MAKING DEMOCRACY WORK FOR THE POOR

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INTRODUCTION

This is an important initiative, and it is long overdue, for there are few forums that bring together the economic and political development communities, at a time when there is a growing recognition of the interconnectedness between economic and political reform, thanks in large measure to the work of the UNDP. Our two communities still operate in relative isolation, speaking very different languages. The UNDP and this series can contribute immeasurably to efforts that close this divide.

When we refer to "making democracy work for the poor", what I believe we are talking about is making existing political systems more democratic by: 1) increasing the responsiveness of government to the needs of all its citizens, rather than to the needs of a narrow political elite; 2) eliminating obstacles—economic or otherwise—to effective political participation by all groups in society; 3) reducing the distortions in a democratic system caused by corruption and 'state capture'; and 4) developing an educated electorate that has access to information regarding policy choices and trade-offs. Al Smith, a four-term New York governor and the Democratic presidential candidate in 1928, once quipped that "the only cure for the ills of democracy is more democracy." This is particularly appropriate for this gathering because he was a public figure who championed the cause of the tenements that he represented in the State Assembly.

The UNDP's 2002 Human Development Report makes a strong case for recognizing and strengthening the links between stable democratic institutions and improving standards of living for large portions of the world's population. Although some dictatorships have occasionally experienced high levels of economic growth and poverty reduction, these outcomes lie outside the control of the poor, who are at the mercy of the benevolence and effectiveness of the authoritarian regime. Economic development under these regimes is therefore perilous and often unsustainable.

In the development sphere what ultimately differentiates nations is not the nature of their problems but rather the ways in which they resolve them. Rural dislocation, environmental degradation, and agricultural policies that lead to famine almost always trace to political systems in which the victims have no political voice, in which government institutions feel no obligation to answer to the people, and in which special interests feel free to exploit resources without fear of oversight and the need to account. There are those who I call the "professional pessimists," who argue that economic and social development in developing countries must precede democratization; that democracy must evolve gradually from the creation of a middle class. This was once used as the rationale for generations of autocrats. Only a few of these dictators carried out sound economic policies, and most not only drove their economies into the ground, but failed

to provide institutional means to address divisions within society. Many of these divisions often then rose so violently in the wake of autocratic rule.

One former respected career U.S. diplomat once warned against judging what he called "snapshots" rather than trends. The problem, he said, with even enlightened authoritarian leaders, is that, blinded by economic success, hubris takes over along with greed. We need to engage and measure continued movement toward open societies, he said, both politically and economically, not just the policies of the moment.

By bearing in mind the need to tailor efforts to the economic, social, and political contexts of each country, I would like to suggest that the international community can encourage a poverty reduction agenda by engaging the whole of each society in making democracy work. This engagement could be considered a three-pronged approach that includes 1) Helping empower the poor to participate in the political processes that shape national policy and policy agendas; 2) Supporting the structural changes necessary to keep the levers of democracy accessible to all parts of society; and 3) Actively pursuing the "global partnership for development" that the Millennium Development Goals have challenged us all to create. These three approaches, mind you, reinforce each other, and therefore are indivisible: they must be pursued simultaneously.

EMPOWERING THE POOR TO PARTICIPATE IN THE POLITICAL PROCESSES THAT SHAPE NATIONAL POLICIES

In many countries where NDI works, even after major political obstacles to democratic growth have crumbled, stepped aside, or been swept out of office by popular vote, it remains difficult for large segments of the population to combat the legacies of political exclusion. Even when reform-minded governments are elected, they often gain control of a governing structure with few channels of popular access. Almost invariably, it is the poorer segments of society that suffer this dearth of access to democratic political processes. In many cases, the situation is exacerbated when years of political exclusion harden into resignation, apathy, or fatalism. Overcoming this legacy requires not only training on skills for collective action and advocacy, but also a change of attitudes regarding the ability of people to make a difference.

According to political analysts who have conducted public opinion surveys globally, the institutions of democracy face difficulties because of an underlying culture of mistrust. These surveys' confidence index of democratic institutions in Europe, Latin America, and Africa show that religious bodies enjoy the greatest level of trust, followed by presidents. Armed forces rank third, courts of justice rank fourth, parliaments come in fifth, with political parties in sixth place. What is most striking is that trust in people beyond the family and workplace comes in last place. So how much can we trust institutions of democracy if we do not trust ourselves beyond our families, asked Chilean pollster Marta Lagos. This is not to say that people do not support democracy; they overwhelmingly do. However, the polls show a gap between support for democracy, satisfaction in the performance of democracy, and trust in the institutions of democracy.

STRENGTHENING THE CAPACITY OF THE POOR FOR POLITICAL ADVOCACY AND ACTIVISM

For the poor, the sense of powerlessness is most acute. Joseph Stiglitz, in his recently published book *Globalization and Its Discontents*, rightfully points out that, left with no way to express their concerns, depressed for change, people riot, and the streets are not the place where issues are discussed, policies formulated, or compromises forged.

Often however, empowering the poorer segments of society to participate in democratic political processes requires not only support to establish a basis of capacity, but also a conscious effort to build a successful track record of advocacy that can be used to motivate and mobilize citizens to further action. NDI's work to facilitate precedents for social participation and ownership of democratic processes ranges from support for an NGO working to educate the Nigerian public about HIV-AIDS prevention, to technical assistance for a citizens group in Lebanon advocating for rights for the disabled, to self-help collective action in rural communes in Haiti. Though specific to a single community, it is these small "fishing village issues"—access to water, employment possibilities—and local citizens' ability to participate in a solution that either supports poverty-reduction programs, or stops them dead in their tracks. At times, the issue at hand appears at once neither glamorous, nor particularly critical to poverty reduction at a macro level.

STRUCTURAL CHANGE TO SUPPORT PRO-POOR DEMOCRACY

In addition to mobilizing the poor to demand and participate in democratic political processes however, the international development community must also focus on efforts to eliminate obstacles to public participation—particularly participation of the poor. This means insistence and assistance: insistence on the reform of political and state structures that limit policy access to the wealthy or the "connected," as well as assistance in managing the political and economic impact of implementing significant reform.

Political corruption and political finance reform are the obvious targets for this type of work. They remain headline issues even in countries with generations of democratic experience, and cause significant distortions in transitional states around the world. As easily as formal democratic institutions can be subverted through opaque, corrupt and inequitable systems of political finance, when financial capacity—or connections to the right individuals – becomes the primary focus of political competition, political finance can become an easy avenue for "state capture" by oligarchs or vested economic elites. Not only do the poor remain unrepresented in systems where political influence depends on access to financial resources, they also are extremely vulnerable to the practices of vote-buying. This breeds cynicism in politics and helps fuel a vicious cycle of corruption, which contributes to both political and economic decline. How then can the international community foster political systems that cultivate political leaders able to transform public campaign promises into policy agendas that work for the public?

To date, textbook responses to this problem have been insufficient: civil society watchdog organizations that expose individual cases of corruption may create more local cynicism unless remedial action is taken, and anti-corruption bodies seem a panacea, but can also become captive to vested elites. Even worse, selective enforcement can, in some cases, provide a tool for consolidating power rather than reinforcing reform. Perhaps the greatest shortcoming of these responses has been disproportionate focus on the symptoms of corruption, and a tacit assumption

that politicians and political parties are the cause of the problem, rather than critical stakeholders to engage in finding solutions.

Democracy requires methods for aggregating political interests, a system of identifying candidates for leadership, and nationally inclusive mechanisms for selecting national leaders. Democracies need political parties, and political parties need budgets to function. Political parties have been forced, at the very early stages, to address their weaknesses and the growing lack of credibility in a variety of ways. These include placing more of an emphasis on issues of ethics in public office, modernizing party structures to allow for greater participation, particularly among youth and women. But much more has to be done.

Some donors have begun to experiment with support for public funding of political parties, as an element of comprehensive political finance reform. I believe we must begin acknowledging that political parties have a legitimate need for funding, which reflects—and in some cases magnifies —corrupt practices, but does not by necessity create corruption.

REINFORCING ACCESSIBLE STRUCTURES

Just as we ask governments to tailor their activities to the needs of the poor, however, we must also be aware of how our own activities create or reinforce obstacles to political participation by some parts of the population. If models of democratization are to be sustainable in local contexts, then we too must make an effort to strengthen the democratic practices that are accessible to the poor. Encouraging leaders to publish legislative agendas on the Internet may technically increase transparency, and holding legislative hearings in the capitol often may enhance the legislative process, but the rural poor stand little chance of ever participating in these types of activities. Where rural populations have less access to education or limited literacy, democratic development work becomes even more challenging, but we must continue to support programs that promote creative ways for far-flung populations to be included in a national democratic process as well.

PRO-POOR DEMOCRACY AND THE INTERNATIONAL COMMUNITY

The greatest challenge rests on those of us here today. Actively pursuing a global partnership for development not only means individually tailoring our own work, but fostering greater cooperation and communication between the economic and democratic development communities. Until we establish a complementary partnership between the organizations that approach dilemmas from an economic perspective, and those who view the same scenarios through the lens of democracy promotion, we continue to ask our partners in transitioning countries to balance a pair of critical values that we have been unable to balance ourselves. Now that we all agree that economic growth and democratic institutions go hand and hand, how do we move toward a functioning partnership in which our work becomes more mutually reinforcing in the countries in which we work?

The democracy community should recognize the impact of economic issues on politics at nearly every level and tailor their work and expectations accordingly. And the economic assistance community should be held accountable for the political impact of their own programs. While the

IFIs may not be in the business of promoting democracy, neither should they be in the business of ignoring democracy.

CONCLUSION

In conclusion, I would like to propose an idea about coming together and communicating over the Poverty Reduction Strategy Papers. Albeit an imperfect instrument, it can be a useful tool to promote this type of cooperation. It can become, if done properly, a practical hook to bridge the gap between the economic and political communities and promote constructive avenues of political participation.

And if I could, just for a moment, give an example in Malawi, where a partnership has been developed between the donor community, NDI, the Parliament, civic organizations, and government in this regard. In May 2000, for the first time in the country's multi-party history, four civil society networks, representing more than 80 NGOs, testified at a public hearing before the Parliament's Budget and Finance Committee. They presented documentation and testimony regarding the delivery of government services in key sectors of the economy, including health, education, and agriculture. This unprecedented hearing represented the culmination of over a year of work and preparation by the Budget Committee and this civic network, in which both identified nine key areas of poverty reduction. Through the cooperation between the Budget Committee and the civic network, they were able to get these nine key areas into the Poverty Reduction Strategy, and use the cooperation as a way to get the attention of the government.

As all the organizations represented in the networks have staff working at sites throughout the country, they decided to have their field personnel collect data on the spending in those nine areas, and on outputs from eight of the nine priority programs at the district level or below. As a means of supporting this monitoring effort, the committee chair gave the civic budget monitors a letter of introduction endorsing the project and urging government representatives to give monitors the information they sought. The networks agreed to return to the Committee with their findings, so the committee could include information on the situation on the ground in its report to Parliament and ultimately oversight of the executive branch.

In the end, dozens of civic monitors obtained information from health workers at six district hospitals, 36 local clinics, 10 health care training institutions; educational specialists at six district education offices, 51 primary schools, and almost all teacher-training institutions; and extension services supervisors at 53 extension field offices in all three regions of Malawi. The civic networks openly presented their findings to the Parliament in a very, very comprehensive way in that historic May 2000 hearing. It is projects, I believe, like this that should be expanded throughout the world among all the countries that are involved in the PRSP process. And it is projects like this that not only create mechanisms for the voice of societies' poorer members to be heard, but cultivates an atmosphere in which that voice plays a role in demanding government accountability. But these are inseparable circles. These activities cannot be stove piped, and ultimately there has to be a recognition that it is not just state institutions and civil society organizations that are engaged in this process, there also have to be the institutions of representative democracy as well, and that includes politicians, elected representatives, and legislatures that ultimately have to perform the oversight of budget area responsibilities. Thank you.