resource allocation is simply one component. So, it's the diplomacy, it's the engagement, it's the strategies not just in the democracy sector, but in the overall development sector.

And so, again, without, you know, encouraging a decrease in democracy funding, I think we need to appreciate that a holistic approach is critical for addressing these issues.

MS. WINDSOR: Great. Well, thank you, Larry.

We now, of course, have left a very short period of time, but I hope we can -
- what I'd like to do is maximize the number of questions -- questions as opposed to speeches -- from the audience and so that we can then do kind of a final wrap-up. Obviously this is a teaser for additional discussions. There's a lot of data here.

So, anybody that -- everybody agree with everything that's been said here?

Anybody have any comments? Yes, in the back, there.

Again, please, questions, and short.

MS. POSTAMA: Hi. My name is Mirna Postama , I work for DPLF.

MS. WINDSOR: Can you stand up?

MS. POSTAMA: Sorry. I work for DPLF, the Due Process of Law Foundation. And this I wanted to ask you something to expand a bit on the role of the judiciary in guaranteeing governability in a country for the importance of good judiciary in guaranteeing people's rights and, in the case of the Supreme Court, mostly controlling other branches of government. I guess especially in the case of Honduras, the role of the Supreme Court in the coup, I think, is an important one.

And I feel that often in development projects or in projects to strengthen the judiciary these basic conditions of guaranteeing the independence of the judiciary are overlooked and emphasis is placed on normative issues, implementing reforms, or using technology in the judiciary, which are important issues. But overlooking the importance of guaranteeing transparency, accountability within a judiciary, transparency in the selection of Supreme Court justices, I think, is essential in this issue as well.

MS. WINDSOR: Okay. Other -- yes, up front here? Yes. I'm waiting for the --

MS. SPINA: I'm Gloria Spina. I'm a political -- I'm sorry. I am Gloria Spina. I'm a Ph.D. in political science. I have been working with developing countries for a long time, especially Latin America.

My question is very brief. Which are your selection criteria to chose the 70 countries that are in your starting? That's question number one. And it is resource allocation one of the prior criteria to define these 70 countries?

MS. WINDSOR: Okay. Let's do just a couple more. I just want to make sure. Back, right around -- yes. And then we'll move on to this side. I'm not ignoring the right.

MS. TRAURE: Hi. I'm Sauran Traure. I'm with the Friends of Congo. And my question has to do with the presence of China or Asia on the African continent. For some, it is seen as a blessing, an economic blessing.

And basically my question is on a political and the democratic development in these countries, what is the long-term, I guess, issues that the West could face, either with the African countries or with China and U.S. relations? The long-term effects that it could have on the political development in these countries?

MS. WINDSOR: Okay. And then right behind you, and then I'm going to move to the right, and then we're going to collect. So, keep all the notes.

MS. SCHULTZ: Thanks.

MS. WINDSOR: Yes.

MS. SCHULTZ: Laura Schultz, the Congressional Research Service. Congratulations to Freedom House on your report.

My question relates to some of the countries that are towards the bottom of the pool here, where there's not opportunities necessarily for assistance, where they're not economically dependent on the IMF for others. I'm thinking Saudi Arabia, Bahrain, maybe others where there may not be opportunities to foster or partner with indigenous civil society. What are other ways that the outsiders, the United States and others, can assist in moving up these indicators?

MS. WINDSOR: Yes.

MR. CHARITY: Sumar Charity from SAFE Foundation. Two part question. One is, when you present these scenarios for different countries -- of

course, this is a partial list, as you said, 70. We need to also see in this -- in the context of what's happening in the United States in terms of both governance as well as human rights, particularly the eight years of Bush-Cheney has been a slide down, and we still don't have a verdict on the new administration what the record has been. So, if we have been slighting, there should be a relative assessment of what is happening.

And second is you've talked about using this report for State Department and so on. And I'm just wondering based on Mr. Karzai's recent statement that United States is looking for puppet government -- and he's not the first head of a state saying that; it's been said right from the '60s that I've been hearing things and I've been studying foreign policy of the United States. So given that, what purpose would it really serve for the State Department?

MS. WINDSOR: Great. Okay. Well, why don't we -- first of all, I want to point out that -- just a little bit of a promotional -- we did a whole study on freedom and the United States, a book-length study, because there was so much discussion about what democracy was like within the United States, what areas were affected, et cetera. It takes a long historical view. It's called, "Today's America and How Free." It's available on our website. It's also available for purchase, which we always suggest, though no one ever seems to buy our books. They only download them for free. But it would be good for the institution if you care about it to buy them. So, I would look at that.

But you're talking really about U.S. foreign policy, and I'm sure that Ted, since he's the head of the foreign policy think tank here at Freedom House can handle -- I mean, Brookings, can handle that. I have my own opinions as Freedom House.

I just want to say one thing on the judiciary, which is I think it's extremely important and I think we need to start focusing not just on an independent judiciary because in some cases there are judges that are very senior within these countries that call the shots

within the judiciary. So there's multiple dynamics going on, and sometimes those judges aren't necessarily always the ones that have the best interests of the society in mind.

So, we always tend to look at the Executive Branch, and I absolutely think that that's where a lot of concentration of power is, but we can't see the judiciary as a monolithic branch that's always on the side of human rights. And so my general feeling is that we have to look at justice and the delivery of justice in addition because rule of law is really being used as a weapon in many cases against those that are trying to express themselves, associate. And so I think it's -- we have to look at it not as a technical institution, as Tom Caruthers says, but as actually a reflection of the social contract and the political battle that's going on inside of these countries.

And so if there's no movement on the judiciary, it's not because they necessarily don't have enough training or technical assistance, or they -- you know, they don't get enough salary. It's also a reflection of the underlying economic and political power. And certainly in Latin America you're seeing -- and Central America, you're not seeing movement in that direction.

And, of course, there's a whole other layer on that I'm sure my colleague will talk about, which is extra system violence. And so, a sort of lack of any -- the kind of people taking the law into their own hands and what that means for activists, which is very complicated. And I would say that we don't -- none of us have the answers to that.

So, Kevin, do you want to say anything about Honduras and the role of the judiciary?

MR. CASAS-ZAMORA: Very quickly. I think that it's --

MS. WINDSOR: Can you stand up?

MR. CASAS-ZAMORA: Yeah. I mean, but very quickly, I mean, I think it's a crucial factor to the whole crisis. I mean, if I were to say -- thank you.

I mean, one of the defining features of the rottenness of the political system in Honduras is the fact that people trust institutions -- and particularly the judiciary -- very little, I mean, even for Latin American standards. So, I guess that one of the crucial institutional transformations that must be promoted in Honduras is about the politicizing institutions like the Supreme Court, like the electoral authority, like the controlling tribunal I think it's called, the general accounting office. I mean, all those institutions are completely, completely captured by political parties. I mean, they divide up the positions in all these institutions, so it's impossible to exert effective control over the exercise of power.

And actually one of the things that we find is -- and we didn't get to talk about it -- is that in a country like Honduras, the most effective check on the exercise of power, arguably, comes from civil society. So, yeah, it's absolutely crucial.

MS. WINDSOR: Ted.

MR. PICCONE: Well, on the general question I'm going to take several points just -- and answer it in terms of U.S. foreign policy.

I mean, I think -- and the whole question of U.S. leverage, what kind of leverage do we have, particularly with China rising and there were some very concrete examples given, for example, in Cambodia, where it has real effect on what the U.S. can do. But I think it's really important that the U.S. not be too defensive about this. I mean, I think there is enough of both empirical support and enough of a consensus on the international stage -- even though it doesn't feel that way -- that democratic governance and the protection of human rights is a good thing and it's a good thing that the United States is pushing forward as inconsistently as it does. And so, that's kind of one general point.

But the way we do it has to be adjusted in light of, I think, the last several years and the experience we had in Iraq and other places and in light of other factors where it's a much more multi-polar world. And some countries want to pursue a path that's in part

designed just to counter the United States. That is the goal in and of itself, unfortunately.

So, if we kind of walk a little more softly, talk a little more quietly, and hold hands with others that see the world that we do, I think we'll be in much better shape. And there are all kinds of ideas we could talk about in the next session some other time about the multilateral cooperation avenues one could pursue in this general basket of activities we've been talking about. And I'm sure that's on the minds of AID and other policymakers.

MS. WINDSOR: Larry? All the hard questions for you.

MR. GARBER: So, a couple of quick points in response to specific questions on -- I mean, on China if I -- you know, if I could organize this I would love to do a social science experiment and let countries basically chose whether they want to get U.S. assistance, which is going to be orchestrated with a heavy emphasis on democratic governance, or they want Chinese assistance, which is not. Our hypothesis is that in the short-, mid-, and long-term, development is going to be the result of having effective democratic governance. But it would be a nice social science experiment if we actually could organize it.

Since we can't, we have to deal with the reality that China is a factor and think about how we as a donor and as a government that has the values that Ted is describing plays in countries where Chinese influence and Chinese orientations are very different. And I think, you know, in fairness, this is a work in progress. We're still developing our response to this issue.

On the Saudi Arabia, Bahrain, again, I mean, we need to get away from the idea that development resources is the only way we affect, you know, democratic change or democratic reform. Diplomatic engagement, rhetoric, the community of democracies, I mean, these are all ways that we should be using leverage to influence countries like Saudi Arabia, like Bahrain. It's not going to be, you know, immediate, it's not going to be

necessarily successful in the same way in each country, but we do have more tools than just, you know, what we have on the development side.

And then the last point on the judiciary. You know, I mean, I certainly agree with the premise that, you know, we need to be focusing more than on just the, you know, technological fixes in terms of improving the judiciary. And here again, I'll make the point that, you know, I was suggesting earlier, we do a lot of that. You know, so a lot of that is part of the diplomatic engagement, the policy dialogue.

The thing is, it doesn't necessarily require a lot of money. And so when you rack up and you say, well, how much have you spent to really support an independent judiciary versus how much have you supported to build courthouses and invest in computers and things like that, it's skewed. But the real question is how much is part of your strategy for achieving change, and are you serious about measuring both aspects of your strategy? So, the resources may not be in strict proportion to, you know, what you understand to be the levers for change in a particular country or in a particular sector. And I think the judiciary is a good example.

I mean, clearly you need to be focused on whether the judiciary is independent. But a lot of that is going to become without -- is not going to require specific financial resources. Some of it will, but most of it won't. Whereas on these other issues, there are investments that are required.

MS. WINDSOR: Well, I mean, I hate to read into your comments, but it makes me think since you're working on the FY '12 budget request that you're going to see a major decrease in democracy assistance.

Just an advertisement, we're going to be releasing an analysis, even though we don't believe that the amount of money itself dictates, and there's other tools. I do think that the allocation of democracy resources does show patterns in terms of what the

U.S. Government thinks is important.

And actually, I note with concern -- we've noted, I think for many years, and I know people within the government -- this kind of spasmodic throwing of huge amounts of assistance to particular countries and then dropping them years afterwards is extremely -- it's wasteful of U.S. taxpayer dollars. It ends up causing a lot of more harm than good.

And I will note that Afghanistan alone, the democracy budget requested for Afghanistan is, I think, something like 40 percent of the entire request. And the question of how that's linked with diplomacy and other tools and how it relates to the government -- the Afghan government, who seems -- you know, I think that the U.S., of course, should not look for puppet governments. But I'm not sure that Karzai is the best alternative that everyone might want since he's decided that he might say that he's going to join the Taliban.

So, I mean, anybody that does democracy in human rights doesn't think that they're going to get governments that are necessarily going to like what the U.S. is doing. So -- but let me turn it over to --

SPEAKER: (inaudible)

MS. WINDSOR: Yeah.

MR. GARBER: So, first of all, don't walk away with what Jennifer implied about the FY 2012 budget. (Laughter) At all.

But just to say -- I mean, first of all, this is a plug for Freedom House and the work that they do on the budget. Believe it or not, it's very helpful for ourselves to have this type of information that Freedom House generates on how the democracy budget is being allocated, both because we don't necessarily do it the same way and it's good to have the type of look that they provide. But also it highlights, I think, some of the anomalies that we're aware of, of, you know, where our resources are going. And again, you know, we need to think about how we, you know, make more rational resource allocation decisions,

but understanding that there are parameters that go way beyond the democracy sector.

MS. WINDSOR: Great. Last comments, Jake? All the hard questions about the methodology, anything else you want to say?

MR. DIZARD: I would just add a couple of things.

First of all, I would mention on the judiciary. You may -- the judicial reform, judicial independence may get short shrift in some places, but not in these reports. We have two of the sub-categories are specifically related: one of them to judicial independence and another one to the rule of law in civil and criminal proceedings. So -- and there's a reason we separate those out, which is that the judicial independence has to do with this high level issue, both of checks and balances and separation of powers, and the degree to which judges are constrained by political interference within the judiciary.

And also, the issue that Jennifer mentioned of judicial culture because that is actually very important. And in a number of the country reports we will mention that the judicial culture, it remains very weak and it's very difficult. And, in fact, it gets even more complicated because within the issue of separation of powers, where do changes in the functioning of the judiciary come from? Well, generally they have to be approved by legislatures. And so when a legislature attempts to enact judicial reform, you get judges talking about judicial autonomy and that's interference right there in the judiciary. So, it becomes a very complicated issue to deal with and that comes out in a number of these country reports.

Then, separate from that, we look at the actual way that courtroom proceedings go, and that's fundamental in terms of issues of basic justice and basic rights, as well as the functioning of the state and citizen confidence in the state. So, we consider it important to look at both sides of judicial independence and judicial functioning, and I think you'll see that in most of the country reports, they're given fairly thorough treatment.

Just briefly again on the country mix. Like I said, you know, we cover most of the countries at this point that are of interest strategically, geo-strategically, geo-politically, geo-economically, and also very much to donors and policymakers, including the Millennium Challenge Corporation. Aside from that, you know, we think that we've got a pretty solid country mix.

In Latin America, to give you an example, we cover most countries in Latin America at this point. The only ones that really are considered no longer at the crossroads in this sense are Chile, Uruguay, and Costa Rica, really. And we have -- we cover most of the rest.

Finally, I guess I would just mention on time lags. It is true that in an ideal world we'd have the resources to sort of consistently update these things and tweak the scores at given intervals other than the every two years. On the other hand, I would mention that the two-year cycle for "Crossroads" does allow a little bit of flexibility that Freedom in the World tied to a calendar year doesn't have insofar as you don't see that boom: a coup happened; everything gets wiped out score-wise. You often get to see sort of a broader evolution in terms of events and how they affect policy, and then we're able to judge based on those criteria.

So, that's all I have to say.

MS. WINDSOR: Great. I want to say thank you to everybody in the audience and all the panelists and to Jake for doing a heroic job. Please don't make him do it more often because we need more staff if that's the case.

So thank you very much, everyone.

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