Norwegian Institute of International Affairs

REPORT – 1/ 2021

Governance, Social Policy, and Political Economy:

Trends in Norway's Partner Countries

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Publisher: Norwegian Institute of International Affairs

ISSN: 1894-650X

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Introduction

In 2017–2018, NUPI (the Norwegian Institute of International Affairs) headed a project where political economy analyses were undertaken in eleven of Norway's partner countries. These analyses were published as eleven separate reports. The reports focused on power relations and political developments in the partner countries, but they also analyzed the nature of governance.

After the publication of the World Bank's Worldwide Governance Indicators for 2019, the MFA approached NUPI and requested that we summarize the findings of this report for Norway's eleven partner countries and assess these findings in light of the political economy analyses. We were also asked to investigate whether there were any connections between the nature and quality of governance on the one hand, and the nature of social policies and the human rights situation on the other.

This report presents the findings of this assessment of the governance scores in the light of the above-mentioned political economy analyses. The report is structured as follows: Firstly, after briefly describing the governance indictors used by the World Bank, we summarize the eleven countries' scores on the various governance indicators. Secondly, we assess the evolution of governance in the eleven countries, by comparing the scores in the 2019 report with those from 2011. Thirdly, we summarize the findings of the political economy analyses of the eleven countries and discuss how they fit with the governance scores. Finally, we present the eleven countries' expenditure on social policies, as reported in the ILOs World Social Protection Report, and the human rights situation for the partner countries, and then describe how these findings relate to the governance scores.

The World Governance Indicators

The Worldwide Governance Indicators (WGI) are based on a research dataset summarizing the views on the quality of governance provided by a large number of surveys of respondents from enterprises, members of the public, and experts in industrialized and developing countries. These data are gathered from a range of survey institutes, think tanks, non-governmental organizations, international organizations, and private-sector firms.

The World Bank scores consist of one overall score, arrived at by aggregating the scores on six sub-indicators: voice and accountability; political stability; government effectiveness; regulatory quality; rule of law; and control of corruption. On each sub-indicator, a country is given a score between -2.5 and +2.5, where -2.5 is the worst and +2.5 the best. The overall score is the average of the scores on the six sub-indicators.

The governance report defines the six sub-indicators as follows:

- *Voice and Accountability*: Reflects perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.
- *Political Stability and Absence of Violence/Terrorism*: Measures perceptions of the likelihood of political instability and/or politically motivated violence, including terrorism.
- *Government Effectiveness*: Reflects perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.
- *Regulatory Quality*: Reflects perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private-sector development.
- *Rule of Law*: Reflects perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.
- *Control of Corruption*: Reflects perceptions of the extent to which public power is exercised for private gain, including petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.

Governance Scores in Norway's partner countries

The table below presents the scores of Norway's eleven partner countries on the overall governance indicator and sub-indicators from 2019.

Table 1. Governance scores 2019

	Voice and accountability	Political stability	Government effectiveness	Regulatory quality	Rule of law	Control of corruption	Overall score
South Sudan	-1.97	-2.56	-2.45	-2.05	-1.97	-1.77	-2.12
Malawi	-0.09	-0.27	-0.75	-0.70	-0.33	-0.78	-0.48
Mozambique	-0.51	-0.75	-0.82	-0.72	-1.02	-0.80	-0.77
Nepal	-0.13	-0.47	-1.05	-0.70	-0.54	-0.67	-0.37
Mali	0.41	-2.15	-1.06	-0.57	-0.83	-0.70	-0.95
Myanmar	-0.84	-1.26	-1.15	-0.76	-1.06	-0.63	-0.95
Ethiopia	-1.05	-1.28	-0.63	-0.89	-0.47	-0.41	-0.78
Afghanistan	-0.89	-2.65	-1.46	-1.12	-1.71	-1.40	-1.55
Somalia	-1.84	-2.38	-2.24	-2.20	-2.35	-1.71	-2.12
Haiti	-0.73	-0.78	-2.02	-1.26	-0.97	-1.34	-1.18
Tanzania	-0.50	-0.36	-0.88	-0.64	-0.58	-0.39	-0.55

Perhaps not surprisingly, all countries have overall scores well below zero. Nepal has the best overall score, followed by Malawi. Somalia and South Sudan have the worst scores.

Further, most of the countries classified as "fragile" (South Sudan, Afghanistan, Somalia, and Haiti), have the lowest governance scores, as could be expected. In part, this is a result of the definitions of "fragility" and "governance," where "political stability/violence" is included in the definitions of both. In addition, countries experiencing violent conflict can be expected to have generally weak government institutions, as indicated by their scores on the other sub-indicators. With the exception of Haiti, all these states have low scores on the sub-indicator "political stability."

Secondly, other than "stability/violence," the sub-indicator on which most countries score worst is "government effectiveness." Whereas the fragile states in general score lower on this sub-indicator as well, some non-fragile states, such as Nepal and Myanmar, have scores at approximately the same level as that of Mali.

Thirdly, there is considerable variation on the scores on the various sub-indicators. For instance, Mali scores better on "voice and accountability" than many of the non-fragile states—indeed, the only score above zero in the entire table. Similarly, both Mali and Myanmar score better on "control of corruption" than countries like Mozambique and Haiti.

On "control of corruption," four states — South Sudan, Somalia, Afghanistan, and Haiti—have scores that are significantly worse than the other seven countries.

In order to assess developments over time, we have compared the eleven countries' scores in 2019 with those from 2011. The 2011 scores are shown in the table below.

Table 2. Governance scores 2011

	Voice and accountability	Political stability	Government effectiveness	Regulatory quality	Rule of law	Control of corruption	Overall score
South Sudan	-1.11	-1.43	-1.88	-1.67	-1.38	-1.40	-1.47
Malawi	-0.25	-0.07	-0.43	-0.70	-0.16	-0.42	-0.33
Mozambique	-0.20	-0.33	-0.64	-0.43	-0.57	-0.49	-0.33
Nepal	-0.45	-1.42	-0.90	-0.72	-0.89	-0.78	-0.86
Mali	0.17	-0.71	-0.82	-0.40	-0.50	-0.64	-0.48
Myanmar	-1.85	-1.11	-1.60	-2.10	-1.44	-1.59	-1.61
Ethiopia	-1.36	-1.51	-0.48	-1.0	-0.74	-0.66	-0.95
Afghanistan	-1.34	-2.50	-1.45	-1.54	-1.90	-1.58	-1.71
Somalia	-2.02	-3.08	-2.14	-2.38	-2.33	-1.71	-2.27
Haiti	-0.75	-0.99	-1.67	-1.05	-1.41	-1.22	-0.18
Tanzania	-0.14	-0.02	-0.65	-0.45	-0.51	-0.59	-0.38

Of the eleven countries, five had better overall scores in 2019 than in 2011 (Nepal, Myanmar, Somalia, Afghanistan, and Ethiopia), while six countries had lower scores (South Sudan, Malawi, Mozambique, Mali, Haiti, and Tanzania). However, changes in overall scores are fairly small—except for the cases of Haiti and South Sudan, which worsened significantly, and Myanmar and Nepal, which showed significant improvement, indicating stability in the overall character of governance.

However, among the countries where governance has improved, the changes are very small in Somalia, Afghanistan, and Ethiopia; and in the cases of Afghanistan and Somalia, the scores remain extremely low. Moreover, in two of the other countries with overall improvement, Ethiopia and Myanmar, new political crises have emerged during the past year (military coup in Myanmar; violent conflict in Ethiopia), so governance scores in these countries may well drop further.

As noted, the quality of governance has deteriorated in six of the eleven countries. However, since 2019, events in Ethiopia and Myanmar have reversed the improvements seen between 2011 and 2019. Further, as the situation in Afghanistan and Somalia remains grave despite a slight improvement between 2011 and 2019, this means that of all eleven partner countries, the only one to show a clear improvement in the quality of governance in recent years is Nepal. Although the reasons for change are specific for each country, the overall negative development as regards governance can be seen in the general context of democratic decline across the world.

In the same period, outside aid to governance has decreased. Whereas the OECD countries' support to "Government and civil society" stood at 12.3% ($15.6 billion) of total aid spending in 2012, it constituted only 9.6% or $13.9 billion in 2016. By contrast, "Humanitarian aid" received 8.1% ($10.5 billion in 2012 and 12.3% ($17.8 billion) in 2016 (OECD 2018). There has thus been both a relative and absolute shift in spending, from a focus on good governance to humanitarian aid, in this period. However, that does not mean that the decline in the quality of governance is a direct result of the reduction in aid: as the political economy analyses show, the evolution of governance is first and foremost a result of domestic political developments.

Political economy and the quality of governance in Norway's partner countries

South Sudan: Governance and political economy

South Sudan is one of Norway's development partners classified as a "fragile state. It is a poor country, with a GDP per capita of $1120. Its overall governance score according to the World Bank is -2.12, which makes it—perhaps not surprisingly—the partner country with the lowest governance scores, together with Somalia. South Sudan scores especially low on "political stability/violent conflict" and "government effectiveness." Its best (or least-bad) scores are on "control of corruption." From 2011 to 2019, its governance scores have worsened considerably, despite the quite massive amounts of foreign assistance.

The 2017 political economy report has provided a comprehensive analysis of the current state of South Sudan. A main argument is that its political economy is fundamentally atypical: achieving independence in 2011 and dissolving into renewed civil war in 2013, South Sudan is suffering the crisis of a weak, neo-patrimonial guerrilla government, with fragmented military-political systems that stretch across its extensive borderlands. The report locates the current crisis within a longer and deeper context, and explores the power dynamics and centrifugal destructive forces that drive patterns of extractive, violent governance. These forces underpin today's economic and state collapse, civil war, famine, the flight of its people, and their local tactics of survival.

The successive wars in South Sudan are rooted in long-established patterns of authoritarian, violent, and extractive governance of the pre-colonial, colonial, and post-colonial periods, which concentrated economic and political power at the center. The systemic underdevelopment practiced by the Sudanese government, combined with direct abuse on the part of administrators, fueled regional grievances.

After 2005, when it took control of Juba and other major towns, the Sudan People's Liberation Movement (SPLM) continued many of the structures and modalities of governance from previous regimes. With the national elections in 2010, the SPLM entrenched its non-ideological one-party state in the South. By 2012, the South Sudanese state had become ineffectual, poorly coordinated, and undermined by mismanagement, corruption, and power struggles. Key checks and balances—like the Anti-corruption Commission—were strategically weakened by lack of independence and prosecutorial powers.

A referendum held in January 2011 resulted in a 99% vote in favor of independence. South Sudan became independent, but without any agreement regarding several central issues: the costs of transporting its oil through Sudan; the international border; and the future of Sudanese and South Sudanese people then residing in the other country. The immediate post-independence years were marked by this Sudan–South Sudan tension.

With relations with Sudan stabilizing, and the economy crushed by the "doomsday" decision of the oil shutdown, the question of the future governance of South Sudan came into focus. This re-ignited longstanding competition among SPLM leaders, and deep-rooted frustrations centered on political "marginalization" and "dominance."

The current power base of President Salva Kiir and his government has its roots in long-running elite strategies for centralizing and controlling the SPLM/A, dating from the previous civil war and continuing throughout 2005–2013. President Kiir and his close advisors have done little to rebut their opponents' allegations of ethnic dictatorship. President Keir's efforts have focused on "coup-proofing," mediating rebellions, and divide-and-rule tactics, to prevent alternative sites of power from developing at the expense of his central control.

All parties to the conflict in South Sudan have realized that the war cannot be won with military offensives. The Kiir faction is the strongest group: it controls the (rapidly eroding) state apparatus, has more funds and military resources at its disposal, and has the advantage of being formally recognized as a sovereign government. However, as war and rebellion spread to new parts of the country, the Kiir government's sources of internal legitimacy are diminishing, and the government forces lack the military capacity to assert control over the vast and roadless countryside controlled by rebels. At best, they can "mow the lawn"—temporarily assert authority in a selected area through a short offensive.

The rebel factions, on the other hand, lack the hardware necessary for taking on the urban government strongholds. Without foreign patrons, the best they can hope for is to inflict a "death of a thousand cuts" by harassing strong-points, disrupting communications, and hindering agricultural and revenue-earning production—first and foremost, oil. The parties find themselves in a mutually hurting stalemate, but—contrary to established theory—this does not necessarily provide incentives for committing to a negotiated peace. The default strategy is rather to engage in a game of "chicken," where the goal is to hold on until the circumstances change, or the other party collapses or gives in. Regardless, there is a fundamental lack of legitimacy, social contract, and trust among the citizenry as to their state and nation.

South Sudan's scores on governance indicators are in line with the overall conclusions of the 2017 political economy analysis, which found the situation in the country to be disastrous and worsening, with massive violence and a dysfunctional political system apparently caught in a deadlocked situation, incapable of addressing the crisis. Comparison of governance scores in 2011 and 2019 shows that the situation has worsened considerably; the prospects of improving governance are bleak.

Malawi: Governance and political economy

Malawi is classified by Norway as a development partner. It is a poor country, with a GDP per capita of $412. Its overall governance score according to the World Bank is -0.48. Compared to Norway's other partner countries, it scores relatively well on governance. It scores especially well on "voice and accountability" and "political stability/no violence," and worst on "control of corruption," "regulatory quality" and "government effectiveness."

However, Malawi faces significant governance challenges. The 2017 political economy analysis argued that the country has a dysfunctional *and* corrupt governance system, characterized by *isomorphic mimicry:* a nominally standard set of institutions, akin to those of a modern, liberal-democratic state, but which in practice operates in ways that undermine these institutions.

The Malawi public service has persistently experienced poor and declining performance in the delivery of services as well as in the management of public agencies, a deterioration of work ethics, indiscipline and absenteeism and proliferation of fraud and corruption. The functions of the Parliament are seriously constrained, because it does not control its budget, and its support facilities are inadequate. The judiciary is relatively independent of the executive branch, but the uses and abuses of injunctions introduce a political dimension that undermines its independence. At the local level, traditional authorities wield considerable influence. Chiefs have tended to be loyal to the incumbent government. Shifting presidencies have wooed the chiefs as influential agents in local communities by expanding their number or raising their remuneration.

Malawi features formal as well as informal institutions that co-exist, sometimes reinforcing each other and sometimes competing. The political culture is hierarchical and authoritarian: leaders issue orders and directives, and the rank and file obey or are cowed into silence, regardless of professional merit. The political elite has its own (un)ethical norms that are non-democratic and deviate from the formal rules of the political game. Attributes of the elite's political culture include patronage, clientelism, opportunism, corruption, and centralized authoritarianism in the executive branch.

Malawian politics is personalized, as distinct from based on ideology, policies, and issues. Lack of ideological salience has led to "programmatic homogeneity," with manifestos promising all the good things that an electorate might want, devoid of prioritization and guidance as to how the objectives could be achieved. Political parties have failed to play a meaningful role in spearheading fundamental and sustainable democratic and structural transformation. Once in power they have perpetuated clientelistic behavior, forging arrangements to the effect that those well connected to the political establishment have benefited at the expense of national development.

Malawi has recently seen some improvement in selected macro-economic indicators. However, there are no signs of economic transformation. The economy seems stuck in a vicious cycle characterized by large fiscal deficits, excessive borrowing, and high inflation and interest rates. These factors depress investment and growth, leading to weak revenue collection, which further exacerbates fiscal pressures. Owing to its weak competitiveness abroad and a limited domestic market, the private sector is excessively orientated towards the opportunities for procurement that the public sector offers. This encourages collusion between private interests and civil servants who flout procurement rules.

Despite the professed commitment to curbing corruption, it remains endemic in Malawi. The Corruption Perception Index 2016 ranks Malawi as number 120 of 176 countries, with a score of 31 of a possible 100. Corruption ranges from the petty bribery that people encounter in their daily lives to grand corruption, as well as patronage and nepotism. The Malawi Anti-Corruption Bureau (ACB) is the main institution in the struggle against corruption. The ACB is legally independent—but, in a system of governance characterized by executive dominance, its operations are constrained. Its director is widely perceived to be a political appointee. Given the operational constraints that impede anti-corruption agencies, due mainly to executive dominance, no significant progress has been made in combating corruption.

Malawi today is characterized by a multitude of intersecting cleavages—ethnicity, region, and religion. Voting patterns—except for the 2009 elections—show a clear regional *cum* ethnic *cum* religious distribution of votes. Absolute poverty is a palpable source of conflict. Economic inequality is extreme and increasing. Consumption by the top 10% was 22 times higher than that of the bottom 10% in 2004, soaring to 34 times by 2011. The Gini coefficient was 0.523 in 2011. Inequality is pronounced in education as well: the poor enjoy access to primary education, but the bias in favor of the rich increases at the secondary level, becoming extreme at the tertiary level. Similar disparities are evident in access to health services.

The political economy report's analysis makes Malawi's scores on the various governance indicators somewhat surprising. Given the critical assessment in the report, the scores look better than one would expect. A comparison with scores from 2011 shows a decline in the quality of governance between 2011 and 2019. According to the political economy analysis, governance is weak, ineffective and characterized by patrimonialism. Instead of clearly identifiable interest groups who pursue consistent policies, there is a political elite composed essentially of rent-seekers. On the positive side, there is no violent conflict. However, the prospects of improving governance are not good, and it is unlikely that aid can have significant impact on improvement of governance.

Mozambique: Governance and political economy

Mozambique is one of Norway's development partners, classified as a regular partner in development. It is a poor country, with a GDP per capita of $504. Its overall governance score according to World Bank figures is -0.77. Compared to Norway's other partner countries, its governance scores are significantly better than those of countries like South Sudan and Somalia, but lower than countries like Malawi and Tanzania. Mozambique scores best on "voice and accountability" and worst on "control of corruption," "rule of law," and "government effectiveness." However, we note a downward trend in the quality of governance for the period 2011–2019.

To understand what lies behind these scores, it is necessary to place them in the context of the country's political economy. In the 2017 political economy analysis, it is argued that the country is facing a severe crisis with entrenched poverty, renewed armed conflict/war, conflict between the government and its development partners, and spiraling debt.

Mozambique experienced high levels of growth for nearly two decades until 2014, but since then, growth has dropped to less than the rate of population growth. There has been no major industrial transformation, and the rewards of the long period of growth have been very unequally distributed. In absolute numbers there were nearly as many poor people in Mozambique in 2015 as there were in 1996, although the percentage of has decreased. With difficult economic times ahead, poverty rates may rise again.

In 2016, Mozambique defaulted on its foreign debt, which had become unsustainable. Heavy international and domestic borrowing and public spending after the discovery of large new mineral resources drove up debt levels. The economy was unhinged by the prospects of large future income from offshore LNG gas and coal—in effect, a "pre-source curse."

While Mozambique elicited much praise for its economic and governance performance until about 2014, its subsequent performance has been disappointing. Optimistic assessments and the prospects of giant future revenues from the extractive sector were often unrealistic, ignoring the underlying structural limitations as well as the non-productive character of the political economy.

The logic of the Mozambican economy is essentially non-productive and rent-seeking, or privilege-seeking. This leads to increases in investment in non-productive assets, while productive investments become less attractive. In practice, the political economy in Mozambique operates under the patrimonial leadership of the president, who rules through a network of clients whose loyalty is secured by his ability to distribute patronage (perks, rent, economic privileges). With the state as the principal node of wealth distribution, the patron—in a constant fight against contenders—uses state resources to "feed" his clientele as a way of mustering support. This blurs the distinction between public and private wealth, and breeds what is normally referred to as "corruption." What holds this system together is the Frelimo Party, which still claim that they—and only they—represent the nation. Because of the opportunities for social mobility provided by Frelimo, it remains attractive for people with elite aspirations, the middle class and the vast majority who accept it, for lack of good alternatives. However, internal factionalism is strong, and is now probably closer to breaking up the party than at any time after independence.

Frelimo has ruled Mozambique since 1975, and has won all general elections since the introduction of the multi-party constitution in 1990. While starting out as a one-party regime, Frelimo's entanglement in the state makes the term "party-state" an apt characterization. The party's control of the Presidency and the parliamentary majority has made it dominant at all levels of state and public power. Frelimo dominates the appointment of staff to the central and local state apparatus, as well as to most public institutions. Rewarding party loyalists with jobs and other privileges (patronage) is a fundamental mechanism of Mozambique's political economy, but the party also actively seeks to block the entry of the opposition parties in the local state apparatus, as well as other local-level institutions (representative councils, traditional authorities). Frelimo maintains a virtual monopoly on the distribution and channeling of state resources, often including ODA.

At stake is access to the state. Frelimo is the main hub for negotiating access to the principal source of enrichment in the country, state resources, and privileges, making it the principal arena for rent-seeking. No independent entrepreneurial, capitalist, or business class exists outside the party. Corruption at all levels of government (grand and petty) remains a defining characteristic of Mozambique's political economy. Among the consequences is the low quality of most public services.

The concentration of power in Frelimo is a major underlying factor behind the renewed outbreak of the armed conflict. The main demand of the Mozambican National Resistance (Renamo) has always been to rule the country—or at least to have a share of state institutional powers (notably the right to appoint governors in the provinces Renamo claims to have won elections). Renamo has a much weaker organization than Frelimo (and has none of its resources), but is a consistent opposition party. Politically, it is best understood as a pragmatic "negation" of Frelimo power.

Mozambique's scores on governance indicators are in line with the overall analysis of the political economy analysis from 2017. The country finds itself in a crisis-like situation, facing a volatile cocktail of political, economic, and social problems: entrenched poverty, renewed armed conflict/war, conflict between the Frelimo government and its development partners, and spiraling debt. The crisis has escalated in the period after 2011, which explains the decline in governance scores. Moreover, in the period since the political economy report was written, an Islamist terror organization has emerged in the north of the country, creating a severe new security risk, in addition to the tensions that existed previously. Overall, the prospects of improving governance in Mozambique are not good. In this situation, it is also unlikely that outside aid can have significant impact on improvement of governance.

Nepal: Governance and political economy

Nepal is classified by Norway as a development partner. It is a poor country, with a GDP per capita of $1071. Its overall governance score according to the World Bank is -0.37. Compared to Norway's other partner countries, its scores on the World Governance Indicators are good—indeed, the best of all partner countries: significantly better than countries classified as fragile, like South Sudan and Somalia, but also better than countries like Ethiopia, Mozambique, or Myanmar. Nepal scores especially high on "voice and accountability" and "rule of law," and worst on "regulatory quality" and "government effectiveness."

The political economy analysis shows that Nepal has experienced steady economic growth and poverty reduction since the mid-1980s, despite various political upheavals, including ten years of civil war. There has been a steady per-capita growth rate of about 2%, with no major changes in inequality. As a result, social indicators have improved.

In the political domain, local elections are aimed at reintroducing local democracy after 20 years. Elected local politicians are expected to boost local development efforts. Furthermore, Nepal has a vibrant public debate due to the large number of independent national and local-level newspapers and radio stations, which constitute the main channels of influence for civil society.

The leading political forces in Nepali society are the political parties. They penetrate all parts of society, ranging from civil society, via universities and research institutions, to the bureaucracy and the business community. There are close links between politicians and business leaders: the political parties control the trade unions, have links to civil society organizations, and select high-level government officials.

Competing for power are the main political parties: Congress, UML and Maoist, the latter having established itself as a third force through the 1996–2006 civil war. The war was followed by a post-war ethnic uprising in the lowland Terai plains bordering on India, where a fourth political force was established, with several parties representing the diverse Madheshi community. A main demand, which also had support from ethnic activists in the Central Hills and the Maoists, was to establish Nepal as a federal republic. The formal decision was made by the first Constituent Assembly in 2008; a compromise federal map was decided in 2015. There are concerns that the ethnic agenda may escalate ethnic conflicts, and it will be essential for all parties to work for participation of all social groups within the recently established local units, as well as in the economy at large.

Regarding the economic domain, the report concludes that international labor migration has been a driving force behind Nepal's recent development. Large-scale remittances have provided good access to foreign currency—and, in contrast to other types of capital flows, these funds go mainly to the lower middle classes, which may explain why inequality has not increased in Nepal. The lack of jobs at home has also contributed to increased wages for the poor, who cannot afford to take up jobs in the Gulf region.

Despite the availability of private capital and increases in wages for the poor, there is still a massive need for public investment in infrastructure, agriculture, health, and education. Roads, transmission lines for electricity, agricultural inputs, hospitals, and education (in particular, primary education and vocational training) are all heavily underfunded. Donors can make a difference in all these sectors.

Nepal's scores on governance indicators are in line with the overall analysis presented in the 2017 political economy analysis: national development is deemed positive, with stable growth and progress in poverty reduction. Although still faced with widespread poverty, as well as problems with government effectiveness, trends are positive in growth, welfare, and governance. Overall, the prospects of improving governance seem good. This conclusion is also strengthened by the fact that Nepal's governance score has improved significantly in the years between 2011 and 2019.

Mali: Governance and political economy

Mali is classified as a "fragile" state. It is one of the world's poorest countries, where most people make a living from agriculture and animal husbandry. It has a GDP per capita of $879. Its overall governance score according to the World Bank is -0.95, which is in the middle range among Norway's partner countries and better than the other partner countries classified as "fragile." Its lowest score is on "political stability/violent conflict." It scores best on "regulatory quality" and "voice and accountability."

Mali has struggled with mass protests over corruption, electoral probity, and a jihadist insurgency that has made much of the north and east ungovernable. It is in the unfortunate position of being among the countries in the world least responsible for global emissions, but among those most negatively affected. In the Sahel, a rise in temperature of only a few degrees will have devastating consequences for local livelihoods.

When Mali's economy fell into serious recession in the 1980s, a process of economic liberalization was initiated. However, it was too late to save the old regime: it had become increasingly clear that Moussa Traoré's system of patronage could no longer be financed, and voices of political opposition in favor of deeper political reforms were heard.

In 1990, a peaceful pro-democracy demonstration in Bamako brought together various political activists and organizations, and succeeded in toppling the regime. Multiparty elections were held in June 1992 and were won by Alpha Oumar Konaré and his party the Alliance for Democracy in Mali (ADEMA). In 2002, Konaré stepped down, having served as president for two periods, and Amadou Toumani Touré was elected president in April 2002. These important changes were largely a process initiated and driven from the south, the capital region in particular. Even in the peace process and the integration that was supposed to follow, the Tuareg population remained on the margins.

When the current crisis started in 2012, Mali was a weak and fragile state with hardly any formal institutions or networks capable of working out sustainable compromises on the local level. It was a multiparty democracy, but as every political party was sustained by a vertical hierarchy of patronage networks, the resilience of the political system was very low, as shown by the March 2012 coup. This weakness and fragility has remained evident in the capital region, but even more predominantly in the peripheral border regions of Northern and Central Mali.

In early 2012, Mali was heading towards new general elections and a new president. As this was taking place in a period of increasing domestic uncertainty and regional instability, the MNLA and other insurgents (Jihadists among them) started an insurgency. It started with the Tuareg movement MNLA, but the Islamist movements soon managed to turn the initial Tuareg rebellion into a general insurgency.

After the failed attempt in early January 2013 by the Economic Community of West African States (ECOWAS) and the African Union (AU) to respond to the crisis, France launched a military operation, based on a request from the transitional authorities in Bamako. This was followed by an AU operation, the African-led International Support Mission to Mali (AFISMA). French forces chased the Islamists out of the main towns in the north. However, they were not able to take full control over the countryside, and much of the northern territory has remained hotly contested. However, the French intervention did manage to create enough stability to hold democratic presidential elections in 2013, won by Ibrahim Boubacar Keita.

The elections returned Mali to a nominal form of political stability, but President Keita's public approval ratings dropped dramatically. The main reason can be summed up as his failure to broker a credible and sustainable peace agreement with the MNLA, and to tackle the endemic corruption that has continued unabated, despite his election promise to clean up the political-administrative system.

The government in Bamako has defined the crisis as caused by "foreign terrorist insurgencies." This provides a convenient excuse for not dealing with the underlying internal causes of conflict and drivers of violence. In fact, the key driver of conflicts in Mali is land, which is an existential commodity. If access to land is under threat it must be protected, and this protection must be sought where it can be found—even among Jihadist insurgents, if no other alternatives are credible or available.

In August 2020, the military council seized power and named former army officer Bah Ndaw as interim president of Mali the following month. Mr. Ndaw, a retired colonel-major, had served as defense minister under ousted President Ibrahim Boubacar Keita.
Mali's scores on governance indicators are better than one would expect from the 2017 political economy analysis. Although the country's scores from 2019 are worse than those from 2011, the political economy analysis paints an even bleaker picture than the indicators suggest. Moreover, recent developments like the military coup show that the situation is becoming worse rather than better.

Myanmar: Governance and political economy

Myanmar is one of Norway's development partners, classified as a regular partner in development. It is a poor country, with a GDP per capita of $1408. Its overall governance score according to the World Bank is -0.95. Compared to Norway's other partner countries, its governance scores are more or less average—significantly better than countries like South Sudan and Somalia, but worse than countries like Malawi, Nepal, or Tanzania. Myanmar scores best on the sub-indicators "control of corruption" and "regulatory quality" and worst on "political stability/non-violence."

After almost 50 years of military dictatorship, and following the 2010 general elections which were rigged in favor of the military Union Solidarity and Development Party (USDP), Myanmar underwent a series of political reforms from 2011 onwards. In elections held in 2015, the National League for Democracy (NLD) won and formed a new government in 2016. However, continued military influence, persistent capacity problems in political parties and parliamentary politics, weak channels of political representation and problems of administrative capacity gave rise to critical questions about the substance of democratization in Myanmar. In early 2021, military rule was reinstated after a coup. Since the coup, widespread protests have taken place and are still ongoing at the time of writing.

During military rule, Myanmar was regarded as one of the most oppressive countries in the world. The situation improved after 2011. However, Aung San Suu Kyi was criticized by the international community for inaction and silence on the Rohingya crisis and for doing little to prevent human rights abuses by the military against a stateless community recognized by neither Myanmar nor Bangladesh. Defenders of the NLD government point to the real power of the military and the risk of a return to military rule, through a coup or by electoral means.
Myanmar has one of the fastest-growing economies in Southeast Asia, with average economic growth of 7.5% during the period 2012–2016. Members of the urban middle class in areas dominated by the majority Bamar ethnic group have been the major beneficiaries here; the economic benefits for rural constituencies have been less noticeable, especially in conflict-affected ethnic states where land-grabbing has been widespread.

Myanmar's informal economy is one of the largest in the world. This economy is upheld by informal elite pacts that were solidified under the military era, involving many who are members of the military and crony companies. The informal sector is linked to corruption, drug trafficking, smuggling, illegal migration and cross-border trade. Corruption remains widespread and pervasive. The lack of an efficient regulatory system and effective laws explains why the informal system has become so widespread. In addition, political instability and the Rakhine crisis have created serious concerns.

Myanmar's current political situation must be understood with reference to the country's long history of military statebuilding. The military remains the major economic and political force in society. While its self-perception is that of a professional army that protects the sovereignty and unity of the Union of Myanmar, it has not been under democratic political control, even before the latest coup. It has also developed an economic self-interest in the continuation of military rule. With the change of government in 2011 came a series of political reforms in support of basic civil rights, electoral democracy, and economic growth. Changing civil–military relations —strengthening the autonomy of the state vis-à-vis military economic and political movements—is a key challenge for political reform

Most Myanmar citizens support democracy, although their knowledge and conception of the idea may vary. Before the recent coup, opportunities for popular participation were limited, despite the introduction of electoral democracy in 2015 and the electoral victory for NLD. People mainly engage in civil society organizations (CSOs). Myanmar has a multi-layered civil society with a great many types of CSOs, ranging from grassroots movements to more organized and professionalized NGOs. These engage in various roles in the context of limited state presence and capacity and armed conflict (mutual self-help, humanitarian relief, public service delivery and political advocacy), with complex relations between CSOs and the state.

Myanmar's ethnic conflicts have deep historical roots; they revolve around political grievances about state form, power-sharing, and ethnic equality. According to the major ethnic armed organizations (EAOs), there can be no real peace without political negotiations on the questions of ethnic self-determination and federalism. Core causes of ethnic conflict are political grievances related to ethnic self-determination, representation and equality, war-related security and development grievances, and the mistrust and resentment fueled by failed peace initiatives. Myanmar has many EAOs, highly diverse in ethnic identity, military strength and engagement strategies towards the army and the government.

Scores on governance indicators fits well with the overall analysis of the political economy analysis from 2017. Despite the transition to democracy in 2011, the military remained dominant in Myanmar politics—a pattern that was reaffirmed with the coup in early 2021. Comparison of governance scores in 2011 and 2019 shows significant improvement in overall governance after democratization in 2011. However, after the recent coup, these improvements are very much at risk of being reversed.

Ethiopia: Governance and political economy

Ethiopia is one of Norway's development partners, classified as a regular partner in development. It is a poor country, with a GDP per capita of $856. Its overall governance score according to the World Bank is -0.78, which places it in the medium range among Norway's partner countries—much better than those classified as fragile states, but worse than countries like Nepal, Malawi and Tanzania. It scores best on "rule of law" and "control of corruption" and worst on "voice and accountability" and "political stability/non-violence."

The country has been governed by the Ethiopian People's Revolutionary Democratic Front (EPRDF), a four-party coalition, since 1991. The ideological orientation of the regime has been fairly consistent, although it officially has disowned its seminal Marxist-Leninist roots and now promotes a revolutionary democracy. The four constituent parties of EPRDF emanated from the rebel groups that toppled the Derg regime in 1991. These parties represent a range of regional and ethnic groups, a reflection of the ethnic federal system installed by the EPRDF itself.

Ethiopia is frequently described as a developmental state with authoritarian features and opaque boundaries between the party and the state system. Intertwined with a strong, historically rooted identity and inspiration from the developmental surge of the "Asian Tigers," this has produced a strong and assertive central state with a clear vision of its developmental objectives and means. It has also produced a self-aware state apparatus that seldom yields to internal and international pressure. Ethiopia's experience with its revolutionary democracy and developmental state has produced impressive economic results, but critical concerns remain with regard to democracy, the political space, and human rights.

Ethiopia's economic development is hailed internationally. Specific figures differ, but the past decade has seen strong economic growth, and the government aims to make Ethiopia a middle-income country by 2025. Selectively combining the concepts of a developmental state and a market economy, the government's Growth and Transformation Plan (GTP) seeks to transform the country from an agriculture-based economy into a manufacturing hub through the Agricultural Development Led Industrialization (ADLI) initiative. While a growing economy and a green economy are often seen as being at odds, the government aspires to meet its economic development goals in a sustainable manner through its Climate Resilient Green Economy (CRGE) initiative. The private sector plays a marginal role; although it has nominally been given a prominent place in government policies, in practice it is curtailed as per the government's revolutionary democratic vision.

Achieving economic progress has not proceeded without challenges. Economic growth and investments have taken place largely in central areas. Urbanization and unemployment—especially among the vast group of people under the age of 25—are socioeconomic concerns with the potential to cause severe political problems. Unemployment and uneven distribution are serious economic problems facing Ethiopia today. The government's budget is seen as being pro-poor, with a positive effect on poverty reduction, but there are growing inequalities.

Since the turbulent elections in 2005, the space for diverse political actors and opinions has gradually been truncated and put under control—as witnessed by the 10-month state of emergency imposed in 2016 in reaction to popular mass protests, bringing to light several fundamental concerns related to political, democratic, and human rights. The narrow political space, combined with the fact that the EPRDF has captured nearly all parliamentary seats in subsequent elections, make peaceable political dialogue and reforms difficult.

Despite these issues, which are of concern to many internal and external actors, Ethiopia has continued to receive increasing amounts of aid from its international partners. One important reason relates to security concerns: Ethiopia is seen as an island of stability in an otherwise volatile region. It is committed to the global war on terror and is regarded as an important actor in buffering the spread of religious radicalization.

In terms of regional stability and security, Ethiopia is the most important country in the Horn of Africa, thanks to a combination of relative political stability over the last decade and a half, the size of its economy and population relative to its neighbors, its military capabilities, and its international relations, among other factors. Ethiopia has helped put in place a more solid foundation for regional stability, due not least to its policies for containing Eritrea's offensive posture—as well as by having improved its relations with Sudan, leading the mediation process in South Sudan, taking active part in peacekeeping efforts in Somalia, and by furthering shared interests and expanding exchanges with Djibouti and Kenya. Ethiopia seems set to continue as the sturdy guarantor of a more stable region.

Ethiopia's increasing role in the region is unlikely to be challenged by any other regional state or combination of states. Nor is it expected that any of its international partners would challenge Ethiopia, for instance by putting conditions pertaining to domestic political and human rights issues before the concern for regional stability.

More recently, violent conflict has erupted between the central government and the Tigray People's Liberation Front (TPLF). The conflict broke out when Tigray defied the government and held local elections in September 2020. The government responded by sending the army to the province, removing the regional government. The conflict has led to large-scale violence and displacement, creating a severe humanitarian crisis. The future is of course difficult to predict, but the crisis could have huge implications for governance, security, and the humanitarian situation, in Ethiopia as well as in the broader region.

Ethiopia's scores on governance indicators are in line with the overall analysis of the political economy analysis from 2017. Despite impressive achievements in terms of growth and poverty alleviation, governance has been characterized by ethnic tensions outbreak of violence and repression of critics of the government. A comparison of governance scores in 2011 and 2019 shows some slight improvement—which, however, is very much at risk of being reversed. The recent conflict has further exacerbated tensions and is likely to have a negative effect on governance.

Afghanistan: Governance and political economy

Afghanistan is one of Norway' development partners classified as a "fragile" state. It is a poor country, with a GDP per capita of $507. Its overall governance score according to the World Bank is -1.55, which makes it one of Norway's partner countries with the lowest governance scores, although somewhat better than South Sudan and Somalia. Afghanistan scores especially poor on "political stability/violent conflict." Its best (or least-bad) scores are on "voice and accountability" and "regulatory quality." From 2011 to 2019, its governance scores neither improved nor worsened, but remained stable at a low level, despite the rather massive amounts of foreign assistance.

The political situation is fundamentally shaped by the US-led invasion in 2001 and the subsequent war. Assessing the situation sixteen years after 2001, the political economy analysis found that Afghanistan was still facing formidable development challenges; poverty is rising, and the humanitarian situation is dire. Despite major achievements in improving access to education and health, the country is increasingly reliant on food imports.

Afghanistan received over USD 57 billion in Official Development Assistance during the period 2001–2015. This massive inflow of aid created a rentier state, unparalleled in the history of this country. Post-2001 Afghanistan is characterized by the repositioning of the old elites—the previous warlords, commanders, and drug barons—and the emergence of a new liberal elite—the technocrats. What began as a radical state-building and democratization project was captured by the elites and patronage networks entrusted by the international community to govern and develop the new state. Distribution of state revenues (largely from external donors) has been used to secure loyalty and maintain control throughout the country. This has led to extreme centralization, hampering the development of state institutions, reducing government legitimacy and reinforcing actor fragmentation.

After Afghanistan experienced strong and rapid economic growth—9% annually, on average—following the fall of the Taliban, the growth rate plummeted to about 2% annually after 2014, with the withdrawal of US forces and President Ashraf Ghani taking office. Like his predecessor, President Ghani won the presidency by associating with the "old elites." He has since struggled to reduce their influence in, and exploitation of, the Afghan state. Many of those whom President Ghani challenges, inside and outside the government, draw on the informal and illegal economy and varying alliances to protect their interests. The country's heavy dependence on international financial support might provide a stabilizing effect, but it cannot resolve the governance and development challenges imposed by internal elite politics. The large amounts of aid that have poured into Afghanistan since 2001 have fueled corruption and contributed to the development of a war-aid economy which has favored the already powerful. As yet, development assistance has not led to a marked reduction in poverty for the majority of the population, and humanitarian assistance has been used primarily as a "band-aid."

The security situation in Afghanistan deteriorated significantly after the withdrawal of international forces in 2014. The Taliban have increased their territorial control and the Islamic State has emerged as a new actor. Civilian losses are at an all-time high. The Afghan population is facing multiple threats due to the spread of, and increase in, activities by criminal networks that are often interwoven with government networks or elites. Threats to the populace include the drug trade, cross-border smuggling, and kidnappings for ransom.

Establishing the rule of law and enhancing Afghan's access to justice became a central part of the contested process of state-building after 2001. Experience from the justice-sector reform has shown that direct legal transplants of Western normative ideals are neither legitimate nor effective. Reforming Afghanistan's pluralistic justice tradition remains a challenge, where giving consideration of the interplay between statutory, customary and Islamic law is essential for increasing access to justice for ordinary Afghans. As the justice sector is riddled with corruption, many Afghans choose to settle disputes outside formal and customary justice institutions. Women in particular have scant recourse to justice, and face discrimination in both formal and customary traditions.

An underlying premise for most international assistance to Afghanistan has been the promotion and protection of human rights. These efforts are challenged by existing cultural norms and power structures as well as the still-ongoing conflict. Violations of human rights are widespread, committed by all conflicting parties. Extensive disregard for the rule of law and low accountability for those who commit abusers of human rights further fuel popular distrust of and opposition to the government, undermining the legitimacy of the government.

The analysis of Afghanistan's political economy requires an attempt to analyze how formal and informal structures intersect and shape behavior in the competition for power, wealth, and ideas. The formal Afghan state apparatus remains utterly dependent on international economic support to maintain its functions, pay salaries and deliver basic services, and on international military forces to keep the Taliban and internal disintegration at bay. The semi-informal state is partly embedded in the formal state for protection; however, it supplements exploitation of state resources (and positions) with financial income from the opium and smuggling economy to further its interests and secure positions. Additionally, there exists a parallel, "informal" state, represented by Taliban and other militant groups, with income from drugs, taxes on the population and support from various neighboring countries. This informal state draws on support from a populace weary of the international military presence, unmet government promises, and corrupt practices. Growing insecurity, unemployment, outmigration, and rising poverty provide daily reminders of failed opportunities.

As long as the current elites and key persons in the government manage to convince the international community that any collapse of the present power constellation would pose a threat to regional and international security, it can be expected that there will be a slow and steady deterioration in Afghanistan, leading to further fragmentation of power and territory.

The scores on governance indicators are in line with the overall analysis of the political economy analysis from 2017. Afghanistan has been in a permanent crisis for almost 20 years, and developments in recent years have not made the situation significantly better, in terms of security or in terms of broader aspects of governance. Comparison of governance scores in 2011 and 2019 shows a slight improvement in the quality of governance, but the level remains very low. Overall, the prospects of improving governance in Afghanistan do not appear good. In this situation, it is also unlikely that aid can have significant impact on improvement of governance.

Somalia: Governance and political economy

Somalia is classified as a "fragile state" and is one of Norway's development partners. It is a poor country, with a GDP per capita of $127. Its overall governance score according to the World Bank is -2.12, equal to that of South Sudan: these two have the lowest score of all Norway's partner countries. Somalia scores especially badly on "political stability/violent conflict" and "rule of law." Its best (or least-bad) scores are on "control of corruption" and "voice and accountability."

Power and resources are distributed in Somalia among a range of formal and informal, domestic and international actors. These actors operate in various contexts, with differing consequences for development cooperation. This country analysis has aimed at shedding light on the interests, incentives and institutions linked to these actors that may enable or challenge societal change, stabilization and economic prosperity in Somalia.

In terms of politics, domestic and international informal interest groups—clans, Islamic extremist groups, religious groups, and the diaspora—have competing claims over rights and resources with formal interest groups, largely the current Somali Federal Government (SFG) and the regional federal states. Overall, the power of the formal regional federal states and the SFG is weak; moreover, the system of clan representation is insensitive to recent demographic changes, leaving a growing proportion of the population unsupported by clan bloc voting. The real power lies with individuals, powerful clan militias, and al-Shabaab, who oppose the concept of a strong, centralized government and who control the subcontracts for humanitarian aid, import/ export businesses, and the illicit transborder trade. The main challenge lies in the blurred boundaries between formal and informal domestic actors: for example, in the security sector, police and military personnel work for clan militias and private security companies. There are countless actors with access to physical force. This also reflects the high level of corruption and lack of trust within the security and armed forces of the formal administration.

The economic processes that generate wealth in Somalia are linked to how political decisions are made. The business community in Mogadishu and elsewhere in Somalia has considerable leverage on political outcomes. Political offices are seen as vehicles to generate wealth. This has created a set of dynamics that influence development, with rampant corruption, particularly during elections. And since political actors have access to funds, al-Shabaab has begun targeting their salaries for protection. Private entrepreneurs are no exception to this "business model" where a potential security threat becomes an instrument for paid protection.

Somalia's war economy has brought insecurity to Mogadishu, the main hub of commerce and aid. Whoever controls Mogadishu also controls the money to be earned and allocated in the private sector, the public sphere, and in the bilateral and international aid structures. Without paying protection money, virtually no major hotel, business, or service provider can operate in the capital city. The war has generated an elite of businesspeople, warlords, politicians, and religious leaders, all benefiting financially from insecurity. A stable, functioning national, regional, and local administration is not in their interest, as that would diminish the base for their business model: insecurity.

Today, the clan cannot work as an instrument for distributing resources equally, as fighting within sub-clans has become increasingly common. Somalis have not experienced a lasting peace for many decades, and have remained locked into a system of patron–client relationships based on clannism. On the other hand, clan affiliation can also be a perceived means of protection and access to resources. What is lacking is the trust in rights and obligations that could result into a social contract respected by all Somalis, irrespective of background, lineage, political affiliation, or economic status. Without such social contract, and the will to make reconciliation work, the prospects for peace and statebuilding will remain bleak.

Somalia's scores on governance indicators are in line with the overall findings of the 2017 political economy analysis, which argued that the situation in the country is severe, with continuing violent conflict and a weak, ineffective state, incapable of addressing the crisis. However, governance scores have improved slightly from 2011 to 2019, especially on "political stability/violence."

Haiti: Governance and political economy

Haiti is classified as one of Norway's regular partners in development. It is a poor country, with a GDP per capita of $1273. Its overall governance score according to the World Bank is -1.18, which places it in the medium range among Norway's partner countries—much better than those classified as fragile states, but worse than countries like Nepal, Malawi, or Tanzania. It scores best on "voice and accountability" and "political stability/non-violence," and worst on "government effectiveness."

The history of Haiti is one of colonialism and occupation, of extreme inequalities and the persistence and consolidation of a small economic elite kept in power with the support of Haitian security forces and external actors. Since independence from France in 1804, there has been a symbiotic relationship between the two most powerful groups in Haiti: the military, and the merchant elites. The military, largely of African ancestry, has competed for political power, whereas the merchant elite, generally of mixed French-African background, has controlled commerce. The poor majority of the population remained without power and influence up to the elections in 1990, when Jean Bertrand Aristide came to power as a representative of the Lavalas (*avalanche,* or 'cleansing flood') movement.

When Aristide became President of Haiti in January 1991, the large majority of Haiti's poor were behind him. The Lavalas movement was a broad coalition of individuals and organizations, encompassing peasants, rural organizations, political representatives (spanning from Marxists to Christian Democrats), church groups, students, and some businessmen. Some segments of the bourgeoisie supported Aristide, but the great majority of his supporters poor people. He had strong support among the peasants who had lost their livelihood basis as a result of economic liberalization during the 1980s. The economic policies of the 1980s resulted in increased poverty and marginalization, further cementing the historical fault-lines in the country. With the slums of Port-au-Prince overflowing with rural migrants, Aristide had an important support base there.

When President Aristide, only eight months later, was ousted from power in a military coup, it was the historically created symbiotic relationship between the army and the economic elite that struck back at him.

However, Aristide returned to Haiti on October 15, 1994. One of the first things he did was to dissolve the Haitian Army. From that point, throughout the 1990s and onwards, it is possible to identify a pattern where the economic elite made efforts to regain its position. Aristide lost support among some of his own supporters—one reason being that he was not able to deliver the economic development that the populace expected. Towards the end of Aristide's second presidency, criticisms grew stronger, finally resulting in his ouster in February 2004. The economic elite and military were behind the coup.

The situation was particularly critical in Haiti's largest department, Artibonite, where, *inter alia*, former police officer, Guy Philippe, who has been accused not only of extrajudicial killings by Human Rights Watch, but also of drug trafficking and money laundering, was one of the key organizers of an uprising against Aristide. In 2004 Aristide was finally ousted, and flown out of Haiti. It is clear that the economic elite in Haiti had been receiving considerable support from the United States and that there was little international protest against the interim government that took over after Aristide, although it contained ex-militaries and criminals. Similarly, there have been lukewarm reactions to the exclusion of the Famni Lavalas Party and some other political parties in later elections.

When the UN Stabilization Mission in Haiti (MINUSTAH) arrived in the country in 2004, deployment took place in a context where the mission was seen as being part of the conflict and not neutral—by many Aristide supporters, and more generally by many of the poor and marginalized in the slum areas of Port-au-Prince.

Haiti has a considerable corruption problem. Its Corruption Perceptions Index averaged 18.25 points from 2002 until 2017 (with 0 being "very corrupt" and 100 "very clean"), reaching an all-time high in 2002 and a record low of 14 points in 2008, during the presidency of René Préval (Transparency International, 2018). In 2017, the Index stood at 22 points.

Given the massive challenges after the devastating earthquake of January 2010, the eyes of the world have been on Haiti. The country has seen a very heavy presence of external actors, including donors, multilateral agencies, the UN force MINUSTAH (with extended mandate), and international NGOs, many of them with conflicting agendas. The presidential elections in 2011 and 2016 were characterized by irregularities, fraud, protests, violence, and very low voter turnout. They were also characterized by the support provided by Haiti's economic elite to the candidates and by the heavy influence of external actors, the United States in particular. In consequence, after the 2010 earthquake, Haiti has been governed by two presidents with very low political legitimacy. This leaves the majority of impoverished Haitians with a familiar challenge: how to handle marginalization and lack of influence over national policies? This may easily erupt in new and violent protests.

Haiti's scores on governance indicators are in line with the overall conclusions of the 2017 political economy analysis. The country is faced with entrenched poverty, ineffective governance, and widespread corruption. A comparison of governance scores in 2011 and 2019 shows that the overall score is exactly the same in 2019 as it was in 2011. Overall, the prospects of improving governance are not good. In this situation, it is also unlikely that outside aid can have significant impact on improvement of governance in Haiti.

Tanzania: Governance and political economy

Tanzania is one of Norway's development partners, classified as a regular partner in development. It is a poor country, with a GDP per capita of $1122. Its overall governance score according to the World Bank is -0.55, which makes it one of the best-scoring countries among Norway's development partners: only Nepal has a better overall score. Tanzania scores best on "political stability/violence" and "control of corruption," and worst on "government effectiveness."

Tanzania's social and political stability since independence (as "Tanganyika") is notable by regional and continental standards. This stability has allowed it to forge international relationships and become a significant regional power. Economic transformation has proven elusive, but there have been considerable policy shifts and recalibrations of the country's political economy. The political settlement in the first period after independence exhibited the characteristics of a developmental state, an outcome forestalled by the focus on strengthening the state and forging a national identity, rather than on promoting productive economic sectors.

Economic strategy from 1967 to the late 1970s was characterized by the ideological imperative of African Socialism or *Ujamaa*, focused on the takeover of private business assets, with state-driven industrial development and attempts at transforming agriculture through villagization. This proved to highly unsuccessful, however. Political and social stability following such a radical shift was maintained by ensuring the strong organizational base of the ruling party, the CCM (Chama Cha Mapinduzi: "Party of the Revolution"), co-opting the security services, preventing any organized opposition from emerging by smothering civil society, and hindering the development of a capitalist sector. The rents management strategy ensured that a relatively broad coalition of interests across state and party could be managed through state structures, creating a "ruling class" of politicians, and administrators in the CCM, the civil service, and parastatal organizations. Rents management was broadly decentralized under *Ujamaa*, but became unsustainable as the economy deteriorated. Operating under a broadly authoritarian regime, such an elite had neither the skills nor the incentives to support capital accumulation through productive investment. The incorporation of the army into CCM structures in 1971 brought the army nominally under party control, but also placed the military at the heart of the state—as is the case today.

Economic crisis from the late 1970s and into the 1980s challenged the legitimacy of CCM rule. Unproductive industry and agriculture and shortages of consumer goods were reflected in the GDP growth rate, which became negative in 1982. The first critical recalibration came with the agreement reached with the IMF in 1985. This was later followed by a series of economic reforms, opening up agricultural markets, liberalizing foreign exchange, and reducing consumer and social service subsidies. Processes of privatization, reform, and winding up of parastatals began. The business community and commercial agriculture producers benefited greatly, as rent seeking took new forms. However, the broadening of the ruling coalition did not lead to a fundamental economic restructuring. The standing of the military within the CCM was strengthened, and its budgets increased, despite cutbacks elsewhere. Planning horizons, and the management of rents, remained short-term and focused on maintaining a hold on power.

The second recalibration came with political reform, and the introduction of multi-party politics in 1992. This was fundamentally the result of the economic pressures of the 1990s, and was a response to an international wave of democratic reforms. However, the Tanzanian reforms were unique in being driven by the ruling party, and in maintaining the basic political settlement built around the party, the civil service and the military, while allowing greater tolerance of re-emerging capitalism. The CCM has remained dominant: it holds together a coalition based around the public service, including the security services, although now with business interests well embedded.

John Magufuli was elected president in 2015. With a weak political base, President Magufuli has relied on the patronage that his position gives him in advancing politicians' careers, and on a small group of those personally loyal to him. After coming to power, Magufuli pledged to strengthen the CCM by streamlining party structures and rationalizing positions, and better management of party assets. He also promised to tackle corruption. Further, Magufuli has pushed through important changes to the CCM Constitution, significantly reducing the number of positions in the party's senior organs and the number of meetings held by organs at all levels of the party and removing over 16,000 "ghost workers" removed from the government payroll.

These reforms had two objectives. Firstly, they were a step against party "saboteurs." Secondly, they helped to solidify the chairman's hold over the party. Dealing with funding matters will depend on internal organizational issues, but also on relationships with party funders, mostly from the private sector. The future political strength of the CCM will also be relative to the strength of the opposition, and the lengths to which the state is willing to go in fighting it.

Tanzania's commitment to international norms of governance and accountability has also tailed off in recent years. Civil society space is unquestionably shrinking. We can expect a continued low level of advocacy work by the Tanzanian NGO sector, dominated by activists close to the regime that choose to focus on non-controversial topics. The strength of civil society is perhaps most clearly seen in the negative: in the restriction of civil society space by the state and the ruling party. In both traditional and new media, a similarly repressive approach on the part of the state reflects the level of threat as perceived by the ruling elite.

The 2018 political economy analysis noted three principal areas of change in Tanzania today: 1) an increasingly state-led approach to development with greater centralization of decision-making; 2) a focus on anti-corruption; and 3) the increasing denial of expression to political opposition, civil society, and the media. This does not signal a return to the command economy of the 1970s and 1980s: it is more a reconfiguration of state/private-sector relations. This reconfiguration is unfolding in an increasingly competitive political environment and in the context of long-standing symbiotic relationships between politics and business.

The report's analysis makes Tanzania's scores on the various governance indicators seem somewhat surprising, with better scores than might be expected. However, comparison with scores from 2011 shows a decline in the quality of governance between 2011 and 2019. Governance is deemed ineffective, characterized by patrimonialism and dominated by a political elite made up essentially of rent-seekers. Moreover, authoritarianism is growing, with repressive measures towards critics in the media, civil society and opposition parties.

Governance, social policies and human rights

In general, the governance scores fit well with the political economy analyses, and the problems identified in the reports are reflected in the governance scores. However, for three countries—Mali, Malawi, and Mozambique—the governance scores are better than what the political economy analysis would indicate. In these three countries, the political economy reports identify severe governance problems, such as low effectiveness and corruption, although their scores on these indicators are not particularly bad.

We have also examined how governance scores relate to social policies in the eleven partner countries. The best source of data on social policy is annual ILO report, which, among other indicators, lists the proportion of GDP spent on government social programs. For the eleven partner countries, expenditure allocated for government social programs is as follows:

Table 3. Social sector expenditure

Malawi	1%
Mozambique	4.5%
Nepal	3%
Mali	4.9%
Myanmar	1%
Ethiopia	3.2
Afghanistan	2.8%
Haiti	3.3%
Tanzania	6.8%
South Sudan	n.a.
Somalia	n.a.

Comparison of these scores with the overall governance scores shows considerable variation in expenditure on social policy. Expenditure in general is higher in the countries with better governance scores, such as Tanzania, Mozambique, and Mali. However, the picture is not clear-cut. For instance, Haiti and Afghanistan have low governance scores, but they also score relatively high on social expenditures. On the other hand, countries like Myanmar and Malawi have very low expenditures on social policy, but fairly acceptable governance scores.

Especially interesting is the relationship between the sub-indicator "voice and accountability" and social policy. We find a clear relationship between scores on this indicator and the level of social expenditure. Of the four countries with the best scores on this sub-indicator (Malawi, Nepal, Mali, and Tanzania), three (Mali, Tanzania, and Nepal) are among the countries with the highest social expenditures. This indicates that when there are public pressures as well as opportunities for participation, governments tend to give higher priority to social policies.

It is difficult to say how to explain the apparent link between quality of governance and social policies, as' such expenditure depends on both governance and state capacity and on political priorities. While countries with more resources and better governance might be expected to have better social policies as well, the priority given to such policies also reflects domestic power relations and variation in terms of which social groups have political influence.

We have also examined how governance scores are related to the human rights situation in the partner countries. Of the numerous indices which aim to measure the human rights situation across the world, we use the V-Dem dataset from Gothenburg University.

The V-Dem Index covers a wide range of dimensions related to democracy, but for the purpose of assessing the human rights situation, we focus on two selected components— called the Electoral Democracy Index and the Liberal Component Index on the Gothenburg index. Scores range from 0 to 1 (the higher the better). The Electoral Democracy Index covers the extent to which elections are clean, free, and fair; freedom of expression and association; suffrage rules; and the degree to which political power is vested in elected representatives. The Liberal Component Index covers equality before the law, judicial constraints on the executive, and legislative constraints on the executive. Both the Electoral Democracy Index and the Liberal Component Index are broken down into various sub-components, including factors such as access to justice, freedom of expression and association, religious freedom, freedom from torture, and freedom of movement.

Table 4. Human rights scores

	Electoral Democracy	Liberal Component
South Sudan	0.180	0.168
Malawi	0.500	0.840
Mozambique	0.409	0.518
Nepal	0.605	0.750
Mali	0.467	0.595
Myanmar	0.406	0.502
Ethiopia	0.330	0.397
Afghanistan	0.347	0.397
Somalia	0.161	0.321
Haiti	0.449	0.445
Tanzania	0.430	0.728

Comparison of the governance scores with human rights scores shows that, by and large, scores in the two areas are similar. For instance, Malawi and Nepal have the highest scores on both overall governance and human rights, whereas South Sudan and Somalia have the lowest.

However, the indices are somewhat overlapping, since "rule of law" and "voice and accountability" are included as parts of both indices. But even if we look only at those parts of the governance index that do not overlap with the human rights index, we find that the scores are broadly similar there as well.

Summary of governance scores, social expenditure and human rights

The following table summarizes the eleven countries' scores on governance (overall score), social expenditure, and human rights.

Table 5. Country scores on governance, social policy, and human rights

	Overall governance score	Social policy expenditure	Human rights 1: Electoral democracy	Human rights 2: Liberal component
South Sudan	-2.12	n.a.	0.180	0.168
Malawi	-0.48	1.0%	0.500	0.840
Mozambique	-0.77	4.5%	0.409	0.518
Nepal	-0.37	3.0%	0.605	0.750
Mali	-0.95	4.9%	0.467	0.595
Myanmar	-0.95	1.0%	0.406	0.502
Ethiopia	-0.78	3.2%	0.330	0.397
Afghanistan	-1.55	2.8%	0.347	0.397
Somalia	-2.12	n.a.	0.161	0.321
Haiti	-1.18	3.3%	0.449	0.445
Tanzania	-0.55	6.8%	0.430	0.728

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