
The Democracy Initiative

December 1990



One of a series of initiatives of
the U.S. Agency for International Development:

The Democracy Initiative

The Partnership for Business and Development

Family and Development

plus

Toward Strategic Management

An A.I.D. Initiative to Support The Evolution of Enduring Democratic Societies: The Democracy Initiative

Executive Summary

Democracy is complementary to and supportive of the transition to market-oriented economies and sustained, broadly based economic development. 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.

Democracy cannot be exported from the United States and imposed on developing countries. Respect for national sovereignty and self-determination is fundamental to the way democracies conduct their foreign affairs and is a cornerstone of U.S. foreign policy. It would be unacceptable and ultimately self-defeating to try to recreate exact copies of American institutions, support specific parties or candidates or manipulate the political process to achieve specific results.

The success of the A.I.D. program will depend on supporting local initiatives and strengthening local institutions in their efforts to develop democratic systems. The Democracy Initiative proposes focusing A.I.D. experience, skills and resources to:

- 1. *Strengthen democratic institutions:*** provide expanded direct support for democratic institutions such as effective electoral bodies, informed legislatures and independent judiciaries, as well as broader civic associations;
- 2. *Integrate democracy into the A.I.D. program:*** establish the promotion of democratic institutions and processes as a strategic goal over the broad range of A.I.D. programs;
- 3. *Reward progress in democratization:*** include progress in establishing democracy as a factor in allocating A.I.D. funds; and,
- 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. Finally, and perhaps most importantly, there is growing evidence that open societies that value individual rights, respect the rule of law and have open and accountable governments provide better opportunities for sustained economic development than do closed systems which stifle individual initiative. Democracy, therefore, is an economic development issue, as well as a political one.

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 1950s when colonial powers relinquished power in favor of new democratic regimes in Asia and Africa. Most did not endure, and by the late 1960s 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. To succeed, 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 help 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. The initiative will also better integrate democracy in the broad range of A.I.D. activities and reward progress in establishing democracy.

Our objective is to continue our commitment to economic development by assisting nations in their efforts to 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 economic development by encouraging the emergence and establishment of political systems which:

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

A.I.D. Comparative Advantage

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 and long-term commitment. A.I.D. is the only agency of the U.S. government which has the capacity to provide the varieties of support which are required over an extended period to help build enduring institutions. This includes long- and short-term training and scholarship programs, long- and short-term technical assistance, and commodities such as libraries and automated data processing equipment. A.I.D. has the continuing in-country presence, credibility with host governments, experience in sustained institutional development, ability to work effectively in foreign cultures, and necessary language skills. This capacity is complementary to the strengths of other U.S. government and private agencies, and the initiative would be implemented in coordination with them.

A.I.D. has already 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, decentralization, enhanced participation of beneficiaries in development programs 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. These efforts often reinforce our support for economic reform and the transition to market-oriented economies. Therefore, program resources for this initiative should be concentrated on strengthening democratic and pluralistic institutions, including both governmental institutions (e.g., training for legislators) and expanded civic associations and non-governmental groups (e.g., national bar associations). 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. 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 countries which are embarking upon new experiments with increased local control. (More detailed descriptions of possible activities follow on pages 6-10.)

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

Changing the way in which A.I.D. officers approach their jobs, and bringing the linkage between democracy and economic development into the heart of our work, will be the most enduring, long-term contribution of this initiative. The A.I.D. mission statement is the first step in this direction. The next is for A.I.D. to 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 a 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. Establish a 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 and market economies 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 United States for tangible signs of timely help in making democracy work. Opportunities to establish new patterns of government and economic development 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 United States 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 to support democracy 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 U.S. 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.

Procedures would have to be established to ensure that the invocation of these authorities reflects a full U.S. government position, coordinated with the Chief of Mission in the concerned country and the relevant offices of the Department of State. Key factors triggering such a decision might include the unexpected determination to hold free and fair elections, unanticipated dismantling of

restrictions on media and free expression, or the sudden collapse of dictatorial regimes. We are reviewing the procedures which might be appropriate, similar to those currently authorized for the Office of U.S. Foreign Disaster Assistance involving declarations of disaster by Chiefs of Mission.

The assistance provided 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

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.

Two specific implementation issues concerning A.I.D.'s internal organization and management will require attention if the initiative is to succeed. A new emphasis on democracy, cutting across the broad range of our programs, may require systematic efforts to help A.I.D. officers think through the implications of putting democracy at the heart of their activities. Several geographic bureaus are already planning training programs in FY 1991 to strengthen their capacity to design and implement democracy programs. Such efforts may need to be supplemented by other training programs, as well as the establishment of career incentives to encourage current staff to stay involved with democracy programs over the long term. Staff levels, as well as staff quality, may also need to be reviewed, particularly in geographic areas which do not now have an established cadre of officers responsible for programs in direct support of democracy.

Second, the additional legislative authorities recommended in Initiative #4 will require considerable work in A.I.D./ 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.

Approaches to Building Democratic Institutions (Reference Initiative #1)

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. A.I.D. will expand these activities to the Middle East and Asia. This will be implemented in collaboration with the U.S. Information Agency (USIA), which already has a number of complementary, ongoing programs.

Potential A.I.D. Activities:

- Incorporate the teaching of democratic values into school curricula;
- 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;
- Assist the development of independent centers of research and policy analysis; and,
- 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:

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

There is evidence that many countries are ready for an effort in increased accountability. The Bureau for Latin America and the Caribbean 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 A.I.D. effort is warranted.

Potential A.I.D. Activities:

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

- Assistance to political parties in organizational development, fundraising, issue research, candidate education and campaign techniques;
- 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 United States;

- 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 de Soto's research center in Peru. A.I.D.'s pilot programs in this area need to be broadly expanded; and,
- 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.

Support Civilian Control Over the Military

Latin America and Africa have a history of military coups, large military establishments, influence by the military over civilian government and military involvement in economic activities. 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 strong 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 has a monopoly on the ability to analyze defense requirements and establish military budgets.

Democracy depends on civilian control of the military and on public unwillingness to tolerate other arrangements. In many countries the size of the military, its role in a democratic society and the capacity of civilians to direct it are issues of increasing concern.

Potential A.I.D. Activities:

- Help civilian scholars and policy specialists acquire credible expertise in military affairs;
- Help legislatures develop the institutional capacity to monitor and regulate effectively military systems and the role of the military in civilian affairs;
- Expand activities (seminars, workshops, etc.) which bring together civilian and military leaders to study and discuss civil-military relations; and,
- Include participation by civilian leaders in military training.

Foster National Identity

Emerging democracies are often faced with threats of national fragmentation because of religious, ethnic, regional, tribal and other divisions. 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. Failure to overcome such divisions and build a national identity can retard development, perpetuate social inequities and even lead to armed conflict, civil war and military intervention in civil affairs.

The United States has rich experience with federalism. Other countries also have experience with various forms of sharing power. In addition, there is a multiplicity of organizations with experience in representing the interests of ethnic and religious groups whose experience may be relevant to issues in the developing world. A.I.D. experience in developing necessary consensus for controversial development programs in divided societies can also be usefully applied to serve a primary purpose of fostering national identity.

Potential A.I.D. Activities:

- Sponsor intensified research on the application of federalism to problems in specific regions and countries;
- Support the sharing of experience with federalism in some developing countries (e.g., Nigeria, Brazil) with other countries;
- Sponsor regional and subregional exchange programs for tribal/ethnic leaders, academics and others;
- Support the use of national and regional organizations as fora for dialogue among opposing factions and perhaps even mediating disputes; and,
- Explore the interest of developing countries in the experience of U.S. organizations that represent minorities (e.g., NAACP, Hispanic groups).