

# Democracy Support and Development Aid

## GETTING CONVERGENCE RIGHT

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Thomas Carothers has ably outlined the evolution that has occurred in the way that the democracy-assistance community and the socio-economic-development community relate to each other. There is little to take issue with in his insightful analysis. In sketching this series of developments, Carothers uses the metaphor of two spans of a bridge that have yet to meet. Although Carothers seeks to describe rather than prescribe, the bridge metaphor might seem to imply that the desired outcome is that the development and democracy communities should meet in the middle, thereby achieving a state of “integration.” He notes further that it is uncertain whether these two communities will continue “on a longer trajectory of integration” or will gradually “slide back toward a greater separation, marked by mutual ambivalence and distrust.”

Most would agree on the need for the two communities to do more to bolster each other's work—as they are in fact starting to do. Yet “integration” may not be a desirable goal or the best lens through which to view developments within the two communities. As Carothers notes, each community has its own particular set of skills, partners, methods, and organizational structures. The two communities need to retain their distinct comparative advantages so that they can advance their complementary purposes more effectively. If “integration” becomes the goal, these comparative advantages could be diluted. If instead the evolution within the two communities is seen within the framework of increased complementarity or mutual reinforcement (rather than integration), the future trajectory of the two communities may also become clearer.

As Carothers notes, Swedish development-cooperation policy holds

that poverty is “not only about inadequate socioeconomic development and material security; it is also about lack of political power at [the] individual level and the inability of citizens to influence decisions that affect their lives.”<sup>1</sup> Looked at in this way, the two communities simply address two sides of the same coin, with the democracy-assistance community working to strengthen political inclusion and the ability of citizens to have a say in how they are governed, and the economic-development community working to strengthen socioeconomic inclusion and the expansion of individual choice through socioeconomic development. Both communities share the same overall goal—namely, to expand the rights and opportunities that citizens have with respect to their own lives. At a basic level, both communities are concerned with how people live and how they are treated. While this broader view of poverty has yet to gain universal acceptance, it does provide a useful framework for helping the democracy and development communities to work together in a mutually reinforcing manner.

It is only when human development is viewed in exclusively socioeconomic terms that the objectives of the two communities seem to diverge. When things are framed so narrowly, the ensuing discussion threatens to bog down in stale debates on whether or not democracy is helpful to economic development.<sup>2</sup> Mention of the success of the “Chinese model” at lifting people out of poverty (a hardy perennial in the rhetoric of authoritarian regimes) is parried by references to India’s and Indonesia’s ability to enjoy both democracy and development at the same time. The Ugandan example of development without democracy is met with the Zimbabwean or Burmese counterexample wherein the lack of democratic political progress has caused substantial economic damage.<sup>3</sup>

These discussions often do little to advance understanding, and poorly reflect the views of the citizens whom both communities seek to serve. We have found, in public-opinion surveys and in our own work over the past quarter-century, that citizens across the globe reject the false choice between economic and democratic development. As former U.S. secretary of state Madeleine Albright puts it, “People want to eat and to have a say in how they are governed.” The desire for improved economic opportunities often coexists with the desire for a stronger political voice. And in today’s interdependent world, citizens will not indefinitely postpone the latter for the former, regardless of academic debates about whether and how to “sequence” the two.

### **Getting Rid of Outdated Stereotypes**

Carothers depicts some of the stereotypes that the two communities have at times harbored about each other. He also notes how these stereotypes have weakened as the communities have evolved. In policy debates as in life, there is often a lag between reality and perceptions about real-

ity. Insofar as either community still clings to outdated stereotypes, these need to be abandoned and replaced with more nuanced understandings of what the two communities do and why they do it.

It should not be surprising that the democracy community, in its early years, paid scant attention to questions of economic development.<sup>4</sup> In size, capacity, and knowledge, the socioeconomic-development community dwarfed the new field of democracy support. To provide one point of reference, in 1988, shortly before the tearing-down of the Berlin Wall, the National Democratic Institute (NDI) had a mere eighteen employees worldwide. The rest of the democracy community—with a few exceptions such as the U.S. labor movement and the German *Stiftungen*—was similarly in its infancy. In the period of democratic euphoria that stretched from the destruction of the Berlin Wall in 1989 to South Africa's first postapartheid elections in 1994, organizations such as NDI grew but often struggled to respond to the volume of requests for assistance from dozens of countries that were embarking upon transitions toward democracy. Our lack of engagement with issues of political economy (or “delivering on democracy”) was due less to ambivalence than to the nature of the requests from our partners, who were understandably focused on political change and democratic institution-building.

Although the rapid pace of democratic progress led many in the democracy community to hope that progress toward fuller democracy would be more direct and continuous than has been the case, many also recognized that progress would be far from linear. As the late Bronisław Geremek, the former Polish foreign minister and Solidarity leader, warned in his opening address to the first meeting of the Community of Democracies, held in Warsaw in June 2000, “democracy is by no means a process that goes from triumph to triumph.” Moreover, despite the natural optimism of the democracy community, the caricature of the naïve political operative sharing the U.S. experience abroad regardless of “ethnic or religious composition, political history, or political culture” long ago ceased to have any validity, if indeed it ever did.

Today, by way of example, NDI's staff comprises mainly people from countries other than the United States. They represent some 88 nationalities and speak more than a hundred languages. Staffers who are host-country nationals, with all the in-depth local knowledge that this implies, play vital roles in our programs. Most of NDI's senior country directors have well over a decade of experience in international political development. The democracy community's approach is far more multi-lateral than bilateral, and draws on a web of international relationships to facilitate regional and South-South cooperation. As the democracy community's capacity has grown over the last two decades, it has been able to address newer democratization challenges, including strengthening the ability of democratic political systems to improve the quality of life for citizens or “helping democracy deliver.” This has involved deep-

er engagement on a broad range of issues relating to political economy, including decentralization, political finance, and extractive-industries transparency.

If stereotypes of the early democracy community bear little relation to today's reality, the same is true of stereotypes of development specialists as "calculator-wielding economists" who neither know nor care about political dynamics. Here again, Carothers accurately describes how the divide has narrowed substantially in recent years. Like several of its peers in the ranks of democracy-assistance organizations, NDI has developed close ties to many economic-development partners, including the UN Development Programme (UNDP) and the World Bank Institute (WBI). For example, NDI has engaged in long-term partnerships with UNDP (which now spends roughly 35 percent of its budget on democratic governance) and the UN Development Fund for Women (UNIFEM) on issues relating to women's political participation. Similarly, in its collaboration with the UNDP and WBI on parliamentary development, the partners are able to draw on their respective comparative advantages—the democracy-assistance community works directly with politicians on issues such as constituency relations as well as relations both within and among parties, while the development community has tended to support nonpartisan parliamentary-staff development and the sharing of technical policy expertise. Collaboration between the two communities has continued to increase at the country level on matters such as educating political parties and elected officials regarding the finer points of development issues.

### **Increasing the Focus on Political Economy**

When it comes to political economy, both communities can continue to learn from each other. Although the development community has increasingly come to grasp that "politics matters," its practical focus is still often at the project level—a matter of figuring out whether cabinet minister X will back development project Y—rather than how the political system as a whole shapes the incentive structure governing economic development. Happily, however, that larger awareness is becoming increasingly widespread.

Sustaining socioeconomic development over the long term requires a political system whose incentive structures make it more likely that responsive, reform-minded, accountable politicians will become ministers in the first place. It requires governments that have the popular support and legitimacy to sustain development policies over the long term. It also requires mechanisms for orderly alternation in power in order to reduce the incentives for corruption that inevitably affect governments with no fear of losing office. It requires strengthened policy-development and evaluation capacity within political parties and intermediary political in-

stitutions in order to help raise the level of political discourse. It requires effective legislatures—with significant roles for opposition voices and the means to build broader consensus on development policy—in order to avoid policy reversals if governments turn over. It requires greater voice and power for citizens, including women, young people, and historically marginalized communities, in order to complement increased economic empowerment with increased political participation.

Both communities can continue to learn from each other on issues of political economy. Building on the early work done by the U.S. Agency for International Development in incorporating democracy components into its development-assistance portfolio, a number of bilateral donors have helped to advance the use of political-economy approaches in development. The challenge, as Carothers points out, is to continue to move these approaches beyond assessments to the operational and programmatic level. Here, too, there are signs of progress.

The democracy community has long been aware of the dangers that can be present in weak democratic states—corruption, the capture of the state by kleptocratic elites, increasing income inequality, the use of identity politics by politicians to inflame ethnic or religious tensions, irresponsible populism, the use of state resources for patronage and to retain power, and the like. Yet democracy has no monopoly on these ills, and the democracy-assistance community believes that the answer to these challenges is not less democracy, but better democracy. As this community's capacity has grown, it has increasingly been able to draw on its ties to political leaders, parties, and a politically active civil society in order to address these types of challenges.

Carothers refers to several examples from NDI's work to illustrate the types of programs that can leverage the comparative advantages of the democracy community in order to deepen democratic processes and improve economic outcomes at the same time. In Peru, NDI partnered with local and international health experts to share information with eighteen political party partners on how they could improve their party platforms on health issues, how they could better communicate these positions to the public, and how they could better monitor health-care policy. In the lead-up to Peru's 2006 elections, four parties for the first time included health platforms in their campaigns, and sixteen parties signed a public accord on health policy that set the tone for future health-care legislation and the 2009 law significantly improving access to health care in Peru.

In Indonesia, where roughly 40 percent of the national budget is allocated to subnational levels of government, NDI has worked with local civic groups to help improve capacity to monitor local budgeting. In East Java's Lamongan Regency, scrutiny of budget data by villagers led to the exposure and dismantling of an illegal fees syndicate that had diverted 7 million rupiah from each local school as a facilitation payment for release of annual funding. In a number of countries, NDI has

worked with legislators to build their policy literacy regarding extractive industries. Efforts have included publishing a guidebook for legislators; supporting visits by lawmakers to communities affected by mining, drilling, or other extractive methods; and helping to develop strategies for improving parliamentary oversight of the extractive sector.

Beginning in 1998, NDI helped to found and nurture 179 local “initiative committees” (ICs) throughout Haiti. Involving 3,580 civic groups and about 35,000 people, the ICs have proven themselves instrumental in working with local governments to build clinics, schools, and roads; replant forests to tame erosion; improve water quality; provide education about HIV/AIDS; and promote tourism. Since the massive January 2010 earthquake, the ICs have formed a network of information centers devoted to assisting humanitarian and reconstruction efforts.

At least with respect to NDI, this greater focus on political economy and “delivering on democracy” grew out of a sense that democracy advances best not where it is just formally adopted, but where it is regularly “practiced.” Efforts to help democracy “deliver” emphasize the practice of democracy, and practice makes democracy stronger.

People involve themselves in political processes so that those processes will address issues they care about. In authoritarian environments, this is often seen in activists’ brave efforts to organize around democracy and human-rights issues; in nascent democracies, it is commonly a matter of organizing around quality-of-life or economic-development issues. Closer linkages between socioeconomic issues and democracy assistance have not only led to improved development outcomes, but have also promoted the growth of a more democratic political culture—by engaging citizens and political actors in the “practice” of democracy.

### **Taking Country Ownership Seriously**

Both the democracy-support and the economic-development communities strongly back the concept of “country ownership” of programs, and believe that it increases the likelihood that outside assistance will meet local needs and prove sustainable over the long term. Yet debates arise over how best to apply this concept in practice. These disagreements may offer insight into the differing perspectives of the two communities, as well as indicate that this is an area where additional dialogue may be helpful. From the democracy community’s perspective, “country ownership” at times runs the risk of becoming inadvertently conflated with “government-ministry ownership” or, in extreme cases, even with ownership by a narrow ruling elite.<sup>5</sup>

The distinction that the democracy community draws between “country” and “government” ownership does not necessarily stem from an inherent distrust of government or a tendency to view governments “more as the problem than as the solution.” It is does, however, spring from

the view that country ownership is a matter of degree. In general, the greater the country's democratic deficits, the less effective the country's government is likely to be in expressing country ownership on behalf of its citizens. Finally, the distinction also reflects a belief that the goal of foreign assistance should be to help build strong societies, not just strong state institutions.

By boosting the congruence between government priorities and what citizens want, the democracy-assistance community can strengthen the economic-development community's ability to deepen country—rather than government—ownership. Moreover, where the economic-development community has sought to facilitate consultations with civil society on development projects, it is important that these consultations not be allowed to displace the long-term strengthening of formal representative institutions such as parliaments and political parties. For donors to bring government and civil society together for consultations is fine, but this should not supplant the constitutional political process.

Both communities need to recognize that their work is interrelated—that economic-development activities are never completely neutral politically, and that weaknesses in nascent democratic systems can make socioeconomic development harder to achieve in the short term. Both communities need to work collaboratively wherever possible; but at a minimum, they need to be sensitive to the threat of unintended negative impacts.

The concept of “do no harm” is well understood in the context of delivering humanitarian or economic aid in a conflict region—that care needs to be taken to ensure that well-intentioned efforts to deliver humanitarian assistance do not inadvertently help to fuel the conflict that has created the humanitarian crisis in the first place. A similar concept of “do no democratic harm” may be worth considering with respect to nonhumanitarian economic-development assistance. For unless adequate safeguards are put in place, there is a risk that economic-development assistance can be diverted to uses for which it was never intended or otherwise end up hampering democratic development. The concept of “do no democratic harm” would appear to have utility even where mandate restrictions (on World Bank assistance, for example) prevent an organization from taking an active role in advancing democratic development.

When new economic-development assistance to a particular country is in the offing, the democracy and development communities should talk to each other to make sure that the fresh injection of aid will not have a negative impact on the country's democratic development. In practice, this will often mean taking steps to keep aid resources from being diverted into patronage networks, from being doled out by the government with political favoritism in mind, from being used in furtherance of repression or political exclusion, or from bolstering pro-

cesses that undermine representative institutions. At the same time, the democracy-support community needs to improve its ability to help transitional countries pursue democracy in ways that go together well with economic development.

“Like the champions of modernization of a generation before,” Carothers states, “democracy promoters were inclined to assume that, when it comes to economics and politics, ‘all good things go together.’” We would put this differently. The democracy-support community believes that there is a strong U.S. interest, and indeed a strong global interest, in advancing both the democracy and development agendas simultaneously. Moreover, democracy support and development assistance, when they are done well, can be mutually reinforcing. The focus of the debate—in policy circles generally and in the context of foreign-assistance reform—should be on how to do this better. Both communities can and should continue to learn from each other to advance the cause of human development—understood to mean not only material betterment, but political freedom as well. Thomas Carothers deserves thanks for helping to point the way.

## NOTES

1. “Freedom from Oppression: Government Communication on Swedish Democracy Support,” available at [www.sweden.gov.se/content/1/c6/11/62/71/5013cca7.pdf](http://www.sweden.gov.se/content/1/c6/11/62/71/5013cca7.pdf).

2. As Carothers notes, the democracy-support community generally views the right of people to have a say in how they are governed to be worthwhile as an end in itself; in this respect, it associates its work very much with the work of the human-rights community. Although Carothers does not address it, the evolution of views within the human-rights community toward development and democracy, and within the development and democracy communities toward the human-rights community—including the use of rights-based approaches to development—may also merit exploration.

3. Although specific examples and counterexamples may change, and new data are occasionally cited, the rough contours of the debate seem to have shifted little over the years.

4. The exception, as Carothers points out, was the work carried out by the Free Trade Union Institute and the Center for International Private Enterprise.

5. The most severe critics of democracy support—not necessarily found in the development community—have sometimes disparaged democracy support as a matter of “exporting” or “imposing” democracy, suggesting that the choice of governmental system is best left to local interests. This view implies that democracy is simply one option on a menu of equally valid choices (along with semi-authoritarianism or kleptocracy?) to be chosen by a host-country government rather than its people. This view seems incompatible with notions of “country ownership.” The democracy-support community views democracy as providing the mechanism for legitimate expression of country-level choice and ownership, based on a government that owes its powers to the freely expressed will of the people and on citizen participation in public affairs. It is authoritarianism, rather, that has to be “imposed.”