Advancing the Study of Stateness in Central America: Methodology and Some Illustrative Findings*

Avanzando en el estudio de la estatalidad en América Central: Metodología y algunos hallazgos ilustrativos

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ABSTRACT

This paper succintly describes how a network of researchers associated to the Costa Rican *Programa Estado de la Nación* developed new data sources and crafted direct measures of stateness for the Central America countries. Our theoretical framework relied on Mann's concept of state infrastructural power. As a result, a wealth of information is now available to scholars studying stateness in Central America, as well as to researchers engaged on broader comparative research about stateness in Latin America. Some preliminary findings are reported and guidelines for future research are suggested.

Key words: Stateness, Infrastructural Power, Democratization, Central America, Institutional Capabilities.

RESUMEN

El presente artículo describe la estrategia aplicada por una red de investigadores asociados al Programa Estado de la Nación para generar nuevas fuentes de información y análisis sobre los estados nacionales en Centroamérica. El punto de partida teórico fue el concepto de poder infraestructural de Michael Mann. Como resultado del esfuerzo, un conjunto de datos inéditos están a disposición de académicos interesados en el estudio comparado de los estados en América Latina. El texto reseña alguno de los principales resultados y plantea sugerencias para una agenda de investigación.

Palabras clave: *Estado, poder infraestructural, democratización, Centroamérica, capacidades institucionales.*

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INTRODUCTION

The comparative study of stateness in Latin America relies largely on indirect measures of state strength. Indirect measures infer state strength from observed policy outcomes and/or from expert judgments on the capabilities of the states to perform functions such as ensuring the rule of law or implementing regulatory frameworks. For example, observers use homicide rates or infant mortality as indicatives of the capacity of a State to impose order over a territory and to achieve socially valuable goods. They also use expert surveys to assess performance. Well known comparative measures such the Bertelsmann Transformation Index, the World Bank's Worldwide Governance Indicators, and the Economic Forum combine subjective and objective indirect measures of state capabilities (World Economic Forum, 2011; Berteslmann Stiftung, 2012; World Bank, 2012).

While useful, and in some cases given the lack of data –unavoidable, indirect measures present significant limitations in their ability to gauge stateness. Firstly, outcomes and capabilities are not analytically synonymous. For example, similar high levels of child mortality and/or homicide rates might be associated with very different state contexts; i.e. extremely *weak state capabilities* to perform basic functions, or *unwillingness* by authorities to mobilize existing capabilities. Secondly, expert perceptions on how a state works may be strongly influenced by ideological, contextual and/or normative expectations of what a state is or should be. Finally, citizen perceptions on state capabilities are strongly influenced by evaluations of government performance and other political and ideological attitudes (Vargas Cullell and Rosero, 2007; Corral, 2009).

This paper stresses the need for developing direct measures of state strength based on actual examinations of the state institutional organization. These measures assess the stock of financial, organizational, and human assets a state possesses "before" engaging in political action –independent of the orientation or outcomes of this said action. Direct measures of the infrastructural organization and capabilities of a State provide insights on the means political authorities have at their disposal to pursue preferred outcomes. These are not presented as a substitute for indirect measures; but instead as a way to specify, at times correct, and in other cases supplement information on policy outcomes or perceptions on public policies.

This paper describes the strategy implemented by the Costa Rican based State of the Nation Program to develop preliminary descriptive direct measures of state strength for the Central American States. The brief proceeds as follows: In the first section, I present a brief literature review and a discussion of the methodological approach for the empirical study of stateness. The second section describes the new data sources used for a preliminary assessment of state capabilities in Central America, and the third section presents some of the preliminary findings of this research effort. The paper concludes by offering a series of guidelines for future research.

SOME THEORETICAL REFLECTIONS

In the following section I summarize our own understanding of stateness.[1] Building upon Soifer and vom Hau's literature review on stateness (Soifer and vom Hau, 2008), we agree with these authors on the centrality of Mann's distinction between despotic and infrastructural power for studying state capabilities (Mann, 1984; Mann, 2010). Most importantly, we are in accordance with the assessment of the need to unpack the concept of infrastructural power. In this section, I summarize the theoretical underpinnings of stateness, which I define narrowly as state capabilities –one dimension of Mann's concept of infrastructural power.

The departing point is, of course, the concept of State. Following Weber via O'Donnell, a State is an association that successfully claims the sole authority to exert (the threat of) legitimate violence within a territory (Weber, 1977; O'Donnell, 2007; O'Donnell, 2010). It claims for itself the [physical and symbolic] legitimate power[2] to regulate social relations within the borders of a given territory. Its institutional apparatus implements the decisions made by authorities endowed with binding rule-making powers, making it possible for these decisions to permeate society.[3] State, political power and the locus of a centralized authority are closely interconnected. A State implies power over society –a central authority dominating all other corporations, associations and individuals. Command and obedience [despotic power] is inherently woven into the fabric of a State. However, a State is not only power "over", but also power "for" (Lukes, 2005). In complex societies, States solve a myriad of social coordination problems in order to attend to collective needs which no other social group deals can resolve. Michael Mann put forward the concept of infrastructural power to specify this second type of State power, and we are particularly interested in this kind of power.

As Soifer and vom Hau argue, the concept of the infrastructural power of a State is multidimensional with organizational and relational facets. In this paper, I am interested in one aspect of this: the material infrastructure; or the stock of human, legal, financial and operative resources a state has at its disposal to effectively implement the decisions made by its centralized authority. This stock of resources is what I call state capabilities.[4]

1 Our referring to the network of researchers of which I am the leader.

2 Legitimacy is understood here as the right to command (Raz, 1990).

3 O'Donnell slightly amends Weber (Weber, 1977): it is not that a State claims the monopoly over the means of violence, but that it claims the *threat* of exerting *legitimate* violence.

4 Please remember that capacity, or capability, has two different although related meanings. It can be understood as a stock of resources and/or attributes an object has which determines the limits of it resistance, velocity or behavior, i.e. the volume of a recipient; the speed limit of a human being determined by the constitution of our bodies. From this structural perspective, the focus of capacity is the identification of the means at disposal to do whatever. The second meaning of capacity is the potential a living being has, what it can do, by virtue not only of the stockpile of resources it manages, but by its aptitudes, talent and abilities. Resources may operate as an absolute limit, but will, ability and virtue play a crucial role in determining whether means meet ends. This is a functional understanding of capacity which, by the way, Sen applies to his human development approach (Sen, 1999; Sen, 2009). Applied to the analysis of state, it focuses on the ability of a State to produce certain outcomes, which as Soifer and vom Haus say, implies the study of how state and societal actors relate.

In actuality, States have very diverse capabilities to penetrate and coordinate social relationships and to ensure control over the territories in which they claim sovereignty (O'Donnell, 1993; O'Donnell, 2003; O'Donnell, 2007; O'Donnell, 2010). Strength will vary across areas, and hinges on how well a state is able to exert authority over other political and social actors, which in turn depends on the strengths and strategies of the latter. Moreover, many states remain chronically weak and incapable of asserting authority over vast regions of their jurisdiction even in the absence of powerful societal actors. Other states muster robust institutional capabilities that enable exerting authority even in the presence of strong societal actors. In all of these cases, understanding states´ capabilities is a necessary starting point, prior to analyzing the complex relational dynamics of state strength.[5] It clarifies what a state is capable of bringing into play, when deciding to mobilize its power to exert authority and/or engage in public action.

In principle, assessing the means for exerting coercive power is simple and easy to identify: military and police forces, equipment, level of training and territorial deployment. A much more complex step is determining a State's infrastructural power, a type of power crucial to contemporary democracy because therein lies the ability of authorities to back up the "right to command", which is rather exceptional (Raz, 1990). In democracies, States depend more on their infrastructural power –on the ability to successfully regulate social life in order to enforce rights and cater citizen needs (von Mettenheim and Malloy, 1998).

Before turning my attention to the methodological task of outlining an approach for the empirical study of state capabilities –one aspect of a state's infrastructural power, I will elaborate on the crucial importance of state's infrastructural power for democracy. In all political systems, rulers rule over people, and democracy is no exception. As Dunn reminds us, democracy stakes "the claim to be obeyed ... a demand to accept and even submit to the choices of most of your fellows citizens" (Dunn, 2005: 24). However, it introduces a crucial change in both the nature and dynamics of the relationship between rulers (the powerful) and the ruled (the weak). While in non-democratic polities, the ruled are vassals; in a democracy the ruled enjoy substantial power, they are not at the mercy of the powerful (O'Donnell, 2007; O'Donnell, 2010; Przeworski, 2010). As in all political systems, in a democracy power disparities are protracted, consequential and systematic. They spring up from substantially asymmetric endowments of assets and capabilities between individuals, organizations and/or social classes. Moreover, some dimensions of political inequality are legally enacted insofar as certain individuals are bestowed with the authority to adopt collectively binding decisions. Although asymmetries are dynamic and do not necessarily imply zero-sum games, a democracy without political inequalities has yet to exist.

Herein I use the concept of capacity as an attribute or property of something, not as a potential for doing things (Besley and Persson, 2009; Cardenas, 2009), i.e. the structural understanding of capacity, as a stock of resources. For a useful review of the difficulties associated with the concept of capacity, see: (Morgan, 2006).

5 According to Soifer and vom Hau, this is an unavoidable research task.

Nonetheless, in a democracy the weak exert [some] power over the powerful, and at the same time the latter retain the ability to govern. A conflictive and potentially fragile equilibrium is inevitably fueled by the contradiction between the impulse for political equality ("power from below") and that of political inequality ("power from above"). Given that the "power from above" is more powerful, in the absence of specific and effective safeguard mechanisms, the impulse for political inequality would easily win.

All democracies thus enact a complex framework of norms and institutions to ensure that both sides –rulers and ruled– preserve their lot but, mostly to protect the weaker side– the community of citizens from encroachment from above. This framework regulates both the access and the exercise of power and implies careful definitions of its legal and illegal uses as well as about the controls needed to prevent abuses.[6] Crucially, a democracy requires:

- State norms and institutions woven into the process of enacting and enforcing the existence of free and fair elections, civic freedom and political rights, universal enfranchisement, accountability of elected officials to the extent that without them the democratic regime flounders.[7] O'Donnell's "*Estado democrático de derecho*" is the case in point here (O'Donnell, 2004; O'Donnell, 2007). These are concomitant and joint conditions for the survival of a democratic regime.
- State norms and institutions whose structuring and functioning's has been (re)shaped by constitutional and/or legal mandates originated in democratic decision-making. As a consequence, previously unchecked authorities are subjected to the purview of citizen scrutiny and participation. Segments of the State not inherently related to democracy are suddenly and therein on woven into democracy as an upshot of the enactment of new citizen rights and state obligations: public budgeting must make room for citizen decisions –congress recognizes citizen initiatives in the process of law formation– authorities are summoned to call public meetings before taking any decision on public utilities, and so on.[8]

In Mann's terms, a democratic state cannot do all of these tasks by relying on despotic means –which after all would probably use against citizens. Although a state-in-a-democracy retains command and obedience capabilities (despotic power), it requires inordinate amounts of what Lukes terms as "power for" (Lukes, 2005). A State "of" and "for" democracy requires a wealth of power "for" in order to enforce citizen rights, subject authorities to the law and implement effective horizontal accountability, infrastructural

6 As several authors stress these arrangements are historically contingent. For example: quasi universal citizenship and free and fair elections are crucial for modern democracy but not in Athenian democracy (Dunn, 1992; Dunn, 2005; Przeworski, 2010).

7 Norms and institutions that –in addition to ensure that laws effectively regulate social behavior– enact and backs citizen rights and freedoms and prevents anyone from being *de legibus solutus*. (O'Donnell, 2004: 33).

8 The point here is manifold. First, Congress creates new institutions that do not belong to the political regime but are tightly related to citizen political rights. The Ombudsman is exemplary of this process (for a nice analysis of the diffussion of this institution see: (Pegram, 2011)). Second, Congress creates new democratic requirements for policy-making that unleash new instances for citizen partipation and/or remedy, as well as changes in decision making processes.

power according to Mann. When institutions have weak capabilities, they lack the power to perform these basic functions: a democratized State requires rather well developed institutional capabilities (von Mettenheim and Malloy, 1998).

METHODOLOGICAL APPROACH

Political authority wields legitimate power through the State's institutional apparatus. The latter provide the means for implementing collectively binding decisions based on the stockpile of technical, organizational, and/or financial resources at hand, this set of resources which I have defined as state capability.

In the past decade, a small group of scholars delved into the empirical study of state capabilities, or stateness in Latin America (Grindle, 1996; Bresser Pereira and Spink, 1999; López-Alves, 2000; Centeno, 2002; Ross Schneider and Heredia, 2003; Lora, 2007; Centeno, 2008; Cardenas, 2009). Centeno proposes a three dimensional approach focused on state revenues, personnel and information for assessing contemporary state capabilities in Latin America. While useful, his vision is still a broad stroke. López-Alves focuses on state formation –in particular on the establishment of institutions closely related to a despotic power of the state. The essays in Lora's edited book study both capabilities and policies to determine how much state reform happened in the closing decades of the XX Century. Nonetheless, one does not find in this volume a well delineated methodological approach for the systematic study of stateness. Bresser Pereira and Spink, as well as Schneider and Heredia's edited book examine administrative or bureaucratic capacities in selected Latin American countries more narrowly; a general assessment of stateness in the region is beyond their purview. Grindle studies the relational nature of stateness based on case studies of policy innovation. Based on the analysis of state building in Costa Rica during the XIX and early XX centuries, I propose examining four distinctive state capabilities which are at the core of stateness (Vargas Cullell, 2012). In the following pages, I present this approach and then implement it as a strategy to assess state capabilities in Central America. These four capabilities are core state capacities given that the ability of a central authority to implement decisions is decisively hindered when these are absent:

1. The capacity of a state to extract resources in order to perform basic functions such as imposing a public order over a territory and the provision of other public goods (Schumpeter, 1981; Moore, 2004; Thies, 2004; Thies, 2005; Besley and Persson, 2009; Besley and Persson, 2009). This is the *extractive capacity* of a State. The above cited literature focuses on taxation, a key component (the level of taxation and the structure of taxation), but extraction can also be construed as a broader concept dealing with public revenues –which include not only taxes but also other revenues coming from fees, rates charged by public firms and institutions for services, and public bonds or other public financial instruments.

2. The capacity of a state to attract the personnel required to efficiently perform the political and administrative duties (Weber, 1977; Evans and Rauch, 1999). This is

the *bureaucratic capacity* of a State and is measured both by the size and the level of qualification of its personnel.

3. The capacity of a state to mobilize resources based on a stable and specialized institutional organization. This is the *organizational capacity* of state and it is measured by the structure of the institutional apparatus: legal competences, lines of command, sectorial networks of institutions clustered around key functions of the state.
4. The capacity of a state to *supply of goods and services* to the population at large. Here we look at territorial deployment of state institutions, as well as the share of public participation in the provision of basic services such as education and health (Table 1).

Table 1: Proposal for a descriptive study of state capabilities

Concept	Dimensions	Indicators
Infrastructural power	Extractive capacity	Level of tax and non-tax revenues (excluding external loans) Sources of revenues
	Personnel	Size Level of qualification
	Institutional framework	Size of apparatus Sectorial institutional networks Powers of the Executive Corporatism
	Supply of goods and services	Goods and services provided by state institutions and firms Territorial distribution of public delivery

Source: Vargas Cullell (2012) adapted from Centeno (2009).

The presented methodological proposal is a first sketch for the study of core state capabilities, or stateness, based on the root concept of infrastructural power. It aims to enable general comparisons of distinctive state capabilities across and within countries without the pretense of coming up with a summary measure or index of stateness. While it is assumed that a high extractive capacity, a highly qualified personnel, a robust institutional framework and a solid portfolio of publicly supplied goods and services have some additive value in defining the composite concept "stateness", at this early stage of the research process, there are still many unknowns. Therefore, the proposal is best understood as a method to order the empirical work before us. However, even if it remains in the descriptive realm, it renders some interesting preliminary findings (as I shall discuss in the next sections).

DATA

Very little is known about the specifics of States' institutional apparatuses in Central America. After the 1990s regime democratization, the literature agreed that most Central American states remained institutionally weak and hostile both to democracy and to their populations –and that the Costa Rican state was an exception to this trend, a "democratic State" (Seligson and Booth, 1995; Wilson, 1998; Straface and Gutiérrez Saxe, 2008; Torres Rivas, 2010; Martí i Puig, 2011; Programa Estado de la Nación, 2011; Lehoucq, 2012).

Scholarship on stateness in Central America has been hindered by the lack of data on how these states actually organize and function. International measures such as the Bertelsmann Index, the World Bank Governance Index or the Economic Forum Index provide aggregate information based on country average policy outcomes and/or perception. There is some data about legal competences of peak institutions, particularly the branches of the State and horizontal accountability agencies (Lora, 2007), as well as data on taxation and expenditures (ECLAC's annual economic and social panorama). Summary checks are performed to gauge whether constitutional provisions for the separation of powers or the legal competences of horizontal accountability agencies are in place (Payne, Zovatto *et al*., 2007). While all of these are important studies, they provide little information that permits us to understand the organization and dynamics of institutional actors within States. Furthermore, comparative work with a Latin American perspective tends to pay scant attention to Central American States focusing instead on the bigger countries of the region such as Brazil, Argentina, Mexico and Chile.

New data on state capabilities is a requisite in order to develop new measures of stateness. Given the current lack of information about state capabilities, basic questions about the structure and organization of the State –key for the study of stateness, democratically or otherwise– remain unanswered:

- How many public institutions are there? When were they created?
- Which governments and/or political parties were the driving forces behind patterns of institutional creation?
- What is the legal nature, competences and functions of state institutions?
- How big are their budgets?
- Who has a say in naming the head of these institutions? How are Directive Boards formed?
- Are there any functional relationships between institutions of the same sector?
- How robust are the institutional networks for public policy?
- How can the territorial presence of the State be approximated?

To approach these issues, a group of Central American researchers lead by the *Programa Estado de la Nación*[9] created two databases aimed at systematically collecting previously scattered and seldom used information about the institutional structure and capabilities of the State.

The first database inventories all public institutions belonging to the central government in seven countries in Central America. Additionally, with the help of a team lead by Professor Juan Pablo Luna from the Universidad Católica de Chile, we included Chile. Almost 1.000 public bodies were identified and described in the region (plus 240 in Chile). For a description of the variables and coding manual, see: (Ramírez, 2010). The database has been uploaded to the internet and can be easily accessed at the Programa Estado de la Nación (PEN) website. Its main antecedent is the database of public institutions in Costa Rica, developed by researchers at PEN in a joint venture with the Planning Ministry (Alfaro, 2005; Alfaro, 2006).

The second database is an in-depth exploration of the information available about five dimensions of the institutions of the rule of law. These are: autonomy of judges, external independence of the judiciary, institutional performance, judicial transparency and accountability, and citizen access to legal services (Programa Estado de la Nación, 2011). Throughout 2009 and 2010 a network of researchers collected as much data as possible directly from the Judiciary in six of the seven Central American countries. Even if there is missing data that hinders the analysis of the Judiciaries' structure and performance, the wealth of information is the richest available for Central America (Obando, 2010).[10]

PRELIMINARY FINDINGS

The Central American political systems that underwent regime transitions in the 1990s are not only fledgling democracies struggling to stabilize regimes based on free and fair elections and citizen rights and freedoms, they are also States endowed with weak infrastructural power.[11] Their institutional apparatuses are small, their organizational networks for public policy are precarious, and their fiscal base is narrow. Regime democratization converged with a spate of institutional experimentation: empowered parliaments created a great number of new institutions and corporatism was adopted as a formula for policymaking, thus including organized actors in policy-making processes. Innovations did not change two fundamental legacies from authoritarian times: First, Executives remain dominant unchecked actors within the State apparatus and retain full control over public budgets and appointments. Second, the institutions of the rule

9 The Programa Estado de la Nación (PEN) is a research centre co-sponsored by the Council of State Universities of Costa Rica (CONARE) and the Ombudsman (Defensoría de los Habitantes). Since 1995 it annually publishes the State of the Nation Report. PEN has also prepared one Citizen Audit of the Quality of Democracy, three State of the Education Reports (Costa Rica), and four Central America State of the Region Reports.

10 In setting up this database the Programa Estado de la Nación was helped by Professor Jeff Staton from Emory University.

11 Herein I am describing Guatemala, Honduras, El Salvador, Nicaragua and Panama.

of law are weak. From a Weberian perspective, these States are also incomplete states. They are not yet able to muster a robust institutional presence throughout the territory over which they claim sovereignty. Vast territories in Central America have been left behind by the State.

All in all, the type of State prevailing in Central American novel democracies can be thought of as hostile to democracy. It does not have the means to ensure the enforcement of civil, social and political rights enacted by constitutions and laws. The weakness in horizontal accountability agencies as well as the seemingly unchecked powers of the Executive over the institutional apparatus hinders efforts to subject elected authorities to the empire of the Law. Moreover, unchecked Executives have strong incentives for trying to politicize and achieve a tight control and dominance over the whole of the State.

The recent encroachments on democratized regimes by powerful Executives come as no surprise. In Nicaragua, President Ortega has been able to muster control over Parliament, the Judiciary, the Electoral Board and the bodies for horizontal accountability; and in Panama, President Martinelli is trying to emulate him by packing the Supreme Court and the powerful National Comptroller with cronies. While Honduras and Guatemala have somewhat different situations, they share with the previous cases the fact that some threats to democracy stem from inside the upper echelons of the State [(Programa Estado de la Nación, 2011): Chapter 8 and 10]. In this context, Costa Rica is an outlier. Not only is its democratic regime one of oldest and certainly the most stable in Latin America but, at the same time, it houses a robust State endowed with a strong infrastructural power.[12] In the rest of this section, I provide evidence that substantiates the aforementioned claims on the prevailing weak capabilities of most Central American States.

Table 2 shows that most Central American States comprise between 90 to 120 public institutions. In Costa Rica, which houses only 10% of the regional population, the State is formed by 276 institutions.[13] In 2009 the Costa Rican State represented well over 40% of the regional consolidated public budget –several times larger than Honduras and Nicaragua, the smallest states. Graph 1 shows the evolution of the State throughout the XX century–Chile is included as a reference case. In Costa Rica and Chile, the State grew vigorously in the second half of the century.

As Table 3 shows, in the past 30 years a process of innovation took place in all Central American countries. Regime democratization came hand in hand with institutional experimentation and only one third of the existing institutions (2009) replaced previous ones –being the majority newly founded. One important innovation is the outgrowth of autonomous institutions and public firms, which go beyond the classic structuring of the State in three branches (Table 3)–evidence of what Ackerman labels as the "new separation of powers" (Ackerman, 2000).

12 This is not an assessment of the Costa Rican State, mired by inefficiencies and gridlock, see: (Straface and Gutiérrez Saxe, 2008).

13 Only institutions of the National Governments are included. No municipalities or regional governmental bodies are considered.

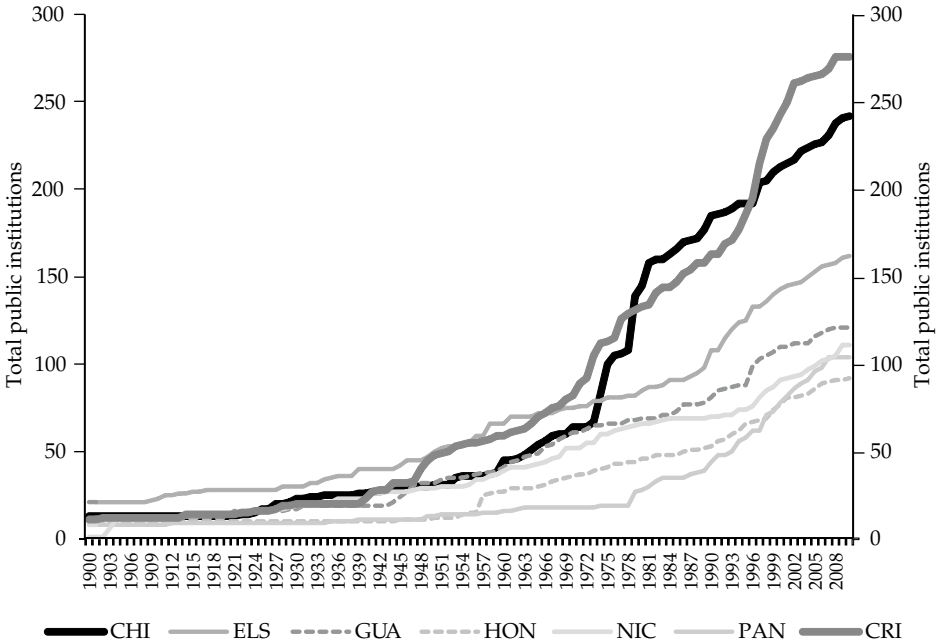
Table 2: Central America: State institutions and budgets, 2009

Country	Number of institutions	% of institutions	% of institutions with known budget	% of total public budgets in the Region
Belize	102	10,5	56,9	2,9
Costa Rica	276	28,5	52,2	43,8
El Salvador	162	16,7	58,0	13,0
Guatemala	121	12,5	67,8	10,7
Honduras	92	9,5	53,3	6,5
Nicaragua	104	10,7	55,8	2,9
Panamá	111	11,5	65,8	18,9
Centroamérica	968	100,0	58,0	100,0

Note: 42% of public institutions in Central America do not publish their budget or do not have an autonomous operational budget subject to the approval of an Authority.

Source: Table 8.1, IV State of the Region Report (Programa Estado de la Nación 2011) based on Mendoza (Mendoza 2010) Central American database of public institutions (www.estadonacion.or.cr)

Graph 1: Central America and Chile: Evolution of the approximated size of the State Apparatus (Number of public institutions) 1/



Note: 1/ The data series shows the year in which the institutions existing in 2009 were founded. Data does not include the institutions eliminated before this year. Detailed information on the latter does exist for four countries in the XXth Century. Belize eliminated 5 institutions, Costa Rica 48; El Salvador, 20 and Guatemala 53. Taking into account these would introduce some changes in the time series but the overall trends would remain the same.

Source: Own reprocessing of the database of public institutions in Central America, Programa Estado de la Nación, www.estadonacion.or.cr

Table 3: Central America: Institutions with legal antecedents, 2009

Country	w/legal antecedents	Total	% w/antecedents
Belize	17	102	17
Costa Rica	70	276	25
El Salvador	42	162	26
Guatemala	33	96	34
Honduras	49	93	53
Nicaragua	42	106	40
Panamá	59	111	53
Total	312	946	33

Note: 1/ The law that creating the institution replaces the old institution with the new one.

Source: Reprocessing of the database of Public Institutions in Central America.

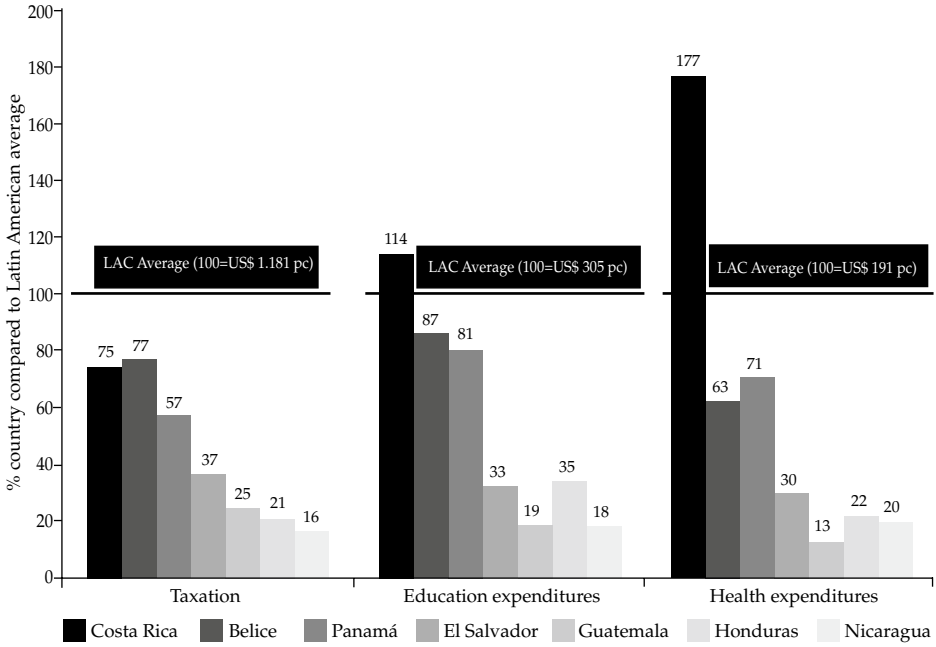
Most Central American States collect few taxes and invest little in their people. Taxation in the region is well under the Latin American average (Costa Rica and Panama are the closest to that parameter but still lagging behind). In most cases education and health expenditures represent between one fifth and one third of Latin American averages (Graph 2). Once again, Costa Rica stands out as an exception, with expenditures well above the regional average.

Judicial expenditures are extremely low by international standards –less than US$ 15 per capita–[14] in four out of six countries, and differences on these issues between Costa Rica and the rest are manifold. Extremely low expenditures are indicators of institutional weakness. The argument here is not that bigger budgets entail stronger institutional capabilities. While this may or not be true (although one may suspect that more resources enable the installation of more technical and organizational capabilities, the reverse is certainly true. Dire budgetary constraints impede basic functioning of a State –and the judiciaries in most Central American countries face this type of restriction (Table 4).

Most Central American Executives have two key prerogatives. First, they directly control the budget of an absolute majority of institutions, which in turn are dependent for revenues on tax collection by the Ministry of Finance. Second, the Executives name the head of the majority of institutions (Tables 5 & 6). On both counts, Costa Rica is again different: therein, the powers of the Executive are much more diffuse: roughly half of the institutions rely on their own decentralized revenue sources and many of them have their own mechanisms for selecting their head. Panama, Honduras, El Salvador and Nicaragua have particularly strong Executives: they combine the power of the purse with the power to remove the head of most institutions at will.

[14] For an international comparison of judicial expenditures, see: (Programa Estado de la Nación, 2008).

Graph 2: Central America: Comparative taxation and social expenditures, 2009 (Per capita as % of Latin American average)



Source: Reprocessing of ECLAC data.

Table 4: Central America: Public institutions by their legal nature, 2009

Country	Total	Legal nature		Public firms 3/	Others 4/
		Branches of the State 1/	Autonomous institutions 2/		
Belize	102	52%	45%	3%	0%
Costa Rica	276	46%	22%	24%	8%
El Salvador	162	41%	53%	2%	4%
Guatemala	121	28%	48%	18%	6%
Honduras	92	60%	40%	0%	0%
Nicaragua	104	35%	49%	12%	4%
Panamá	111	24%	64%	13%	0%
Centroamérica	968	41%	42%	12%	4%

Notes:

1/ Branches of the State. Legislative, Judiciary and Executive Powers, including Ministries, and un-concentrated entities attached to Ministries. Includes institutional programs.
2/ Autonomous institutions: decentralized public entities endowed with legal powers for self-management excluding those organized as firms.
3/ Public firms: empresas públicas, sociedades públicas de economía mixta, sociedades privadas de economía mixta.
4/ Others: colegios profesionales, comités para la administración de centros locales.

Source: Reprocessing of the database of Public Institutions in Central America.

Table 5: Judicial expenditures in Central American countries, 2007-2009 (Current US$ per year per capita)

Countries	2007	2008	2009
Costa Rica	54,6	69,5	82,1
El Salvador	27,9	29,8	33,2
Guatemala	9,5	11,0	10,0
Honduras	10,0	9,4	10,6
Nicaragua	9,9	10,3	9,8
Panamá	15,1	16,8	10,4

Source: Database of legal indicators.

Table 6: Central America, origin of revenues of the public institutions, 2009

Origin of revenues	BEL	CRI	ELS	GUA	HON	NIC	PAN	Region
Total of public institutions	102	276	162	121	92	104	111	968
% budget of the Central Government 1/	57,8	34,4	76,5	74,4	68,5	34,6	36,0	52,4
% mixed origin	35,5	18,8	6,2	0,0	31,5	50,0	51,4	23,3
% decentralized revenues	16,7	46,7	17,3	25,6	0,0	15,4	12,6	24,3

BEL: Belize; CRI: Costa Rica; ELS: El Salvador; GUA: Guatemala; HON: Honduras; NIC: Nicaragua; PAN: Panamá: Region: Central America. 1/ The institution's budget is a line item of the budget of the Central Government, funded by taxation collected by the Finance Minister. 2/ The institution's budget is mixed: part of it comes from the budget of the Central Government and other part originates from own sources of revenues. 3/ The institution's budget is entirely funded by own sources of revenues specified by laws enacted by Congress.

Source: Table 8.6 del IV State of the Region Report based on the database of public institutions in Central America (Programa Estado de la Nación 2011).

All Central America states display extensive corporatist arrangements for policy-making. In roughly 4 out of ten public institutions with Directive Boards, social groups have seats (Table 7). In many cases business and labor organizations, NGOs and professional bars, have veto powers over public policy which have been legally enacted. In all countries, nonetheless, business organizations have penetrated institutions much more than other social sectors. Costa Rica and Guatemala have the most complex corporatist networks (Programa Estado de la Nación, 2011).

Finally, most Central American States not only assemble weak capabilities but also a seemingly incomplete territorial presence. Roads are an indicator of the spatial deployment of a state: "No roads, no State". Roads make building other public infrastructures (schools, health centers) possible. Map 1 shows that in Central America vast patches

Table 7: Central America: Power to name the head of public institutions, 2009

Country	Executive 1/	Legislative 2/	Internal to the institution 3/	Other	ND 4/	Total institutions
Belize	55%	0%	13%	32%	0%	102
Costa Rica	45%	1%	28%	27%	0%	276
El Salvador	82%	5%	9%	4%	0%	162
Guatemala	48%	3%	35%	13%	1%	121
Honduras	73%	9%	12%	6%	0%	92
Nicaragua	76%	6%	8%	10%	0%	104
Panamá	40%	2%	23%	32%	5%	111
Central America	58%	3%	19%	19%	1%	968

Notes:

1/ Executive: President or cabinet minister names the head of the institution.
2/ Legislative: Congress names the head of the institution.
3/ Internal to the institution: head of institution named by an internal body without external actors playing any formal role.
4/ No Data.

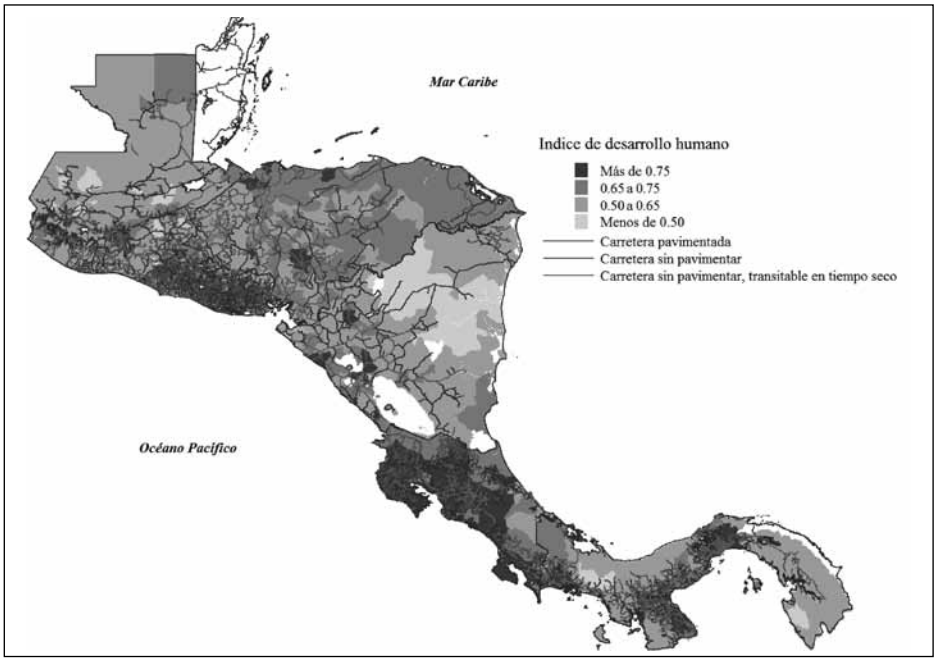
Source: Reprocessing of the database of Public Institutions in Central America.

Table 8: Central America: Institutions with corporatist arrangements in the directive boards, 2009

Country	Institutions with corporatist boards	Total institutions	% Corporatist
Belize	35	102	34
Costa Rica	128	276	46
El Salvador	62	162	38
Guatemala	62	121	53
Honduras	37	92	40
Nicaragua	26	104	25
Panamá	47	111	42
Total	395	968	41

Source: Reprocessing of the database of Public Institutions in Central America.

Map 1: State territorial penetration in Central America
(Local Human Development Index and road infrastructure).



Source: IVth Central American State of the Region Report.

of territory are not serviced by roads. Many of the least developed zones are located in areas with little public infrastructure. Petén in Northern Guatemala is a case in point: it covers almost half of the country and networks of illegal actors in close alliance with political parties exert tight control over local governments and economy (Anónimo, 2011). When the State is absent, other illegal actors take control the territory. Another indicator of spatial deployment of a state is the territorial distribution of institutional resources. We explored the case of the Judiciary and found vast disparities between and within countries regarding the presence of the institutions of the rule of law. Important subnational gaps remain in the rates of Judicial premises, judges, prosecutors and public defenders per inhabitants (Programa Estado de la Nación, 2011).

CLOSING REMARKS: GUIDELINES FOR FUTURE RESEARCH

More new data on state capabilities is required and much work remains to be done. Information on public budgets remains incomplete. Despite our best efforts, it was impossible to find any information for close to 40% of all public bodies in Central America. This speaks both to the lack of budgetary transparency as well as to the convoluted legal norms structuring states. In addition, building up temporal series on budgetary issues for all the institutions in the data base will demand intense work.

Another area ripe for data mining is the spatial deployment of state capabilities. Most states simply do not know the territorial distribution of their offices and premises. Researchers at the State of the Nation Program were able to create a geo-referential database of educational centers in Costa Rica, but it took nearly one and a half years to complete this task. Undertaking similar efforts in other countries is a costly and time consuming task, albeit indispensable for the study of O'Donnell's "brown areas" (O'Donnell, 1993).

The methodological approach outlined in this paper should be understood as a first attempt at charting a route for exploring *terra incognita*. Without doubt it will need to be refined in the future. Hopefully, it enables a first stage in the scientific process: the definition, observation and comparison of state capabilities. The metrics for using summary measures more amenable to sophisticated statistical analysis are not available, and future research will require patience and caution. In spite of its preliminary and descriptive scope, given that this attempt is a first immersion in the topic, we consider that the methodological approach presented in this piece substantively advances the topic by providing valuable new knowledge on stateness in Central America.

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