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INSTITUTION BUILDING ESSENTIAL FOR SUCCESSFUL TRANSITIONS TO DEMOCRACY

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In the euphoria stimulated by the massive popular rejection and the internal collapse of communist systems attention has initially been focussed on two basic needs whose satisfaction is universally seen as essential to the creation of a new order. These are the development of an effective democratic political structure and the installation of a market economy. To create the institutions which will give concrete form to these often vaguely defined and poorly understood complexes will surely be a formidable task. Recognizing the burdens this process of construction and reconstruction will impose on everyone, and the great social strains it will induce, one is naturally disinclined to risk discouraging those engaged in the often heroic struggle of building a new order by calling to attention the basic fact that, alas, these are only two of many institutional complexes which must be either rebuilt or created anew. Nevertheless, it is incumbent on those who take responsibility for advising and assisting those building these new societies to call attention to the need for institution building which goes beyond the concern with such matters as political parties, electoral laws and market mechanisms. Democratic systems which function well and endure over time depend upon a host of additional institutional arrangements, some of which generally preceded the development of democratic political systems and became absorbed in them over time, and others which evolved and were developed under democratic auspices but in processes which were often slow, painful, and indeed frequently violent.

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The challenge of building such democracy sustaining institutions is most acute in the countries now working their way out of what they ironically call "real socialism," but it is also a central issue for nations such as South Korea and Taiwan which have spent the last four decades living under various forms of authoritarian and dictatorial rule. In their case, there already exist most elements of a market economy, indeed in some respects a vibrant one. The development of a stable party structure is however, a task still to be completed in Korea, and is hardly begun in Taiwan, at least as concerns parties functioning legitimately and effectively in opposition to the ruling Kuomindang. The latter is indeed, sometimes labelled a "Leninist" party, which suggests not only its particular approach to political leadership but also its propensity to monopolize control of ideas and communication and to subordinate professional and other communal associations to its purposes. These authoritarian governments certainly have not achieved the degree of penetration of society — including even the family— sought for and in good part attained by the Communist regimes of Asia and Eastern Europe. Neither have they had the propensity to destroy all elements of civil society and to reconstitute those few that were allowed to survive as instruments of the state and its ruling party. Nevertheless, during the four decades of their rule after World War II they have not been hospitable to the growth of many of the institutions and institutional complexes which are typically associated with democratic political systems and market economies. They too, therefore, confront a long agenda of institution building before they may be counted as fully formed and functioning democratic societies.

I realize, of course, that I have so far alluded to in general terms but have not actually named any of the institutions I have in mind as necessary to sustain and facilitate the functioning of democratic politics and market economies. Clearly it is time to do so.

I have in mind free trade unions which accurately reflect the views and effectively work for the interests of their membership; equally free professional associations in all fields of endeavor ranging from philosophy to law, medicine, and engineering; associations based on interest, sentiment, and value -- ranging from stamp collecting to preserving the environment -- free and equipped, as the professional associations should be, with the means to express the interests of their membership and to seek to influence public policy in accord with those concerns independent of the interests of party and state; a free press -- including in this category as well radio, television, and other communications media -- independent of public authority for its support, able to acquire the means of its production outside state control, not subject to censorship, and conceiving its task as informing the public as fully as it is capable of doing in a competitive environment of ideas; free standing universities and research institutes, controlling their own curricula and agendas, in particular being unimpeded in providing both critical perspectives on state and society and innovative alternatives to existing institutions and arrangements; a religious establishment independent of the state, voluntary in its membership and support, and free not only to preach and otherwise minister to the spiritual needs of its adherents but also to organize ancillary social and cultural activities for that membership.

These elements of a democratic system I have enumerated -- and the list could, of course, be considerably augmented -- would probably appear on most lists developed to meet the purpose set. They are, therefore, "conventional", but their being conventional in no way diminishes their importance as the necessary focus of concerted action to bring them into being, or to strengthen them where they already exist, as basic supports for a democratic political structure. But we can also go beyond the conventional in identifying institutions and institutional complexes without which a democratic society cannot effectively

function. For example it must have a system of law, an institutional framework, and a body of practice for dealing with labor disputes, especially for those between large and powerful corporate entities and the representatives of the workers in their employ, whether formally organized or not. Without such a system, and the habits and understandings which accompany it as a system, labor problems become not just unrest, and not just private affairs, but rather they escalate into pervasive confrontations, generally violent, which threaten not only public order but eventually may undermine a democratic political structure itself. Because the United States operated without such a system before the legislation passed in the 1930's, best exemplified in the National Labor Relations Act, it was subject to great violence in the settlement of labor disputes, often so profound as to threaten the stability of the whole system, in contrast to the more orderly and non-violent patterns which have prevailed since that watershed.

The range of challenges these new societies must meet is very great, and the demands for assistance potentially enormous. Selectivity is, therefore, a first order of priority. And guiding the process of prioritization among all possible institution building tasks is the requirement that assistance from an organization like the AID must be appropriate and feasible.

What is appropriate is to be defined mainly in political terms. The political breaks down into two components. On the US domestic side any program adopted must be approved by the Congress and seem reasonable to interested segments of the American public. Thus, a plan to help build the effectiveness of political parties which took the catholic view that <u>all</u> legal parties should be helped, and thus ended up giving technical assistance to extreme right-wing or left-wing parties very hostile to the United States, would obviously soon be in considerable trouble with the legislature and the public.

However, a decision to help only one party, or even a sub-set of parties, which the AID mission thought to be most representative of democratic values, would obviously lead to the warranted charge that we were improperly interfering in the domestic affairs of the host country.

Issues of feasibility in turn break down into two components. First, it is important to have a realistic perspective regarding the magnitude of the tasks which lie ahead. In many cases the nations of Eastern Europe face the prospect of rebuilding almost the whole of civil society, systems which usually grew up over a span as long as a century or more and which have been lacking for a period of some forty years as part of the fiber of everyday life and experience. Models of the institutions which must be built can be imported wholesale from abroad, but they cannot possibly be given root and be expected to grow and thrive under such artificial arrangements. An effective system of justice, for example, is not like a factory which can be delivered from outside complete and ready to work on a "turnkey" basis. It must be built up and developed organically, and to be seen as legitimate the construction must be mainly the work of local people making their own decisions about the design and operation of their basic institutions. The challenge this presents to an organization such as the AID seeking to design an initiative for democratic pluralism is to avoid being defined as a special interest just like any other in the political arena. Even more difficult is the task of finding mechanisms for giving aid which avoid the appearance of paternalism and the risk of inducing dependencies. What is needed instead is action which facilitates and strengthens the spontaneous and indigenous local development of the new institutional forms required for stable and effective democratic functioning.

The second and more obvious aspect of the feasible is that built into budgetary constraints. Since whole societies are in the process of reconstruction, and not only in one society but in

many, it is obvious that however generously the Congress may endow the AID it will be able to bring to bear resources which are very minor, in monetary terms at least, relative to the size of the domestically generated effort. This presents an additional challenge, highlighting the critical importance of locating not only the strategic institutional realms on which to focus, but as well of locating the distinctive point where the additional resources provided by AID can provide the greatest leverage and achieve their maximum effect.

LEVERAGE

For the purposes of this gathering I have selected four institutional complexes to illustrate process of analysis by which I believe it is possible to locate the most appropriate and feasible points for action by the AID in support of local democratic initiatives. It should be always kept in mind that not all of these initiatives would be equally meaningful in all countries making the transition to democracy. Detailed knowledge of local conditions is indispensable. Take, for example, the task of rebuilding the legal profession as a free standing organizational entity. In Communist China the legal profession, weak even before the present regime took over, has been almost totally destroyed as a meaningful profession. To even remotely meet current standards it would have to be almost totally rebuilt in all its aspects. By contrast, in Communist Poland, despite considerable pressure from the regime, the legal profession was apparently able to maintain its standards and in considerable degree its capacity for independent action. Legal cooperatives functioned much as we know law firms to operate, indeed, more recently lawyers could organize as the equivalent of firms. With the exception of certain political cases, clients evidently could seek out attorneys to represent them, fees were negotiable, lawyers could more or less honestly represent the interests of their clients with only limited risk of retaliation by the authorities, and so on. Therefore, the task of rebuilding the legal profession to the standards of pre-Communist Poland and even to the best standards of Western Europe seems not too

formidable, and can probably be managed quite well with local resources supplemented by small amounts of strategically placed help from outside. By contrast, the Polish system of courts did not fare as well, and the task of bringing its functioning up to reasonable standards would require much greater effort.

POLITICAL PARTIES: There can be no meaningful democracy on the national level without a system of stable, responsive, and responsible political parties. Such parties should presumably not be mainly the expression of, let alone the embodiment of the ideas and interests of a single person, but rather should be expressive of the interests of significant social groups such as peasants or industrialists, workers or pensioners, ethnic or religious communities, and significant regional divisions. On the other hand, a party system organized exclusively around very narrowly defined special interests is likely to be chaotic and ineffective. The ideal is the development of broad coalitions of interests, preferably crosscutting religious, ethnic, and economic groups. Parties should be stable, that is, endure over time so that they have a clear definition and are meaningful articulators of the interests of party supporters. This requires that parties have organizational structures, physical premises under their control, resources to communicate their program and to recruit members and supporters. To meet the condition of responsiveness the parties must truly belong to their members and supporters, under no circumstances being merely the instrument of the political purposes of a personal leader and his following. Responsibility requires parties that accept certain restrictions, which they must largely impose on themselves. These include limiting their action to the political arena, and insisting on appropriate behavior on the part of their supporters at rallies and at the place of elections. Responsible parties should not seek to advance their objectives by extra political means such as strikes and work stoppages not related to the economic interests of the strikers, and certainly should rule out violence as an appropriate way of gaining their objectives within the framework of a democratic system.

Critical as the strengthening of the party system may be in assuring democratic stability and effective functioning it is not an area in which I see much of a role for the AID for reasons already alluded to in my discussion of the politically appropriate. Assistance in building individual party structures is probably best left to similar parties from other countries, much as the social democratic and Christian democratic parties of Western Europe have been helping the emerging cognate political parties in Eastern Europe. In the early stages of building themselves the local parties may encounter debilitating roadblocks which might seem logical foci for AID action in the form of technical assistance, as, for example in providing computer facilities for maintaining membership and mailing lists, or fax machines to facilitate communication with other parties or with local branches, or even something so mundane as xerox equipment for reproducing broadsides. Such aid, however, if it is selective, is likely to be criticized within the host country as unwarranted interference in domestic affairs, and if it is offered unselectively it will be condemned back in the U.S. as politically naive or even culpable if it inadvertently gives support to extreme right or left parties.

Despite these risks, the importance for the nurturance of a democratic polity of having stable, responsive and responsible parties is so great that it may seem too extreme a self-denying ordnance for the AID to entirely eschew any participation in the process of building an effective party system. Fortunately, there may be a form of action through which a significant contribution could be made while still avoiding the difficulties noted above. If a local "Institute for Party Development" funded by AID but operating as an independent legal entity, could be established, it could offer technical assistance to all parties defined as legal within the context of local law. Such an institute could offer courses, and develop extension materials, on such topics as managing party finances, establishing and

maintaining contact with local branches, preparing materials for representation of the party in the mass media, and so. In addition, it could offer lectures and prepare other materials describing the experience of other nations in the organization of their national party system. Outstanding scholars specialized in studying Party systems such as Giovanni Sartori could be invited for lectures and consultations. An initiative of AID in stimulating interest in the creation of such an institute and assistance from it coupled with help from foreign and local foundations and with some contribution from local parties might provide considerable returns at small cost.

LEGISLATURES: A central element of the transition to democracy is the creation of an effective legislature where none existed before, or in those instances in which sham legislatures have operated, their transformation into actual seats of power expressing the will of the electorate, engaging in genuine debate, and more important, in creating law which will actually control the actions of the government administration, of public and private corporate entities, and of the populace. The existence of such a legislature and its effective functioning is surely one of the cornerstones, perhaps the keystone, in the building of a democratic structure of government. Unlike the situation presented by the task of party building, however, the legislative system presents several major opportunities for initiatives in support of democratic pluralism which can qualify as appropriate and feasible. Unfortunately, the problems are many and the resource demand imposing. For example, most of the legislators in the newly emerging parliaments have neither office space nor staff at their disposal, and very limited means for communicating with their constituents. Nevertheless, it is obvious that the AID could not undertake to construct the necessary office buildings, to pay for the requisite staff, nor to build the required communications networks. And even if it had the means to do all this, the same dilemma faced when considering assistance to political parties would apply to the individual legislators who, after all, represent those parties.

Fortunately, however, there is a really critical element in the effective functioning of a modern legislature which is almost totally lacking in the bodies now coming into existence, and in the building of which the AID could play a significant, possibly a crucial role. I have in mind something so ordinary but also so crucial as a legislative reference service. Above all in the complex economic, demographic, and political situation with which the modern world confronts legislators, they are in need of good quality technical information. Such information is, alas, in general short supply, but whatever is available is mostly in the hands of an administration which may or may not be disposed to share it candidly and fully with legislative bodies.

It is by now a principle understood everywhere that to legislate well and effectively legislatures need their own sources of basic social, political, and economic information. Instead the newly ensconced legislators often find themselves with virtually nothing available in this line, no library, no repository of documents, no mechanism for identifying and obtaining sources of information located elsewhere in the government and in the society, no research assistants to collect and collate such information as is available, and no specialists to interpret and evaluate such data as may be collected. I therefore see here an exceptional opportunity for an AID initiative in helping the newly constituted legislatures in the development of their own legislative reference services. Technical assistance could come from exposing the legislatures to models of such services as they operate in well established democracies, but even more important assistance could be given in building up the documentary base necessary to make such a service meaningful, bringing together census data, summaries and digests of laws, the tapes of public opinion surveys, book collections of local and comparative history, political analysis, economic practice, and so on. Initial training of the staffs of such reference services would also be highly appropriate, and could

include sending some to work at such services in the US and developing training courses conducted on site in the home country.

THINK TANKS AND RELATED INSTITUTES: If it is sufficiently highly developed a legislative reference service might be thought of as the equivalent of think tank, albeit one dependent upon and having special obligations to a given organ of government. It should be well recognized, if it is not so already, that many of the most effective critiques of the old regimes now being displaced were generated within the few think tanks which managed to maintain some degree of integrity and independence because of the technical nature of their work or because elements of the old leadership felt some need for their specialized services. Sometimes these units functioned within the framework of government, although there they needed special protection. Most of them were however, outside government, most often in the academies, sometimes supported by particular ministries, more rarely by universities, and in some instances, as in Chile, they were free standing, depending for their support on foundations such as Ford or Rockefeller plus such contract work as they could get from government agencies, corporations, church groups and the like.

The need for critical self-appraisal does not end merely because a nation has moved to create a democratic political structure and a market economy. On the contrary, the contributions of the institutes, commissions, and research centers which played so critical a role in revealing the full extent of the foibles and disasters of the old regimes are now no less essential to help the emerging democracies sensibly to guide policy, to expose the new fads and foibles which may come to reign, to propose innovations in public administration and private practice.

Although few of these institutes need be built from scratch, as will be the case for legislative reference services, they are almost uniformly in great need of help. Having been cut off, sometimes for years and almost completely in some cases, from developments in the outside world, their staffs may lack state of the art skills necessary for the effective discharge of their duties. Short term intensive courses on site for these staff would bring returns in increased productivity and in higher quality analysis. Another reflection of their past isolation is found in the desperate shortage of books and journals reporting on relevant developments in the outside world as applied to the various specialties these institutes represent. Equipment shortages are also endemic. Computer facilities are scarce, and because they are often controlled by other agencies their services are often only irregularly and erratically available; networking between institutes in the same city, let alone in other cities in the country, is primitive or even non-existent; dissemination of the results of research is severely hampered by the high cost of paper and, anomalous as it may be is aggravated by the move to a market economy which makes publishers reluctant to publish more technical reports which promise limited sales no matter how important their content may be for the national well-being. It is obvious, then that by fostering the development and strengthening the effectiveness of both government and free standing institutes for the analysis of public policy and for wideranging discussion of issues of general concern — such as family conditions, the state of education, the condition of youth and so on — AID missions could make a significant contribution to the general development of democratic societies in the sphere of their responsibility.

PUBLIC INTEREST FOUNDATIONS: If the think tanks I have argued are important to maintaining a democratic society are to be free standing, they likely will not long be free unless they are supported by sources of funds independent of government, and the most common source of such funds is likely to be public

interest foundations. Not only think tanks, but all sorts of social movements from those for the protection of children and nature to those guarding civil liberties are prone, in significant measure, to depend on public interest foundations. Those foundations, in turn, generally obtain their capacity to help because of the generosity of wealthy donors. Alas in the former socialist countries such great personal wealth is exceedingly rare, but the situation is quite otherwise in some of the newly industrializing countries such as South Korea, Taiwan, and Thailand. Moreover, there is no law which requires that foundations depend for funds on wealthy individuals alone. Great corporations such as Volkswagen have established foundations which have a splendid record of public service, including service in support of the institutions which define and support a democratic society. And beyond the great corporations there is always the prospect that the vast majority of citizens will themselves contribute what can become considerable accumulations for special purpose public interest programs.

What is lacking in many, if not most of the newly democratizing nations is not mainly the money for but rather the legal structure and the popular tradition of funding public purpose foundations. Obviously on cannot seriously suggest that the AID itself set up such foundations. It could, however, give direct technical assistance to foundations which already exist, encouraging and underwriting contact with comparable foundations outside a given nation, providing descriptive literature, and so on. Such purposes might best be fostered and supported by the creation, under local initiative, of a Center for the Development of Public Foundations. Such a center could provide help in the formulation of appropriate laws to facilitate the creation and functioning of foundations, and could give a great boost to the indigenous forces which have already grasped the significance of such foundations as key elements of a democratic society but which could not, without technical assistance, initially mount the kind of program needed. Such a Center could

diffuse the idea of the public interest foundation, facilitate the development of new foundations, and assist those already operating with help in matters legal, fiscal, and administrative so as to make them more effective in contributing to the emergence and maintenance of a democratic society.

This list of possible foci for an AID initiative in support of democratic pluralism could be, and probably should be, considerably expanded, but my objective here was not to be exhaustive, but rather suggestive. If the model of analysis presented here is judged productive in helping to develop the AID initiative now contemplated, it would not be difficult to expand the list of potential foci to number at least ten, perhaps more.

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