

AN INITIATIVE BY A.I.D. TO SUPPORT THE  
EVOLUTION OF STABLE, DEMOCRATIC SOCIETIES:  
"THE DEMOCRACY INITIATIVE"

Summary

Consistent with the new mission statement, the A.I.D. Democracy Initiative proposes focusing A.I.D. experience, skills and resources explicitly to help promote and consolidate democracy as the legitimate organizing principle for political systems throughout the world. Specifically, the Democracy Initiative will:

1. Build democratic institutions: establish a new program to provide expanded direct support for programs which address key challenges to democracy;
2. Integrate democracy into the A.I.D. program: establish the promotion of democracy as a strategic goal over the broad range of A.I.D. programs; and,
3. Reward progress in democratization: change our budget process to include progress in establishing democracy as one factor in determining allocations of A.I.D. funds;
4. Establish rapid response mechanisms: seek legislative authorities to create an A.I.D. capacity to respond quickly to democratic breakthroughs, and create new programming mechanisms to meet unanticipated needs.

Justification

Fostering democracy is a long-established goal of the United States. Experience has shown that our relations with democratic countries tend to be more constructive and to enjoy more consistent domestic support than our relations with

authoritarian regimes. There is growing evidence that open societies which value individual rights provide better opportunities for economic development than do closed systems which stifle individual initiative.

We are witnessing a resurgence of democracy in all regions of the world, but its success is not guaranteed. A similar wave of democracy also swept over the developing world in the 1950's when colonial powers relinquished power in favor of new democratic regimes in Asia and Africa. Most did not endure and by the late 1960's democracy was in retreat throughout much of the developing world.

Now we have a second chance. We have an uncommon opportunity to directly strengthen fragile regimes which face challenges to the survival of their democracies, as well as to support positive political and social changes in nations which have not yet established democratic systems. Past failures to establish enduring democratic regimes were the consequence of an inability to meet six critical challenges. The peoples and governments of democratic societies must: a) build a national identity; b) foster democratic values and practices; c) build effective democratic institutions; d) guarantee the honesty of government; e) promote democratic competition; and f) ensure civilian control of the military.

The A.I.D. Democracy Initiative will establish specific programs to respond to these challenges, providing targeted and timely assistance to meet critical needs. A.I.D. programs will focus on those countries, identified in consultation with the Department of State, where there are identified needs, reasonable prospects for success and assured diplomatic support. The program will include both a short-term component able to respond quickly to immediate needs and a longer-term component to support the development of effective and credible institutions. Implementation will be in close collaboration with other agencies with complementary programs, such as USIA.

Our objective is to assist developing nations create democratic systems consistent with their own traditions and customs. Given the diversity of political, economic, cultural and social conditions in countries where A.I.D. has programs, our efforts will be tailored to the unique conditions of a particular country and flexible enough to respond to specific opportunities. However, these diverse efforts will be united by the common thread of supporting the emergence and establishment of political systems which:

- o extend the rights of citizenship and political participation to all adults;
- o respect civil and human rights;
- o establish and maintain effective, responsive and publicly accountable government institutions; and
- o allow genuine political debate and competition, culminating in periodic free and fair elections and the continuity of civilian rule.

A.I.D. has a unique capacity to make a significant contribution to the U.S. response to the opportunity of promoting and consolidating democracy. In many important ways the responsibility requires development skills. A.I.D. has accumulated considerable direct experience in working with public and private institutions in the United States and abroad on issues of political change. A.I.D. has directly supported activities ranging from the conduct of elections to the administration of justice and the management of municipal government. Prior to the adoption of the Agency's mission statement this year, however, support for democracy was not a principal focus for A.I.D. and our program did not explicitly link the development of open, market-oriented economies with open, democratic political systems.

INITIATIVE #1. Build Democratic and Pluralistic Institutions.

Past experience suggests A.I.D. assistance is effective in helping to build credible democratic and pluralistic institutions, therefore program resources for this Initiative should be concentrated in this area. Specific activities will depend on local circumstances, and we can expect a wide variance across geographic regions. For example, in Africa, where in general the state holds the overwhelming preponderance of power, A.I.D. efforts will focus on supporting the emergence of a civil society, with professional groups and citizens associations developing as a counterbalance to the power of the state. In other regions, where there are countries which have already initiated a transition to democracy, A.I.D. will support the development of credible electoral systems, strengthened legislative bodies and an independent judiciary. Assistance in the devolution of authority to lower levels of government may be appropriate in Asian countries which are embarking upon new experiments with increased local control. (More detailed descriptions of possible activities are included in the attachment.)

INITIATIVE #2. Expand Democratic Participation and Practices Throughout A.I.D.'s Programs

A.I.D. will increase its emphasis on building popular participation and democratic practices across the full range of its development programs. The aim will be to incorporate participation and democracy into our programs in much the same way that promoting the private sector has been incorporated as a mainstream element, rather than as an add-on or a pro forma checklist item. Like private sector development, participation and democracy will be promoted as ends in themselves and as means to more effective development programs.

Current policy reform programs in Africa (where democratic traditions generally are weakest) demonstrate the feasibility of doing this on a broad scale. For example, A.I.D. environmental programs in Niger and Lesotho emphasize local decision-making and control, both to support local organizations and because this has been shown to be key to the effectiveness of the program. In Mali, A.I.D. education programs encourage increased local control and responsibility through support for parent-teacher associations. In Nigeria and Tanzania, A.I.D. has assisted health and road projects that decentralize budgets and decision-making from the central government to local authorities.

INITIATIVE #3. Establish Democratization as an Allocation Criterion

Within each region of the world, allocations of A.I.D. funds to individual countries will take into account their progress toward democratization. This will place democracy on an comparable footing with progress in economic reforms and the establishment of a market-oriented economy, key factors which are already used as criteria for allocating funds. Progress toward democratization will be measured by an agreed upon set of indicators. Each individual nation's current level of democratization, as well as recent political movement, will be taken into account.

A.I.D. has already begun the process of developing appropriate indicators of measurement. During FY 1991 we propose consolidating our efforts thus far and developing criteria which are clear and defensible, yet flexible enough to take into account specific circumstances of individual countries.

This will be part of an FY 1991 effort to develop a more comprehensive analysis of democratization to provide the conceptual framework and theoretical underpinnings for major future investments in this field.

#### INITIATIVE #4. Rapid Response Capability

Despite our best efforts, the Agency is frequently unable to respond quickly to unanticipated needs. In both Eastern Europe and Panama, the Agency had to wait several months for legislative action by the Congress before it was able to initiate programs. This delay undercut the President's strong public commitment to emerging democracies in both regions, and calls into question the ability of the United States to provide limited but critical assistance when it is needed.

Delay also weakens the hand of new, fragile democracies which look to the U.S. for tangible signs of timely help in making democracy work. Opportunities for action arise within the first few months of a new administration. The way in which new governments respond during this critical period establishes an image which tends to endure. This is why it is important for the U.S. to be able to respond quickly with carefully targeted assistance programs.

To overcome this constraint, we propose that in FY 1991 the administration seek Congressional approval of several new authorities. First, the President would be granted the authority to determine (in consultation with the Congress) that a rapid response is required in a specific country and that normal programming procedures are not appropriate. This determination would contain authority to provide assistance to a country or activity "notwithstanding any other provision of law" that would otherwise prohibit such assistance (e.g., the country is in violation of the Brooke amendment or is on a list of countries prohibited from receiving United States Government assistance). Second, this determination would authorize A.I.D. to reprogram funds from existing functional accounts to support directly the establishment or maintenance of a democratic system.

Such assistance would be short-term and limited in scope. It would be designed to respond to immediate needs, and would not substitute for any longer term program which might exist or be established. Examples of assistance which is often required quickly if the momentum of a sudden transition to democracy is to be sustained include support for election observers and monitors, assistance for new political parties in organizing a

campaign, support for free press and media, or training for newly elected legislators. Further, we are currently exploring ways of establishing "umbrella projects" in key areas which would be available for buy-ins by regional offices. This would provide a mechanism for responding quickly to these needs.

### Implementation

Attached are brief summaries which identify some possible activities to carry out the four elements of the Democracy Initiative. It should be noted that these proposals will be developed and implemented in coordination with the activities of other U.S. Government agencies involved in the furtherance of our national policy of support for democracy, particularly the Department of State. For example, A.I.D.'s Initiative must operate in close collaboration with the programs of the U.S. Information Agency (in educational exchanges, university linkages and access to foreign news media), and with the Departments of State and Justice (in the administration of justice). The success of A.I.D.'s Initiative will also depend heavily upon whether our program goals are high on the list of priorities for the U.S. Chief of Mission in any country where we operate.

You should be aware of two significant implementation issues which will require your attention if the proposed Initiative is to succeed. First, A.I.D. has a long tradition of adding new activities which create additional responsibilities for an already over-burdened staff, particularly in the field where the success or failure of the Initiative will be determined. Seldom are announcements of new initiatives accompanied by a decision to take something off the list of priorities. The result is that everything gets a little attention, but less and less gets the full attention required to ensure success. Creating new requirements without addressing these manpower and management implications will seriously jeopardize the success of the Initiative.

Second, the additional legislative authorities recommended in Initiative #4 will require considerable work here in Washington, initially developing a consensus and support within the Administration and then reaching agreement within the Congress. We believe that the logic of the proposed new authorities is compelling, but achieving that objective will not be easy.

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## ADDENDUM TO INITIATIVE #1

### Build National Identity

Emerging democracies are often faced with threats of civil war and national fragmentation. Divided by religious, ethnic, or tribal barriers, the stability of democratic regimes is often undermined by militant opposition and armed conflict. Factions tend to see themselves in a life-or-death struggle for domination, rather than a common search for mutually acceptable compromise and pursuit of the common good. Persistent failure to address such divisions and build a national identity can provide the excuse for armed subversion, civil war, or military intervention.

The U.S. has extensive experience with federalism and an extensive expertise on differing approaches to federalism. Other countries also have experience with various forms of sharing power. In addition, there is a multiplicity of organizations in the U.S. which represent the interests of ethnic and religious groups. Some of their experience may be relevant to issues in the developing world.

#### Potential A.I.D. Activities:

- o Sponsor intensified research on the application of federalism to problems in specific regions and countries;
- o Support the sharing of experience with federalism in some LDCs (e.g. Nigeria, Brazil) with other countries;
- o Sponsor regional and sub-regional exchange programs for tribal/ethnic leaders, academics, and others;
- o Support the establishment of regional organizations to serve as fora for discussing the issues and perhaps even mediating disputes; and
- o Explore the transferability to LDC situations of the experience of U.S. organizations that represent minorities (e.g. NAACP, Hispanic groups).

## Foster Democratic Values

Formal democratic structures do not succeed where citizens do not share a commitment to common democratic values. With little experience in representative government, the citizens of new democracies often have had little practice with or respect for critical values such as the rule of the majority, tempered with respect for minority rights. Putting a premium on political participation, tolerating diverse opinions and social customs, abiding by the rules of the electoral process, accepting the results of political competition, and relinquishing power gracefully are new concepts which are often not well understood or fully accepted throughout the society.

A.I.D. has already initiated a number of activities to support the development of democratic values in Latin America. These include civic education programs, assistance in the development of independent centers of research and policy analysis, and support for organizations protecting human rights. In FY 1991, A.I.D. will expand these activities to the Middle East and Asia. This will be implemented in collaboration with USIA, which already has a number of complementary, on-going programs.

### Potential A.I.D. Activities:

- o Incorporate the teaching of democratic values into school curricula;
- o Support the development and programs of indigenous civic organizations which help educate the people and serve as vehicles for the people to influence their government;
- o Assist the development of independent centers of research and policy analysis; and
- o Support the use of the media to reach mass audiences with public service messages on democratic values and practices. Cooperation with USIA is essential in this effort.

## Build Effective Democratic Institutions

The long-term viability of any government is ultimately determined by the effectiveness, fairness, and public accountability of political institutions. Democracies require that these institutions--principally the executive, legislative, and judicial branches--be responsive to their citizenry at the local, regional, and national levels. Emerging democracies risk collapse if their public institutions are inefficient, weak, and unstable, especially during the fragile transition to open government.

The A.I.D. Initiative will assist in providing both short-term "crisis" assistance and support for long-term institutional development. For example, immediate assistance may be required for free and open electoral processes, often the first and most public step in the transition to a more responsive and democratic political system. Over the longer-term, this short-term assistance could be complemented by longer-term efforts to strengthen legislative bodies, establish independent judicial capacity, and encourage transparency and accountability in executive branches.

### Potential A.I.D. Activities:

- o Strengthen electoral processes through assistance to electoral bodies, training of election officials, and financing of election observers;
- o Strengthen legislatures through technical assistance on drafting legislation, using professional staffs and committee systems, and improving analytical and research capabilities;
- o Support adherence to the rule of law through improving the administration of justice and strengthening the protection of human rights; and
- o Strengthen local and municipal government through decentralization and devolution of power to local levels.

## Guarantee the Integrity of Government

The legitimacy of democratic regimes depends importantly on their being perceived as reasonably honest and accountable in the delivery of essential services. Accountability has many facets, but the most visible and basic is financial, to prevent blatant corruption, theft, and waste. A.I.D. has a vested interest in promoting honesty and efficiency in government through increased accountability and transparency of decision-making processes. We believe the long-term protection of political and civil liberties can only occur through responsible governmental institutions which abide by the rule of law. We also believe that public-sector corruption and inefficiencies threaten political, economic, and social stability by undermining citizens' faith in democracy and democratic processes, and are major constraints to development. We agree with the GAO's conclusion that "many of A.I.D.'s accountability problems can be traced to the limitations and weaknesses of the recipient countries."

There is evidence that many countries are ready for an effort in increased accountability. The LAC Bureau has a pilot regional financial management improvement project that has met with surprising receptivity and has registered some notable achievements. The Africa Bureau has also operated a similar project in the Sahel. Naturally, not all countries are ready for, or interested in to the same degree, this type of project. However, there are sufficient countries where a pilot effort makes sense to warrant an A.I.D. initiative.

### Potential A.I.D. Activities:

- o Preparation of country accountability assessments;
- o Development of integrated financial management systems at the national level which encompass all public-sector revenues;
- o Training and support for a free press willing and able to expose corruption (USIA can play a role in this);
- o Support for an independent and assertive legal system equipped to prosecute and punish official misconduct; and
- o Organization of regional donor working groups on improving public-sector financial management.

## Promote Democratic Competition

Just as economic competition is essential to the notion of free markets, so too are intellectual and political competition essential to a truly democratic political system. Honest elections, an independent news media and commitments to freedom of speech are necessary but not sufficient conditions for democracy to thrive. More essential than a general commitment to these principles is their institutional manifestation in democratic polity: competitive political parties which provide a choice of candidates to voters, vigorously competitive news media outlets which provide alternative and accurate sources of information to the public, and centers of intellectual and scholarly research to produce divergent approaches to public policy problems for policy makers to debate.

Robust and stable democracies need to create institutions which ensure permanent competition in the intellectual and political market place. A.I.D. is committed to assisting emerging democracies in making these institutions more competitive. We propose several initiatives to respond to this critical challenge:

### Potential A.I.D. Activities

- o Assistance to political parties in organizational development, fundraising, issue research, candidate education and campaign techniques. A.I.D. has done this in modest ways through the NED, but will now move more aggressively.
- o Training for news reporters in standards of journalism, techniques of the profession, management of media outlets, investigative reporting, and reporter exchanges with news media outlets in the U.S.
- o Development of indigenous think tanks as research centers for competing approaches to public policy making. A.I.D.'s most successful application of this idea has been the funding of Hernando deSoto's research center in Peru. A.I.D.'s pilot programs in this area need to be broadly expanded.
- o Assistance to national and provincial representative bodies to assist in research staff development and training for both majority and minority parties focused to encourage informed, competing points of view on legislative issues.

## Subordinate the Military to Democracy

Latin America and Africa have a history of military coups, unnecessarily large military establishments, excessive influence by the military over civilian government, and inappropriate involvement in economic activities. Many of the problems can be attributed to the military's tendency to intervene in political life. At the same time, civilian leaders often lack sufficient knowledge of security needs and military affairs to deal effectively with the military leadership. This inability to engage in a constructive dialogue results in a military establishment believing that it alone can protect the nation's interests from external and internal threats. Even in peacetime during a civilian government, the military often have a monopoly on the ability to analyze defense requirements and establish military budgets.

Because democracy depends on civilian control of the military and on public unwillingness to tolerate other arrangements, in many countries the size of the military must be reduced, its role redefined, and the capacity of civilians to direct it increased.

### Potential A.I.D. Activities:

- o Help civilian scholars and policy specialists acquire credible expertise in military affairs;
- o Help legislatures develop the institutional capacity to monitor military systems effectively;
- o Expand activities (seminars, workshops, etc.) which bring together civilian and military leaders to study and discuss civil-military relations;
- o Introduce constitutional and legislative provisions which govern appropriate military roles (e.g. military officers may not hold cabinet positions for a given period of time after retirement, a nation's legislature must approve promotions of military officers, etc.);
- o Include civilian government leaders in military training courses; and
- o Introduce the teaching of democratic values into military training courses.