

First Inter-American Democracy Conference: Democratic Governance and Effective Policy Development

Welcoming remarks:

After twenty years of successfully organizing and carrying out the conference on local governance in Latin America, the last of which had a participation of around 700 officials from various countries, we obtained the funding to carry out the First Inter-American Democracy Conference, focusing on Democratic Institution Building. It is the first event in its kind, bringing together government officials and academics from Latin America, with the hope that this annual event will eventually grow and include other countries into this timely debate on an important subject matter.

This conference is structured around three main areas:

- **The Role of Political Leadership in Strengthening Democratic Institutions (judicial reforms, electoral reforms, freedom of the press);**
- **Democratic Accountability in Service Delivery / Citizen Participation Initiatives; and**
- **Democracy and development: the role of political leadership in reducing inequality.**

We would also like to give thanks to David Rivera and Representative Erik Fresen for making this event possible. They recognize the important role that Florida has in shaping foreign policy through its connection with our Latin American neighbors. Florida has the unique opportunity to bringing together people from the hemisphere.

Introductions of participants:

This event brought together a very diverse group of participants, from twelve different countries, in different professions: law, academics, the public and private sector, and different levels of government. The goals are that all participants engage in dialogue building on experiences that are not country specific, discuss the things that are working and not working in the region, and develop general principles. We would like to note the absence of a substantive representation of women and we will address that in later events. For now, thank you for being here. We know you are people with very important responsibilities and we thank all for honoring us with your presence.

Keynote Presentation

Dr. Marcelo Giugale, Sector Director, Poverty Reduction & Economic Management, Africa Region, The World Bank.

Prior to Working in the Africa Region, Dr. Marcelo Giugale conducted Economic and Poverty work for Latin America, the Middle East, and the former Communist countries.

It is a privilege for me to be here and share my experiences. I get to talk in many countries but I am very much honored to be here because of FIU's effort to unite practitioners with academics to develop unique understandings of concepts and work together to develop ideas. This kind of work is invaluable. I was asked to discuss what is happening in practice without theory and without excluding projects that bring about hope.

First, I would like to note four fundamental structural changes that are altering how governments work:

1. Democratic accountability: there is political responsiveness -- the idea that if I am not doing what I am supposed to be doing, I will get kicked out.
2. Decentralization: I should note that there is no evidence that service delivery has or has not improved under decentralization, or that it has helped poverty reduction efforts. However, it is clear that it is easier for constituents to voice complaints and petition their local representatives.
3. Change in technology, new devices: the capacity to use e-mail, twitter, etc. to place complaints toward government is incredible. Moreover, today, collective action occurs in minutes because political organization is easier because of the possibilities that social media allows.
4. Debt: Latin America, since the 1980s, is managing its debt. Access to private capital markets puts the eyes of investors on the actions of a country. Credit rating agencies put pressure on government accountability.

In addition, measuring tools have changed, allowing for a different way to understand government policy effectiveness. In the past there was no way of analyzing scientifically the impact of government policy. Today, we have impact assessment and evaluation standards. We can conduct quasi-experiments and set up treatment and non-treatment groups to monitor the difference in randomized control trials to focus on the impact of new policies.

We understand the importance of looking at inputs, products, results, and impacts when analyzing public policy and programs. We have results standards to judge policy impacts.

Moreover, changes in technology are allowing us to identify the poor by name and not treat the poor like "just another group". Because we are able to identify individuals with

new technology, aid is becoming personalized. We can now see the face of demand, the face of the child in need of healthcare, etc. We can individualize care based on individual situations and individual demand.

We have learned that Macroeconomics does not forgive; it is honest and it affects all. The need to maintain a balanced budget, little debt, open economies, and a healthy private sector with good private investment and separate financial institutions, is a need for everyone. There is now a consensus of what constitutes a healthy fiscal policy.

There are no more monopolies in development aid. The market is now competitive. The World Bank used to be a monopoly; the only one to lend money to countries. Now, that monopoly doesn't exist; it is competing with private international and national finances as well as national public aid. The monopoly on the ideas the World Bank used to have is also gone; the World Bank now has an open data policy -- all its information is public, open information. The power monopoly the World Bank used to hold is also now gone. Projects are built now from the bottom up and not from the top down as before. And policy is now based on experience.

END OF TALK

Points made by various participants in response to the speaker:

Not all things can be measured, especially in education; standards have always been in review and question.

We need to work on electoral clientelism that affects both democratic values and economic growth. Improved technology, like knowing the poor by name might result in the use of this technology to bribe the poor. We utilized this technology to make subsidies for the poor more demand-driven but we run the risk of using it for electoral bribery when we know the personal information of the needy.

Personal information and monitoring is risky and in need of oversight.

Macroeconomics might not forgive, but it does make mistakes. It is not an exact science; for example, look at the various differing prescriptions coming from the left and the right.

We have a dialogue proposed by the left that can't continue to be ignored by international organizations.

Institutions are tied together and they label a government and do not want to collaborate.

We need a space for dialogue because, political ideological differences aside, we can discuss issues and produce great unique results by working together.

Yes, there is less of a monopoly in terms of development aid but external aid, from less experienced institutions, can create problems due to lack of contextual information and can create an outward flow of capital.

Panel Discussions:

I. The Role of Political Leadership in Strengthening Democratic Institutions (judicial reforms, electoral reforms, freedom of the press)

A consensus was not reached, democracy is more than simply elections; the elections have to be competitive, representative and there has to be an opportunity for input, free speech and assembly. There has to be a judicial system that is independent and has incorporated separation of powers and respect for human rights. We take away not guidelines to assure democracy, but a framework of ideas.

Democracy is a constant work in progress; sometimes it moves forward and sometimes backwards.

Decentralization allows for the dispersion of power. There was contention regarding the ability for decentralization to allow for improved service delivery or poverty reduction/ economic development but its ability to allow for the dispersion of power, both political and economic was noted.

In terms of dispersion of power, power is dispersed among the different branches of government, with implicit competition among political parties and different levels of government and different sectors of civil society (church, community organizations, interest groups, etc.)

However, as was noted by a participant, we have to be wary of re-centralization efforts. The deficiencies of decentralization efforts may not be a result of decentralization but rather of administrative deficiencies at the local level that need to be addressed.

It was noted that China's economic development began at the same time the government authority began to decentralize the control over enterprises. Prior to this time, all enterprises were controlled by the federal government. Today, 80% of enterprises are controlled by the states. This dispersal of power might be responsible for the economic growth.

Dispersal of political power, through decentralization, is great at helping the people's voice get through; it facilitates input.

Why are democratic institutions important? Why is participation important?

Democratic institutions are more responsive. Participation aids in making services fit societal needs better.

Institutions are important but functionaries are also important and they need to develop; we need to improve competence and we need civil service reform in Latin America.

In South Korea, there have been six decades of growth transforming the country from a poor country to a world power. What are they doing right? In contrast, in Latin America, we have had three decades of unequal economic growth.

As far as political leadership, there is a change in public power and it is limited to hopes vs. ability to change is creating problems in legitimacy. Rotation in office is causing problems. Politicians create short term plans and short term problems are addressed as opposed to long term plans.

The quality of information affects public policy decisions. If the information is no good, the policy is no good.

Institutions are different in each country. Therefore, solutions have to be different and standards should also be different.

Building human capital and building education is important because it teaches civic values. It teaches respect for institutions and it builds a consciousness against corruption.

Free press and competitive elections are important. We know from British commentator that power corrupts and absolute power corrupts absolutely so we need to disperse power. Thus we need decentralization.

Political accountability is important. When governments don't deliver, we have the birth of social movements. These turn into political parties who debate until a consensus is reached. Is this democracy?

We need to see about freedom of press. Where reporters feel safe, human rights are protected. We need to build international standards of democracy

To strengthen democratic institutions we need to have a civil service reform.

Recommended Readings:

- Geddes (1996). *Politician's Dilemma: Building State Capacity in Latin America*. University of California Press.
- Grindle (2010). *Constructing, Deconstructing, and Reconstructing Career Civil Service Systems in Latin America* (Faculty Research Working Paper Series, RWP10-025). Cambridge: Harvard Kennedy School of Government.

II. Democratic Accountability in Service Delivery / Citizen Participation Initiatives

- There are three divisions of power and inherent checks and balances therein. We need to protect our constitutions. Society has the power to enforce the law over elected officials.
- Answerability and accountability are important. People pay taxes, for the people by the people. Decentralization helps complaints with service delivery reach government's ears faster.
- It is important to make sure that efforts do not cause majority will to be ignored to minority based special interest, especially under the guise of citizen participation initiatives.
- We need to work on electoral clientelism that affects both democratic values and economic growth. Improved technology, like knowing the poor by name might result in the use of this technology to bribe the poor. We utilized this technology to make subsidies for the poor more demand driven but we run the risk of using it for electoral bribery when we know the personal information of the needy.
- Decentralization authority without capacity building or fiscal decentralization can cause problems in democratic accountability as local officials are unable to meet the demands of their constituents.
- More than one channel to denounce corruption or one channel for citizen input is not enough. We need many channels and we need to coordinate efforts among departments to provide education, social services, etc. to reduce poverty,
- It is the job of politicians, representatives and administrative staff to make themselves accessible to citizens to deliver contact for real input in the decision making process.
- Social media is important to monitor democratic advances.
- Unity over conflict, total over parts, reality over ideal and time vs. space.
- We need respect for basic human rights, respect for human dignity and a lack of violation of those rights.
- We need to address lack of security and the drug problem.
- Bases of democracy – we need to make conditions to become members of OAS (Organization of American States)

- We need to become accountable for respecting the right of association and the right to elect representatives
- How do we channel participation? How do we defend the right to access? How do we find channels that lead to concrete actions?
- Plans for development can't depend on political will alone, need to be a constant work, despite political affiliation.
- We need to create incentives for action.
- Translate ideas into action. We need mechanisms for transparency in use of funds. However, we don't develop them because we see it as a setback to efficiency. We need to create internal and external accountability mechanisms, and focus on enforcement.
- We need to have a well-functioning administration regardless of politics, we need to end rotation in office.
- Actors affecting policy are different. We have the executive and the legislative branches but civil society (NGO's, Citizens, etc.) can ensure enforcement by recurring to the judicial system.
- System should be recognized as complex.
- When system is not functioning correctly civil society innovates, forms groups, NGO's and other civil networks to respond to demand, these groups are a response at the local, state and national level to respond to lack of government responsiveness.

III. Democracy and development: the role of political leadership in reducing inequality.

What is democracy? Can you have Development without Democracy or is Democracy a Condition?

Dictatorships are good at getting results. Technical decisions limit participation, we need to invest in technical expertise. We need to balance the need for representation with a need to have technical expertise in certain decision-making. There needs to be a minimum technical expertise.

Responsiveness is important, accountability, and democracy helps gain accountability.

There are no paradigms, no cookie cutter solutions. But one thing is certain. We need to balance economic efficiency with social participation. There needs to be a long term vision of development. No change in vision when politicians are elected into office and there is a change in administration. Vision for development should stay relatively the same. China is a good example of this, investment is the same, 50% or more, investment in education and health and lots of savings. Now it is trying to balance investment with response to people's needs.

We can develop without democracy, yes, but is it a moral point? NO.

Technically yes, we can develop without democracy but not without political accountability. So, political accountability and institutional accountability are imperative. Any politician who has ever just relied purely on personal talents without depending on the technical expertise of their staff to hear the peoples demands and meet them with some degree of quality has failed. You can't stop listening to the people.

Now as far as the normative question of democracy. To change values means to change culture.

Popular culture vs. political education

We have to make an effort to make political education more interesting. To promote democracy through education. Organizations like the green peace have been successful in recognizing the importance of the 'next generation', educating children. We need to invest in campaigns to promote political literacy and participation.

Decentralization and economic growth, especially fiscal decentralization might not improve the quality but yes the improved response or take-in mechanism for demands.

Democracy should be applied out of a respect for basic human rights under the law. But this also means we as citizens should have respect for the law. Respect for human rights and dignity but competence in planning.

We need to work on electoral clientelism that affects both democratic values and economic growth. Improved technology, like knowing the poor by name might result in the use of this technology to bribe the poor. We utilized this technology to make subsidies for the poor more demand driven but we run the risk of using it for electoral bribery when we know the personal information of the needy.

We need to stop subsidizing the rich. There is an example of subsidizing gasoline. If producing gasoline maybe instead of subsidizing it we can use information technology to transfer a percent of the gains from this natural product to the citizens who own in. we can give them a credit card with the money the resource produces. Iran gives its citizens money in their pocket from gasoline instead of subsidizing a resource.

No simple solution to ending inequality but not subsidizing the rich is a start.

We have to level the playing field to end poverty. How do we get people out of poverty and in addition to providing healthcare and education give them the spirit to want to improve.

Municipalities are the basic cell of a country, people make or hold local government responsible for the things in and out of municipal control. Municipalities are laboratories in creation of diverse solutions but also place for disenchantment because people don't see results from consensus building that takes too long to implement solution.

There are lots of paradoxes, to eliminate inequality by eliminating poverty, not a straight forward question.

In China, for example, poverty decreased and inequality rose.

Reflections:

- Democracy is a work in progress, it is inevitable when you work towards it and it does require continual effort. Once one generation has been able to obtain democracy, the second generation needs to also maintain it. Civic education, and political education is needed.
- Decentralization without transparency and accountability is troublesome. Democracy must be carried through, if you are going to give power to municipalities you must give them the funding to sustain that power.
- Lack of transparency in political funding mechanisms in the region is a major problem.
- We must address the need for capacity building at the local level to insure they can carry out the newly assigned tasks.

- Stability and security in addition to democracy is needed
- Long term vision of what kind of country, citizens and goals we want to accomplish and these can't be subject to rotation in office.
- To regain the trust of citizens, we need accountability.
- We need to coordinate among the different levels of government and not place blame on different levels of government or different parties to avoid accountability.
- How governments treat the opposition gives one an idea of the state democracy.
- Should human rights be an external or an internal issue?

Closing points:

Important topics, democracy and the role it has in the development of a society. Democracy involves transparency, accountability, respect for basic human rights and dignities, and its survival is based on the ability of a society to compromise, and cooperate, work together.

Democracies have failed because of democrats themselves, are unable to work together. Personal rivalries and individual willingness to work together has brought authoritarian regimes.

Lack of cooperation has doomed democratic efforts.

Democracy is fragile, requiring constant work and attention, it requires tolerance of the opposition it requires the work and cooperation among people even when they think the other is wrong.

We thank everyone for joining us for the inauguration of this annual event. We are honored with your presence and we look forward to reconvening this discussion in the future, adding the input of other countries and regions of the world. We hope you enjoyed this opportunity to discuss main themes and share in the expansion of ideas. We hope you leave with a realization that democracy is an everyday theme of conversation. Thank you interpreters and staff.