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**Key-note speech**  
**“Democracy Building Globally: How can Europe contribute?”**  
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The conference series ending today has been a timely initiative on an increasingly important subject: that of democracy and development. It is equally timely and important that the Government of the Netherlands puts such emphasis on the role of democratic politics in development policies and development cooperation.

I will concentrate today on three issues. Firstly, the situation democracy building is in globally today. Secondly, how democracy building and development communities must come together in new ways. And thirdly, I will give some considerations on how Europe could approach democracy and development.

### **Democracy Building Globally**

A number of developments have led to a less rosy situation for democracy globally today than only a few years back. The rise and fall of the so-called Freedom Agenda in U.S foreign policy has had important implications, with Iraq epitomizing the problems. Western policies towards democracy and elections have been seen as unequally applied. Whatever position one takes on what was the adequate response to the election victory of Hamas in the Palestinian territories, it is beyond doubt that European and American responses have led to a serious legitimacy challenge when demands are put forward for democratic elections elsewhere. This adds to a broader situation of polarisation between north and south, as seen in the UN over human rights and democratic governance, and as seen in the Doha trade negotiations. This polarisation is all but tempered by the global or regional rise of powers, often rich in energy resources but poor on democratic practice, and with a willingness to project influence in their neighbourhoods or even globally. Such powers also seem to demonstrate that economic development can be effectively achieved through autocracy, while in many democracies people are increasingly frustrated by the lack of economic and social development delivered by political institutions.

Some of these trends affect development cooperation as well. The effectiveness of conditionality of aid is weakened when some powers provide aid with no strings attached, or when regional petroleum powers provide contracts with no or few questions about governance or transparency.

The picture is not all grim, though. Democracy retains its popular support in all parts of the world. The African Union adopted in January this year a Charter on Democracy, Elections and Governance. In Asia, ASEAN is developing a new charter and democracy is an issue now openly discussed, something which would have been unheard of a few years ago.

### **Democracy and development**

Nevertheless there is space for global actors taking more effective leadership in democracy building. The obvious candidate is Europe, but the EU has not yet articulated what it can bring to the world in terms of supporting democracy. I will argue that the EU is well placed to take up this challenge. I also believe that the way forward lies not least in bringing policies and strategies for democracy building and development cooperation closer together, and to create a more dynamic interplay between the democracy building and development communities.

To exemplify, let me start with democracy building. More often than not, it has been conducted as a series of unconnected single activities rather disconnected from development partnerships. To take one example, elections were for a long time treated like events that needed to be observed by foreigners every four years, while too little attention was given to the need to build national capacity for managing the full electoral cycle. This is why IDEA has taken the lead in developing international standards for effective electoral assistance, bringing experts, election authorities and donors together in taking a more developmental approach to elections.

Political party assistance, while critically important, has also to too large an extent been a world apart from the broader development cooperation. Much good has been done and much good is being done in this field, not least by the Netherlands Institute for Multiparty Democracy, but political party assistance has not really been integrated into the on-going efforts of the donor community to coordinate and harmonise.

The democracy building community has developed less common language, common standards and harmonised actions than the development community. In brief, there is no Paris agenda for the democracy building community.

On the other hand, the development community has been rather anxious about democracy building activities. I do not know whether this has to do with a sense of naïveté which has led to resistance against engaging with politics. But democracy *is* politics, and *aid* is politics.

It is common place today to state that democracy cannot be imposed from abroad, it must grow from within. The same holds true for development. As William Easterly pointed out, there is no single recipe for development. No country can be developed from the outside. This is not to say that economic development in the globalised era can take place through protectionism and isolation. But for a country to unleash the potential of its people and make use of opportunities for development, national leadership is needed. Not only ownership, which we know so well from the development discourse, but leadership.

Good political leadership can only happen if people are able to hold their leaders, and not only donors, to account for the policies they implement. Development cooperation will not yield results if it is a technocratic add-on to bad national policies.

### **Democracy – development linkages**

Let me turn to the question of what linkages exist between democracy and development.

Academic literature about the linkages between democracy and development is both abundant and inconclusive. This is really not surprising if we consider that both development and democracy have many definitions and understood in very different ways (someone once said that economy was the only science in which one could get the Nobel prize by defending diametrically opposed approaches).

In a nutshell, some scholars have claimed that there is a causal link. Others refuted its existence arguing that evidence was contradictory and that there were plenty of examples to substantiate different, if not opposed views. Finally, some scholars recognise that the link exists but is not direct and causal but somewhat more complex.

The complexity of the relationship is also exemplified by the semantic evolution of the two terms - democracy and development - over the last couple of decades.

## **Evolving concepts**

Development used to be understood as the synonym of economic growth. Today, it still includes growth, but is also broadly understood as a process that should lead to a significant and continuous improvement of the quality of life of the majority of the people, particularly the poor. It also incorporates the dimension of human rights – including civic and political rights and should ideally lead to the reduction of disparities in the distribution of income.

The way we use the term democracy has also undergone important changes: from liberal democracy - concerned essentially with individual freedoms, electoral mechanisms and the rule of law - towards participatory democracy and some would say also – towards social democracy, not in the sense of the programme implemented by a specific political party, but as a system of governance expected to deliver on social and economic rights and development in the broadest sense. This should not, however, lead us to believe that people in economically less developed countries do not also care about basic political rights and freedoms. A survey undertaken by IDEA in Nepal earlier this year, demonstrated that what people expected from democracy was, first and foremost, political freedom.

There is evolution towards a more common ground for democracy and development. In spite of the empirically ambiguous and not very conclusive findings of the impact of democracy on economic growth and vice versa, there is a growing consensus – almost a universal acceptance - of three points:

- First, that both development and democracy are desirable – are values to be pursued in themselves;
  - Second, that development is more than economic growth
  - Third, that democracy is more than the institutions and the mechanics of democracy i.e. that democracy is also expected to deliver in terms of a better quality of life.
- Thus, it is clear that there has been a converging evolution of the two terms towards each other: democracy is more and more meant to include development and development is more and more meant to include the realisation of the basic human rights, including, of course, civic and political ones.

## **Politics matter for development**

Both bilateral development agencies and multilateral organisations have to a great extent, accepted the thesis that democracy and good governance are key ingredients of development. This is reflected in the fact that bilateral development agencies of the industrialised countries and multilateral organisations include democratic governance as an important criterion for aid allocation, and this is also how governance and democracy-building became important dimensions of development assistance.

The flip-side of this evolution is that, in developing countries, debates on national economic policies and economic priorities have become strongly influenced by mechanisms designed to facilitate economic cooperation with industrialised countries and aid allocation, in particular. In developing countries, policy debates on development objectives are greatly influenced by internationally led mechanisms for policy dialogue, like the Poverty Reduction Strategy Paper (PRSP) process. Though negotiated nationally through what should be a participatory and nationally owned process, PRSPs are ultimately assessed by bilateral and multilateral actors in international policy fora, and aid flows are influenced by their approval.

The very recognition of the link between democracy and development, paradoxically, has also led to the establishment of instruments and channels to verify the compliance with criteria and priorities determined by the donors rather than those established by the citizens of the developing countries concerned. In a way, responding to criteria established by donors (not necessarily wrong in economic terms) has limited the internal democratic debate on development and taken precedence over it.

International partners place a strong focus on executives and civil society organisations. While the role of such actors is certainly important, an excessive emphasis on it undermines the functions of other actors in political systems, like Parliaments and political parties. Focusing only on the executive effectively means that the principle of ownership is applied to the government, often through the ministries of finance or planning. In polarised societies, not least in post-conflict situations, such approaches by international actors risk exacerbating the polarisation. If in the eyes of the political opposition, the international community cares for the government party only, it will be hard to avoid a “winner takes all” political culture in which being in government means access to big resources while being in opposition means trying to block whatever effort the government makes, and trying to reap the benefits of office at the next elections. The space for nationally owned, broad-based visions for

development is thus hard to achieve, and the international community may be part of the reason why.

There is a growing concern among political party actors in many developing countries that national development objectives are so constrained by international donor pressures and conditionalities that there is effectively little space left for competitive politics. Leaders in political parties in Africa have, for example, expressed that developing political platforms is not all that important, because that responsibility is taken care of by the PRSP process.

These undesired effects of the PRSPs are coming into contradiction with the notion of national ownership. The problem has been identified on both sides of the North/South divide and there are debates on how to overcome it.

### **How can Europe contribute?**

My starting points are the following two: the European Union is probably the most successful democracy-building project in history. And the European Union is today the largest provider of development aid globally.

The success of the EU in democracy-building has largely been a European affair: inducing potential member states, supporting new member states, and active and ambitious neighbourhood policies. But on the global scene there is less articulation and less ambition. The European Instrument for Democracy and Human Rights is well and good, but is detached from the much bigger and broader development cooperation programmes.

Bringing the democratic politics dimension more strongly into European development cooperation policies can, needless to say, have a big impact. And because there is no longer an American leadership in democracy building, today is the time for Europe.

Firstly, Europe should build on its being an example for other regions of economical and political integration. This position gives Europe an attractiveness and legitimacy which are important in pursuing democratic development efforts globally. In an era of polarisation within global organisations like the UN, there are at the same time interesting and promising developments within regional organisations of the south, not least in the African Union. There is much to gain from a stronger, broader and deeper EU partnership with other regional organisations in the field of democracy and development.

Given the different dynamics of each region and each country, there is a need to ensure that programmes are aligned with the development objectives of the countries and regions at hand. For example, in Latin America, and specifically the Andean region, International IDEA has been working, sometimes in partnership with the NIMD, with political parties to discuss the development challenges their countries are facing as well as their participation in policy making that targets poverty reduction. Such an approach is imperative in a region where exclusion and huge gaps in wealth distribution have played a major role in weakening the credibility of key political institutions.

In Africa, challenges also differ across the continent and policies have had to respond to different environments, and take into account extreme levels of poverty. Both Democracy and Development are key to ensuring lasting peace and security and despite the manifold complexities there are many positive developments across the continent.

Firstly, a significant number of African countries have recently seen the end of violent internal conflicts which undermined human rights, democracy and development and are moving towards democratization. Secondly, a number of emerging democracies have been characterized by the peaceful alternation of power and are moving in the direction of other countries that are working to consolidate democracy through a culture of representation, participation and accountability. Africa's own development programmes such as NEPAD and the Africa Peer Review Mechanism (APRM) continue to inspire more African countries to take responsibility to shape their own destiny and to position Africa as a key player in the global arena.

Thirdly, the unanimous adoption of the African charter on Democracy, Elections and Governance earlier this year by the 8<sup>th</sup> ordinary session of the African Union Assembly was another major step forward despite the complexities of implementing such an ambitious document. Throughout the Charter, there is constant commitment of AU Member States towards institutionalisation of democratic social, economic and political governance. To this end, I will take advantage of this opportunity to announce that International IDEA is has been requested by the AU to provide support to the organization in determining a solid action plan for disseminating and implementing the Democracy Charter. To formalize this arrangement, a Memorandum of Understanding was signed between both organizations in June and work on the Action Plan has already commenced. The role of national democratic institutions, including parliaments and political parties will be key to ensuring the implementation of the Charter especially since the rationale behind the Charter is that it *“further reinforces commitment of AU Member States to democracy, development and peace”* and that *“while*

*democracy requires participatory and inclusive development; participatory development too cannot be realised without democracy.”*

In a global context of more polarisation, Europe should *not* develop democracy building policies that are confrontational but that are partnership orientated towards regional organisations, developmental in terms of taking a long term perspective, and building on national leadership of democratic and development processes, not only on ownership of largely foreign-led policies.

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