

**Remarks by NDI President Kenneth Wollack
Washington DC Presentation of the UNDP Human Development Report 2002
July 25, 2002**

I wanted to thank the UNDP and Mike Marek personally for inviting me to participate in the Washington presentation of the 2002 Human Development Report.

The Report is an extraordinary document, the first of its kind by a development agency. It is a seminal work and its likely impact will be felt for many years.

When Mike sent me an embargoed copy of the Report two weeks ago in preparation for this luncheon, I confess that I took it home prepared to comb through its pages searching for references to “civic participation” and “good governance” — code words used by most international financial institutions and many aid agencies for that scary “d” word, democracy that is.

Needless to say, I found something quite different— an extensive study that unabashedly asserts that democracy is not only a component of a development strategy but the only political foundation upon which human development can be advanced and realized -- that democratic participation is a critical end of human development, not just a means of achieving it; that political empowerment is just as important for human development as being able to read or enjoy good health. In certain quarters of the development community, these declarations and the supporting documentation contained in the Report are just short of revolutionary. Maybe they are revolutionary.

But the Report doesn't stop there— it takes the democracy agenda one step further by declaring that “politics”, not just civics, is as important to successful development as economics. In the first sentence of the foreword, Administrator Mark Malloch Brown asserts that the Report is “first and foremost about” the importance of politics. And the first sentence of the Report's overview asserts that “the Report is about politics and human development.”

How often have we heard that this development strategy or that aid program is “above politics?” “We want to stay out of politics” has been a common refrain among most economic assistance experts and many development practitioners. In short, coming from the UNDP, this Report should help lay to rest the argument that development and democracy are mutually exclusive -- for this UNDP report mainstreams democracy assistance as no other recent initiative has.

In the 1980s the traditionalists in the development field had hoped that development aid could achieve the kind of economic growth and opportunity that leads to social stability and peaceful competition. But it had become increasingly apparent that a growing number of problems in the developing world were beyond the reach of traditional economic aid because, while they had economic consequences, the problems were not fundamentally economic, but political, in nature. In the development sphere, what ultimately differentiated nations was not the nature of their problems but, rather, the ways in which they resolved them. Truly sustainable development requires the capacity to resolve problems without a resort to violence or repression, in a way that

ultimately adds to the stability of society and enhances the ability of the nation to address future problems.

Even from the perspective of traditional foreign assistance, the establishment of democratic institutions was the best way to assure sustainable development. Rural dislocation, environmental degradation and agricultural policies that led to famine all traced to political systems in which the victims had no political voice, in which government institutions felt no obligation to answer to the people, and in which special interests felt free to exploit resources without fear of oversight or the need to account.

Where guarantees of individual rights within a society did not exist, the inevitable result was exploitation, stratification, disorder and the inability to compete. This was essentially true in a world where more nations were embracing democratic principles.

The Report does not let democracy completely off the hook, and deals extensively with the failures of democracies. Yet its answer to this “democratic deficit” is not to retreat from the democratic agenda but rather to place greater emphasis on “deepening democracy” at all levels—a reminder of Al Smith’s adage that “the only cure for the ills of democracy is more democracy.”

Over the past 10 years, there has been the beginning of a sea change of attitudes by the donor community and international financial institutions that have come to recognize the interconnectedness between economic and political reform. The response, however, under the banner of “citizen participation” was to support state institutions and civic organizations—thereby devaluing and marginalizing the foundations of representative democracy—namely political parties and the legislatures within which they operate—in other words, politics and politicians.

In recent years, it was civil society in new and emerging democracies that became the favored child of international assistance. It was described as the wellspring of democracy. The international community buttressed civic organizations, aided them, and abetted their rise, often from the ashes of discredited political parties. This was a good and necessary endeavor; NDI participated in it and continues to do so.

Yet the focus on civil society moved beyond fashion. For some, it became an obsession. There was distinct danger in this.

Increasingly, resources were channeled to programs that develop civil society to the exclusion of political parties and political institutions such as parliaments. I know that many felt that it was more virtuous to be a member of a civic organization than a party, or that parties have to wait until there is a certain level of societal development -- that parties would emerge naturally.

A civil society without effective political institutions and organizations quickly creates a political vacuum. It sows opportunities for demagogues who promise to cut out the middlemen such as parliaments which are the foundation of representative government. It sets the stage for a so-called “people’s democracy.”

It is not that political parties in fledgling democracies are completely bereft of international support. The National Endowment for Democracy was established in part to support the development of political parties, and USAID has been in the forefront of donor agency efforts in this field. Elsewhere, similar efforts have been undertaken by the publicly funded Westminster Foundation for Democracy in Great Britain and foundations affiliated with political parties in Germany, Sweden and the Netherlands. This support, however, has been dwarfed by large-scale resources provided to civic groups.

From our perspective, there are signs over the past several years of new, positive changes:

- In its new Inter-American Democratic Charter, the OAS recognized that the “strengthening of political parties is a priority for democracy” and has begun a new outreach effort toward parties in the hemisphere.
- The World Bank is exploring ways to include legislatures, as well as governments and civic groups, in the development of Poverty Reduction Strategy Papers. The PRSP process forms the basis for concessional lending and debt relief in nearly 70 countries.
- The international financial institutions and donor agencies have begun hosting meetings that explore the “politics of development”
- There has been an increase in the number and scope of political development programs by the UNDP and other development agencies [i.e., British, Dutch, Danish, Swedish, Belgian].
- And, with the support of NDI, the three largest international groupings of political parties, which represent 340 parties in 140 countries, are joining forces to promote political party development in many of the intergovernmental bodies where they, directly or indirectly, enjoy some form of representation.

But much more has to be done before political parties, politicians and parliaments are seen as natural, if not indispensable, partners by development agencies and experts.

This Report goes a long way toward doing just that. It lays out the component parts of a political democratization process that includes democratic elections, a representative legislature, broad-based political parties, independent judiciaries and media and a vibrant civil society.

By asserting that political development has been the forgotten dimension of human development, the UNDP Report rightfully challenges governments, nongovernmental organizations, political parties, parliaments, donor aid agencies and international financial institutions.

With a decentralized structure in which decision-making and resources are vested in individual country resident representatives, it will be important how the Report is absorbed within the UNDP, particularly since many programs are carried out through what is called “national execution,” in other words—through governments themselves.

Therefore, a democratization strategy by the UNDP along the lines of the Report can be carried out with relative ease in those places where the government has demonstrated a political will to diffuse power and promote, or at least acquiesce to, the construct of pluralist institutions and processes.

In authoritarian or semi-authoritarian environments, working through state institutions could dilute, if not vitiate, a human development approach advocated in the 2002 Report.

The resident representatives in these places could be left with one of three choices: ignore a genuine democracy strategy and therefore pursue a development plan which this Report may consider ineffective or self-defeating; bypass or modify a “national execution” policy and begin working with institutions separate from the State—recognizing that government is the target and not the partner (this is a more cutting edge approach often left to the UN Human Rights Commissioner); or suspend certain types of programming.

In a meeting only a few weeks ago, a resident representative in one Central Asian country expressed nervousness about being seen as, or even rumored to be, challenging the government in any way and did not want even the word “politics” to seep into UNDP lexicon in that country. But I suspect that the leadership of the UNDP were directing this Report as much to that resident representative as to the government with which he interacts.

These are difficult and sensitive matters for any governmental aid agency and particularly so for an intergovernmental organization. But the UNDP, under Mark Malloch Brown’s leadership, has decided to boldly confront these fundamental issues head on. That is why NDI and organizations like ours are proud to work in partnership with the UNDP in many countries.

Democratic principles increasingly govern the discourse between and within nations -- a kind of political globalization: respect for the individual; a belief on the devolution of power; an insistence on accountability at the local and national levels ; respect for individual choices in the market and society; and an unshakable commitment to freedom as a creative force. Even autocrats, who cling to power, now try, in an effort to seek legitimacy, to speak the democratic idiom. They understand, albeit crudely, that the desire for recognition has become a dominant force in world affairs.

This Report, I believe, will contribute measurably and positively to this democratic discourse and by doing so will influence individuals, resource allocations, programs and events for many years to come.