

LEGITIMACY & DEMOCRACY: BASIC CONCEPTS WITH AN APPLICATION TO THE HONDURAN 2009 CRISIS.

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Legitimacy & Democracy: Basic Concepts with an Application to the Honduran 2009 Crisis.

Abstract

Democracy has two explicit dimensions: political rights and civil liberties. While they are both essential dimensions of democracy, the empirical literature on the relationship between democracy and development by both economists and political scientists often neglects civil liberties. Here I first review this literature briefly to document this neglect. By treating both explicit dimensions of democracy as essential features, however, it becomes feasible to analyze rigorously and possibly measure an implicit dimension of democracy often referred to loosely in the popular and academic literature as legitimacy. To do so I introduce a more general concept, which may be thought of as political acceptance, and show how it reduces to the standard concept of political legitimacy introduced into the political science literature by Lipset's seminal work. Moreover, political legitimacy in this new sense is shown to have a typical formal/informal or *de jure/de facto* duality emphasized by the new institutional economics that is not embedded in Lipset's original view. We also relate this concept explicitly to an older, alternative view of legitimacy also available in the political science literature. Important implications that follow from these extensions are explored, including the need to view legitimacy as a stock variable and the identification of sources of accumulation or depreciation of this stock. Subsequently, we use the Honduran crisis of 2009 to illustrate specifically how relying on all three dimensions of democracy provides valuable insights for understanding critical events in the evolution of fragile democracies that may be unattainable otherwise. These ideas are especially applicable and useful for understanding the evolution of failed states in general and fragile democracies in particular.

Key Words: political rights, civil liberties, acceptance, legitimacy, democracy and development, institutions, Honduras 2009 crisis.

JEL CODE: P16; O43; H40; P14.

For those writing on political economy topics, it has become common practice to view democracy in one-dimensional terms, primarily in terms of political rights and sometimes even more narrowly by focusing on just the free and fair elections aspect of the political rights dimension. This common practice can be quite misleading. If essential dimensions of democracy are completely ignored, it becomes difficult if not impossible to understand democracy and its evolution in general. This is especially the case in the context of fragile democracies or in transitions toward possible democratizations such as those taking place in Egypt or Lybia or toward possible de-democratizations such as those taking place in Russia or Venezuela. This common practice can also cloud our understanding of long term relationships of interest to economists and political scientists such as the relationship between democracy and economic development.

While political rights are an undisputable explicit dimension of democracy, the same applies to civil liberties. At least no one disputes that many civil liberties were embedded in most countries constitutions when these started to become fashionable over 200 years ago after the American and the French Revolution. Since that time, however, civil liberties, which correspond to first and second generation human rights, have had their ups and downs in terms of whether or not they have been viewed as an essential characteristic of democracy.¹ The downs have become particularly glaring in the empirical literature on the relationship between democracy and economic development.

In the first section of the paper I provide a brief review of the empirical literature on the relationship between democracy and development. This review shows that the strand of

¹ In political science views of democracy tied solely to the holding of free elections are referred to as minimalists and they are contrasted to an alternative insisting on "...a more ample degree of protection of political and civil liberties.", e.g., Plattner (2002, pp.56-57). Economists often use the term liberal democracy when including civil liberties in their analyses, e.g., Mueller (2009).

empirical literature that focuses on explaining democracy usually ignores civil liberties as a dimension of democracy, e.g., Acemoglu, Johnson, Robinson and Jared (2008) and Przeworski, Alvarez, Cheibub and Limongi (Ch. 2, 2000). On the other hand, the strand of literature that attempts to use democracy to explain economic development while focusing on political rights occasionally uses civil liberties. Nonetheless, while relying on aggregate indexes of political rights and/or civil liberties, it concludes that there is no direct causal relationship, e.g., Mobarak (2005) and Levine and Renelt (1992). A partial exception in this strand of literature is a paper that shows a robust positive and plausible causal relationship for one of the four components of civil liberties in Freedom House's aggregate civil liberties index, BenYishay and Betancourt (2010), but not for the aggregate index.

One suspects that an important reason for the differential treatment of these two dimensions lies in greater difficulties of conceptualizing the link to democracy in the case of civil liberties than in the case of political rights. A very distinguished student of democracy, however, establishes the link to both dimensions unambiguously. Tilly (2007) emphasizes several features as essential to understand the evolution of democracy as a process. They are: 1) breadth and equality of rights, or extent and differences in equality of citizenship (or subject) rights enjoyed by different members of society; 2) protection and mutually binding consultations, or protection against arbitrary action by the state or other citizens and rights and obligations for both agents of the state and categories of citizens. He explicitly associates political rights with all these features except protection, which he associates with civil liberties (p.45). Moreover, he relates these concepts to the Freedom House measures of political rights and civil liberties, e.g., Piano and Puddington (2006), when analyzing recent historical circumstances.

Here I treat both political rights and civil liberties as essential but different dimensions of democracy. Both their importance and their differences emerge very clearly from a brief discussion of their main economic consequences. For instance, provision of civil liberties generates important indirect and direct economic benefits. Among the indirect ones are those that arise from facilitating the generation and distribution of knowledge that underlie modern economic growth, e.g., Aghion and Howitt (1998). Among the direct ones are those that increase output by lowering uncertainty and transaction costs and by improving the allocation of human capital resources, e.g., BenYishay and Betancourt (2012).

Exercise of political rights in a democracy also provides very valuable economic benefits, but they may be harder to conceptualize as they depend on the counterfactual one uses. Perhaps the most important one is an “opportunity” benefit in the savings from destruction of life and property and foregone investments that alternative violent mechanisms for the inter-temporal transmission of power would entail.² Writers on fiscal federalism, e.g., Oates (1999), suggest another one when they argue that provision of local public goods under the responsibility of locally elected leaders prevents serious economic inefficiencies. Indeed, some writers have even argued that policy outcomes improve as a result of local elections even in an authoritarian context due to the increased accountability, Martinez-Bravo, Padró i Miquel, Qian and Yao (2011).

In any event, these two explicit essential dimensions of democracy provide the underlying framework for a rigorous basis in the analysis of a third implicit dimension of democracy, namely legitimacy. In the second section of the paper our first contribution is the introduction of the concept of political legitimacy in terms of political acceptance, which

² The importance of violence throughout history is brought to the fore recently by the work of Findlay and O’Rourke (2007) and North, Wallis and Weingast (2009).

generalizes Lipset's concept of political legitimacy. Political acceptance reduces to the standard concept of political legitimacy in Lipset's seminal paper (1959) whenever one believes that the political institutions characterizing a regime are "... the most appropriate for the benefit of society." Lipset's concept is the most widely used version of political legitimacy in the political science literature, Dogan (2002). For the last fifty plus years political scientists have been using the term in this sense with its strong normative meaning. Diamond (2008: 88) interprets it most succinctly as "a moral title to rule". Economists usually avoid this concept, perhaps because of its normative connotation.

By political legitimacy as acceptance I mean the willingness of the governed to endure the exercise of power by those who govern them for whatever reason, regardless of its morality. It reduces to political legitimacy in the sense of Lipset and Diamond, if for example in the case of a democracy one believes that this form of government is the most appropriate one for the benefit of society.

Political legitimacy has formal or *de jure* features as well as informal or *de facto* features, which is also the case for most important institutional concepts as argued by North (1990) and Acemoglu, Johnson and Robinson (2005). Lipset's concept of political legitimacy, however, lacks any explicit or implicit distinction between formal and informal aspects. This distinction proves valuable in understanding the evolution of fragile democracies and how the provision or non-provision of public goods can add to or subtract from the stock of *de facto* or informal political legitimacy in a society. Introduction and systematic application of this distinction is another of the contributions of the paper.

Among other things, it allows us to move the concept of political legitimacy closer to actual measurement and explanation. It does so by allowing us to associate the four main

sources of legitimacy in the political science literature noted by Rothstein (2011) with formal and informal sources of political legitimacy. It also allows us to relate explicitly this concept of political legitimacy to an older concept of legitimacy also available in the political science literature since Schmitt (1932). This earlier concept tries to reconcile legality and legitimacy.

A third substantive section of the paper applies what may be viewed as a version of the analytical narratives approach to the Honduras political crisis of 2009. This approach has been espoused by many in the political science literature, for example O'Donnell (1973), Rueschemeyer, Huber Stephens and Stephens (1992), and Tilly (2007), and by Rodrik (2003) in the economics literature. Using the concepts and insights of the previous sections we provide an analysis enhancing our understanding of a critical event in the evolution of this fragile democracy. This event, the Honduras political crisis that started on June 28 2009 with the arrest and deportation of President Zelaya, attracted considerable attention in the popular press and from policy makers all over the world during the second half of 2009. We show that the constructs developed here allow for an explanation of the evolution of the crisis and the incentives driving the participants that are difficult if not impossible to derive from alternative accounts that do not rely on these constructs. Summing up, political legitimacy and its interactions with political rights and civil liberties are shown to drive the behavior of the main participants in the crisis.

The paper concludes by highlighting the many opportunities for future research that open up by relying on the constructs developed below.

RECENT EMPIRICAL LITERATURE ON DEVELOPMENT AND DEMOCRACY

One important economic issue that has attracted attention in both the economics and the political science literature is the relationship between democracy and long-term economic growth or development. In this section we focus on the empirical analysis of this issue in terms of the two explicit dimensions of democracy mentioned in the introduction: political rights and civil liberties. While civil liberties have been acknowledged as an explicit intrinsic dimension of democracy at the conceptual level, the recent empirical literature has by and large ignored this dimension as we demonstrate below. Remarkably, political legitimacy in the sense of Lipset (1959) and as interpreted by Diamond (2008) has not been acknowledged as a dimension of democracy in this empirical literature by either economists or political scientists.

Empirical analyses of economic growth and democracy emphasize the political rights dimension either directly through the electoral process or indirectly through limits on executive power. For instance, one of the most straightforward, clear statements of this view is in the book by Acemoglu and Robinson (2006). In their third chapter, titled “What do we know about democracy”, they quote approvingly the following definition of democracy by Schumpeter: “...the institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people’s vote.”

In discussing the measurement of democracy, they suggest as their main measure the Freedom House political rights index. The latter is an aggregation of three subcategories of political rights: (A) the freedom and fairness of the electoral process; (B) the political pluralism and competitiveness of participation in the political process by individuals and groups; and (C) the effectiveness of governance with respect to influence of elected representatives on policies, degree of corruption and degree of accountability and transparency. They also use as a secondary measure a composite Polity variable that captures the competitiveness of political participation

and executive recruitments as well as constraints on the executive. The main attractiveness of this secondary measure is that it goes back well into the 19th century. Of course, this measure also captures political rights aspects of democracy.

Early empirical literature by political scientists on the relationship between democracy and economic development arrives at a very strong conclusion. For example, an evaluation of quantitative cross national studies asserts "...One massive result of these studies still stands: there is a stable positive association between social and economic development and political democracy. This can not be explained away by problems of operationalization. A whole array of different measures of development and democracy were used in the studies under review and this did not affect the results", Rueschmeyer, Huber Stephens and Stephens (1992, p. 29).

More recent empirical literature by political scientists has arrived at the following somewhat different conventional wisdom. By classifying regimes into two categories, democracy or dictatorship, and some clever reasoning Przeworski, Alvarez, Cheibub and Limongi (Ch. 2, 2000) obtain two main results. First, economic development, measured in terms of per capita income, can not explain the emergence of democratic regimes. Second, the level of per capita income, however, is the best predictor of whether or not a democratic regime will survive. One feature of this recent empirical political science literature is that they focus on democracy as the dependent variable, i.e., what is to be explained. They use political rights as the only dimension of democracy that is relevant. Variables representing these concepts are used to classify countries as dictatorships or democracies or to score them on a dictatorship or democracy scale.

A recent empirical study in economics that also focuses on democracy as the variable to be explained is Acemoglu, Johnson, Robinson and Yared (2008). They find that the use of either

fixed effects or a correction for endogeneity eliminates the role of per capita income in explaining democracy. The latter is defined in terms of aspects of political rights as indicated earlier. The use of fixed effects contradicts the second result that has become conventional wisdom in the political science literature. Its implication and that of the endogeneity correction, however, is consistent with the first result that has become conventional wisdom in the political science literature. Economic development has no causal effect in explaining democracy when measured in terms of a single dimension based on political rights.³ A recent unpublished paper by BenYishay and Betancourt (2012) confirms this result when defining democracy in terms of civil liberties. Nevertheless, it also finds robust persistence effects of civil liberties on both civil liberties and political rights while the same is not true for political rights.

A different strand of literature on economic development and democracy aims at explaining the average rate of economic growth. This literature stems primarily from economics. An important conclusion that has become conventional wisdom in this literature is that democracy, measured with the above political rights indexes, can not explain the average rate of economic growth empirically. Without correcting for endogeneity, as in Barro and Sala-i-Martin (2004)⁴, it does not do so because the statistically significant correlations that are found are not robust to the addition of other explanatory variables or changes in samples of countries. Thus, the association between these two variables is not robust. When correcting for endogeneity, as in Mobarak (2005) for example, it does not do so either. Because the correction eliminates statistically significant results found without the correction. Incidentally, Mobarak does find a robust negative association between democracy and the volatility of growth even

³ A more recent paper by the same authors (2009) reaffirms these two results.

⁴ Barro and Sala-i-Martin (2004: Chapter 12) in their textbook on economic growth also relied on the Freedom House index of political rights as their measure of democracy in their empirical analysis of growth determinants using a cross section of countries.

after correcting for simultaneity. These results are consistent with the previous ones explaining democracy.

No empirical studies relying on per capita income levels or the average rate of economic growth as the dependent variable view democracy explicitly as a multidimensional variable, at least to my knowledge. Nevertheless, the latter strand of literature provides important evidence on the civil liberties dimension of democracy. This strand of literature sheds light on both the relationship of civil liberties to economic development and on why it may have been neglected in the empirical literature.

Early work incorporating civil liberties in explaining the average rate of economic growth led to the conclusion that it did not matter. Levine and Renelt (1992) found that the statistical significance of the index was sensitive to the conditioning set of explanatory variables. For instance, King and Levine (1993) found in their analysis of the relationship between financial development and growth that civil liberties played no role in shaping economic growth. More recently, however, BenYishay and Betancourt (2010) considered the role of civil liberties in explaining long-term economic growth or development with disaggregated subcategories of civil liberties. While they found similar results to the earlier literature when using the same aggregate civil liberties index in explaining the level of per capita income, the situation changed dramatically when using the disaggregated subcategories that make up the index.

In 2006 Freedom House for the first time in its history made available the country scores on each of the four subcategories making up its civil liberties index. These subcategories are D) Freedom of Expression and Belief, E) Association and Organizational Rights (Freedom of Assembly), F) Rule of Law and G) Personal Autonomy and Individual Rights. The first two subcategories capture what are often called first generation human rights. The third one is a

mixture that captures aspects of due process, which is also a first generation human right, with procedural issues, the prevalence of law and order and discrimination by the state against minorities. The last subcategory indicates the ability of individuals to exercise their economic rights with respect to employment, location and ownership of property as well as personal social freedoms. This subcategory captures what are often called second generation human rights.

When using each of these individual subcategories to explain long-term growth and development, the authors find that the performance of the first three subcategories (D, E and F) is the same as that of the aggregate index. It is not robust to the inclusion of other variables nor to corrections for endogeneity. On the other hand, when they use the last subcategory, Personal Autonomy and Individual Rights (G), it survives the inclusion of other variables as well as corrections for endogeneity. Indeed, it performs better as a measure of property rights in explaining growth or long-term development than any of the measures previously mentioned here as well as others not mentioned before, e.g., the Economic Freedom Index developed by the Fraser Institute and its five subcategories. In sum, these results show that the civil liberties dimension of democracy, through its second generation human rights aspects, has a powerful effect in explaining long-term growth or development measured in terms of per capita income. Thus, they play a very different role in explaining economic development than the political rights dimension of democracy.⁵ The latter has no such effect in terms of the aggregate index or any of its subcategories.

One implication not to draw from these empirical results is that the only civil liberties that matter for economic growth are those associated with second generation human rights. It is difficult to conceive of mechanisms that allow high levels of second generation human rights to

⁵ Lamentably Freedom House discontinued the practice of providing data on their subcategories after three years. Signorino and Xiang (2011) provide an excellent analysis of why making available components of indexes in the study of democracy is desirable.

exist without some minimal levels of first generation human rights also present. Indeed, the higher levels of second generation human rights in countries such as Vietnam and China may have raised their scores on other civil liberties capturing first generation human rights below minimal levels. The same conclusion, however, can not be drawn about their scores on political rights, which remain at minimal levels. These two examples provide additional evidence on the possibility of substantially divergent behavior by the two explicit dimensions of democracy stressed here.

DEMOCRACY'S IMPLICIT DIMENSION: LEGITIMACY & ITS IMPLICATIONS

Ignoring dimensions of democracy other than political rights becomes an even more pronounced phenomenon when we come to legitimacy. In this case it is usually ignored at both the conceptual and the empirical level by economists⁶ and at the empirical one by political scientists. Furthermore, when given attention by the latter at the conceptual level it has at least two different interpretations or meanings. Given these circumstances, it is desirable to be very explicit on what the term legitimacy means. I start by defining legitimacy at a slightly more general level than exists in the political science literature.

By **political legitimacy**, or **political acceptance** if one wants a different term, I mean the willingness of the governed to endure or accept the exercise of power by those who govern them for whatever reason.

If political acceptance stems from "... the capacity of a political system to engender a belief that existing political institutions are the most appropriate or proper ones for the benefit of society.", then it becomes political legitimacy as defined by Lipset (1959). Thus political

⁶ An exception that confirms the rule is the work of Collignon (2007) who argues that a technocratic or communitarian view of the legitimacy of the European Union is incapable of generating a fiscal policy consistent with its monetary policy. Only a deliberative democracy view of legitimacy, which leads to a political Union with respect to European collective goods that he calls the European Republic, can generate a fiscal policy consistent with its monetary policy.

legitimacy in my sense accommodates one possibility that political legitimacy in the sense of Lipset can not accommodate, namely when political acceptance is due to a profound fear for one's life. For instance, this fear and the associated perceptions of potential repression lead to widespread acceptance of corrupt regimes in Africa, e.g., Padró i Miquel's (2007). One would not want to categorize this political acceptance as political legitimacy in the sense of any "moral title to rule". Thus, political legitimacy in my sense is a positive concept that does not **necessarily** entail the normative implication inherent in Lipset's concept.

Just as most features of institutions, political legitimacy has a formal or *de jure* component and an informal or *de facto* component. For instance, in a democracy the formal or *de jure* aspect is acquired by attaining power through some form of free and fair electoral process. The informal or *de facto* aspect, however, is attained through other means. An important one, for example, is the level of performance of governmental functions by those elected, given the standards of the society at particular historical times. The actual level of political legitimacy in a society is a combination of both aspects. Any attempt at measurement of political legitimacy will capture both the formal and informal aspects.

Rothstein (2011: p.79) notes four distinct views on how political legitimacy arises in the political science literature: 1) tradition, 2) the leaders' personal appeal, 3) the government's production of goods and services and 4) belief in the fairness of the procedural mechanism for selecting leaders. He claims to have nothing to say about the first two views and concentrates on showing that the fourth one by itself is incapable of conferring political legitimacy in a democracy when defined in terms of a fair electoral process. His argument concludes by asserting that it is impartiality in the provision of goods and services by governments that provides quality of government and, thus, confers political legitimacy.

I agree with the first part of Rothstein's argument that electoral fairness does not automatically confer political legitimacy in a democracy. Furthermore, I identify this fourth aspect as the formal or *de jure* aspect of a democracy and provide convincing examples of its insufficiency as a determinant of actual political legitimacy below. In contrast to Rothstein, however, I stress the need to consider all three other sources of legitimacy as informal or *de facto* determinants of political legitimacy in general as well as in democracies. Hence, I illustrate these roles in the rest of this section. Perhaps more importantly, the basic implication of my analysis is that all four sources help determine the actual level of political legitimacy in any regime, including democracies. In addition other variables such as fear and inertia or indifference can also play a role, especially in non-democracies.

An important implication of the definition of political legitimacy here for measurement purposes is that the actual level of legitimacy in any political system needs to be viewed as a stock variable. Namely, one that can accumulate or depreciate over time as a result of the operation of the factors mentioned above. In general one might expect the provision of basic public goods to be an especially important source of increasing or decreasing the stock of political legitimacy. Nonetheless, below we illustrate how leaders' personal appeal can play a critical role in determining the stock of political legitimacy and how tradition can also affect the stock of political legitimacy even in democratic settings.

Viewing political legitimacy as a stock variable helps explain the large reservoir of goodwill that independence leaders seem to enjoy despite their often relative poor performance in providing basic public goods once elected, e.g., most African countries after World War II. The stock of legitimacy acquired through their prominent participation in independence wars is

not easily depreciated by their frequently poor subsequent performance in providing basic public goods and services as elected leaders.

Similarly, political legitimacy as a stock variable allows us to understand why nationalistic leaders that 'liberate' their people from imperialism acquire substantial and difficult to depreciate stocks of legitimacy in non-democratic regimes. Furthermore, their actions in other dimensions such as redistribution expenditures and provision of basic services such as health and education also allow them to build up further their political legitimacy by associating their personal appeal with these services, e.g., Cuba and Venezuela under Castro and Chavez, respectively. The same view of political legitimacy as a stock variable helps understand why leaders that 'liberate' their people from poverty, e.g., as in Singapore and China, acquire substantial and difficult to depreciate stocks of political legitimacy despite other actions that might contribute to a depreciation of their legitimacy such as suppression of political rights and/or civil liberties.

Moreover, viewing political legitimacy as a stock variable helps explain the difference between the impact of events in well established democracies and in fragile ones. The same event that destabilizes the system in a fragile democracy may hardly be noticed in an established one, because of the differences in the stock of legitimacy accumulated in both cases. For instance, in an established democracy, failure to perform a basic function can be easily attributed to a particular administration rather than to the political system itself. In a fragile democracy, however, it is more difficult to separate the performance of a particular administration from the performance of the political system.

From the point of view of measurement, democracies have the characteristic that the formal aspect is usually met through free and fair elections and, thus, not a great source of

variation in political legitimacy across countries or over time. On the other hand, the informal feature or *de facto* legitimacy is a far greater source of variation as it depends primarily on performance of governmental functions and to a lesser extent on leaders' appeal and tradition as well as on the level of inertia or indifference in the society towards the political system. Hence, the stock of legitimacy in a democracy accumulates or depreciates primarily through the *de facto* features.

One important consequence of these differential variations in the stock of political legitimacy in democratic settings is that it becomes quite possible for fragile democracies to lose their political legitimacy. This is most likely to happen when they fail to perform basic functions such as providing law and order or preventing corruption on a persistent basis. For instance, one can argue that Cuba's fragile democracy prior to Batista's dictatorship and Castro's Revolution lost its political legitimacy due to the inability of three democratic administrations (1940-1952) to control corruption, e.g., Diaz-Briquets and Perez-Lopez (2006).

Dippel (2010) has written a very novel paper that can be used to provide an illustration of how tradition can lead to substantial variations in the stock of political legitimacy even in a democratic setting. Moreover, in so doing, it brings out the powerful role of political legitimacy in determining economic outcomes. This paper establishes the role of forced integration in Native American reservations when they were created in the 19th century as the causal factor in a process that explains the substantial divergence in per capita incomes among these reservations in recent years. Dippel finds anthropological data on intra tribal political integration in pre-reservation times and shows that when sub-tribal bands were forced to integrate into a reservation, per capita income in recent times was much lower than when sub-tribal bands were politically integrated on their own in pre-reservation times.

In the present context, an insightful interpretation of these results is that forced integration substantially diminished the *de facto* legitimacy of the current democratically elected local government, despite its *de jure* legitimacy through acquiring power in free and fair elections. This lower level of political legitimacy due to violating tradition generated parochial politics that decreased local democracy's effectiveness in creating an economic environment leading to increases in per capita income. The causal mechanisms identified by Dippel for this decrease in effectiveness were that parochial politics diminished the quality of the contracting environment and the management of reservation owned businesses in those reservations where forced integration had prevailed.

Before proceeding, it is useful to note the existence of another notion of legitimacy also available in the political science literature. One strand of this literature stresses a legal or juridical aspect by distinguishing between legality and legitimacy. Schmitt's (1932) work uses this distinction to justify the right of the sovereign declaring a state of emergency and, for example, suspending civil liberties or governing by exception. This can be and has been used to justify various actions under totalitarian (Nazism and Communism) and other non-democratic forms of governments (Arab countries' permanent states of emergency) as well as under democratic forms that function by ignoring some democratic norms, presumably temporarily. Subsequent work, e.g., Archibugi and Croce (2011), applies the concept to the legitimacy of not complying with legal international treaty obligations under unusual circumstances, for example genocide or the existence of weapons of mass destruction.

If political legitimacy is viewed as acceptance for whatever reason, then Schmitt's view is a special case of political legitimacy in which the government as sovereign is perceived as having a right to choose between norms in conflict. The application to international relations is a

more limited form of legitimacy that does not deserve the adjective of political, since it does not apply to the political system as a whole. In Schmitt's case the right to choose seems to derive from abstract embodiments of the people's will captured in the sovereign's exercise of power. In the case of international relations the right to violate treaty obligations seems to derive from specific ethical considerations inconsistent with some aspects of legality incorporated in international treaties. For our purposes, political legitimacy thus interpreted has an important implication: Namely, it provides a mechanism for resolving conflicts between the two explicit dimensions of democracy or even within each dimension.

Both political rights and civil liberties have formal and informal aspects. Indeed, one of the attractiveness of Freedom House's measures of these concepts is that they try to capture both aspects. Hence, it is one reason they continue to be used despite some limitations noted in the literature, e.g., Coppedge et al. (2011). It is also the case that these two explicit dimensions of democracy can be complementary, independent or in conflict with each other as we just saw. In the latter case political legitimacy as the implicit dimension of democracy can become a conflict resolution device. We shall illustrate this feature in the next section.

Currently, one of the most imminent threats to the political legitimacy of fragile democracies is their inability to provide high levels of the public good law and order in their territories. This can result from various factors, ranging from civil wars to the drug trade and related developments, but regardless of the source it illustrates the operation of the third factor leading to the accumulation or depreciation of the stock of political legitimacy in a society. Lack of law and order undermines the *de facto* legitimacy of democracies no matter how free and fair their elections are. It can also lead to increases in political legitimacy as a result of actions that

violate civil liberties through the provision of law and order. One prominent example in which this potential conflict arose was during the administrations of President Uribe in Colombia.⁷

Similarly, the support expressed by some for Egyptian President Mubarak in the midst of the recent pro-democracy demonstrations after 30 years of dictatorship was often and explicitly related to the perceived law and order his regime would provide. Assuming these expressions of support to be insincere and hypocritical, however, does not detract from the reality that this law and order argument has been put out for many years and it is still resuscitated in critical times. Indeed, the protesters were also sensitive to this argument and provided law and order in Tahir square as best they could to undercut the accusation. Moreover, this desire for law and order has been used as a reason to favor a continuation of the state of emergency (M. Birnbaum, *Washington Post*, April 20, 2011) even after Mubarak's imprisonment.

Mention must also be made of potential sources of legitimacy particularly relevant to modern societies that may not fall under standard definition of public goods although they do fall under the general category of goods and services provided by governments. These sources can become important determinants of political legitimacy at given times in some countries. Economic protection for the poor and the provision of employment at high levels would be two prominent examples.

Government responsibilities can be easy to proclaim or assign in principle, but they can be difficult to provide in practice. For instance, economic protection for the poor is difficult to provide in developing countries where state capacity is low. For instance, the World Bank's *World Development Report (1997)* on the role of the state in development devotes a substantial

⁷ Some of the actions undertaken by the Uribe government in Colombia during its struggle against the guerrillas were highly controversial due to their possible infringements of civil liberties. Yet, Uribe's government enjoyed widespread support, among other reasons, due to the perceived impact of these measures in substantially lowering the numbers of murders and robberies from the peak experienced at the height of guerrilla activity, Lee (2010).

amount of space to a discussion of state capacity and how to improve it. Moreover, provision of employment at high levels has become noticeable as a difficult to provide service in the context of developed countries as a result of the Great Recession, e.g., Spain's rates of greater than 20% unemployment.

When there is too big a gap between the expected level of performance in providing a government service and the actual provision of the service by any one government, the result can be a profound decrease in the actual political legitimacy of the system. Thus, governments should be careful in what they promise since repeated failures to fulfill these promises can imperil not only their survival but that of the system. They should also be attentive to the level and quality of services provided in areas deemed important by their citizens. Democratic governments are even more exposed to this problem of a gap between the expectations of service provision and the actual accomplishments. For, freedom of the press and political competition lead to having this gap exposed more clearly and forcefully, which is likely to generate a political legitimacy crisis sooner than in more repressive settings.

HONDURAS 2009: POLITICAL RIGHTS, CIVIL LIBERTIES AND LEGITIMACY

In this section we apply the ideas developed in the previous sections to gain an understanding of one of most striking or salient events of 2009 in terms of democracy: namely, the political crisis in Honduras. This event was extremely controversial at the time. It caught academics, journalists and policy makers by surprise. None of these groups were able to articulate convincing interpretations of the event while it was happening, which is illustrated by dramatic reversals of initial positions within a year by most governments. Our aim in this section is to use this event as a case study that illustrates the insights that can be gained from

relying systematically on the concept of political legitimacy as developed in this paper. These insights enhance our understanding of the evolution of democracies, especially fragile ones.

On June 28 2009 the elected President of Honduras, Manuel Zelaya, was arrested by the Honduran Army. This was done with the explicit approval of the legality of the action by the Honduran Supreme Court. The military decided to put him on a plane bound for Costa Rica rather than to hold him in Honduras, presumably to avoid the potential for bloodshed that would have arisen if he had been held within the country. There is not much dispute that these two events created the crisis.

What led to these events is subject to differing interpretations. According to most accounts, for example Toiba and Zissin (2009), the critical issue was an attempt by President Zelaya to have a referendum on the 28th of June 2009. It would have been a poll on the desire of Hondurans to have a fourth ballot box in the November 2009 elections, which would then ask if the Honduran people wished to form a Constitutional Assembly during the term of the newly elected president. The Supreme Court upheld a lower court ruling that had found a prior referendum based on the same issue unconstitutional and had prohibited it. Zelaya decided to proceed anyway, basing his decision on the Law of Citizen Participation passed in 2006. Zelaya dismissed the head of the military command for disobeying an order to hold the poll, but the Supreme Court ordered his reinstatement.

Zelaya's actions were viewed by the substantial number of Hondurans supporting his ouster as an attempt to violate article 239 of the Honduran constitution, by opening the way to his re-election. This article is very clear on the basic point and its penalty. To wit, the article translates as follows:

ARTICLE 239.-A citizen who has held the highest office in the Executive Branch can not be President or Vice President of the Republic.

Whoever violates this article or proposes its reform, just as those who may support them directly or indirectly, immediately foregoes the holding of their respective official titles and remain proscribed from participating in any public activity for ten years.

While Zelaya's election in 2005 was accepted as free and fair during the 2009 crisis by everyone, the same free and fair elections also led to the Congress that voted for his ousting on more than one occasion and approved judges of the Supreme Court that validated his ouster. Focusing exclusively on political rights renders one incapable of addressing or understanding this crisis. Political rights generated by free and fair elections at the presidential level do not necessarily trump political rights generated by the same free and fair elections at the legislative level.

Bringing in the perspective of the two other dimensions of democracy stressed here enhances our understanding of this process. The fears of what would happen to their civil liberties and those of the citizens represented by them played a role in the decisions of an overwhelming majority of the Honduran Congress to vote for the ousting of Zelaya once he decided to proceed with the referendum. The fear expressed at the time and repeated afterwards, Micheletti interview by El Nuevo Herald (April 25 2011), was that Zelaya would start a process similar to the Venezuelan one. Article 239 of the Honduras constitution and its interpretation by the Honduran Supreme Court provided a legal basis for this action. Both the desire to protect civil liberties of a substantial segment of the population, including themselves, and the constitutional legality of the action provided political legitimacy for resolving the conflict between the political rights of the President and those of the Honduran Congress.

Considering Latin American traditions against foreign intervention another source of *de facto* legitimacy for these actions was nationalism. The widespread and well known involvement of Chavez in Honduras on the side of Zelaya prior to the events of June 28 was interference by a foreign government in domestic affairs, e.g., Agencias (2010). No matter how friendly and generous a foreign government is, attempts to determine national outcomes could have engendered nationalistic feelings in support of an alternative, País (2009).

Without appeals to political legitimacy as an essential dimension of democracy it is also difficult to understand or explain the actions of Zelaya and his supporters. Zelaya and those who encouraged him to have the referendum had to be aware of the constitutional issue generating illegality for their actions, especially after the first denial of its legality by the Supreme Court, e.g., De los Reyes (2011). Challenging it and taking the chance to be rebuked and its potentially serious consequences required a powerful rationale. The need to fight dire circumstances of poverty at very low levels of economic development provided a source of *de facto* political legitimacy for this risky strategy, at least for some.⁸

On the other hand, the June 28 actions of the military were viewed outside Honduras almost uniformly as a *coup d'état*. Ironically, while the military had a sound legal and constitutional basis for arresting Zelaya in article 239, it had an equally sound

⁸ Honduras is one of the poorest countries in Latin America. In 2008 it ranked 145 in the world with respect to per capita income in PPP terms (\$3,870) as estimated by the World Bank (2009). Among Latin American countries only Nicaragua and Haiti are ranked below Honduras.

legal and constitutional basis not to send him out of the country in article 102. The latter translates as follows

ARTICLE 102.- No Honduran may be expatriated nor delivered by the authorities to a foreign State.

The military's decision to send Zelaya out of the country provides an illustration of reliance on political legitimacy as a conflict resolution device when there are conflicts between democratic norms. This action is illegal since it is a violation of Zelaya's civil liberties according to the Honduran constitution. Just like Zelaya and his supporters had to be aware of article 239, the military had to be aware of article 102 of the constitution and the illegality of the action. The political legitimacy for undertaking the action stemmed from its being a conflict resolution device between protection of the civil liberties of Honduran citizens against the potential for violence that could have been unleashed if Zelaya had been held prisoner in a Honduran jail or military barrack, e.g., Internacionales (2011), and the illegal violation of Zelaya's civil liberties.

The consequences of these events for Honduras were severe in political and economic terms. It led to the widespread condemnation of the action as a *coup d'état* by both democratic governments and not so democratic ones. Diplomatic pressure was brought to bear on the transition government appointed to hold power for the 4 months until the November 2009 elections. One international organization, the OAS, expelled Honduras and refused to monitor these elections which were supposed to take place regardless of the referendum issue under contention. This withholding of monitoring services can be viewed as an attempt to deprive any elected government of political legitimacy in a formal sense by withholding one of the means for the election to be

viewed as free and fair. It had no or limited effect since other mechanisms to ensure the fairness of the elections were not affected.

On the economic front international assistance was withheld. Even bilateral US aid through the Millennium Challenge Corporation was halted. This action was taken despite the fact that Honduras had been performing well by almost all criteria usually employed by MCC to select countries as worthwhile or deserving to receive aid because of their own efforts at improvements.⁹

Yet, the Honduran provisional government resisted the pressure, elections were held as scheduled and the newly elected government of President Lobo was recognized by various governments, including the US. It helped that Lobo had taken an open minded approach to the issues dividing the country and a conciliatory attitude toward Zelaya and his supporters, for example Lisman (2009). In March of 2010, ex-President Zelaya announced that he was writing a book on the crisis and the US government announced that aid was restored. The multilateral financial institutions followed suit.

By July of 2010 most of the 65 countries that had broken diplomatic relations with Honduras a year earlier had re-established them. Two others, Chile and Mexico, did so in early August, bringing the total to 57, after the OAS issued a long delayed report on the Honduran crisis and its aftermath on July 29. This report (<http://www.oas.org/documents/eng/press/AGSC00258-ING.doc>) had a substantial part

⁹ For instance, in 2009 Honduras scored above the median of the low income countries in 15 of the 17 indicators in the MCC scorecard, at the median in one and below the median in one. These indicators are the ones used to select countries as eligible for aid from MCC. This information is publicly available at the MCC website.

devoted to the steps already taken and in process by the Lobo government to provide civil liberties through the protection of human rights, including freedom of the press. On June 1st 2011 Honduras was readmitted to the OAS, thus officially ending the crisis.

CONCLUDING REMARKS

The Honduran political crisis seems to have befuddled pundits, governments and international organizations in equal measures. Our analysis relies on civil liberties and political legitimacy as intrinsic dimensions of democracy to overcome the inadequacy of political rights as an exclusive basis for understanding the crisis. This event case study illustrates the limitations of an exclusive focus on the usual dimension, political rights. It also illustrates how using these other two dimensions systematically enhances our ability to understand critical aspects of the evolution of democratic processes. Moreover, if the participants in these events were not responding to notions of political legitimacy developed here in their actions, it becomes difficult if not impossible to understand or explain their behavior.

One of the obvious implications for future research is systematic application of the constructs developed here to other critical events in the evolution of democracies. These critical events can be current ones or historical ones such as those analyzed by Tilly (2007). Similarly, the approach can be concentrated on a short period of time or on a longer historical period such as the case studies undertaken by the World Bank, North et al. (2011) to implement the North Wallis and Weingast (2009) framework. The subject of the evolution of democracies is sufficiently complex and difficult that the ideas in this paper should be viewed as complementary to the work of Tilly or North, Wallis and

Weingast rather than as substitutes or alternatives. This complementarity is highlighted by our emphasis on measurement.

Incorporating political legitimacy as a construct for the analyses of democratic evolutions will require the direct measurement of legitimacy and this is an important and potentially very fruitful area for future research. Perhaps our most important contribution in this area is in the rigorous basis provided for the measurement of political legitimacy by our development of the basic concept and its determinants. This rigor has three elements. First, political legitimacy is a positive concept subject to direct measurement in surveys when conceived in terms of acceptance. Second, one can measure actual political legitimacy without separating it into formal or informal components or making assumptions about norms that capture the people's will. Third, one is measuring a stock variable that can be accumulated or depreciated.

Dogan's (2002) discussion of political legitimacy is particularly apt in this context as he identifies direct measurement as the main problem with any study of legitimacy. To wit, he asserts (p.120) "Opinion polls attempting to measure a state's legitimacy often measure things related to legitimacy without measuring legitimacy directly." For instance, Gilley (2006) defines the concept as "...a state is more legitimate the more is treated by its citizens as rightfully holding and exercising political power." It then relies on adding up 9 indicators of either possible consequences or causes of legitimacy. For example, among the latter are World Values Survey questions on confidence in police and on evaluation of current political systems and among the former is voter turnout. Similarly, Seligson (2002) measures it "...by a scale of diffuse support attempting to tap

into confidence in the key institutions of government”. The latter end up defined in terms of five items based on survey questions about specific aspects of these key institutions such as courts’ fairness, pride in, respect for and support of the political system and trust in the police.

More recent contributions in the political science literature have usually focused on the legitimacy of specific institutions or organizations, which is a subject we do not address. An exception is the work of Rothstein (Ch. 4) which has emphasized the importance of one source of legitimacy, namely that arising out of the production of government services. Our discussion supplements his arguments. We have identified different sources for accumulation or depreciation of the stock of legitimacy. These sources can also be measured although some may require additional assumptions, e.g., those identifying particular normative judgments as the basis for acceptance. Other sources, however, are already available as measures of public goods or public services and they can be improved by incorporating quality dimensions stressed by Rothstein.

Not surprisingly, the construction of empirical models that include political legitimacy explicitly would have to await developments in the measurement of this construct emphasized above. Nonetheless, use of limited notions of legitimacy in empirical models has already taken place, albeit implicitly. For instance, Compton, Giedeman and Johnson (2010) implicitly defined legitimacy as if it meant acceptance of reforms supporting contract intensive sectors by a majority of the population during turbulent times and use it as an explanation of their results. My hope is that this paper eventually contributes to developments that allow both economists and political scientists

to use the concept of political legitimacy in their analyses just as they do other difficult concepts, including political rights and civil liberties.

Finally, an interesting and currently relevant topic for future research is the potential incompatibility between some sources of political legitimacy and democracy. For example, in a recent book Mueller (2009) argues that religious extremism is incompatible with liberal democracy and gives as examples (pp.416-417) "...Christianity in America, Islam in much of the rest of the world, Hinduism in India, and Judaism in Israel...". Mueller devotes significant attention to the nuances of religiosity in the book and he views religiosity as a continuous variable. Nonetheless, the groups characterized as extremists above are very broad. Perhaps the constructs developed in this paper can be used to analyze the conflict between religion as a source of formal or *de jure* legitimacy for a democracy and the two explicit dimensions of democracy in less contentious terms.

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