



Chr. Michelsen Institute

Development Studies and Human Rights



CMI 2003



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Director's Introduction

2003 was an exciting and positive year for CMI. We recruited a number of young and very promising scholars among our staff; we consolidated our publication profile in terms of quality and numbers; we successfully completed two research programmes and further developed two programmes with colleagues at the University of Bergen, 'Courts in Transition' and 'Political Institutions in Africa'.

Applied and relevant research is a cornerstone at CMI. We have worked hard at making information and results of our research more accessible to researchers, policy makers and the general public. An exciting new project unit working for such purposes was created during 2003, and launched a new web site for CMI as well as online resource centres on Afghanistan and Bangladesh.

During 2003, we also made substantial progress in expanding and diversifying the income sources of the institute. We almost doubled our incomes from foreign clients and increased our total income by close to 20 %. This was mainly due to hard work and consistent efforts by CMI staff for which I am truly very grateful.

The end of the Cold War permitted the settlement of a number of conflicts in Asia, Africa and Latin America. Yet others continued and new ones started. Many of these have proved difficult to end and some have been referred to as complex political emergencies or failed states. The concept of 'peace building' has come to mean an increasingly standardised package of post-war aid designed to promote demilitarisation, return of refugees, reconstruction, the rule of law, elections, good governance, human rights and sometimes transitional mechanisms for addressing violations perpetrated during the war.

CMI has already made significant contributions to this field. The insights of CMI researchers into economic development, development cooperation, democratisation and development of judicial institutions, poverty reduction and natural resource management are relevant for conflict analysis. It is also relevant for understanding how external assistance in post-war situations can promote the desired effects, and how conflict, peace and development interrelate. Given the 'strategic deficit' which characterises international efforts in this area, there would seem to be a particular need for conducting conflict assessments whereby we are able to grasp how different conflicts (sometimes very localised) in a country or region are related to each other and aggregated to complex dynamic patterns that are crucial to understand in order to identify interventions. A strategic research programme building on such efforts will be launched in 2004, in cooperation with the International Peace Research Institute in Oslo.

In 2004, CMI will also launch a new strategic research programme on business ethics in multinational corporations in developing countries. This is a topic high on the agenda in the UN, among governments, business communities and civil society. To what extent should corporate resources be used to fight poverty and improve living standards in the countries and communities in which multinationals work? How should corporations interact with governments that are undemocratic and suppressive? The programme will be developed with colleagues at the Norwegian School of Economics and Business Administration.

Gunnar M. Sørbo
Director

The research and projects fall within 7 main research areas:

- Human Rights and Democratisation**
- Peacebuilding**
- Global Economy and Development**
- Public Sector Reform**
- Poverty and Social Transformation**
- Aid Policy and Impact**
- Natural Resources**

Parts of the research is organised in major institute programmes normally running for 3-5 years and comprising several projects. CMI has one permanent research program on human rights. In 2003, 2 strategic institute programmes were concluded: 'WTO/GATS and economic development: Key to the 'new economy'?' and 'Taxation, Aid and Democracy'

The bulk of the activity is made up of individual research projects and commissioned studies.

This annual report presents main findings of completed and ongoing research projects and commissioned studies in each of the seven main research areas. Some projects are crosscutting and fall within more than one research area.

content

Director's Introduction	2
Human Rights and Democratisation	4-7
Peacebuilding	8-11
Global Economy and Development	12-13
Public Sector Reform	14-15
Poverty and Social Transformation	16
Aid Policy and Impact	17
Natural Resources	18-19
New Information Unit	19
Partners in the South	20
Funding and Clients	22
Staff/Board	23
This is CMI	24

The quest for democratic accountability

Securing that elected political leaders 'play by the rules' and act in accordance with their mandate without violating citizens' rights, is a key challenge for new democracies in Sub-Saharan Africa. Across the continent, executive dominance is still the norm, and the many institutions put in place to make governments more accountable are in most cases relatively weak. Why is this so? And what explains the differences between the institutions and countries in the region?



‘Elections test the legitimacy of political institutions’

The institute programme ‘Political Institutions in Africa’ (POLINAF)(Lise Rakner), focus on democratic accountability. The central objective is to gain a better understanding of the institutions concerned with democratic accountability, and the interaction between the various institutions of government: electoral administration, the parliament, political party development, and the role of the judiciary and special institutions of restraint. The relational and dynamic aspects may explain why democratic institutions become institutionalised in some contexts and not in others.

POLINAF is a research co-operation between CMI and the Department of Comparative Politics, University of Bergen.

The case of Zambia

Elections and political succession ‘test’ the strength and legitimacy of political institutions in place to check against executive dominance. A study of the 2001 electoral processes in Zambia (Lise Rakner) concluded that this election could not be characterised as democratic due to the institutional uncertainty

POLINAF researchers offer an annual course for graduate students at the University of Bergen. 10 MA students are affiliated to the research programme. Collaborations have been established with universities in Ethiopia (University of Addis Ababa), Zambia (University of Zambia), Malawi (Chancellor College), Uganda (Makerere University), South Africa (University of Witwatersrand), The UK (University of Essex, University of Warwick) and the United States (Georgetown, Cornell, Michigan State, American University).

of rules and regulations surrounding the elections, and the weakness of the Zambian Electoral Commission. This continued uncertainty maintained the same party in power through three consecutive elections, despite an alarming economic record.

The analysis showed that the weak institutionalisation of the parties is linked to the political framework in Zambia where the presidency is overwhelmingly important. The weakness of the party system is embedded in excessive power concentration in the political system.

Similar studies of institutional developments and voter behaviour in the context of the 2004 general elections in Malawi commenced in 2003 (Lise Rakner). There were also initial talks with researchers at Makerere University on a study of the democratic accountability dimension of the 2006 elections in Uganda.

Several MA theses analysing central aspects of democratic accountability were completed: Studies of the accountability function of the Tanzanian parliament, an analysis of the National Resistance Movement in Uganda, the role of kingdoms in contemporary Uganda, and the gender aspect of electoral policies in Uganda.

The book *Political and Economic Liberalisation in Zambia 1991-2001* based on Lise Rakner’s PhD dissertation argues that while both political and economic reform processes are expected to reduce the mandate and scope of authority of the executive government, executive dominance increased in Zambia in the 1990s. Stressing continuity rather than change, the case of Zambia suggests that the patronage politics associated with authoritarian regimes are compatible with processes of political and economic liberalisation.

Building the rule of law in new democracies

Which functions do courts have in upholding the rule of law? How and when do courts succeed in making power-holders accountable to the democratic rules? How do courts contribute to democratic stability?

This has long been an under-researched field, although enormous resources have gone into strengthening and reforming judicial systems all over the world the last two decades.

The institute programme ‘Courts in Transition’ (Elin Skaar) sheds new light on some of the most important functions of courts in upholding the rule of law and contributing to democratic stability. Political scientists, legal scholars, legal philosophers, economists, and social anthropologists from four continents provide a unique mix of theoretical and empirical experience. Case studies from a number of new democracies emerging either from dictatorial rule or from colonialism in Africa, Latin America, Eastern Europe and Asia, allow analysis of different legal systems and traditions in various cultural settings.

The researchers publish widely on courts issues in international journals, and teach courses at Master and Doctoral levels. The findings from this research collaboration are expected not only to be of value to academics, but also to serve as important sources of information for policy makers in the field of judicial reform.

The programme’s five main components are all central themes in law and courts research:

- The accountability function of courts
- Courts as an institutional voice for the poor
- Law and order
- Economic security and property rights
- Theoretical perspectives on courts in new democracies

The first major publication in a planned book series of five, *Democratization and the Judiciary*, critically questions some of the premises underlying the present drive towards a constitutional government and judicial powers. Considering the record of judiciaries in new democracies, it warns of problems inherent in the current global move towards constitutional government, where powers are placed in judges who themselves are not made accountable. Whether judges challenge governments in politically significant cases depends on legal culture, institutional structure, and resource constraints judges operate within in addition to the social legitimacy of courts.

This programme is a joint project between CMI, the Faculty of Law at the University of Bergen, and the Centre for Applied Legal Studies at the University of Witwatersrand, Johannesburg.



Other projects and programmes

- Checking the state: Special institutions to secure accountable government in Sub-Saharan Africa
- The human rights situation of the Adibasis of Bangladesh
- Accommodating difference: Human rights, citizenship and identity in diverse societies
- Good governance in Angola: Parliamentary accountability and control
- Norwegian aid to judicial reform
- Why judges prosecute: Human rights violations and judicial independence in Latin America
- Gender (in)justice – Pakistan
- The dialectics of the shifting accountability of the Maoist Movement in Nepal
- Human rights commissions in Southeast Asia
- Human rights in Bosnia
- Licence to kill - honour killings in Pakistan

Human Rights and Democratisation:

Human rights and democratisation has comprised one of CMI’s core research areas since the early 1980s. The human rights programme has been a permanent research programme since 1983 functioning as a forum for human rights based research. A monthly seminar presents and discusses papers on human rights issues. The programme also finances the writing of several articles.

Many researchers and students have human rights issues at the core of their research, covering a broad spectre of political, economic, social, and cultural rights. Now there is an increased focus on legal aspects of rights protection through studies of courts and the rule of law in new democracies.

Between war



and peace

The end of the Cold War made possible an unprecedented use of the UN to promote peace . The scope for collective intervention to settle conflicts as well as for participation in reconstruction after conflicts widened. Substantial aid money has been mobilised to finance such peace building agendas. Many of the current conflicts have proved difficult to end, becoming complex political emergencies or failed states. Events following 11 September 2001 and the 'war on terror' have challenged the multilateral approach, as exemplified by Afghanistan and Iraq.

Which conditions and strategies serve to strengthen peace once a violent conflict comes to an end? Peace building agendas have been driven by specific national and institutional interests and by concerns for a general international order. CMI has made significant contributions to this research field. CMI collaborates with Norwegian and international research institutions and researchers involved in research on different aspects of peace building.

Afghanistan – efforts ‘to win hearts and minds’

Afghanistan balances on the edge of a precipice: below lies renewed war, chaos and the resurgence of Islamic militancy. Fears of such alternatives have ensured strong political and economic support for the present transitional administration regardless of its limited legitimacy. A CMI project analysing the planning, establishment and first months of activities of the UN Assistance Mission in Afghanistan (UNAMA) operations (Astri Suhrke), revealed an unprecedented unity of purpose among the main concerned states on a post-war strategy for Afghanistan. Yet, the promotion of human rights is constrained by the requirements of short-term political stability.

Afghanistan exemplifies the difficulties of building peace while a military campaign is still being pursued. Military forces have provided humanitarian assistance to win ‘hearts and minds’ in addition to pursuing military goals. UNAMA is the first UN peace operation established in the shadow of ‘the war on terror’.

Authorising an all-UN integrated mission in the context of a continuing emergency situation, where aid agencies are already operating in the field may however, be disruptive of ongoing operations and likely to encounter considerable resistance. The report urges for co-ordination structures which simultaneously promote capacity-building of the local state and private sectors. In addition, assistance to cover the operating budget of the state administration is a prerequisite for capacity-building and local ownership of the process. It is therefore suggested that an international fund for this purpose should be part of the standard international response to post-conflict situations. The organisation of a UN peace mission must be tailored to the kind of situation in which it is inserted. In situations ‘between war and peace’—as in Afghanistan—the civilian part of the mission



should have a flexible, even modular, structure where units can be deployed according to needs as the situation evolves.

A CMI evaluation of an NGO consortium’s emergency operations (Arne Strand) welcomed their use of selected national NGOs and civil society groups as implementers in conflict contexts. Guidance for future emergency operations stressed the importance of establishing a common assistance strategy while at the same time allowing rapid change of implementation strategies as the context is altered and beneficiaries’ needs change. A participatory study of Norwegian Church Aid (Arne Strand) helped define their post-war strategy in Afghanistan, recommending a rural and integrated focus and a sharpened profile on advocacy work and civic education.

‘Afghanistan exemplifies the difficulties of building peace while a military campaign is still being pursued’

There are 2.3 million Afghans still residing in Iran. CMI, PRIO and the Iranian Institute for Policy Studies arranged a roundtable conference (Astri Suhrke) which engaged international Iranian and Afghan officials, scholars and practitioners in identifying alternative strategies to forced return of refugees. The official Iranian policy is to ensure a rapid refugee return, yet Iranian businesses are in need of labour and the Afghans are in need of jobs. Thus, a dilemma persists.

A World Bank commissioned report on Community Driven Development in Conflict Contexts (Arne Strand) found that a conflict complicates efforts to reach the poorest and that such projects in themselves are not enough to reconcile previous enemies. The process of establishing community based organisations which can identify and agree upon projects is more important than rapid project implementation, concludes the report.

To strengthen CMI’s knowledge and capacity on peace building issues a new institute programme on peace building will be launched in 2004. The programme will develop policy-relevant theory on peace building, and synthesise findings from case studies from Afghanistan, Sri Lanka, Southern Africa and the Middle East.

Political Islam

During the past decade, political Islam (‘Islamism’) has emerged as a political challenge to secular nationalism in a number of Middle Eastern countries, triggering widespread political violence. CMI research (Are Knudsen) has sought to uncover the reasons behind the Islamist revival in the Middle East in general and in Lebanon and Palestine in particular. The lack of civil liberties, political oppression and social inequality are widely seen as the root causes of the Islamist revival. Yet, there is need for a better understanding of Islamist movements and their adherents. To this end, CMI together with researchers at Muwatin (The Palestinian Institute for the Study of Democracy), are currently engaged in research on the determinants of grass-roots support to the Palestinian Hamas.



From peace building to ‘war on terrorism’

CMI carried out a study on reform of the security sector as an input in an evolving policy debate on the role of security sector reform in Norwegian assistance to developing countries (Elling N. Tjønneland).

Security sector reform addresses two main challenges: (1) assisting institutions capable of providing security for the state and its citizens and (2) ensuring that these institutions are governed in accordance with the principles of democracy and civilian oversight.

An increasing number of donor agencies have started to view security as a precondition for poverty reduction and development. In particular, donors offer increased support to justice and internal security/police reforms and to the rebuilding of security institutions in countries emerging from violent conflicts. The new ‘war on terrorism’ agenda has weakened the earlier focus on governance and democratisation.

Other projects

- Aid in conflict
- The effects of post-war aid
- Roads to reconciliation
- Post-war aid: A comparative analysis
- Contribution to Norwegian-Japanese roundtable on peacebuilding
- Reform process in Serbia
- Political Islam in Palestine: determinants of local support
- Monitoring the ceasefire agreement in Sri Lanka

Who's helping who?

PHD

Arne Strand submitted his DPhil thesis ‘Who's Helping Who? NGO Coordination of Humanitarian Assistance’ to the University of York in December. His thesis examines the effectiveness, efficiency and impact of NGO coordination of humanitarian assistance, primarily in Afghanistan. Case studies from Bosnia and Herzegovina, Indonesia and Sri Lanka helped broaden the investigation.

His prime finding was that the local population and returned migrants were essentially disconnected from any NGO decision making or coordination process. It was primarily the NGOs themselves, not the intended beneficiaries, who benefited from NGO coordination arrangements. NGOs will inevitably reject any attempt at being forcedly coordinated. They regard it as a limitation to their organisational independence and funding opportunity. Strand does not reject coordination as a tool that might help improve delivery of humanitarian assistance, but calls for a facilitated mode of coordination, information sharing and agreement on a set of norms and codes that can guide assistance efforts.

Peacebuilding:

CMI researchers have focused on post-conflict peace processes in areas like Sri Lanka, Kosovo, East Timor, Afghanistan, the Middle East and Southern Africa. The changed international situation after 11 September 2001 continues to influence the

course of conflict and resolution in many parts of the world. Assistance in ‘post-conflict’ situations have become a more established area of expertise, in areas such as state formation, democratisation, building the rule of law, peace support operations and economic reconstruction.

Trade in services integrates developing countries in world economy



Development of telecommunication services has facilitated cross-border trade over the internet. There are online possibilities even in the remotest part of the world. Yet, developing countries often lack complementary factors such as competence, infrastructure and well-functioning institutions to be able to make the most of the technological opportunities.

The CMI research programme 'WTO/GATS and Economic Development: Key to "the new economy"' (Arne Wiig) has analysed how information technology and trade liberalization affect international division of labour and income distribution in the world economy. CMI has cooperated with the University of Cape Town, the University of Malaya, the Free University of Amsterdam, the Foundation for Research in Economics and Business Administration (SNF) in Bergen and the World Trade Organization.

Many industries outsource services to low-cost countries with a well-educated population, but developing countries are dependent on low trade barriers as well as adequate infrastructure, logistics and customs procedure to be able to upgrade the quality of their products and participate in global production networks.

In a study of the Namibian tourist industry (Arne Wiig) confirm that technology alone will not make much of a difference. Overseas travel agents and tour operators at home play an important role in supplying information and ensuring the quality of a trip to an exotic destination. Unless Namibian operators can fulfil these two functions and ensure quality and trust, they will continue to depend on intermediaries to attract tourists. An

analysis of 122 countries confirms that direct marketing on the internet is significant as a marketing tool only in contexts of political stability and mutual trust.

Telecommunications

New technological solutions and liberalization of telecom markets in Africa have led to an average annual growth of 78% in mobile telephony. In Ghana, a case study (Ragnhild Overå) shows that this development saves traders time and transportation cost. Mobile telephony makes it possible to maintain a wider network of suppliers and customers, resulting in higher incomes and expansion. More efficient long-distance communication makes it easier to check information and to build relations of trust between trade partners.

An econometric study analysing the relationship between telecommunication development and economic growth shows that there seems to be larger growth effects from telecommunication development in developing countries than in developed countries, a result that contradicts earlier findings. The result stems from a larger indirect impact of telecommunications in other sectors.

FDI and WTO

A CMI study examines the host country determinants of foreign direct investment (FDI) flows in services as a whole and in the major service industries (Ivar Kolstad). It is found that FDI in the service industries is attracted to large domestic industries, but unaffected by trade openness. A strong correlation between FDI in manufacturing and FDI in certain producer services (finance and transport) is found. While political risk does not affect FDI in services overall, socio-political indices appear to affect FDI in certain service industries.

The financial sector plays an important part in economic growth as it can reduce the cost of acquiring information, conducting transactions and facilitating saving mobilisation. An econometric study shows that there is a positive statistical relationship between financial development and economic growth. It is also found that financial sector developments seem to have at least the same importance on economic growth in developing countries as in industrialised countries.

The need for an international investment agreement (IIA) has been a much debated and highly controversial issue for at least a decade. There are now initiatives to place this theme on the agenda for the new round of negotiations in the World Trade Organization (WTO). In a study it is demonstrated that potential host countries of international investments may have conflicting views on an IIA (Bertil Tungodden). A small country may either benefit or lose from the possibility to subsidize. It benefits if by offering an investment subsidy it is able to attract foreign direct investment, which it would not get in the absence of such an investment incentive. An investment agreement eliminating the opportunity to subsidize foreign direct investment would therefore lead to a loss for the smaller country. However, if the multinational makes a single investment in the region, and the larger country is able to change the investment decision of the multinational from the small to the large country by offering a more generous investment subsidy, a zero-subsidy investment agreement would benefit the small country.

'Large growth effects from telecommunication in developing countries'

Social development policies increase investment in developing countries

Creating a favourable investment climate is crucial for economic development. Investment increases growth which in turn reduces poverty, at least in the long run. In a series of studies for the World Bank, CMI has examined the impact of social development variables on investment in developing countries (Ivar Kolstad).

Reducing corruption leads to an increase in domestic investment, but has no effect on foreign direct investment (FDI). Combating corruption can have a beneficial effect on both domestic and foreign investment. Political freedom attracts FDI, but decreases domestic investment. Since democratization might reduce corruption, however, the total effect on domestic investment is ambiguous. Religious tensions deter FDI, and improved socio-economic conditions increase domestic investment.

Democratic accountability has a negative association with FDI in the manufacturing industries but a positive one in the service industries. Law and order is found conducive to investment in both types of industries. Internal conflict deters investment in the manufacturing sector. Neither law and order nor internal conflict affects FDI in the extractive industries. Paradoxically, we find corruption to increase FDI in the services sector, and ethnic tensions to increase FDI in the manufacturing sector.



Global Economy and Development

CMI focuses its research on developing countries' uneven integration in the international economy, and studies trade and trade reforms, international investments and the role of multinational companies, transfers of aid and economic co-operation between countries in the South.

Other projects:

- Social development and investment. The cases of Botswana and Malaysia
- Comments to the first draft of the SADC Regional Indicative Strategic Development Plan
- Experience from Bangladesh with ethical trading
- Corruption in international business transactions
- Assessing the economic gains of free market access for the least developed countries
- Sanitary and phytosanitary standards (SPS) and technical assistance

www.u4.no - A virtual resource centre



Corruption is 'the single greatest obstacle to economic and social development' proclaimed the World Bank. International development agencies have been looking for ways to combat corruption, but relatively little is known of the effectiveness of their efforts. There is much need and demand for research-based knowledge.

U4 Utstein Anti-Corruption Resource Centre (Inge Amundsen) is breaking new ground for CMI – using the Internet possibilities for disseminating research-based knowledge. With a focus on corruption as a development problem, U4 presents well organised resources and digested knowledge from a complex discipline for a variety of user groups.

CMI hosts a group of 'corruption researchers', who ensures that U4 is a research-based resource centre. U4 also draws upon an international network of experts and cooperates closely with the world's leading anti-corruption NGO, Transparency International.

www.u4.no - a virtual resource centre

Being inextricably linked to the Utstein Group and their development agencies, the U4 web site contains a comprehensive and searchable database of these agencies' support to anti-corruption projects across the world. In addition U4 offers:

- selected and annotated literature
- expert's answers to frequently asked questions
- topical focus pages
- web portal with links to anti-corruption on the internet
- special web services for Utstein staff

Research-based, easy-to-access knowledge

Producing applied research-based knowledge is a cornerstone of CMI activity, yet U4 has taken a new path by marrying service production, the internet and database technology with research-

based knowledge. As such, U4 currently explores new avenues for the dissemination of research and academic knowledge as well as interactivity with key user-groups, such as development workers. A key principle for the U4 team is to produce accessible information and knowledge – by alleviating rather than increasing the 'information overload'.

Currently, U4 offers several services directly to staff of the Utstein agencies. In addition to the open site, the Utstein staff is offered interactive learning tools such as an online anti-corruption training course and a helpdesk with access to experts.

In 2003, U4 initiated what promises to be future reference points in the two areas: 'African Anti-Corruption Commissions' and 'Blacklisting' as means to anti-corruption'.

The Utstein Group

The four ministers of international development in the United Kingdom, the Netherlands, Norway and Germany established the Utstein partnership in 1999. Among other priorities, the partners have developed a common strategy and plans for combating corruption and established the U4 Anti-Corruption Resource Centre. U4 is currently servicing the Utstein development agencies, principally DFID, NORAD, the Norwegian and the Netherlands Ministry of Foreign Affairs, and GTZ/German Federal Ministry for Economic Cooperation and Development.

Understanding tax systems in African countries

Taxation, aid and democracy are closely related in poor aid-dependent African countries. Excessive and arbitrary taxation are major constraints for economic and social development.

High taxation retards the growth process and induces tax evasion. The research programme 'Taxation, aid and democracy' (Odd-Helge Fjeldstad) which was concluded in 2003, is the first comparative study of revenue systems in African countries that explores the evolution and performance of both the local and central government tax systems. Namibia, Tanzania and Uganda are the case countries.

The research generated new insights relevant for future tax reforms on taxation in poor countries. Taxation is generally not high on the domestic political agenda. The politics of taxation are limited, involve a few specialised interest groups, and tend to take place in non-public arenas. Typically, small lobby groups pressure for tax exemptions and bargain with officials or ministers about tax liabilities. Major debates in Parliament about central government taxes and tax reforms are rare. This contrasts remarkably with the situation in most rich countries, where taxation issues – especially around elections - are often central and important. Offering their technical assistance, donors push hard to get recipient governments to meet specific

revenue targets. Central government taxation is therefore often shaped by technical staff rather than by the Parliament. Local government taxation is a major exception to this, but politicisation of local government taxes often undermines local government tax collection efforts. Administrative problems and political interference in the implementation of tax policies are major obstacles to increased revenue collection.

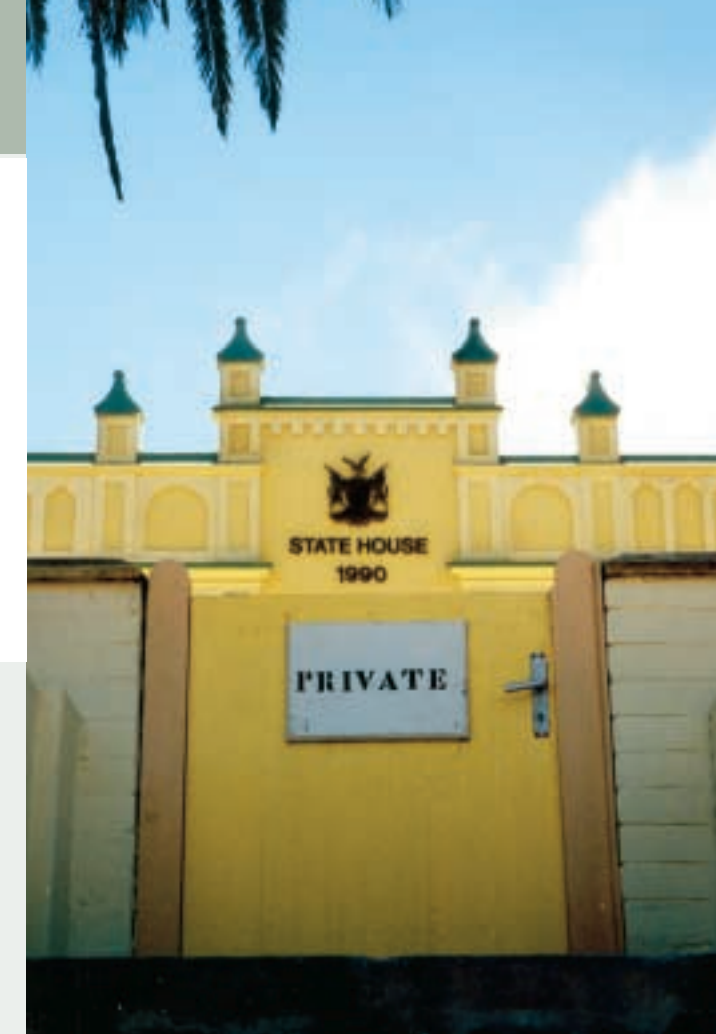
Donors focus increasingly on domestic revenue generation as a way of reducing aid dependence in Africa. The research concludes that this may have significant but unintended negative impacts on taxpayers' rights and government accountability. Although it is difficult to sort out the specific effects of taxation and donor interventions in concrete situations, it is clear from the research that fiscal relations between states, donors and citizens do affect accountability relations in direct and indirect ways. Hence, a better understanding of the fiscal relations in society is important when seeking to promote more democratic and accountable government.

Public Sector Reform

Studies of economic and political reform processes have become a distinct area of research at CMI during the last decade. This area includes research on public institutions, local government reforms and aid policies. The research focuses on various aspects of governance, service delivery, taxation and corruption. CMI's long-standing work on macro-economic models and financial management is also embraced within this research area.

Other projects

- State-formation and governmentality: interpreting corruption in a Palestinian context
- Rural taxation in Uganda
- Inception review of Scandinavian support to the National Statistical Institute in Mozambique and appraisal of a five-year project for continued support
- State building and rent seeking in Palestine
- Formative process research on the local government reform in Tanzania
- Corruption in the education sector in Bangladesh
- Research on corruption: A policy oriented survey
- Local governance, urban poverty and service delivery in Namibia
- Municipalities in Mozambique - 5 years since the first local elections, a follow-up study



When women feed their families



Dramatic cuts in formal jobs have forced African men out of the job market. African families increasingly depend on women's informal income. West-African women have always been visible and held powerful economic positions in the informal economy, but this has not been the case in other parts of Africa. The last 20 years, income patterns and gender relations have changed dramatically all over Africa.

Poverty and Social Transformation

This research area covers a wide range from analysis of poverty processes to studies of poverty-reducing political initiatives and their implementation. The call for effective reduction of global poverty, challenges the research community to move its discourse beyond definitions and measurements to an understanding of poverty generating processes and what pro-poor policies entail.

Other projects

- Assessing the impact of transport and energy infrastructure on poverty reduction
- 'As Long as They Don't Bury Me Here'. Social Relations of Poverty in a Southern African Shantytown

The project 'Changing gender relations in African informal economies' (Ragnhild Overå) investigates the way in which informal economies historically emerged as differently gendered in different African countries, and how political reforms, economic crisis and the AIDS epidemic currently change gender relations.

In times of economic crisis gender ideologies change and become less rigid. In Africa today, men increasingly depend on women to feed their families. Men are marginalised. African women enjoy the newly gained economic independence, but the price is high. They work harder to provide for an increasing number of dependants, and they often do it alone.

Oscillatory labour migration no avenue out of poverty

Arne Tostensen defended his doctoral dissertation 'Between Shamba and Factory: Oscillatory Labour Migration and Livelihoods in Kenya' at the University of Bergen in May. Land shortages force poor peasants to seek wage employment in urban areas to supplement their income. The male head of the household becomes an oscillating migrant while his family cultivates the

land. He gets paid a 'bachelor's wage' since his family is presumed to fend for itself on the farm. Thus, subsistence agriculture subsidises industrial wages. Labour migration is not an avenue out of poverty, argues Tostensen, although it gives a temporary respite. The problems of poverty persist.

Evolutionary model of an urban labour market

PHD

Ivar Kolstad defended his doctoral dissertation 'Essays on Evolutionary Game Theory' at the Norwegian School of Economic and Business Administration in February. An evolutionary model of an urban labour market is proposed in which the choice of whether to work or be unemployed depends on the proportion of workers in your neighbourhood that is employed. Moreover, the choice of residence is influenced by levels of employment or education in different neighbourhoods. The results show that equilibrium of full employment and full segregation according to education is robust to a range of different specifications of residential mobility. The three other essays in the dissertation discuss how the modelling of matching and mutations affects equilibrium selection in evolutionary models.

Poverty reductions strategies

A comparative study of the Poverty Reduction Strategy Processes in Malawi (Arne Tostensen) and Zambia (Lise Rakner) found that civil society organisations played an active role in these policy-making exercises, but that the national assemblies and political parties were marginalized. A study on the responsiveness and accountability of decision-makers to the concerns of the poor produced an analytical framework for linking poverty reduction to voice, responsiveness, and accountability.



Fishing as safety net

African freshwater fisheries serve as an economic buffer and safety valve for large population groups. People enter fishing when opportunities in more important economic sectors are bad, and exit when opportunities are good. Most of the freshwaters have remained surprisingly stable, and the fishing patterns practiced appear unselective and ecologically sound. Climatic drivers such as water levels often prove to be more influential for the regeneration of the stocks than fishing efforts, concludes a cross-disciplinary research project (biology, social anthropology, geography, economics, sociology, history) that conducted studies of five freshwater lakes in Malawi, Zambia and Zimbabwe.

The ecology and the social functions of these fisheries indicate that the need for management may be limited. Limiting the number of fishermen or prescribing exclusive economic zoning may endanger the important function of fisheries as a safety-valve for poor people. These research results pose great challenges to fisheries managers, not only in southern Africa, but also in other parts of the world where conflicts between different groups' interests in common resources often arise.

The project 'Management, Co-Management or No Management? Major Dilemmas in southern African freshwater fisheries' (Eyolf Jul-Larsen) was completed in 2003. It was a three-year multi-disciplinary project carried out in collaboration with researchers in several countries. It questioned conventional wisdom in fisheries management by comparing the importance of climatic vs. anthropogenic variables for the regeneration of stocks. Furthermore, it

investigated how various long term political and economic trends in the region have affected the development of fishing efforts, and analysed the effectiveness of various resource management models. The synthesis report was published as a FAO Fisheries Technical

'The need for management is limited'

Paper (426/1 and 426/2). The UN Food and Agriculture Organization sends the publications to the fisheries authorities in all of its 183 member countries. It is also available at FAO's homepage. Vol. 2. Case studies will be published in 2004.

Natural Resources

Applying anthropological and economic perspectives, research have explored how rights' structures regulate access to natural resources, and the dynamics of different natural and socially created conditions.

Other projects

- Research co-operation on emerging social issues in Ethiopia
- Building capacity in governance and in benefits streams management in African Countries: Case studies of Tsumeb (Namibia) and Selebi Phikwe (Botswana) Copper Nickel Mines
- KNOWFISH - information needs and institutional structures for fisheries management in developing countries

Ownership and partnership



CMI has long-standing experience in studies and evaluation of aid policy and programmes in developing countries including aid evaluations, background studies and inputs in the planning of new interventions.

Over the past decade, aid policy has focused more on political conditions and oriented towards influencing reform processes in developing countries. Several projects address the emerging new aid architecture emphasising country ownership and development partnership.

Institution building at the grassroots in micro-credit and management of local infrastructure for irrigation, drinking water supply and community centres have empowered communities to have confidence in their own abilities, concludes an evaluation of the phasing-out of Norwegian aid to the Hambantota Integrated Rural Development Programme (HIRDEP), Sri Lanka 1992-1999 (Alf Morten Jerve). Twenty years with HIRDEP has demonstrated the virtues of having a development catalyst at sub-national level.

In a mid-term review of a rural development project in central Vietnam supported by NORAD (Alf Morten Jerve), the evaluators call for result-based financing to increase local initiative and sense of ownership. When people are well organized and the economy is growing, the best way to mobilize resources and to

build local capacity for problem solving, is to give as much ownership as possible to the local level. Let the community based organizations plan, finance and implement, and let the project reward the result. This will create projects that are

Regional support to 'good governance' in Southern Africa

CMI assisted in NORAD's development and formulation of a regional strategy and programme of action for support to promote good governance and peace building in Southern Africa (Elling N. Tjønneland). The new strategy document calls for a regional approach, as a supplement to country support. Many challenges are common to countries across the region. Developments in individual countries are often heavily affected by developments at the regional level, and certain governance challenges require close regional co-operation. Countries in the region must establish common norms and standards and work together to create collective pressure.

realistic in terms of local capacity, and ensure strong incentives to finish timely, concludes the evaluation.

Unfortunately, the multilaterals are still viewed as weak in promoting country ownership concludes a pilot study for a new multi-donor initiative on assessing the performance of multilateral agencies. Similarly, a study of The Danish Association for International Cooperation (Mellemfølkeligt Samvirke) (Gunnar M. Sørbø), calls for mutuality in partnerships and urges MS to untie its aid from Danish development workers.

The failure of aid conditionality? PhD

Espen Villanger defended his doctoral dissertation 'Fighting Poverty: Company Interests and Foreign Aid Policy and an Impact Analysis of Natural Disasters' at the Norwegian School of Economics and Business Administration in June. Villanger argues that strategic recipient countries avoid implementing controversial conditions. They grant business contracts to companies that pressure donors to disburse the foreign assistance unconditionally. If a donor is more concerned with domestic industries than conditionality, the donor might give assistance even if the recipient does not implement conditions usually set by the grant. If reforms are perceived to be against a recipient country's own priorities, concludes Villanger, strong forces will oppose and undermine the reforms. In his study of impact analysis of natural disasters, Villanger establishes a foundation for evaluating the impact of measurement

error on income mobility figures. He also proposes methodological procedures for evaluating the robustness of transition matrices.

Power of the Purse? PhD

Hilde B. Selbervik defended her PhD dissertation 'Power of the purse: Norway as a donor in the conditionality epoch 1980-2000,' at the University of Bergen in November. Selbervik has studied Norwegian aid policy between 1980 and 2000. Selbervik investigates Norway's behaviour on different arenas and identifies possible channels of influence vis-à-vis the World Bank and Tanzania, and discloses a discrepancy between Norway's bilateral and multilateral conditionality policy. Contrary to other studies, Selbervik shows that conditionality has been effective and played a role beyond the first rapid phase of reform. Selbervik portrays a strategic and clever aid recipient who sometimes stands in contrast to the allegedly more powerful and influential donor.

Norway has always had high aspirations in aid, but has not played a correspondingly prominent role in setting the agenda in the aid discourse, argues Selbervik. Norway wanted to be influential and not controversial. Norway earned a reputation as a trustful actor in long-term development assistance, yet high moral capital only goes so far. A rich purse was never powerful enough to be put on equal footing with the giants in development policy, concludes Selbervik.

Aid Policy and Impact

CMI has long-standing experience in studies and evaluation of aid policy and programmes in developing countries. Over the past decade, aid policy has become oriented towards influencing reform processes in developing countries. Several projects have addressed the emerging new aid architecture emphasising country ownership and development partnership.

Other projects

- Norwegian NGOs and aid
- Angola 2003/2004: Key development issues and political decentralisation
- Reproductive health
- Aid and aids – A case study (Malawi)
- Bridging research and policy - A study of PRSP processes in four African countries
- Recipient responsibility in Norwegian development cooperation
- Civil society in Nepal

New information unit Improved access to research findings

CMI is committed to making research and results more accessible to other researchers, policy makers and the general public. In 2003 a new information unit was established. The unit provides project support to CMI staff, but also implements its own projects commissioned by outside clients. Focusing on dissemination and online research-based resource centres, the unit combines technological and documentation expertise and works closely with the researchers at CMI. The new team aims to be innovative and original in a continuous effort to make research-based knowledge tailored to specific needs and use.



www.cmi.no

The unit did a complete redesign of CMI's website www.cmi.no (Robert Sjørnsen/Ingvild Hestad) which was re-launched in September. In order to make CMI's knowledge, resources and expertise more accessible, the website is designed around our publication and project databases and divided into 7 main research areas. A database structure combined with an intuitive design, allow infinite and quick search possibilities as well as continuous updating. A moderate use of graphics ensure that the site is easy to download also from poor connections. The website also provides portals and access to a specialised development studies library.

The project unit has participated in developing a resource centre on Afghanistan commissioned by the Norwegian Foreign Ministry in collaboration with PRIO. A resource centre on Bangladesh, primarily targeting researchers working on development issues, was commissioned by NORAD.

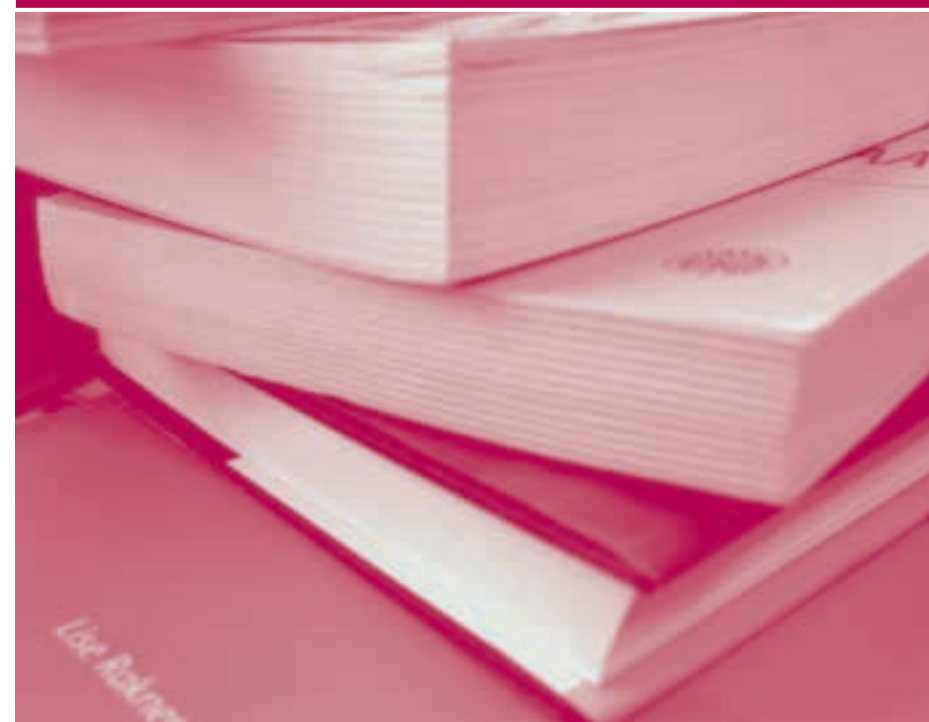


CMI makes use of its extensive network and formal collaboration agreements with several institutions in Africa, Asia and the Middle East for joint research and commissioned work. Forms of collaboration includes research, staff exchange, student teaching and tutoring, advanced training, information technology, library support and publication exchanges.

Among the results in 2003 have been several World Bank funded joint policy research projects between SEAPREN institutes and CMI as well as the start of a joint bibliographical database on economic governance issues generally and in the African countries.

- | | | |
|--|--|---|
| <p>Angola
Instituto de Pesquisa Económica e Social</p> <p>Bangladesh
The Bangladesh Institute of Development Studies</p> <p>Botswana
Botswana Institute for Development Policy Analysis (BIDPA)</p> <p>Ethiopia
Addis Ababa University (AAU)</p> <p>India
International Centre for Peace Initiative (ICPI), New Delhi</p> <p>Kenya
Institute of Policy Analysis and Research (IPAR), Nairobi</p> <p>Malaysia
Centre for Economic Development and Ethnic Relations (CEDER), University of Malaya</p> | <p>Mali
Centre National de Recherche Scientifique et Technologique (CNRST)</p> <p>Malawi
Chancellor College, Zomba</p> <p>Namibia
Social Sciences Division, Multidisciplinary Research Centre, University of Namibia (SSD/UNAM)</p> <p>Namibian Economic Policy Research Unit (NEPRU), Windhoek</p> <p>Palestine
The Palestinian Institute for the Study of Democracy (MUWATIN), Ramallah</p> <p>South Africa
School of Government (SoG), University of the Western Cape</p> <p>Development Policy Research Unit (DPRU), University of Cape Town</p> <p>Centre for Applied Legal Studies, University of</p> | <p>Witwatersrand
Centre for Policy Studies, Johannesburg</p> <p>Institute for Global Dialogue, Johannesburg</p> <p>Centre for the Study of Civil Society, University of Natal</p> <p>Tanzania
Research on Poverty Alleviation (REPOA), Dar es Salaam.</p> <p>Economic and Social Research Foundation (ESRF), Dar es Salaam.</p> <p>Uganda
Economic Policy Research Centre (EPRC)
Makerere University</p> <p>Zambia
Institute for Economic and Social Research (INESOR), University of Zambia</p> <p>Zimbabwe
Centre for Applied Social Sciences (CASS)
University of Zimbabwe</p> |
|--|--|---|

SEAPREN
The Southern and Eastern Africa Policy Research Network (SEAPREN) comprises seven policy research institutions from Eastern and Southern Africa (Botswana, Kenya, Namibia, South Africa, Tanzania, Uganda, and Zambia). CMI has for some time observed the growth of SEAPREN co-operation and noted both the problems and opportunities of the network. 2003 saw the start of a cooperation programme aimed at joint research in the areas of good governance and poverty reduction backed up by a number of capacity building measures (project leader, Jan Isaksen). After an initial workshop discussing the directions of the programme, the African institutions have during 2003 planned their research and capacity building measures in more detail and 2004 will see the start of the programme which runs to early 2006.



The CMI library
The CMI library has collected specialized literature on developing countries; development aid and development studies since the beginning of the 1960s. The CMI library houses the largest specialized collections in Norway on these issues. This national resource centre is therefore an oasis of valuable information highly appreciated by its growing number of users.

Conferences and workshops

UNDP/CMI: 'Achieving the MDGs: Strengthening Mutual Accountability' in Bergen 7-8 May

CMI and the University of Bergen: 'Civil Society and the Donor-State-NGO System: An International research Conference' in Bergen 30 October.

CMI and the University of Bergen: 'Fragile mountains - fragile people?' in Bergen 21 November. A workshop on the Himalayan cultural landscape.

CMI: The Bergen Seminar in Development Economics: 'The 2003 Fall Seminar' in Bergen 18 November. A conference bringing together development economists.

CMI: 'WTO/GATS and the 'new economy'' in Bergen 17 November

Quality and diversity

CMI is committed to producing knowledge of high academic standards and applied relevance. The statistics below show that in 2003 CMI achieved its highest and best publication record. CMI researchers published in prestigious international journals like the Journal of Public Administration, World Development, and Third World Quarterly as well as in journals relevant for CMI's field and disciplines.

Articles in refereed journals19

Books and edited books7

Book chapters8

Conference proceedings12

CMI Working Paper13

CMI Report14

Commissioned reports23

Popular lectures143

Commentaries, reviews, popular articles47

The UNDP/CMI conference 'Achieving the Millennium Development Goals (MDGs): Strengthening Mutual Accountability' 7-8 May hosted the Norwegian Minister of International Development Hilde Frafjord Johnson, the UNDP Administrator Mark Malloch Brown and 40 high level participants from donor and developing countries. Building on the preparatory meeting in November 2002, the conference focused on achieving the MDGs and efforts to establish mutual accountability partnerships between developed and developing countries. The annual Bergen Seminar Series focus on democratic governance and poverty.



Funding and Clients

CMI increased its income with 20% in 2003. In The total turnover was NOK 50 million.

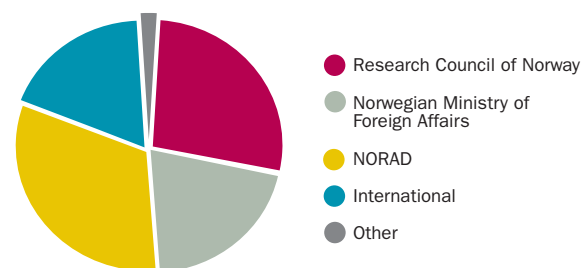
CMI receives core funding through the Research Council of Norway (NFR) from the Norwegian Ministry of Foreign Affairs (MFA) and the Norwegian Ministry of Education and Research. In addition, NFR funds a number of large research projects and programmes at CMI. The core funding is used to part-finance the Strategic Institute Programmes, the library and CMI-initiated research. The basic allocation is crucial to maintain and update existing expertise in all areas of work. Commissioned research constitutes the rest of the project revenues.

In 2003, CMI had 150 research projects and commissioned studies with external funding, constituting 70% of the total turnover. More than 38 % were projects funded by NORAD, 10 % were funded by MFR, and 6% by other Norwegian clients. Projects funded by NFR constituted 15 % while 31% were project revenues from non-Norwegian agencies.

CMI's main clients include:

- The Norwegian Ministry of Foreign Affairs (MFA)
- NORAD
- Danida
- Sida
- The UN system
- The World Bank
- The Utstein Group of bilateral donor agencies (DFID, GTZ, the Netherlands Ministry of Foreign Affairs and NORAD)

CMI project revenues 2003



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Chr. Michelsen Institute

Development Studies and Human Rights

Chr. Michelsen Institute (CMI) is an independent, non-profit research institution and a major international centre in policy-oriented and applied development research. The geographical focus is Sub-Saharan Africa, Southern and Central Asia, the Middle East, the Balkans and South America.

CMI is committed to a balance between applied and theoretical research. Focus is on development and human rights issues and on international conditions that affect such issues. CMI research intends to assist policy formulation, improve the basis for decision-making and promote public debate on international development issues.

www.cmi.no