

Remarks by NDI President Kenneth Wollack
"A Bipartisan Vision of Latin America"
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It is an honor to be included today and have the opportunity to say a few words, along with my colleague Lorne Craner, about Latin America and the challenges facing this region.

Naturally, my remarks will concentrate on challenges for democracy. Within the United States, there is a long tradition of bipartisan support for promoting democracy so in that sense the title for this panel is “the bipartisan vision for Latin America.”

In the last half century since the United States has been a superpower, we have viewed the world through an ever-changing series of foreign policy optics. Either our own political process or international challenges—or both—have conspired to bring about each change. During the 1980s, we began another such change, this one less the discovery of something new than the return to an optic once widely admired for the clarity of purpose with which we saw ourselves and the world. In this sense, the new “democratization” optic was less of a redirection than a reaffirmation.

A turning point for bipartisanship here, I believe, came during the mid to late 1980s when an important lesson was learned about political transformations in countries like the Philippines, Chile and Nicaragua—that political forces on the far left and far right enjoy a mutually reinforcing relationship, drawing strength from each other and, in the process, marginalizing the democratic center. Prospects for peace and stability only emerged once democratic political parties (from socialist to conservative) and civic groups were able to offer a viable alternative to the two extremes. These democratic forces benefited from the solidarity and support they received from the international community and in the U.S., Republicans and Democrats joined together to champion their cause.

First, a few words on the Foundation for the Analysis of Social Studies (FAES) report.

I had the opportunity to discuss this report in draft with Alberto Carnero earlier this year.

As you will hear soon from former Prime Minister Aznar, FAES not only is focusing attention on problems but proposing very specific, concrete policy responses for Latin America, for Europe and the United States.

Both the FAES analysis and the extensive list of recommendations should spark much needed discussion, and even debate. That is a good thing. Hopefully that will, in turn, stimulate much needed action.

Clearly, there is both a need and demand from the region to strengthen democratic institutions and to find ways to include those now on the margins of economic and political life.

The advances are considerable. Two decades after the wave of democracy swept through the Americas, popular elections not the military determine who rules. Today, only Cuba denies its population the right to select their leaders, harassing, threatening or imprisoning activists whose only crime is to advocate for fundamental human and political rights.

An unprecedented 12 elections took place in the region last year, with high rates of voter participation, and presenting the electorate real choices. The final results were not accepted in only one case—Mexico, where a legal and institutional outcome nonetheless prevailed.

Nevertheless, throughout the region, elected governments face enormous social problems and democratic institutions in most countries remain fragile.

Democracy is much more than elections. To sustain citizen support, democracies must represent citizen concerns, address needs, and safeguard fundamental rights. In other words democracy must deliver.

Arturo Valenzuela, Georgetown's Director of the Center for Latin American Studies, and NDI Board Member, noted at a recent Congressional hearing, that although "the trends on democracy in the region are still positive...the progress of democratic consolidation is uneven and there are [other] disquieting trends. The most serious stems from popular frustrations with the perceived failings of democracy and the search for a leader who will solve the nation's problems."

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.

For the poor, the sense of powerlessness is most acute. Joseph Stiglitz, in his book *Globalization and Its Discontents*, points out that, left with no way to express their concerns, people riot, and the streets are not the place where issues are discussed, policies formulated, or compromises forged. We have also found that there are other ways to express dissatisfaction – to vote for change, even if that change may usher in those populist leaders who eventually move against the foundations of representative democracy—that being parties and legislatures.

Of special importance is the failure to reduce high and persistent rates of poverty against a background of income and wealth disparity that is the most extreme of any region in the world. Public opinion surveys by Latinobarometro for years have put poverty and unemployment at the top of citizen worries in the region.

Despite relatively high growth rates recently in the region, the rate of poverty (defined as number of people living at or below \$2 a day) has fallen only slightly to 40 percent. The number of poor people has been stuck for almost a decade at a shocking 200 million—in 2005, 205 million were poor, according to the IDB. Fifteen percent of the population lives in “acute poverty.” Eighty percent of indigenous peoples are poor.

Increasingly, the future success of democracy in the region is understood as linked to governance, and in particular to the development and implementation of an effective social agenda. As professor Valenzuela among other observers have emphasized, more than anything else, it is the failure to advance on the social agenda that is unsettling politics in many countries of Latin America, and helping to fuel the appeal of populists in the region.

In many countries where NDI has worked over the past 23 years, 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.

NDI and—I think I can speak for IRI too on this—share the desire of FAES to contribute to the efforts of Latin Americans to advance a genuine social agenda through the strengthening of democratic institutions. Too often these twin goals are falsely cast as mutually exclusive. In fact, they should be mutually reinforcing. As many countries in the region have shown, it is possible and desirable to meet social and economic needs through democratic institutions that guarantee basic rights and ensure all citizens are represented.

Helping to develop a more effective response to the daunting problems on Latin America’s social agenda is a complex, multifaceted challenge.

When we refer to making democracy deliver, 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 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.” And it was Smith who championed the cause of the tenements that he represented in the State Assembly.

One aspect is helping to develop more effective policies to address the needs of the poor and excluded populations.

The FAES report makes a number of useful recommendations to what is a growing debate on how to achieve economic growth and ensure that the benefits of growth reach poor majorities. For instance,

Nancy Birdsall of the Center for Global Development, is recommending “Fair growth policies,” based on a “fairness” foundation of financial, social, tax and regulatory reforms that eliminate insider privileges and corruption and give Latin America’s majority economic opportunities they have never really had. Such proposals from friends abroad will only enrich the debate within the region as political leaders seek to define more effective social policies.

A second aspect is strengthening the capacity of the core institutions of Latin American democracies to develop and implement social policies.

The most perfectly defined policy can fail in implementation.

A root cause of the problems with governance affecting many countries in the region is the crisis of confidence in political parties, many of which have failed to fulfill their unique role in a democracy of aggregating the interests of the citizens and providing a link between citizens and their government. For the last decade, repeated polls find that political parties have the lowest level of credibility of all democratic institutions in the region.

Last year was no exception. The 2006 Latinbarometer survey showed that only 22 percent of the Latin Americans surveyed expressed faith in political parties, once again the lowest of all institutions. Still, 55 percent considered political parties to be an essential component of democracy.

Despite the importance of parties to democratic development, in recent years civil society has become especially favored within the international democracy assistance community. The international development community has buttressed civic groups and aided and abetted their rise, often from the ashes of discredited political parties. This has been a good and necessary endeavor; NDI has participated in such initiatives and continues to do so. At the same time, there is a distinct danger in focusing almost exclusively on civil society development. We have found, not surprisingly, that civil society activism, without effective political institutions, quickly creates a political vacuum. The international community must respond to the need to build, sustain and renew political parties. This “supply side” of the political equation deserves equal footing with civil society, the “demand side.”

Over the past several years, there has gradually emerged a new recognition of the need to support political party development. In its new *Inter-American Democratic Charter*, the Organization of American States (OAS) affirms that the “strengthening of political parties is a priority for democracy.” The World Bank has begun to explore ways to include legislatures as well as civic groups in the development of its *Poverty Reduction Strategy Papers*, which form the basis for concessional lending and debt relief in nearly 70 countries.

The Inter-American Development Bank’s report, *The Politics of Policy*, underscored the role that political parties play in contributing to effective governance by influencing executive-legislative relations, coordinating congressional initiatives, and providing incentives for elected officials to respond to public priorities and social interests. And with the support of NDI, the three largest global groupings of political parties—the Liberal, Socialist and Center Democratic Internationals—representing 350 parties in 150 countries, are beginning to discuss ways to promote political party modernization, reform and renewal.

The democratization of political parties must be a priority in the efforts to restore public confidence in parties and the democratic process as a whole. Greater citizen participation, accountability of leadership, transparency, and institutional safeguards are more important now than ever for this democratization effort to succeed.

While there are certainly policy differences in the U.S., these differences are in degrees and largely over priorities and resources. Hearings by the House Foreign Affairs Subcommittee on the Western Hemisphere before and following President Bush's trip to the region demonstrated anew the strong desire of Democrats and Republicans alike to find better ways to support the efforts of our Latin American neighbors to promote democracy and development.

Subcommittee Chairman Elliot Engel and Ranking Member Dan Burton wrote President Bush before his trip to underscore that poverty lay behind many of the political problems of the region and Congressman Engel since has made clear the Subcommittee's readiness to work closely with the Bush Administration in finding innovative ways to reduce poverty in Latin America. Senator Menendez has recently sponsored new legislation to support a special facility at the Inter-American Development Bank (IDB) focused on improving economic opportunities and at USAID on support of health and education services. What will come of these initiatives remains to be seen, but bipartisanship is alive and well on this issue.

Within our relatively modest means and capabilities, NDI is also seeking to make a contribution to democratic governance by promoting a more responsive and effective social agenda in the region. Through our field offices in nine countries and regional programs, we are increasingly focused on helping to make democracy deliver. To cite just a few examples:

- In Peru, NDI brought together political party representatives before the 2006 elections to help negotiate a consensus on health care and education reforms. These agreements helped facilitate passage of new health care reform by President Garcia.
- In Haiti, community based facilitators worked with more than 200,000 Haitians to develop greater understanding of democratic processes, leading to the establishment of 200 citizen initiative committees across the island, responsible for securing funding and implementing hundreds of small community development projects.
- In Bolivia and Peru, NDI identified institutional obstacles in political parties to adopting poverty reduction policies and worked with parties across the democratic political spectrum on challenges of developing a social agenda.
- NDI's Win with Women candidate school in Bolivia trained more than 2,000 women, promoting inclusive candidate recruitment strategies among participating parties and political groups. Seven of the female national deputies and 12 substitute representatives from both legislative chambers elected in December 2005 were trained through this school.

- In promoting political party reform and modernization over recent years with more than 41 parties in a dozen countries, NDI has emphasized the need to reach out to underrepresented sectors, such as youth, women, indigenous and Afro-Latino populations.

In this regard, NDI has been working closely with IRI to aid political party reform in Colombia, with USAID support.

This bipartisanship helps to reinforce our individual efforts to strengthen democratic institutions in Colombia and elsewhere in the region. By demonstrating that groups associated with the Democratic and Republican Parties can cooperate abroad on the basis of shared democratic principles and values, even at a time of intense partisanship and disputes over critical issues at home, we are better positioned to support pluralism and democratic development. Similarly, through NDI's participation in three party internationals—representing Socialist Democratic, Christian Democratic and Liberal ideologies—we encourage parties to engage across ideological boundaries and cooperate on common concerns affecting democratic development.

Spain has a special history, and deep cultural, economic, and political links in the Americas, and like the United States, growing immigration and family ties. Spain's unique ability to contribute to developments—especially on the critical issue of democracy—can only be enhanced when the Spanish political parties work cooperatively. I recognize that partisan differences often seem to carry the day. My hope is that one element of the ambitious Common Agenda FAES has developed for Latin America will be to find common ground within Spain to address these critical issues in the years ahead.

Thank you.