DEMOCRACY AND DEVELOPMENT IN A GLOBALIZED WORLD

INTERNATIONAL **IDEA**
DEMOCRACY ROUND TABLE
IN PARTNERSHIP WITH **CSDS**

NEW DELHI, 17–18 JUNE 2008

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Report from a Round Table co-organized by International IDEA and the Centre for the Study of Developing Societies (CSDS), India.

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The Democracy and Development Round Table held in New Delhi from 17 to 18 June 2008 was a joint initiative taken by the International Institute for Democracy and Electoral Assistance – International IDEA – and the Centre for the Study of Developing Societies – the CSDS – in order to take forward the challenging debate on the interlinkages between democracy and development.

The event brought together a number of policy makers, academics, researchers, social activists and experts from around the globe who together discussed democracy and the prospects for its delivering. They questioned the application of well-known development concepts such as national ownership and accountability; revisited the infinitely complex phenomenon of globalization; and offered new examples of its multiple and sometimes contradictory effects.

With its 25 member states from Africa, Asia, Europe, the Americas and Oceania, International IDEA is the only intergovernmental organization mandated to support democracy worldwide. It strives to create, compile and share knowledge for democracy building in the form of handbooks, expert networks, databases and training curricula; it seeks to influence policy to improve democracy-building processes and supports democratic reforms and initiatives in specific countries when requested. More information is available at <http://www.idea.int>.

Founded in 1963, the CSDS is a leading Indian research institute in the social sciences and humanities that provides institutional space for research and intellectual exchange between scholars and activists from India and abroad. Its main sponsor is the Indian Council of Social Science Research (ICSSR). For more information, see <http://www.csds.in>.

International IDEA has published this report to allow a broader audience to benefit from the enlightening interventions, discussions and conclusions of the Democracy and Development Round Table.

There is an evolving broad understanding that the linkages between democracy and development are multiple and equally relevant for national political actors on the one hand, and for the development and democracy assistance communities on the other. The implications of these linkages appear to be at the core of some of the key challenges the various actors face today, such as:

- the decreasing trust in vital institutions of representative democracy in many parts of the world (political parties and parliaments in particular);

- the perception that domestic democratic processes are becoming less relevant in the light of powerful external influences generated by globalization, hardly controllable financial flows, trade protectionism, mass migration and so on;

- the rise of populist politics and, in some cases, 'hybrid' regimes that obviously feed on the low 'delivery' capacity of many democracies; and

- the deepening North–South polarization – exploited by forces opposed to democracy and interested in promoting the idea that democracy is a Northern and Western construct.

The democracy and development landscapes are both changing rapidly and in many ways. Regional differences are important as problems, opportunities and assets vary greatly, for example between Asia, Africa and Latin America.

DEMOCRACY–DEVELOPMENT LINKAGES

On the academic side, the literature exploring the democracy–development linkages is both abundant and inconclusive. Both terms have undergone a semantic evolution over the last couple of decades: development used to be understood as the synonym of economic growth. Today it still includes growth, but is also broadly understood as a process leading to a continuous improvement of the quality of life of the majority of the people, particularly the poor. It also incorporates the dimension of human rights – including civic and political rights – and should ideally lead to the reduction of disparities in the distribution of income. The way in which we use the term 'democracy' has also undergone important changes, from liberal democracy – concerned essentially with individual freedoms, electoral mechanisms and the non-interference of the state in the economy – towards participatory democracy and, some would say, also towards social democracy, not in

the sense of the programme implemented by a specific political party, but as a system of governance that is expected to deliver on social and economic rights and development in the broadest sense.

In spite of the ambiguous findings on the impact of democracy on growth and vice versa, there is a growing consensus about – almost a universal acceptance of – three points:

- first, that both development and democracy are desirable – and values to be pursued in themselves;

- second, that development is more than economic growth; and

- third, that democracy is more than the institutions and the mechanics of democracy, that is that democracy is also expected to deliver in terms of a better quality of life.

Thus we may say that there has been a converging evolution of the two terms towards each other: democracy is more and more meant to include development and development is more and more meant to include the realization of basic human rights, including, of course, civic and political rights.

The importance of these linkages has been grasped by the international community and is reflected in the fact that good governance has been included in the Millennium Development Goals and that democratic governance is often incorporated as an important criterion for aid allocation.

INCLUSIVE NATIONAL OWNERSHIP THROUGH POLITICAL PROCESSES

The impact of globalization, on the one hand, and the dynamics of some international cooperation mechanisms, on the other, seem to have rendered the concept of 'national

ownership' in development more difficult to define and more challenging to implement.

National development processes have become a function of multiple domestic and external influences, the latter ranging from changing terms of trade to volatile financial markets, to shifting investment opportunities and to uneven security situations.

Development cooperation mechanisms currently based on the 'poverty reduction strategy processes' (PRSPs) have gone a long way to address the issue of national ownership of the development priorities of partner countries. The 'recipes' of the 1990s (embodied in the 'structural adjustment policies') are no longer considered valid and have evolved from advocating 'a minimum of government' towards advocating 'accountability and responsiveness' of government – in other words, 'good governance'. The emphasis today is on sound public policies, accountability, poverty reduction, and above all, national ownership of development policies.

However, national ownership is still too often interpreted as ownership by the executive branch of government. PRSPs and other instruments are essentially negotiated and agreed with the executive branches of governments, as they represent the respective countries in negotiating international and bilateral agreements. This basic fact should not, however, reduce the scope for a real internal democratic debate on national development agendas. An excessive emphasis on the executive branch may undermine the functions of other actors in political systems, in particular parliaments and political parties.

In polarized political environments, not least in post-conflict situations, applying the principle of ownership essentially through ministries and senior finance or planning of-

ficials of the executive may risk exacerbating the polarization. If in the eyes of the political opposition the international community is seen as caring for the government party only, it will be hard to avoid a 'winner takes all' political culture in which being in government means access to big resources while being in opposition means trying to block whatever effort the government makes, and trying to reap the benefits of office at the next elections. The space for nationally owned, broadly-based visions for development may thus be hard to achieve, and the international community may, inadvertently and paradoxically, be part of the reason why. The problem has been identified on both sides of the North–South divide and there are debates about how to overcome it.

For democracy to grow and be consolidated in developing countries, national political society – political parties and legislators – need to assume a key role in the shaping and approval of national development agendas. They need to translate citizens' expectations into coherent development programmes.

The ongoing debate in international forums testifies to the surfacing of new approaches that take into account not only the close interlinkages between democracy and development support, but also the eminently political nature of both processes.

The 2008 Round Table on Democracy and Development brought together key scholars from different parts of the world, authors, policy makers and practitioners. They addressed three dimensions of the challenge:

- *the role of the 'political society'* – parties, parliaments and other actors – in developing countries in formulating policy proposals geared towards sustainable development and effective poverty reduction while also holding their executives accountable for the implementation of such policies, as well as being themselves accountable to their citizens;

- *the role of the international community* in contributing to the opening of broader spaces for the political society in developing countries in the shaping of national development priorities and poverty reduction strategies; and

- *the impact of globalization on democracy* – as an opportunity for building more open democratic societies whose citizens are aware of global challenges, but also as an external force that is difficult to control through established national institutions of democracy.

We hope that their in-depth analysis of the challenges and their lively debate as reflected in this publication will inspire further thinking and, possibly, the development of policies that will promote a more supportive relationship between development and democracy.

Vidar Helgesen
Secretary-General
International IDEA

AU	African Union
CARICOM	Caribbean Community
CSDS	Centre for the Study of Developing Societies
FATA	Federally Administered Tribal Area (Pakistan)
HDI	Human Development Index
IMF	International Monetary Fund
IPU	Inter-Parliamentary Union
IT	information technology
MDGs	Millennium Development Goals
NATO	North Atlantic Treaty Organization
NEPAD	New Partnership for Africa's Development
NGO	non-governmental organization
PRSP	poverty reduction strategy process
SADC	Southern African Development Community
TAR	territory, authority and rights
UNDP	United Nations Development Programme
USD	US dollars
WTO	World Trade Organization

Vidar Helgesen
Secretary-General of International IDEA

As the current chair of International IDEA's Council of Member States, India is a given venue for this event. However, beyond and above this official reason, one could hardly think of a more appropriate place to further and deepen the debate on democracy and development; we are in the largest democracy in the world and we are also in a country that, in the six decades of its independence, has become one of the most dynamic and vibrant economies of the world.

Indian researchers in social, economic and political sciences are breaking new ground and founding new schools of thought at many universities in India and all over the world. The very idea of human development has its cradle on the subcontinent – an idea that has already had a major impact on the way we perceive some global issues and envision their possible solutions.

At the same time, India's infinitely diverse reality continues to pose new challenges, including those stemming from a long legacy of deep-rooted poverty and social inequality. Nowhere as much as in India are democracy and development so closely intertwined; while clearly valued for their own sake, they also cross paths at every step of the road.

International IDEA views democracy as a system of governance in which there is popular control over public decision making and decision makers, and equality between citizens in the exercise of that control. IDEA strives to create, compile and share knowledge for democracy building, to influence policy and to improve democracy-building processes at the national level and in international forums. We also support democratic reform processes and initiatives when requested by a specific country.

Our own work in support of democracy has provided us with ample evidence that institutions can rapidly lose popular trust and support, particularly when they are monopolized by complacent elites and isolated from social realities. Wherever democracy is in the making today – from Bolivia to Nepal, from Egypt to Morocco – those who invest their hopes and their political commitment regard the process as something beyond elections, beyond a system of well-designed institutions, and beyond a state that refrains from interfering in individual freedoms; they aspire to a safer, freer, more dignified and more rewarding life.

Many current debates conclude that democracy is in a state of crisis, or in recession.

As witnessed in several countries across the globe in recent months, however, the problem today is not the lack of popular support for the idea of democracy, but the way in which some vital institutions of democracy are functioning; elections are being 'stolen'; political parties are often perceived as top-heavy, corrupt, male-dominated and ineffective; parliaments are powerless and complacent, and fail to exercise their oversight role.

The major challenge for democracy is to deliver on its promises and to generate inclusion, more equitable development and a better quality of life for the population at large.

In too many places around the world, poverty and exclusion – particularly the exclusion of women and of indigenous and migrant populations – are preventing people from exercising their political rights. By stepping up their commitments to reduce poverty, promote inclusiveness, enhance women's political participation and implement the Millennium Development Goals in their totality, governments from the North and the South together with international and regional organizations will make a most important contribution to democracy. This is not to say, however, that democracy will flow from economic development alone.

Democracy building is by no means an area where a divide can be drawn between 'donors' and 'receivers'. No country can 'donate' democracy and no country can receive it from abroad. The idea that the West (or the North) should coach the South into democracy is one of those harmful colonial paradigms to be unlearned – the sooner the better.

Rich pools of historical experience and knowledge, best practices and lessons learned exist in all parts of the world. Untapped resources for shared democracy building are waiting to be mobilized through South–South cooperation. There is much to be learned from non-Western and customary experiences of dialogue, reconciliation and consensus building, and about their possible synergies with more formal mechanisms.

In the field of development, the landscape is changing: new emerging economies are entering the stage, thus broadening, for those in need of experience and support, the range of options to choose from and to combine in accordance with their own needs and priorities.

But development is also one of those ideas that require a deeper insight. Who is shaping it and for whom? Do ordinary people have a say? Can they rely on their elected representatives to set the right priorities? What is the real meaning of 'national ownership' in these circumstances? Highly valued as one of the guiding principles of international development cooperation, 'national ownership' is often reduced, for all practical purposes, to ownership by the executive branch of government. This is the case in both developed and developing countries.

Ownership of development needs to be 'democratized'. For this to happen, those who 'do democracy' – political parties and legislators, as well as civil society and the media – need to assume a key role in the debating and shaping of development strategies and agendas.

Likewise, those who 'do development' – whether national planning agencies or the providers of development assistance – need to allow more room for a genuine political debate and political process so that citizens' expectations are translated into coherent development policy proposals.

Recognizing the eminently political nature of development is, of course, easier said than

done. In many countries, political parties and parliaments are considered the 'weakest links' of democracy. Helping them to assume a greater role may not be free of risks. Yet bypassing them is a far more dangerous risk as it may lay the ground for both populist short cuts and systems in which political actors become alienated from key national issues, and consequently from their natural constituencies.

Ideally, citizens choose their governments and hold them accountable. But how responsive can the government of a Sub-Saharan country be to the popular outcry caused by rising food prices? In industrialized countries, ironically, the problem these days seems to be not that of filling stomachs, but of filling petrol tanks. And yet there too governments have a difficult task in responding to public pressure. Add these problems to those of climate change, HIV-AIDS, terrorism and the 'war on terror', and wise democratic leadership soon appears to be the squaring of a circle.

Our planet may be on the way to becoming a global village, but our democratic systems still function within national borders; democracy beyond borders remains essentially an ideal. Global governance is, however, emerging in the laborious building of international law, in the development of regional entities such as the European Union or the African Union, and in the peace-building and developmental engagement of the United Nations and international financial institutions among others.

Regional organizations of the global South seem particularly well placed to lead the way towards a more holistic and integrated approach to the building of democracy. They operate in dynamic environments where democracy and development clearly add sense to each other and make engagement on both fronts an indivisible whole.

International IDEA is proud to be the only intergovernmental organization with a specific mandate to support sustainable democracy. But, more importantly, our approach is based on the understanding that democracy needs to grow from within, that no external actor can replace those who pursue democracy as a vital necessity of their own and who will ultimately be its beneficiaries – the citizens of the country concerned. We help in sharing experiences and we provide tools, but these tools are always to be used by national stakeholders. One such new tool produced by IDEA is *Assessing the Quality of Democracy: A Practical Guide*. It is a tool based on IDEA's already well-known democracy self-assessment methodology and it takes into account the experience acquired in more than 20 citizen-driven democracy assessment processes, from Mongolia to the Netherlands.

The aim of the Democracy Round Table is to share the reflections of eminent policy makers, scholars and opinion leaders on the democracy–development nexus and the impact of globalization. Their contributions will be a source of invaluable inspiration for our own work and the way in which we translate our own commitments into practice.

OPENING STATEMENT

Rajeev Bhargava
Director of the Centre for the Study of Developing Societies

From its very inception, democracy and development have been important concerns of the CSDS. The centre continually and consistently interrogates the idea that the economic development of any country must follow a 'universal' paradigm and that all developing countries must follow one unique path. It has frequently challenged the view that multiple paths lead to the same point of arrival. Thus, the CSDS has championed the idea of pluralizing development.

The second crucial ingredient in the centre's thinking is that development for all is impossible without the involvement of its intended beneficiaries. This idea must be understood in two senses. First, the very articulation of what development means cannot properly begin without the involvement in public discussion and deliberation of its intended beneficiaries; and, second, the ultimate responsibility for realizing development goals lies with the people, who must become fully involved in decisions concerning the direction and course of their society and its future. This is the link between development and participatory democracy. A people-sensitive development is impossible without multiple rights of political freedom bringing issues into the public domain, ensuring transparency and accountability.

The most obvious implication of the above is decentralization and the strengthening of institutions of *panchayati raj,* a decentralized form of government where each village is responsible for its own affairs, which should not remain just a rhetorical ploy but become a truly living practice for making the fullest possible use of the enormous wealth of practical know-how and local knowledge of drought-affected villagers. For example, faced with an unresponsive government, villagers in Rajasthan have built water-harvesting structures locally known as 'johads' to create more effective and efficient land-use and water-management systems. The inclusion of local political institutions is therefore imperative if initiatives towards agricultural or rural development are to succeed.

Decisions taken only by experts and a handful of international organizations, bypassing even the representative institutions of nation states, are both unethical and a violation of democratic norms, and are likely to bring outcomes the opposite of what is intended. Every society has a right to make its own choices and this needs to be understood by international organizations and non-governmental organizations (NGOs). This does not mean that experts, national political elites or international organizations have no role to

play in the development of poor nations. Specialists are needed to clarify the consequences of different policies and to assess their different impacts on different people. Yet it is equally important to understand the sense that people make of the intended outcome of a policy and the process by which it is implemented. Development is impossible without this common understanding and participation.

The problem is not just limited to different understandings of goals but also extends to policies which are formulated keeping vested interests in mind, which frequently come into conflict with the interests of the poor and powerless. This means that we are faced with not only two models of development but also two different types of globalization – one espoused by the rich and powerful, which is entrenched and hegemonic; and the other espoused by the poor and powerless, which is counter-hegemonic. Thus economic development need not always reduce inequalities and poverty but can instead deepen them. Also, because the first model is grounded in the belief that it already knows all, and because it is profoundly implicated in the interests of the powerful, it does not yield to the second model without resistance and protests. The establishment of land- and water-management systems in Rajasthan by the Tarun Bharat Sangh, the Samata and Shakti movement against bauxite mining in tribal Andhra Pradesh, and the struggle of the mass-based organization Mazdoor Kisan Shakti Sangathana in Rajasthan, are examples of such defiance and protests. Resistance of this kind is dangerous, but these movements have sometimes been successful in restructuring state institutions. It is crucial to acknowledge that these movements have given content to the pluralization and democratization of development.

Implicit in all this is the fact that develop-

ment must be morally sensitive, grounded in ethical and moral principles. This is important because it must not be assumed that pro-poor development is necessarily sensitive to moral values. In this context it is important to ask what the less well-off will do when they become well-off. Will they act as the rich do now? Will they act in accordance with the newly-found interests or in accordance with principles they adhered to? History is replete with examples of principles that have been summarily junked after they have stopped serving the purposes of those who earlier benefited from them. Thus, development must not only be context-sensitive, plural and democratic but be firmly grounded in moral principles.

A multifaceted understanding of globalization is required for development and democracy. First, globalization should not be allowed to become a hold-all term, a ragbag to mean either anything that some people love or everything that some people detest. It is fruitless to speak of the impact of globalization on the poor without unpacking the term and clarifying just which element we wish to single out. Once the strands have been properly separated, we will find that many of the processes covered by the term have mixed effects which vary from case to case and country to country. Second, resistance to globalization may dovetail with domestic vested interests, deflecting attention from domestic, institutional failures. Third, whether a particular method associated with globalization works or fails depends on a cluster of institutions and policies. Fourth, ethical reasoning is as valid in economics as in other aspects of our lives and it must have roughly the same contextual and comparative form. Its form should be: given that we wish to achieve a certain set of ends and meet certain principles, and given that the following relevant alternatives are available to us, which package of policies must we

choose? Judgements that impact on the livelihoods of peoples, that involve life-and-death issues, need to be made responsibly. Finally, rich nations and international organizations such as the World Bank must practise what they preach. They cannot expect developing countries to open up their economies to everything under the sun and protect their own agriculture and industry when it suits them.

We have assembled here to discuss serious and urgent issues. I hope that the dialogue will help to clarify some of the issues relating to democracy, development and globalization, allowing us to arrive at a wise response and help distil common derivatives for future actions. This is obviously a very tall order but it can be our small contribution to other efforts in developing a more humane and just society.

OPENING STATEMENT

Jairam Ramesh
Minister of State for Commerce and Industry and Power
Government of India

On behalf of the Indian government, I would like to pay my tribute to International IDEA and the CSDS not only for organizing this important event but also for their vital contributions to the research into and implementation of democracy.

I would like to share some thoughts on the evolution of Indian democracy by asking three fundamental questions.

- Is Indian democracy representative?

- Is Indian democracy responsive?

- Is Indian democracy responsible?

As regards the *representation* dimension, Indian democracy undoubtedly receives a high mark. During the past 20–25 years, large social groups that were traditionally excluded from the political process have been included. Thanks to actors such as an active judiciary, a dynamic civil society and lively media, there have been great achievements in regard to linguistic, ethnic and religious diversity. Nevertheless, more must be done, especially in regard to institutionalizing the representation of women, particularly in our legislatures.

Although it has been forced to comply with public demands, which has led to improvements (such as extensive legislative changes, illustrated by the Right to Information Act), Indian democracy scores less well on the *responsive* dimension. Our network of institutions of democracy has been quite successful in ensuring the system's responsiveness, but it is still far from capable of meeting the immense demands.

The third dimension – *responsibility* – proves more problematic. Is Indian democracy responsible? There has, regretfully, been a trend over the past decades to use democracy as an alibi for our failures, for example, adducing time-consuming democratic processes to explain India's laggard economic performance. Within the democratic framework we need to ask ourselves, as we become more representative and responsive, whether we can also become more responsible, especially in terms of decision making related to the welfare of the poor and the larger section of society.

Given this scenario it is time to investigate the main concerns within current Indian society. The world's most diverse society and

largest democracy is facing three fundamental challenges that deserve particular attention.

The first challenge consists of how Indian democracy will accommodate to the dramatic political shift that has taken place in the past two decades, moving from a unicentric to a decentralized, polycentric democracy. New structures at local and state levels demand more financial and administrative autonomy from the national government which must not only be reflected in our constitution but also – albeit this may be more difficult – be manifested in the workings of the Indian national government. This process requires a comprehensive redrawing of the physical framework of the flow of funds between different layers of government, and leaves us with two main questions – how to create a national government and a national framework in order to prevent an atomization of the country?

Second, moving from an inward-looking, public sector-dominated economy to a more outward-looking economy in which private initiatives also have more political impact presents another trial to the nation's democratic system. How does Indian democracy respond on the one hand to the economic imperative for redefining the role of the state, and on the other to the social imperative to maintain the state as an instrument of empowerment for the weaker sections of society, to whom the state is still fundamentally significant?

The third is the social challenge of a people that is becoming more empowered and aware of its own rights. Ethnic, linguistic and regional identities are intensifying and becoming more assertive throughout the nation and Indian society does not experience a single day without an upsurge of particular groups' claims on the democratic system. Indian democracy implicitly encourages the atomization of society, but the challenge is to meet the great range of demands that follow.

Finally, a few words on the export of democracy – a matter in which India, seen through the international lens, has not been very visible so far. While we are convinced of democratic principles, we have been – and will continue to be – somewhat ambivalent towards the idea that external forces ought to force democratic change. However, confident that there is no homogeneous democracy model which may be prescribed to all societies, India is ready to assist in the great transformations of the regional political landscape that are currently evolving in Pakistan, Bangladesh, Nepal, Sri Lanka and Myanmar, and to share its experiences on creating a democratic society which – although confronted with challenges – determinedly endeavours to represent, respond and be responsible.

DEVELOPMENT – AN IDEAL, AN ELECTORAL SLOGAN, OR A SINE QUA NON OF DEMOCRACY?

Over the years the relationship between democracy and development has been comprehensively contested, and recent cross-national statistics as well as comparative historical data show that the relationship is not as causal as conventionally perceived.

Successful development has, for example, been achieved in both democracies and authoritarian regimes, and similarly democracy has been sustained in countries with lower gross national product (GNP) than the traditional minimum threshold of 300 US dollars (USD) per capita per year. The relationship is also complicated by conceptual challenges in different regions of the world; different cultures delineate democracy and development differently and there are no exact definitions of the two concepts.

Globalization adds a further dimension to the matter as countries are increasingly pushed along what appears to be a single path. Large centres of unaccountable power are created along the way, perhaps best illustrated by the annual World Economic Forum that brings together the world's political and economic elite in Davos. On a similar note, multilateral agencies and institutions are gaining influence in determining the direction of development and, consequentially, determine the futures of regions and of people. In contestation to these centres of unaccountable power, globalization has also generated the rise of different social movements which aspire to have an impact on the global agenda.

Finally, debates on democracy and development tend to depart from the traditional notion of North and South. Today however, a new North and South are emerging within each country, and it is within this unequal relationship that the new global elite – responsible for setting the global agenda but without being committed to national policies – and the large subaltern classes who have to live with the outcome of these policies, exist but rarely interact. I believe the discussion on democracy and development must come to terms with how to democratize this global super-elite which has been entrusted with democratizing the world before we proceed any further.

DEMOCRACY – FACILITATING OR HAMPERING DEVELOPMENT?

Pranab K. Bardhan

The Indian electorate may be larger than those of Europe, North America and Japan combined, but a deeper measure of the quality of democracy additionally involves aspects of human rights and day-to-day procedures of accountability. India's record in regard to this broader definition of democracy is rather mixed, and involves a complex relation to what is meant by the term 'development'.

Mapping the reciprocal influence between democracy and development continues to be a matter for research. By referring to a number of examples I will argue that democracy is neither necessary nor sufficient for development, unless one defines development to include democratic rights. Democracy certainly supports development in many ways, but in terms of socio-economic standards for the most underprivileged part of the demos, democracy is at times also an obstacle.

DEMOCRACY FACILITATING DEVELOPMENT

Unquestionably, several key features of democracy directly favour socio-economic development. Some brief examples to support this claim are the following.

- Democracy's implicit system of checks and balances is an uncontested mechanism for avoiding catastrophic mistakes. Events that have cast a shadow over China's past six decades – the consequences of the Great Leap Forward and the Cultural Revolution – would have had a less fatal outcome if a functioning structure of checks and balance had been in place.

- Democracy functions as a tool for conflict management: in extremely heterogeneous and conflict-ridden countries like India, democracy has played a vital role in relieving tensions. Kashmir remains a challenge to Indian politicians but the overall settlement of friction has come a long way thanks to the vital role played by democracy as a pacifier and soother.

- Democracy has an embedded effect on fairer distribution as it exposes capitalist excesses to greater pressure; if events like those of contemporary Chinese history – where more then 40 million Chinese farmers have been uprooted from their land for the purpose of commercial development and where, between 1996 and 2001, 35 million workers were laid off from the Chinese state-owned enterprises – were to present themselves in

India, the response would be enormous political upheaval, demanding justification.

DEMOCRACY HINDERING DEVELOPMENT

Despite the many positive aspects, India is also currently experiencing democracy's more obstructive effects on development, such as domination by elites, slow decision making and political competition.

First, democratic processes are often captured by an exclusive circle; this is a well-known phenomenon in US politics where corporate lobbyists and the most generous donors in electoral campaigns influence law-making. Similarly, Indian democracy is in many respects captured by the elite, especially at the local level. Despite a movement towards local self-government, India is still at the local level more of an oligarchy than a democracy. The appalling quality of social services such as health and education, supposedly the responsibility of the local governments, is vivid proof of that.

Second, decision making within the democratic system is politically more complex and time-consuming. Development often requires adaptation to changes in markets and technology, and decisions on long-term investment. Referring once again to India's neighbour, the Chinese road system was less developed than India's around 1990, but within 10 years China had constructed the world's second-largest express highway system. Attempting something similar in India would immediately generate endless land disputes, lawsuits and agitation, impeding the decision-making processes.

A third feature is the matter of short-horizon political competition which commonly, as in the case of India, evolves into competitive populism. Competing politicians pander to

the electorate with populist decisions; before elections in India, a handful of aspiring politicians announce that water for irrigation or electricity will be free. Populist gestures of this sort have adverse long-term consequences such as irreversible over-extraction of groundwater, the drying up of ponds, and underinvestment in electricity.

Since the elections at the three tiers of the Indian government are staggered, there is constantly an election forthcoming somewhere in the country, which encourages short-termism and competitive populism. The lack of internal democracy within the political parties is a further impediment as young, ambitious politicians find it easier to start their own parties than to attempt to climb up the party's internal ladder. This leads to political fragmentation and unwieldy coalition governments.

IF DEMOCRACY, HOW COME POVERTY?

The puzzling question yet to be resolved is how large-scale poverty persists in a country which for the past six decades has been the world's largest democracy, and where the poor to a greater extent than elsewhere actually participate in the political processes.

One issue to recognize in approaching this riddle is that the electoral agenda is multidimensional. Doing away with poverty is often a lower priority than issues of social dignity, especially in democracies sprung out of a social revolution. An Indian political leader perceived to have made a disparaging remark about a disadvantaged group will generate an uproar which will be directly reflected in the electoral results; but if the policies of the same politician ignore disease or large-scale child malnutrition that lead to the death of thousands of children in the same disadvantaged group, it is often less of a pressing electoral issue.

THE CHALLENGE OF EMPOWERMENT

The current rise of subordinate groups in India has shown an important dilemma that is worth pondering. Undoubtedly positive as a phenomenon, empowerment also creates a challenge to governance, particularly from the aspect of delivery of social services. The general presumption among oppressed ethnic groups is that the time has come for them to be compensated for the many years when the upper groups of society looted the system. They therefore remain loyal in voting for their leader, no matter how corrupt he or she is. In this sense, empowerment has nurtured a culture of impunity for corrupt and inept leaders.

A further challenge is the manner in which important controversial issues are commonly dealt with. As the parliament is often just a display ground for a theatre of the absurd instead of for deliberative processes, urgent matters are increasingly taken to the streets. India is more a democracy of popular mobilization than one of deliberation on important issues. This unavoidably puts a strain on

the relation between the participatory and procedural aspects of democracy.

Although concurring with the importance of empowerment and its many beneficial social consequences, I would like to conclude by mentioning an additional kind of tension which tramples upon individual rights and freedom of expression. Should the remotest chance exist that members of a particular group may be offended by a book, film or exhibition, Indian leaders do not hesitate in banning it. Individual rights are hence compromised at the first opportunity for the sake of not offending group sensibilities. Naturally, group sensibilities are important, but the tension that is thus created between the participatory and the procedural aspects of democracy must not be forgotten.

The challenges highlighted in the relationship between democracy and development call for democratic procedures and institutions which will be capable of relieving the tension between participatory and procedural aspects of democracy and maintain the balance.

CHALLENGES TO MEXICAN DEMOCRACY – STRUCTURE AND KEY ISSUES ON THE AGENDA

Maria Amparo Casar

In the extensive literature on the relation between democracy and development it has been established that there are multiple and complex linkages between them; however, there is no consensus on whether democracy has a causal effect on economic growth. To put it succinctly, researchers have been unable to produce a causal inference.[1] Nonetheless, what the literature does show is that growth and development are favourable to the thriving of democracy, which in turn has to do precisely with one of the concerns of this seminar – the delivery aspect of democracy.

Rather than dwelling on the as yet irresolvable discussion as to whether there is a causal link between the two sides of the equation, I will – departing from the assumption that both development and democracy are desirable – concentrate on the challenges to democracy, especially those concerning the dissatisfaction with democracy that comes from a poor economic performance and its impact on the well-being of the citizenry.

The basic premises of the argument I want to put forward are that:

* the best way for democracies to thrive is for them to deliver the basic rights,

goods and services the citizens are entitled to;

* governments must find a way to show people that there is no need to choose between one and the other and

* although growth can be attained under any kind of regime, development – a concept that includes not only the reduction of disparities in income distribution but also the dimension of certain rights – is inconceivable without democracy; in other words, democracy and development are inseparable partners.

The consequence of these premises is that democracy should be put to the service of development. Two key points are that:

* sound public policies can arise through effective democratic processes; and

* once attained, sound public policies reinforce and enhance democratic institutions.

The question is whether particular democracies are better suited to accomplish these goals than others and, if they are, under what conditions. I believe that the short-

comings that distinguish and challenge Latin American democracies are mostly identical to those that hinder growth. Why? Because Latin American democracies not only have less competitive economic systems than more consolidated democracies and stronger economies, but also have a less competitive political system.

Given this background it is time to turn to my specific subject. The challenges to democratic consolidation are not uniform among Latin American countries. Although all countries in the region share the unfortunate characteristic of having some of the most unequal distributions of income and inadequate rates of growth, they differ greatly regarding the challenges to democratic consolidation that they face. While some nations (such as Chile) have relatively stable democratic institutions, others (such as Venezuela) are on the brink of relapsing to single-person rule. While all have problems regarding the delivery component of democracy, some additionally face the challenge of institutional stability. Looking specifically at Mexico, its democracy ranks rather poorly on the delivery aspect and relatively well on the institutional stability side (although this stability should by no means be taken for granted).

THE DELIVERY ASPECT OF DEMOCRACY

Figures reflecting democracy's poor delivery in the Mexican context are numerous.

- From 2000 to 2007, the average annual growth rate was 2.3 per cent.

- Thirty-two per cent of the rural population and 10 per cent of the urban population live in extreme poverty.

- The average years of schooling are 7.2 but the quality of schooling is appalling. Mexico ranks 48th among the 57

countries included in the Organisation for Economic Co-operation and Development (OECD) Programme for International Student Assessment (PISA) evaluation and last among the OECD countries.

- Only 51 per cent of the population has access to public health services.[2]

- While the top 10 per cent of Mexican households accounted for 36 per cent of total national income, the lower 60 per cent had 26 per cent of total national income (in 2006).

- According to the World Bank's (2006) Rule of Law indicator, Mexico is below average among 207 countries and with no improvement in the last decade.[3] According to the Mexican ombudsman, the National Human Rights Commission (Comisión Nacional de los Derechos Humanos, CNDH), 36 per cent of Mexico's convicts have access to a reliable lawyer during a judicial process while in 97 per cent of cases the delinquents go unpunished.

Mexico has failed to create a business climate that allows healthy competition, and this in turn has led to poor economic performance. Expensive electricity, the concentration of market share in strategic areas (e.g. communications), cumbersome procedures for setting up businesses and inflexibility in the labour market, which hinders the expansion of employment, are a few of the obstacles. Labour productivity in Mexico has fallen drastically and is one-third below that of US workers. In addition, the informal sector has grown to account for 27 per cent of the national economy.

On a more optimistic note, the Mexican government has succeeded in keeping the macroeconomic variables in order during the

past decade. Inflation has been low over the past six years and the fiscal deficit has been restored to perfect balance. This unquestionable achievement is, however, clearly not enough to promote growth, let alone to situate the country advantageously in a globalized economy.

The economic reasons why the delivery aspect of democracy is in short supply are naturally intimately linked to the political system and the institutions on which it rests.

THE INSTITUTIONAL STABILITY ASPECT OF DEMOCRACY – THE MEXICAN CASE

Mexico undoubtedly shows severe symptoms of its democratic deficits – decreasing trust in vital institutions (see table 1); the perception that domestic democratic processes are becoming less relevant in the light of powerful external influences; and, although in a less pronounced fashion, the temptation to turn to populist politics and policies as a way to promise a better quality of life.

Two of the most important challenges for the survival and consolidation of democracy are (a) the way in which national ownership of development policies is equated with the executive power (conceptualized by scholars as 'government by executive decree' and 'ineffective checks and balances'), and (b) the influence of institutional actors, in particular from parliaments and parties.

Although Mexico suffered from these two endemic illnesses for over six decades, the situation has now changed. The successful democratic transition brought about a distribution of power, opening up for a more transparent system, including checks and

Table 1. Trust in institutions*

		Universities	Church	Army	Media	Banks	Electoral institute	Industrialist	Executive	Supreme Court	Deputies	Senators	Unions	Policy	Political parties
2005		8.1	7.8	7.7	7.2	7.2	-	6.5	5.9	6.4	5.4	5.2	4.9	5.4	5.4
2006		8.2	7.9	7.9	6.6	7.6	7.4	5.8	6.9	6.5	6.6	6.0	6.0	5.9	5.9
2007	Feb.	8.2	8.2	8.1	7.3	7.2	6.9	6.8	6.0	6.7	5.6	5.8	5.8	6.3	5.6
	Sep.–Nov.	7.9	7.8	8.0	7.5	7.1	6.6	6.8	6.7	6.7	5.8	5.6	5.6	5.8	5.6
2008		7.9	7.9	7.8	7.5	6.9	6.9	6.8	6.8	6.7	5.9	5.9	5.9	5.8	5.3

*   Respondents were asked to rank the following institutions from 0 to 10, where 0 is no trust and 10 is absolute trust.
       Consulta Mitofsky, 2008

balance, than the nation's traditional 'hyper-presidentialism'. With the advent of democracy Mexico is now learning a new experience – the slower procedures that follow from the principles of the separation of powers.

I believe there are no grounds (as some observers have suggested) for claiming that the consolidation of democracy in Mexico is challenged by an over-concentration of power and decision-making authority in the executive branch. In present-day Mexico we can by no means equate national ownership of development policies with ownership by the executive branch. The present political arrangement and the distribution of power within the popular elected bodies have rather resulted – at least since 1997 – in equilibrium between the branches. In fact, the challenges to the delivery side of democracy are the outcome more of a stalemate in the Congress and/or conflicts between the two branches, which obstruct decision making, than of a concentration of power in the executive branch.

In my view, the notion of national ownership of development policies in the sense of political parties and legislators assuming a key role in the shaping of national development programmes is well established in Mexico. Certainly there is a long way to go on the road to a greater level of accountability, but checks and balances are in place and making progress.

Thus, and at the risk of sounding politically incorrect, I subscribe to the standpoint that what may be needed is the strengthening of the executive branch's capacities, and at the same time, of course, enhancing the scope and degree of its accountability.

In this sense I do not agree with the thesis that for democracy to grow and be consolidated, national political society needs to assume a greater role in the shaping and approval of national development programmes. This undoubtedly necessary condition is present in the case of Mexico and it has been shown to be far from sufficient. (Naturally, this does not mean that Mexico's democracy is free from challenges. It simply means that they come from other quarters.)

Apart from deficits of delivery there are two other categories of democratic shortcomings in the Mexican context: those concerning the structure and workings of the Mexican political system; and those springing from political practices that have proved resilient and resistant to change. These are as inimical as poor economic and social delivery to the thriving of democracy and constitute what I call a non-competitive political system – one that hinders efficient decision-making processes and encourages conflict among powers (or at least does not incorporate effective ways of overcoming differences).

In terms of political design, three of the most acute problems the Mexican political system has encountered as it has moved away from a unified to a divided government are:

- the shortcomings of a constitution which proved to work reasonably well in a context of large majorities for the president's party;

- the difficulty of gathering the majorities needed to reach agreement within the Congress; and

- the lack of mechanisms to promote co-operation and break deadlocks.

Reforms should be guided by the need to establish rules that:

- reduce the chances of conflict between the executive and the Congress;

- foster parliamentary coalitions; and

- promote cooperation and avoid or reduce gridlock.

These are three of the endemic problems of presidential regimes that are aggravated by some structural features of the Mexican constitutional and electoral systems.

Nonetheless it is also true that no institutional design is good enough if a sense of common purpose is not created.

What needs to be avoided – at least in the case of Mexico – is the widely held idea that a political reform needs to weaken the presidency or to strengthen the Congress at the expense of the executive power. On the one hand, experience has shown that, deprived of the majorities that were formerly generated by a highly undemocratic electoral system and of the associated partisan powers of his office, the Mexican president is not as powerful as he was thought to be. On the other hand, it is clear that a presidential system requires cooperation in order to push through either the presidential or any other alternative political agenda in order to start addressing some of the most pressing social and economic problems of the country.

The second set of challenges pertains to the domain of the democratic exercise of power. Corruption and patronage/clientelism are probably the two most widespread and undemocratic practices in Mexico, and the democratic transition has done little to replace or at least curb them. 'Exchange of favours among national leaders, local politicians, economic potentates, poor constituencies and sometimes even criminal organizations'[4] is still the rule in many political transactions and in many areas. The abuse of public office and public resources for private gain (e.g. personal enrichment or political advantage) are still pervasive.

It is also true that the so-called factual powers, including private monopolies and powerful trade unions, exert, if not actually unlawful restraints, at the least unacceptable influence in both the executive and the legislative branches of power. Private monopolies or companies with dominant market shares have been very successful in obstructing the passing of laws on fair competition and in constraining the performance of government. Trade unions have managed to check efforts at modernization, competitiveness, efficiency and transparency in state-owned enterprises.

A final challenge worth mentioning is that of social, political and/or dissident forces which either play against established institutions or at least thrive on their weakening. Mexico has traditionally faced forces operating outside the institutional arena; some of them changed their tactics once electoral reforms opened up the chance of real participation, but others held to their purpose of revolutionary transformation of what they still call bourgeois democracy.

Most leftist movements excluded from any meaningful institutional political participation during the main part of the past century, and who suffered repression until the late 1980s, took advantage of the political reforms. They gathered around the largest left party – the Party of the Democratic Revolution (Partido de la Revolución Democrática, PRD) – and have since been consistently growing in terms of both electoral preferences and numbers of representative posts, both at national and sub-national levels and at the executive and legislative levels.

More recently, however, and as a result of the highly contested 2006 election, the broad social movement headed by the losing candidate – Andrés Manuel López Obrador, or AMLO – has been growing. It would be

inaccurate to claim that this movement has engaged in generalized unlawful practices stretching far up in the government, but evidence shows that it is favoured by society's polarization, that it moves in the margins of legality and that it is not ready to play by the majority rule. Currently it presents the greatest challenge to institutionalized politics in Mexico, but it still remains to be seen how far this movement is willing to go.

CONCLUSION

The democratic deficits deriving from the two separate sources mentioned above – an inadequate political design and the persistence of undemocratic practices – pose different challenges. While the former can be addressed through political reform and negotiation, the latter presents more difficult issues.

In conclusion, Mexico stands as a relatively new democracy that has advanced unequally on the different aspects of democratic consolidation. Its credentials in relation to equal and fair elections are good. We have moved forward in the aspect of power sharing between the branches of power; we have progressed somewhat, but not sufficiently, in aspects of access to public information, transparency and accountability. Finally, the advances made have proved inadequate and not sufficient to sustain, let alone to increase, the citizenry's trust in vital institutions, and we have a long way to go regarding a legal culture and establishing an acceptable degree of rule of law. This includes the elusiveness of constitutional guarantees and rights such as equality of gender, non-discrimination, ethnic issues and access to justice.

Notes

1. For a recent discussion on this literature see Seawright, Jason, 'Democracy and Growth: A Case Study in Failed Causal Inference', in Gerardo L. Munck (ed.), *Regimes and Democracy in Latin America: Theories and Methods* (Oxford and New York: Oxford University Press, 2007).

2. Encuesta Nacional de Ingreso y Gasto en los Hogares, 2005.

3. Rule of law represents the extent to which agents have confidence in and abide by the established rules.

4. Mazzuca, Sebastián L., 'Reconceptualizing Democratization: Access to Power versus Exercise of Power', in Munck (ed.), *Regimes and Democracy in Latin America*, (Oxford and New York: Oxford University Press, 2007).

DEMOCRATIC DEVELOPMENT AND ECONOMIC DEVELOPMENT – LINKAGES AND POLICY IMPERATIVES

Larry Diamond

Few subjects in the comparative study of democracy have attracted more scholarly and intellectual attention than the relationship between democracy and development. The issues are multifold but come down to understanding the reciprocal relationship: what impact does economic development have on the type of political system in a country, democracy or not? And what impact does democracy – and in particular the form or degree of democracy – have on the prospects for rapid and broadly-based economic development?

A number of assumptions in the established academic literatures on these issues deserve to be questioned, however. First, there is the long-standing proposition that the prospects for democracy are closely related to the level of economic development, and therefore that democratic prospects are poor in poor countries. Related to this, second, is the idea that the poor do not care about political and civil rights, or that they are in no position to care until their basic economic needs are met. There is as well a raft of arguments about the impact of type of regime on economic development. In this paper I will not systematically address this other end of the equation. My point here, briefly, is that we ask the wrong question when we pose it this way, and that we need to look at more specific institutional features of a regime. This relates to the third question: what is the impact on democracy of the economic performance of the system? The assumption has been that democracy must deliver the economic goods if it is to survive.

Without question, this is important, but we must not neglect the questions of political process and of distributive equity. In essence, I will argue here that the poor care about and need democracy as much as the wealthy; that more poor countries are democracies today than ever before; that the survival of democracy in low- and lower-middle-income countries depends heavily but not exclusively or even immediately on economic performance; and that the two key challenges are first to improve the quality and accountability of democracy, and second to devise specific and effective policies to reduce poverty and social injustice.

Before proceeding, I must make clear the strictly political sense in which I am using the term 'democracy'. At a minimum, democracy is a system of government in which all (or virtually all) adult citizens can choose and replace their leaders in regular, free, fair and competitive (multiparty) elections.

However, I will argue that to advance broadly-based development, a higher level of democracy is required. My principal argument is that democracy advances broadly-based development to the extent that it reflects the following dimensions of democratic quality:

- extensive freedom for citizens and groups to express their opinions and beliefs, organize, petition, demonstrate, write, speak and broadcast;

- extensive pluralism in the sources of information and sources of organization independent of the state – in other words, an open and vigorous civil society;

- equality of all citizens before the law and in their rights and abilities to express and secure their interests;

- genuine and diverse opportunities at all levels of formal and informal power for citizens to participate in the decisions that affect their lives and to hold political authorities accountable;

- a rule of law, protected and upheld by an independent judiciary, that treats all citizens equally, ensures human rights, and holds government officials, local power brokers and the privileged accountable before the law;

- institutional checks on the power of elected officials by an independent legislature, the courts, counter-corruption commissions, auditing agencies, and other instruments of 'horizontal accountability';

- a high degree of transparency in the way government conducts its affairs, affording citizens widespread access to information; and

- civilian democratic control of the military and state security apparatus.

DEMOCRACY AND DEVELOPMENT

Over the last half-century, the notion that there is a strong association between a country's level of economic development and its likelihood of being a democracy has been one of the most prominent theories of the social sciences, and one of the best sustained by the evidence. Since 1959, when Seymour Martin Lipset published his famous essay 'Some Social Requisites of Democracy', one study after another has documented the powerful relationship between economic development and democracy.[5]

At the upper end of the continuum of development, the relationship remains quite striking. According to the United Nations Development Programme (UNDP)'s Human Development Index (HDI),[6] among the 25 independent countries ranked with the highest level of 'human development' only Singapore is not a democracy. Of the 40 most developed countries, only three small oil-rich monarchies – Kuwait, Bahrain and Brunei – join the list of non-democracies. In the 50 wealthiest countries, there are only two more authoritarian exceptions, Qatar and the United Arab Emirates, which are also small, oil-rich states.[7]

The association between economic development and freedom – political rights and civil liberties, as measured annually by Freedom House – is no less striking.[8] In fact, the 44 democracies among the world's 50 most developed states are all liberal democracies, save for the tiny island country of the Seychelles. Most of them (38 of the 44) have the highest freedom ratings granted by Freedom House on both political rights and civil liberties. Illiberal democracies now only emerge at lower levels of economic development.

At the lower end of the spectrum of countries, however, the relationship between development and democracy has eroded dramatically in recent years, as a surprising number of poor countries have adopted democratic systems. Of the 22 countries ranking low on the latest UNDP HDI (for 2005), nine (41 per cent) are at least electoral democracies. Of the next 37 countries (low-to-medium HDI), 14 (38 per cent) are democracies. If we take the bottom third of the distribution of countries, in all, 39 per cent of relatively poor countries (23 of 59) are democracies today. To be sure, many of these are low-quality, illiberal democracies, with very serious problems of governance, and in some cases one could debate whether they even meet the test of electoral democracy.[9] Still, there is no historical precedent for so many poor countries in the world being democracies.

There is debate about the grounds for this association between development and democracy, and between development and freedom. Some social scientists have suggested that democracies produce more rapid economic development, but the evidence is murky. For a time, there was a vogue for the argument that it was because democracy had emerged in the West, and the West, with its Protestant, capitalist and liberal traditions, was better poised for development; thus, development followed or coincided with democracy. That causal just-so story turned out to be untenable when a number of poorer countries in Asia and Latin America developed and then became democracies.

Clearly, countries could develop economically and then transition to democracy, regardless of their region and history: an authoritarian regime could lift the country into middle- or upper-middle-income status, and then give way to democracy. Indeed, outside the West the relationship between democra-

cy and development is very strong. Stanford economist Henry Rowen found in 1990 that the positive association between economic development and freedom remains powerful even when the rich Western democracies are excluded. In fact, the strong correlation between economic development and freedom levels holds within all but the Arab world. Rowen concluded, 'These results support the interpretation that the wealth-democracy nexus is more than just a Western phenomenon'.[10]

Of course, this still leaves open two possibilities. One is that development makes transitions to democracy more likely. The other – Lipset's original argument – is that development sustains democracy whenever it emerges. Both appear to be true. A comprehensive study of regime change between 1850 and 1990 found that per capita income levels have a strong positive effect on transitions to democracy. This was especially true before World War II, but the effect remains strong today at lower to moderate levels of development. 'More development always increases the probability that a transition to democracy will occur.'[11]

SOCIAL CHANGE GIVING RISE TO NEW ATTITUDES AND VALUES

Economic development transforms a society in several ways that make it more difficult to sustain the concentration of power in one person, one party, or a narrow, unaccountable elite. First, it alters a country's social and economic structure, widely dispersing power and resources. Second, it profoundly shifts attitudes and values in a democratic direction.

On the structural side, economic development enlarges the middle class and raises levels of education and information among the general public. After a country attains a

middling level of development and national income, inequality tends to fall, reducing the social distance, and political polarization, between classes. For Lipset, well before the democratic boom of the 'third wave', this was a crucial factor in making democracy feasible: 'Economic development, producing increased income, greater economic security, and widespread higher education, largely determines the form of the "class struggle" by permitting those in the lower strata to develop longer time perspectives and more complex and gradualist views of politics'.[12] In recent years, Princeton University political scientist Carles Boix has shown that this is not just theory. As countries develop, incomes do become more equally distributed, which diminishes the threat of excessive taxation and intense class conflict and enables the wealthy to tolerate the uncertainties of dispensing with authoritarian rule – and the less well-off to be patient for change. Hence, greater equality increases the chances both for a transition to democracy and then for its survival.[13]

Often economic development also realigns interest coalitions as shrewder or more visionary elites realize that the withering of extremist threats renders a dictator obsolete; that uneven development under authoritarian rule – as in Brazil and South Africa – must be mitigated to preserve the state's stability; or that newly assertive social groups must be incorporated into the political system. In large part this may be because as more people join the middle class the power of populist labour and peasant organizations declines. In such populations flushed with economic development, middle-class groups 'became increasingly confident of their ability to advance their interests through electoral politics'.[14]

This newly emerging middle class may embrace what the late social scientist Daniel Lerner calls 'psychic mobility'.[15] As people leave the countryside for the cities, they also adopt new political attitudes and beliefs. With recent technological revolutions, the ability to generate information and opinion has been radically decentralized through low-cost FM radio, cable television stations, Web-based blogs and international news sources, all of which are more difficult for authoritarian regimes to control than the mass media in the past. As people acquire more income and information, they become more politically aware and confident, more inclined to participate in politics, to think for themselves, and thus to break free of traditional patron–client ties.

With these sweeping social and psychological changes, people in growing numbers form and join organizations, including professional and student associations, trade unions, and human rights and civic groups, to service their interests and needs. As these independent organizations grow in number, resources and sophistication, they become more assertive and more capable of checking and challenging the state, generating the foundations for a vibrant civil society. So, as a country gets richer, the balance of power shifts from the state to the society.

Most striking, however, is the wealth of data that has accumulated to show that as people's lives are transformed by economic development they increasingly espouse democratic values: the higher the levels of education, income, mass media exposure and occupational status, the more democratic the people's attitudes, values and behaviour. In particular, more educated people tend to be more tolerant of differences and opposition, more respectful of minority rights, to value freedom more and to be more trustful of other people. They are more inclined to participate in politics and to join organizations and more confident of their capacities

to influence government.[16] Some of these democratic values even appear to be fostered simply by living in a more developed country, independent of the individual's socioeconomic status.[17]

As people come to embrace self-expression values, they come to demand democracy – and not just any democracy, but the institutions to protect individual freedom and choice that encompass liberal democracy.

IS DEMOCRACY A LUXURY FOR THE POOR?

The above analysis suggests that there is a particularly powerful relationship between economic development and 'effective', liberal or high-quality democracy. It could still be argued, then, that poor people in low-income countries are mainly obsessed with the material struggle for survival, and in manifesting 'survival values' they are relatively apathetic about, or unsupportive of, democracy. This does not accord with the evidence, however. Liberal values of accountability and rule of law are more widespread among the citizenries of more developed countries, but the aspiration for democracy has become surprisingly universal.

To be sure, democracy is weak and has to contend with serious difficulties in many poor, and even some middle-income, countries. But in most of these countries the problems of democracy have more to do with the shortcomings and betrayals of elites than with the apathy or authoritarian sentiments of the population.

A strong case has been made that democracy is not an extravagance for the poor but a necessity. Amartya Sen won the Nobel Prize for Economics in 1998 in part for showing that democracies do not have famines. This is because the relatively free flows of information

in a democracy alert the world to food (and other) emergencies, while the mechanisms of political accountability give politicians a powerful incentive to be responsive. Beyond this, however, Sen argues that people cannot even properly conceive their economic needs until they have some sense of what is feasible – until they determine, through free discussion and information, which types of deprivation are preventable and what can be done about them. Thus, 'People in economic need also need a political voice. Democracy is not a luxury that can await the arrival of general prosperity [and] there is very little evidence that poor people, given the choice, prefer to reject democracy'.[18] There are countless examples of poor people mobilizing passionately for (and in defence of) democratic change. The fact that they have sometimes, as in Burma, been crushed by sheer force, while a timid world watched and protested ineffectually, does not negate the overwhelming expression of their sentiment. Nor do the pervasive abuses of power and theft of public resources by elites who have been given (or have claimed) the power to rule.

Sen argues that the mark of a universal value is not that it has the consent of everyone, but that 'people anywhere may have reason to see it as valuable'.[19] By this measure, there is growing evidence of all kinds that democracy is becoming a truly universal value.

Fortunately, a growing body of data from public opinion surveys is telling us what ordinary people in diverse regions really think about democracy. Globally, answers to questions on different democratic values show surprisingly high levels of democratic commitment in non-Western societies. Moreover, while regions or cultural groupings (and certainly countries) differ in their levels of commitment to democratic values, those differences are not always in the direction that cultural theories expect.

Results produced by World Values Survey show that the belief that democracy is (at least in principle) the best system is overwhelming and universal. While there is a slightly higher preference among the Western industrialized countries, in every region no less than 80 per cent of people on average say democracy is the best system. Majorities in every region would also like to see greater respect for authority. But, while there is no difference between the slight majorities favouring more respect in the West, Asia and Eastern Europe, it is clearly desired in the former Soviet Union, and especially in Latin America and the Muslim Middle East.

What do we learn from these regional comparisons? One lesson is to be wary of the stereotypes and assumptions of culturally-based theories. There is a broad desire for democracy in the world, stretching across regions. Even in Africa, the poorest region of the world, there is surprisingly strong commitment to democracy, with three in five citizens, on average, saying that democracy is preferable to any other form of government – a proportion exceeding those in Latin America and the former Soviet Union.[20] In fact, in every major region outside the West, the majority preference is for democracy.

SUSTAINING DEMOCRACY IN POOR COUNTRIES

If democracy is to survive for the long run, it must develop legitimacy. Historically, in the majority of less developed countries, democracy has performed poorly, both economically and politically, and as a result of tepid growth, persistent injustice, massive corruption and abuse of power, people have lost faith in it. This, in turn, has made it easy for ambitious politicians or military officers to overturn or subvert democracy in the name of development. This was not only the fate of most new democracies in Asia and Africa

following decolonization after World War II. It has been the repeated fate of numerous influential lower-income countries such as Pakistan, Bangladesh, Nigeria and Kenya. Then there is the considerable number of 'hybrid' or 'electoral authoritarian' regimes that combine the superficial or even substantial reality of multiparty electoral competition with degrees of ruling party control over the state and the electoral machinery that are inconsistent with electoral democracy. Such hybrid regimes are found in countries at a wide range of levels of economic development, from Singapore and Malaysia at one end to Cambodia, Tanzania and Morocco at the other. They also vary widely in their real levels of social and political pluralism, and in their levels of repression.

The standing assumption, as I noted earlier in this paper, has been that poor countries were probably doomed to democratic failure, if they made the transition to democracy at all, or, by a different logic, that sustained economic growth is particularly vital to the survival of democracy in poor countries. Lipset as well, in thinking about the relationship between legitimacy and effective performance, did so primarily in terms of economic performance.[21]

But there is another dimension to the relationship between regime performance and legitimacy. We should not assume that people only value economic development. After the considerable investment that so many people in so many societies have made in mobilizing for democracy, and after the extensive abuses they have experienced under authoritarian rule, we should not be surprised to find that people value the political performance of democracy as well, both as an end in itself and as a means to getting broadly-based, sustainable economic development. Over the years, a growing body of evidence has suggested that this is in fact the

case: that people in new democracies form their judgements about the legitimacy of democracy (and thus their willingness to continue to support it and to reject authoritarian alternatives) based partly on the extent to which they perceive the new system to really be delivering on its promises of greater freedom, accountability and the rule of law. In fact, data from the post-communist democracies during the 1990s showed that these popular perceptions of the political performance of the regime had a stronger impact on democratic legitimacy than did perceptions of economic performance.[22] Country-level evidence from Korea and South Africa pointed in a similar direction.[23] People who saw the new democracy to be accountable and responsive were much more likely to be satisfied with parliament's performance and with democracy in general.[24]

In the past ten years, with the growth of the regional 'barometers' of attitudes and values toward democracy around the world, we have a much better and more comprehensive basis for assessing the relationship between regime performance and legitimacy. When we examine the evidence from these surveys in East Asia, South Asia, Latin America, Africa and the Arab world, it shows 'economic factors to be relatively unimportant in explaining levels of popular support for democracy'.[25] Democratic satisfaction with and support for democracy are directly shaped by

how democracy performs in delivering what people most expect from democracy – free and fair elections, individual freedom, the rule of law and accountability (in particular, control of corruption).

This conclusion can be observed in both negative and positive developments. Negatively, we see erosion of support for democracy when citizens experience protracted bad government, or a sharp decline in the above political parameters of democratic performance. Thus in the wake of deepening corruption and cronyism support for democracy fell in the Philippines between 2001 and 2005, along the dimensions shown in table 1.

Analysing the early Afrobarometer surveys (from 2000 and 2002), Bratton and his survey co-founders, Robert Mattes and E. Gyimah-Boadi, found that the most powerful factors shaping the 'supply of democracy' (a combination of satisfaction with democracy and the perceived extent of democracy) concerned the performance of the system. In keeping with the prevalence of neo-patrimonial rule, evaluation of presidential performance had the most powerful impact on the supply of democracy, but whether citizens believed the last elections were free and fair was almost as strong a factor. Other factors included the government's overall performance on employment, educa-

Table 1. Changes in support for democracy in the Philippines

Statement	2001	2005
Democracy is always preferable	64%	51%
Democracy is suitable for our country	80%	57%
Satisfaction with the way democracy works in our country	54%	39%
Percentage rejecting the alternative of a strong authoritarian leader	70%	59%

tion and health; the perceived level of corruption; trust in state institutions; and the perceptions that political rights are being protected and that one's own ethnic group is being treated fairly.[26] Analysing the 2005 data, Bratton found that perceiving the last elections to have been free and fair has become far and away the most powerful factor in shaping the extent of democracy citizens perceive. Thus, the ruler's performance is no longer enough to satisfy the public, and formal institutions are starting to matter more than informal ones.[27]

CONCLUSION

Public opinion is giving us a new and powerful window on the possibilities and imperatives of democracy in poor countries. It is not that poor people do not value democracy, nor is it that they expect democracy to transform their life circumstances immediately. Increasingly, it appears, poor people

and mass publics in lower-income countries are coming to realize that free and fair elections, accessible courts and honest government are important instruments for economic development and social justice. The quality of governance is thus the essential and too often neglected intervening variable between democracy and development. Once we pay attention to that, and once we focus on improving the fairness and neutrality of electoral administration, the independence and capacity of the courts, the representativeness, capacity and accessibility of political parties and local representative bodies at all levels, and the overall transparency and accountability of government to use public resources to advance the public welfare, we will find that democracy is not only consistent with economic development, but can be a great asset for getting the kind of development that lifts people out of poverty and into dignified lives.

(health and education, not income). If the per capita income data were available, Cuba would rank well below 50, and I therefore exclude Cuba from the rankings here.

8. Diamond, 'Economic Development and Democracy Reconsidered'; and Rowen, Henry S., 'The Tide Underneath the "Third Wave"', *Journal of Democracy*, 6 (January 1995), pp. 52–64.

9. In other words, whether elections are truly free and fair. With only a very few exceptions, I rely on the annual classifications of Freedom House as to which countries qualify as electoral democracies, but one could argue that in some cases the countries they consider democracies are really better considered 'electoral authoritarian'.

10. Rowen, 'The Tide Underneath the "Third Wave"', p. 55.

11. Boix, Carles and Stokes, Susan C., 'Endogenous Democratization', *World Politics*, 55 (July 2003), p. 531. Ronald Inglehart and Christian Welzel reach a somewhat similar conclusion using data from 1950–90 in their *Modernization, Cultural Change and Democracy: The Human Development Sequence* (Cambridge: Cambridge University Press, 2005), p. 169. Both studies specifically reject the finding of Adam Przeworski and his colleagues that the likelihood of the emergence of democracy is not related to the level of economic development. Przeworski, Adam, Alvarez, Michael E., Cheibub, Jose Antonio and Limongi, Fernando, *Democracy and Development: Political Institutions and Well-Being in the World, 1950–1990* (Cambridge: Cambridge University Press, 2000).

12. Lipset, Seymour Martin, *Political Man: The Social Bases of Politics* (Baltimore, Md: Johns Hopkins University Press, 1981), p. 45. The book was originally published in 1960, and the chapter from which this is drawn essentially reproduces his 1959 article, 'Some Social Requisites of Democracy'.

13. Boix, Carles, *Democracy and Redistribution* (Cambridge and New York: Cambridge University Press, 2003).

14. Huntington, Samuel, *The Third Wave: Democratisation in the Late Twentieth Century* (London: University of Oklahoma Press, 1991), p. 67. This was not simply the result of economic development, however. In much of Latin America, the power of populist groups often decreased precisely because of repression under authoritarian rule.

15. Lerner, Daniel, *The Passing of Traditional Society: Modernizing the Middle East* (New York: Free Press, 1958).

16. The early studies establishing this were Almond, Gabriel and Verba, Sidney, *The Civic Culture* (Princeton, NJ: Princeton University Press, 1963) and Inkeles, Alex, 'Participant Citizenship in Six Developing Countries', *American Political Science Review*, 63 (1969), pp. 1120–41. But these associations also emerge in most of the recent studies of attitudes and values towards democracy as well as in the research associated with the World Values Survey. See Inglehart and Welzel, *Modernization, Cultural Change and Democracy*, and the sources they cite on p. 164.

17. Inkeles, Alex and Diamond, Larry J., 'Personal Development and National

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5. Lipset, Seymour Martin, 'Some Social Requisites of Democracy: Economic Development and Political Legitimacy', *American Political Science Review*, 53 (March 1959), pp. 69–105; and Diamond, Larry, 'Economic Development and Democracy Reconsidered', in Gary Marks and Larry Diamond (eds), *Re-examining Democracy: Essays in Honor of Seymour Martin Lipset* (Newbury Park, Calif.: Sage, 1992), pp. 93–139.

6. See United Nations Development Programme, *Human Development Report 2004* (New York: UNDP, 2004), pp. 258–9.

7. United Nations Development Programme, *Human Development Report 2006* (New York: UNDP, 2006), table 1, p. 283. Cuba is ranked 50 by the UNDP, but speciously, as the ranking is based on only two of the three indicators

Development: A Cross-National Perspective', in Alexander Szalai and Frank M. Andrews (eds), *The Quality of Life: Comparative Studies* (London: Sage, 1980), pp. 73–109.

18. Sen, Amartya, 'Democracy as a Universal Value', in Larry Diamond and Marc F. Plattner (eds), *The Global Divergence of Democracies* (Baltimore, Md: Johns Hopkins University Press, 2001), p. 13.

19. Sen, 'Democracy as a Universal Value', p. 12.

20. This question is not a simple yes/no question, but allows two other potentially plausible options: 'In some circumstances a non-democratic government can be preferable' or 'For someone like me, it doesn't matter what kind of government we have'. Wording varies slightly across the regional barometers. This one is drawn from the Afrobarometer, <http://www.afrobarometer.org/questionnaires/nig-R3Questionnaire-23aug05.pdf>.

21. See Lipset, *Political Man*, pp. 64–70.

22. See in particular Rose, Richard, Mishler, William and Haerpfer, Christian, *Democracy and Its Alternatives: Understanding Postcommunist Societies* (Cambridge: Polity Press, 1998), chapters 7–9.

23. See Diamond, Larry, *Developing Democracy: Toward Consolidation* (Baltimore, Md: Johns Hopkins University Press, 1999), pp. 192–200.

24. Institute for Democracy in South Africa (IDASA), 'Parliamentary Ethics and Government Corruption: Playing with Public Trust', Public Opinion Service Reports no. 3, 1996, pp. 12–13.

25. Yun-han Chu et al., 'Public Opinion and Democratic Legitimacy', *Journal of Democracy*, 19 (April 2008), p. 75.

26. Bratton, Michael, Mattes, Robert and Gyimah-Boadi, E., *Public Opinion, Democracy, and Market Reform in Africa* (Cambridge: Cambridge University Press, 2005), pp. 272–7. These results are based on analysis of the first two rounds of surveys (around 2000 and 2002), not on the third round in 2005.

27. Bratton, Michael, 'Formal versus Informal Institutions in Africa', *Journal of Democracy*,18/3 (July 2007), pp. 81–95, table 2.

Democracy, development and poverty — on strengthening the capacity of African parliaments and political parties to play a more effective role in poverty reduction

Gloria Somolekae

The great shift from military dictatorships and one-party regimes to multiparty rule in the Sub-Saharan region during the early 1990s released a wave of renewed optimism about the prospects for development on the conflict-ridden continent. Two decades later, while a lot of progress has been recorded in a number of areas, including the creation of democratic institutional infrastructure, better human rights climates, some modest economic growth and so on, questions are being asked as to whether there is a link between democracy and development, what it consists of, and whether or not it is causal. The fact remains that Sub-Saharan Africa has the highest incidence of poverty in the world and, unlike in all other regions in the world, poverty is continuously deepening. Were our expectations of democracy and its fruits unrealistic?

While many countries still struggle to consolidate a democratic culture, constituencies are increasingly showing declining levels of trust in parliaments, political parties and other democratic institutions. Governments' poor delivery has fuelled the rise of populist regimes and the role of powerful external influences such as trade protectionism has led to the perception that the role of domestic democratic processes is now outplayed. The

intensified North–South polarization has moreover provided arguments for opponents of multiparty democracy as they consider democracy and the idea of human rights to be a ploy used to maintain the structural status quo that has undermined the interests of the South.

Numerous examples exist to support the widely acknowledged coexistence of and causal link between democracy and development, but, although the claim may be debated, it remains obvious that conditions of instability, major conflict or war explicitly obstruct development. If we agree that democracy is essential in order to create the conditions necessary for development, we must explain why on the other hand – despite the fact that many countries on the African continent embraced multiparty democracy for nearly two decades – development still remains a colossal challenge.

Consolidating democracy in the African context

Democracy in a condensed version may be defined as rule of the people by the people. Key institutional infrastructure such as legislative, judicial and executive branches alongside free and fair elections between

competing political parties are the key structures for channelling people's political wishes. A number of African countries have made significant progress in terms of institutionalizing democratic rule, but there are still many cases that demonstrate the urgency of consolidating the democratic gains already made. The prospect of succeeding in this task, however, depends entirely on whether this 'new' system will trickle down to the vast majority and on its ability to coexist with traditional structures.

To many Africans, particularly in rural areas, traditional systems of governance remain central and more relevant than the fine institutions at the central or national level. The strongest democracies on the continent are those that have based their modern systems on existing traditional structures, ensuring that the new order is designed to fit the people's customs. The Kgotla system in Botswana is a good illustration of this phenomenon.

THE DEVELOPMENT SCENE ON THE AFRICAN CONTINENT

Gone is the era when development referred strictly to economic growth. Today, development refers to a much broader concept and includes questions of people's quality of life, respect for human rights, and equitable and inclusive systems of governance. Given this background, my presentation focuses on how to strengthen the capacity of democratic institutions (such as parliaments and political parties) in developing policy proposals geared towards sustainable development in its broader sense, and especially in regard to effective poverty reduction.

PARLIAMENTS AND POLITICAL PARTIES IN AFRICA'S DEVELOPMENT

In 2005, the UN Economic Commission for Africa published a report on the theme 'Striving for Good Governance in Africa'. One of its prime recommendations is to strengthen the capacity of parliaments in Africa in order to enable them to perform their core functions and, most importantly, so that they may improve their operational effectiveness. Legislatures in many parts of Africa remain ineffective, mainly due to lack of knowledge and resources, and are therefore marginalized in day-to-day governance. The report noted that 'their autonomy, though guaranteed by the constitutions, is often compromised by the executive through lobbying, financial inducements and even intimidation'.

Progress has been made in regard to one of parliaments' core duties – to exercise oversight over the executive branch of government in order to ensure public accountability – but their efficiency is constrained by a number of factors. Due to the legacy of the one-party/military dictatorship period:

- Institutional tensions remain and criticism is still viewed by some governments with suspicion. As one expert has observed, 'in many SADC [Southern African Development Community] countries, attempts to exercise oversight are regarded as unpatriotic, disloyal, disrespectful or even treacherous. There is very little acceptance of the necessity of a healthy institutional tension between the executive and legislative branches for representative democracy to remain vital and vibrant'.

- The relationship between civil society and parliament is very weak. Some have dubbed this state of affairs 'institutional elitism and chauvinism' in order to underscore the tendency for MPs to be regarded with high reverence while maintaining a distance from the public.

- Lack of resources is all-pervasive. Despite the great responsibility implicit in dealing with policies and legislation, which puts great demands on access to information, many parliamentarians lack adequate library and research facilities.

With all these weaknesses taken into account, parliamentarians are often not taken seriously by the executive branch and are often excluded from vital processes, for example, they are not consulted when major international protocols are signed. Hence they are left in a position where they ultimately focus on critiquing issues of which they have little understanding, which in turn further undermines their credibility before the executive.

In regard to the relationship between the executive and political parties, the difficulty of finding sufficiently trained persons to run for political office, along with the fact that some parties lack even the basic facilities and access to information to craft relevant policy positions, leaves the parties and elected representatives uninformed on key issues and puts them in a position that is marginalized or downright ignored by the executive branch.

THE ROLE OF PARLIAMENT AND POLITICAL PARTIES IN THE FIGHT AGAINST POVERTY: WHICH WAY FORWARD?

The same reasons that hamper the effectiveness of parliaments in providing oversight on a number of issues are also relevant for the poverty eradication role. Although democracy provides the possibility for governments to respond to people's needs, much depends on whether or not such governments interact with their constituents and base their policies on broad consultation. This is particularly relevant in regard to the poverty and development area, since experience from recent decades shows that the power to bring people out of poverty lies not with governments, donors or bureaucrats, but with the people themselves.

The reasons why parliaments and political parties play a limited role in poverty reduction in many African countries are varied. First of all, at the time when many of the African countries moved out of military dictatorships and one-party regimes to embrace democratic reforms, the common strategy was to adopt structural adjustment programmes. These policy frameworks were rapidly implemented in order to address development issues, but governments found themselves on the defensive as some of these reforms brought about the – now infamous – adverse consequences of hardship and heightened political tensions. Parliamentarians, civil society and others attacked from the opposite side of the aisle, disagreeing with the reforms on the basis of their well-known side effects and arguing that many political actors had not been involved in the process. In a similar way, parliaments and political parties still find themselves on the outside as the donor community and governments work out policies. A large part of the explanation for this lies in some of these nations' great dependence on donor financing in order to run their programmes. In countries such as Mozambique, Lesotho or Malawi, governments depend on this type of aid for more than 50 per cent of their resources. This reliance explains why national governments have to be accommodating to other actors when setting their political agendas.

The poverty reduction strategies and the Millennium Development Goals (MDGs) are some of the most significant policy interventions introduced in order to fight poverty. The poverty reduction strategy

processes were highly consultative in some countries (e.g. Lesotho), but, as with other non-home grown initiatives, people need a more accessible introduction to the implications of these strategies for their daily lives. In Southern Africa, the SADC Indicative Strategic Plan and the African Union's New Partnership for Africa's Development (NEPAD) framework are all-important but, in this case as well, parliaments and political parties have to catch up in terms of knowledge and information.

It is not surprising that poverty continues to be on the increase on the African continent. While many of the problems emanate from factors within the international economic system, it is evident that the people – in the shape of parliaments and political parties – have to be brought in to the centre of combating poverty. The current practice, where in terms of both building democracies and seeking to drive the process of development nations are focusing on building from the centre or national level, is not bearing fruit. As Professor M. Rukuni has rightly noted in his latest book on *Being African* (2007), this is almost the same as attempting to build a house from the roof. It is not happening.

On the basis of the points and challenges noted above, it is important to realize that the necessary solutions require political measures, and hence great compromises must be made. Possible resolutions include the following:

- The role of the parliaments in the national governance system must be strengthened by ensuring that their constitutional roles are performed and that the executive branch commits itself to respecting this institution; undermining parliaments denies people a chance to be heard in a democracy.

- The capacity of parliamentarians to perform their operational duties more efficiently must be strengthened; training for parliamentarians is needed.

- Efforts should be made to ensure that both government and the population at large are educated about the role of the parliament.

- The interaction between parliament and civil society must be strengthened and a culture of accessibility of this institution to the public must be established. In this regard some have suggested the formation of a parliament–civil society forum.

- Greater efforts should be made to build the capacity of political parties and to offer them the necessary infrastructure; only then will they become more effective and turn into credible entities that may be trusted to govern. Part of the problem emanates from the fact that the private sector in many African countries equates funding the ruling party with strengthening democracy. While they do this in order to ensure economic benefits from state business, they also undermine their own future by contributing to the concentration of power, thus weakening democratic prospects. This destructive tradition must be discussed as a public challenge that requires a solution.

- Political parties have to finally realize that they can no longer involve lower-calibre candidates, or they will continue to be marginalized by the executive branch.

- Both parliaments and political parties have to strive to ensure the presence of women and young people in leadership structures, especially since these two groups are the most affected by poverty and should therefore take part in the search for a solution.

QUESTIONS AND ANSWERS

1. Please elaborate on the terms 'democratic rollback' and 'democratic recession'.

Larry Diamond. The democratic rollback refers to the fact that, among the nearly 100 countries that have undergone transitions to democracy since 1974, a number are permeated by corruption and bad governance. These democracies saw their legitimacy wane dramatically, to the extent that an authoritarian option was created – either through military coup (i.e. Pakistan) or by the actions of a strong leader (Vladimir Putin in Russia, Alberto Fujimori in Peru or Hugo Chávez in Venezuela) overturning democratic institutions and concentrating power in their own hands. Of the approximately 23 instances of breakdown of democracy during this period, two-thirds have occurred in the last eight years. Hence there is an accelerating tendency of democratic reversal. The survival of democracy in these countries is probably at stake if the political performance of democracy continues to only satisfy the agenda of limited elites.

2. Following 11 September 2001, virtually all Western and Asian democracies have implemented legislation to combat terrorism. What will be the effects on the liberal aspects of democracy in the long-term perspective?

Larry Diamond. The events of 11 September underscore the importance of no longer limiting the analysis to developing countries, but rather assessing the quality of democracy in all democratic nations. We have an increasingly common set of concerns about the scope of judicial review, and some argue that the executive action taken and legislation passed to combat terror have eroded constitutionalism in regard to the rule of law and individual liberties in the United States. Although they are certainly worrying, I do not believe these are irreversible actions.

3. What is the impact of information technology going to be on the efficiency of democracy?

Pranab K. Bardhan. The sword of information technology is double-edged as it can be used efficiently for different purposes, both to improve democracy (opening up for criticisms of governments in authoritarian countries such as China, for example) and make common people aware of their rights, and to mobilize the rapid dissemination of rumours and disinformation, as is often seen in the case of fanatical religious or sectarian groups or ultra-nationalists.

4. Even though there are no empirical data about the link between democracy, welfare and development, there must be a conclusion that rules and institutions that are valid for economic growth and welfare are also a precondition for democratization. Do you agree?

Larry Diamond. Recent data show that democracies in Sub-Saharan Africa are actually growing faster than the non-democratic regimes. And, in contrast to Asian examples, there have been no developmental dictatorships in Africa. Although this point should not be made on a global scale, or in cases such as those of Vietnam and China, I have come to the conclusion that democracy is a precondition for sustained economic development in Africa. The African context suffers profound ethnic divisions that create deep mistrust, and because of this strong tendency power is cornered and exploited for one group or one individual. Democracy in the form of competitive elections alone is not enough; Africa needs democracy with improved governance, horizontal accountability to control corruption, effective parliaments, and the rule of law. These are the institutional conditions for the continent to escape from the predicament of persistent deep poverty.

Maria Amparo Casar. Institutions are central for both development and democracy and it is the same set of rules that usually inhibit or foster both. The experience of political transition in Mexico, however, has led me to the conclusion that institutional design and the right incentives are just part of the solution to the problems facing our country. That is, democratic rules might be in place but if the political elite – both government and opposition – do not share the same purpose, recognize the need to collaborate and agree to work through the established institutions, the reforms that are needed in order for the country to move towards a more competitive economy will not be attained. More often than not it is political disputes and divisions within the political elite that hinder the establishment of the conditions needed for economic reforms.

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MODERATOR: PETER DESOUZA

Each of the four presentations has contributed to clarify the complex landscape of the relationship between democracy and development. Whether one agrees with Professor Pranab Bardhan's position – that democracy may be an asset to development, but de facto in many cases is also an obstacle – or, as advocated by Professor Larry Diamond, that the two share a necessary relationship, the panellists agree that the debate should move into a second phase, focusing on the quality of democracy rather than on the relationship between the two concepts.

India has once again served as an example to illustrate most of the problems shared by democracies worldwide – corruption, clientelism, patronage, abuse of state and public resources, and the paradox of democracy leading to oligarchies that rely on populism to gain power. By pointing to these persistent problems of democracy, the discussion has also touched upon the way forward – strengthening institutions in terms of accountability, recognizing the lack of resources, and developing strategies to combat corruption.

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PART 2

ROOM FOR POLITICS – DEMOCRATIZING NATIONAL OWNERSHIP OF DEVELOPMENT

There are two issues in particular under the topic of democratizing national ownership of development to recognize before we proceed. First, people around the world are finding that there is something fundamentally wrong with the manner in which democracy has been working. In turn, popular demand for a more uncontaminated democracy is rising across the globe – from uprisings in Pakistan, Nepal, Burma and Bangladesh, to broadly-based movements (mainly of previously excluded groups such as indigenous peoples) in Latin America expressing their collective claims. Democracy is as a consequence expanding, but the time has come to abandon efforts to understand it solely in terms of norms inherited from the liberal baggage; the processes themselves through which democracy is evolving must be investigated and understood if we are to guarantee the survival of democracy as a system.

Second, this traditionally exclusive concern with norms from liberal democracy becomes problematic when applied to other contexts than Western societies: Indian democracy is for example populated not by individuated persons like in Europe but rather by individuals acting through the communities. These communities have their own moral psychology and carry their own values and normative culture, which are quite different from the norms deriving from liberal democracy.

These communities are not self-created, which is why their demands for development go beyond economic demands; their claims rather focus on dignity, and on the communities' right to stand up and for the first time be listened to. Similarly, the question of unmet daily needs is raised in terms of the community. It is therefore important to disabuse ourselves of certain inherited norms of liberalism and to concentrate more on the values of democracy, which are analytically separable.

Several of these processes are taking place in a context of a globalization where power is concentrated on unaccountable elites, and in which criteria to measure development are completely bereft of an ethical dimension. It is therefore important that we approach the question of development not in terms of the criteria set by globalization but in terms of what people actually need and request. Studying the democratic processes in which these requests are expressed is therefore vital.

WINDOWS OF OPPORTUNITY — THE GHANA EXPERIENCE

Akwasi Osei Adjei
(Delivered by William Brandful)

As the first Sub-Saharan country to gain political freedom, Ghana became independent in 1957. In 2007, as part of the celebration of 50 years of political independence, the country embarked on a year-long programme of activities of commemoration. Ghana's illustrious son, Kofi Annan, former UN Secretary-General, addressed Ghana's parliament as part of the celebrations:

> Ghana and Malaysia started out on a similar path fifty years ago. Both countries looked to the future with excitement [...] We had a lot in common: natural resources, significant gold and foreign reserves, strong legal system, established political institutions, similar educational standards. The per capita income was roughly the same. Now let's fast forward to the turn of the century. We could not be more surprised at the difference between the two, with Malaysia attaining a per capita income 13 times greater than Ghana, and distancing itself from us in every single social and economic indicator. Today, Malaysia is a highly industrialized country with state of the art infra-structure.

So what went wrong? To put it bluntly, Ghana's development process has suffered largely as a result of frequent political interruptions in its democratic process. The good news, however, is that since the early 1990s the country has embarked on a renewed, sustained process of democracy. After four successful elections, including one which saw the exit of the ruling party and its replacement by the party then in opposition, in December 2008 Ghana will once again go to the polls to elect the next president and a new crop of 230 members of parliament.

In the meantime, greater economic stability has been achieved, with many of the macroeconomic indices recording acceptable levels, and with growth rates of around 6 per cent a year, in a virtuous cycle that has reduced the incidence of poverty from 52 per cent in 1992 to 35 per cent in 2003. At this rate, Ghana is set to surpass the Millennium Development Goal of halving poverty by 2015.

In offering the following thoughts about the interdependence between democracy and development in Ghana and elsewhere in Africa, I make two fundamental assumptions. The first is that Africa cannot develop without democracy, and that democracy in Africa cannot be sustained without development. Second, it is my position that without strong, vigilant, transparent and highly resourceful civil society organizations, Africa cannot attain development; nor can it sustain and strengthen democracy. However, this crucial role of civil society must be buttressed by a strong, independent and highly professional judiciary, with a pronounced sense of honesty and integrity, which gives hope for the enhancement and protection of democratic values in Africa.

As we all know, the 'democracy–development' nexus presents a complex range of issues for discussion. Ghana's first president, Kwame Nkrumah, noted almost 50 years ago on this regard: 'We shall measure our progress by the improvement in the health of our people; by the number of children in school, and by the quality of their education; by the availability of water and electricity in our towns and villages and by the happiness which our people take in being able to manage their own affairs. The welfare of our people is our chief pride, and it is by this that we ask to be judged'.

In achieving these targets, what have been the contributing roles of Ghana's political society in ensuring sustainable development and good governance, and of the international community, and what has been the impact of globalization on democracy?

Posing such questions allows us to assign roles to each of these stakeholders. Ultimately the far bigger role devolves on African governments which are expected to champion both the pace and the quality of the democratization process.

THE ROLE OF POLITICAL SOCIETY

Indeed, the Constitutive Act of the African Union (AU) (2001) and the framework of NEPAD both underscore the centrality of good governance to addressing the crises of poverty, underdevelopment and resource leakages from Africa. One report prepared for the AU in 2002 estimated that corruption costs the continent about 148 billion USD annually.

It is against this backdrop that the NEPAD vision was launched as an African-owned development strategy that seeks to make African governments more accountable to their citizenry. Ghana has embraced the flagship of the NEPAD initiative, namely the African Peer Review Mechanism (APRM), which aims at enhancing all aspects of governance in Africa.

On the whole, the Peer Review of Ghana brought out a number of best practices to inspire other nations, such as the Annual People's Assembly concept, which provides a forum where the president engages in direct interaction with ordinary Ghanaians; the Meet-the-Press Series by which government appointees routinely face media scrutiny about government performance; and the National Governance Forum, organized annually as a platform for civil society organizations, the private sector, constitutional bodies and other stakeholders to discuss and find solutions to problems. In addition, institutions such as the National Commission for Civic Education and the Commission for Human Rights and Administrative Justice have been founded to improve Ghanaian society.

Civil society participation has been particularly pronounced in the preparation and implementation of the Ghana Poverty Reduction Strategy (GPRS), which focuses on private-sector development, good governance and civic responsibility, as well as human resource development, anchored by macroeconomic stability and the development of infrastructure. The process involves cross-sectoral planning groups which meet

with stakeholders such as parliament, government ministries, departments and agencies, donor partners and civil society groups.

THE ROLE OF THE INTERNATIONAL COMMUNITY

The international community – notably the Bretton Woods institutions – has a significant contributory role to play in the opening up of broader spaces for the effective participation of political society in Africa's development. Donors should, however, give more policy space to African countries in the shaping of their development priorities and strategies. Encouraged by the commitment of African leaders to good governance, development partners in 2005 cancelled the foreign debts of some 18 African countries, including Ghana, which pursued the path of sustained democratic and accountable governance.

However, mindful of the adverse impact on the local populations of the conditionalities of its donor partners, Africa now seeks to own its own development processes and to set out its development agenda in collaboration with its development partners. Thus the concept of good governance espoused by Africa's development partners has become complementary to the NEPAD vision, thereby reinforcing the inextricable link between good democratic governance and holistic development.

THE IMPACT OF GLOBALIZATION ON DEMOCRACY

In the process, the impact of globalization on democracy has resulted in a further blurring of the line between the international and domestic affairs of states. The promoters and defenders of human rights have hailed this development in relation to the promotion of world peace, human rights and prosperity.

Other analysts view this phenomenon as constituting the principal threat to democracy, freedom and economic well-being. Arguably, globalization strengthens the state and global governance as it extends its influence via the international system and interstate cooperation. Because of the twin processes of globalization and mutual interdependence, states undertake to preserve the oceans, eradicate disease, subdue the contagion effects of financial shocks, and counter global warming. Viewed from that perspective, globalization presents three major benefits – in the areas of the promotion of national interests, equity and good governance.

Moreover, with regard to the real purposes of governance – securing peace; alleviating poverty; creating equitable social harmony; and protecting the environment – globalization has endowed states with new capacities and legitimacy for action beyond national borders. Perhaps the most tangible evidence of democratic ideals trickling across borders into authoritarian states has been the infusion of democratic norms and the principles of human rights into the operations of many international and regional institutions. To forestall further conflicts in Africa, for instance, the AU and sub-regional organizations such as the Economic Community of West African States (ECOWAS) have adopted protocols on democracy and good governance to complement mechanisms for conflict prevention, resolution and management on the continent. Most member states of the AU and ECOWAS have incorporated the provisions of these protocols into national laws.

In spite of its many benefits, however, globalization presents some serious challenges to democratization and development. Foreign governments, especially donors, international financial institutions, intergovern-

mental organizations and even some NGOs have acquired such influence in relation to African governments that some countries have become mere implementers of policies dictated from outside. Moreover, among the unintended consequences of globalization is the exclusion and disempowerment of certain segments of the population, with far-reaching consequences for newly emergent states. Indeed, globalization, accompanied by the neoliberal ideology of the market economy, has transformed not only the system of governance but also the social, economic, political, cultural and ethical lives of people worldwide.

CONTROLLING THE ADVERSE EFFECTS OF GLOBALIZATION ON DEMOCRACY

Since globalization is a trend that cannot be wished away, the way forward appears to be active engagement with the international community to mitigate its harmful effects. Such new doctrines as the concept of 'human rights and humanitarian intervention' must not be used as pretexts to subvert weak states. Moreover, liberalization and deregulation should not lead to the collapse of infant industries in Africa. Globalization should also not result in the dumping of goods in Africa or the burying of hazardous chemicals and waste in African countries, as some media reports have recently suggested.

The need to help fragile countries develop their national capacities through human training and investment in research and development, together with pragmatic actions towards attaining global competitiveness, cannot be overemphasized. This calls for fruitful partnerships, including effective regional integration programmes and South–

South cooperation. Developing countries have no choice but to apply the rules of liberalization, to enhance the capabilities and capacities of their economies, which have to compete on the global market. Globalization, colonialism, imperialism and slavery have one thing in common: they exploit the weak and vulnerable states and/or the disadvantaged segments of populations.

CONCLUSION

This presentation offers some perspectives on democracy and development starting from the Ghanaian context, and my tentative conclusion is that three possible trajectories could be the way forward for African countries. First, for countries in which economic and political reforms prove compatible, there could be consolidation of democratic values and freedoms, resulting in economic progress and increased welfare. The second possibility is the development of populism in which the political costs of economic reform lead governments to retreat from adjustment and rather resort to an increase in state intervention, as was the case with the centralized governments of the past. The third alternative is to exploit new windows of opportunity offered by globalization in order to meet the challenges of economic restructuring and accelerated development.

I welcome your honest and frank thoughts on the way forward; there is too much poverty and too much suffering which require our urgent action, and our people cannot wait to be lifted out of poverty. Moreover, we cannot have a globalized world in which one part develops at the expense of another. That is a veritable recipe for chaos, conflict and threats to global peace.

MAKING DEVELOPMENT EFFICIENT – NATIONAL OWNERSHIP AND STRENGTHENED PARLIAMENTS

François-Xavier de Donnea

Half-way through the time frame for the achievement of the Millennium Development Goal (MDG) it is clear that a number of countries, particularly in the Sub-Saharan region, will fail to achieve the poverty reduction goal. Part of the explanation is reasons that are beyond the reach of individual governments, such as natural catastrophes, climate change and distortions in world trade, but several voices within the donor community are also ready to argue that not enough foreign aid is available to support these countries in their battle against poverty.

Several nations which committed themselves to increase their official development aid budget at the Monterrey summit in 2002 have not yet fulfilled their promise. In addition, and perhaps representing a greater part of the explanation of why the MDG has not been achieved, the foreign aid bestowed to date has often been ineffectively managed by both donating and beneficiary governments. This inefficiency, as we will discuss, is intimately linked with lack of effective democratic institutions in the receiver countries.

Poor governance and a deficit of democratic ownership of national strategies are two features that tend to reinforce each other. This presentation starts from the assumption

that, although not a sufficient condition, better-functioning democratic institutions are fundamental to improving governance, fighting corruption and increasing national ownership of development strategies. Only when these components have been put in place to a certain level will the prospect of reaching the MDG come into sight. There is a growing international awareness that parliaments in developing countries are – and should be – the prime cornerstones for creating the incentives for such a process. Furthermore, discussions on the problems that mount up on the receiving end as donor countries impose conditions when donating aid are beginning to change the panorama. The European Union has to some extent recognized the less positive implications of such conditionality and has accordingly untied a large part of its aid.

Parliaments should unquestionably play a more active role in planning, implementing and assessing national development policies as well as in overseeing the activities of their government. This point has been increasingly emphasized during international conferences and was, for example, the reason for gathering the international community at the 2005 summit, resulting in the Paris Declaration on Aid Effectiveness. Recently, the

Inter-Parliamentary Union (IPU) gathered in Cape Town where a unanimous vote was cast in favour of a resolution on parliamentary oversight of state policies on foreign aid, stressing the important role parliaments play in enhancing ownership of development processes and thus improving governance. The resolution states: '[We are] convinced that the effectiveness of financing for development will only increase if the beneficiary countries promote democracy, rule of law, good governance and fight corruption'.

Central to the IPU philosophy is that stronger parliamentary oversight and participation concerning development strategies and foreign aid allocation automatically yields better governance. This principle is the foundation of the IPU's 42 recommendations on how to strengthen the role of both donor and beneficiary countries' parliaments on their way to aid efficiency, and to the alignment and oversight of governance policies in general.

WHY STRENGTHEN PARLIAMENT?

In order to enable an increased ownership of development strategies and better governance within the beneficiary nation, a strengthened parliament is needed as it will:

- increase the need for transparency and accountability within the government;

- pressure the government not to neglect any population group;

- influence the government to promote fairer distribution of incomes and wealth;

- help to reduce political tensions by offering opposing groups the chance to bring discussions off the streets and into the parliament; and

- as a result of increased transparency of government policies and budgetary processes, induce donor countries to offer a larger share of their aid in the form of central budget support. This in turn is a more efficient way than the traditional approach of focusing on individual projects.

HOW TO STRENGTHEN PARLIAMENT?

The 42 IPU recommendations provide practical suggestions on how to move beyond the general prerequisite of free and fair elections in order to strengthen parliaments. The following seven points from the list of recommendations reflect the IPU's main message directed towards both donor and beneficiary actors.

The first recommendation advocates encouraging the financing by donor and beneficiary countries of capacity building of national parliaments and parliamentarians; regardless of the fairness and transparency of elections, parliamentarians who lack the ability or the means to control the government efficiently or to participate effectively in development strategy discussions are unable to carry out their tasks in a satisfactory way. Donor country parliaments are therefore recommended to ensure that part of their contribution goes towards improving the working conditions of beneficiary country parliamentarians, in order to build their capacity in handling public finances and budgets, as well as to development programmes. Moreover it will be essential here to develop bilateral cooperation between the parliaments of donor and beneficiary countries.

The second key recommendation is that, in order to be efficient, a parliament must be able to rely upon an independent court of audit (or corresponding institution). The importance of such an institution –

appointed by and only answerable to the parliament – cannot be overestimated. In other words, it is necessary to strengthen the oversight capacity of parliaments, in particular by creating or reinforcing the existing national audit office and maintaining a close relationship between the parliament and the audit office in order to facilitate the monitoring of public finances and the implementation of that monitoring.

The third recommendation suggests that parliament officials must receive adequate and sufficient information. It is not unusual for parliamentarians attending international conferences to receive new information on-site from donor countries or diplomats about their own government's plans. This under-scores the importance of including parlia-ments in the programming, following up and evaluation of the impact of aid. Foreign aid and loans should obviously be included in the budget documents discussed by par-liamentarians when voting on the budget.

The fourth is that parliament should con-sult civil society. Parliamentarians must keep their independence of mind but in order for them to be well informed and recognize peo-ples' genuine needs, consultations with civil society when evaluating and overseeing aid programmes are indispensable.

The fifth recommendation holds that a sub-stantial representation of both genders in parliament is very important. Both men and women have a specific and original percep-tion of problems and of the relevance of dif-ferent development strategies. They should work together in parliaments to promote and implement balanced and effective legislation and better control of governments leading to more effective and equitable development.

The sixth emphasizes the need for parliament to ensure that the different functions are allowed to play their roles accordingly: opposition members must, for example, receive a share of seats in the bureaux and committees of the parliament in proportion to their representation in parliament and must not, as they have been in many instances, be excluded from the official parliamentary arena.

Finally, the seventh recommendation high-lights the importance of enhancing coop-eration between parliaments – not only be-tween donor and beneficiary countries but also South–South inter-parliamentary rela-tionships. Such relations are critical when developing tools like the peer review system which has proved successful in the African region. In order to assist such relations, re-gional parliaments or similar forums where parliaments of a particular region meet are fundamental.

Conclusion

All the core functions of beneficiary govern-ments should be reinforced; support must not be limited to parliament only. However, the parliament plays a special role in regard to putting pressure on a country's govern-ment, which in turn is the guarantee we have that our governments will fulfil their obligations and invest in their core functions accordingly. Hence in my view it is essen-tial for the donor community – whether it be multilateral or bilateral donors – to per-suade their partners to invest a minimum amount of the aid received in strengthen-ing their democratic institutions, the work-ing capacities of their parliament, and their audit mechanisms reporting to parliament, as well as, alongside fighting corruption, to strengthen an independent judiciary.

I advocate keeping aid conditionality as limited as possible. However, two principles should be guiding – requesting partners to respect the Universal Declaration of Human Rights; and appealing to partners to develop with the aid of the international community in the way they themselves consider most suitable. In this process they should be encouraged to reinforce their democratic institutions and to secure the core functions of the state and its administration. Naturally, these are not sufficient conditions to resolve the many tensions surrounding aid and development, but they are fundamental to meeting the challenges that present themselves during such processes.

RECLAIMING INDIAN DEMOCRACY THROUGH POOR PEOPLE'S PROTEST

Aruna Roy

We as social movements believe in democracy, but our politics is not limited to the narrow paradigm of electoral politics. This tradition in India, inherited from Gandhi, Jaiprakash Narayan and many others, is the politics of conscience, of reflecting and taking peoples' voices to people in power. Along the way, the concept of power has been redefined. In today's India it is no longer obvious who holds more power – the person in an official position of authority or the people who topple that person.

The history of social movements has a long tradition in India and, having been invited to represent several of the current ones, I would like to share my experience of making a 'different kind' of politics within the world's largest democracy. The two major and successful movements – the Right to Information Campaign and the Right to an Employment Guarantee – will serve to illustrate the scenario.

Before looking at concrete examples we should start by asking what we mean by politics: is politics limited to political parties or does anyone who votes – or refrains from voting – in a democracy become part of the political process? The concept becomes particularly urgent in India where poverty and

inequality have existed long and continuously in spite of India being a working democracy. While we boast of 8.5 per cent annual growth, other indicators reveal a situation that is worse than that in the Sub-Saharan region. How do I as an Indian react to the fact that millions of my own people live on less than a dollar a day, with no access to literacy, education, health or employment? Not only is this a personal dilemma, it is a dilemma for democracy.

Regardless of the socio-economic situation, the poor in India understand democracy. We also understand that without democracy, and without that vote that empowers us for at least one month prior to elections, we would be reduced to a digit on a computer screen. But because that one vote matters, for that one month, politicians are willing to approach us to ask for our support. This experience has taught us that democracy does matter, but not the way it is exercised today. To put it succinctly, what we want is not only representative democracy; we want participatory democracy. We want a democracy that is transparent and accountable and with institutions that are able to deliver.

Due to the state's failure to deliver, we have ourselves taken on the role of monitoring

the institutions of democracy. It is a time-consuming experience but, as the following cases illustrate, the investment has already proved – and will hopefully continue – to pay off.

THE RIGHT TO INFORMATION CAMPAIGN

The seeds of the movement behind the Right to Information Campaign were planted over three decades ago as we moved between rural villages in the state of Rajasthan. Inspired by the fundamental principle of democracy, our aim was to listen to people who rarely are listened to and who, despite their great common sense, tend to be dismissed as unintelligent. The villagers expressed their need for development based on their own reality – employment, health and schooling – and the debates distilled the peasants' main concern – to receive the promised but so far absent minimum wage for the work they had been employed by the government to perform.

Repeated protests, agitation and hunger strikes resulted in minimum wages being paid for that particular contract, but the situation reverted to non-payment of wages at the next hiring. To illustrate, some workers received less than one rupee a day, while the official minimum wage was 22. The situation became unsustainable for obvious reasons, and we demanded to look into the records of the local village council responsible for the payments. Our request was denied on the grounds that the documents (under the Colonial – and now Indian – Official Secrets Act) belonged to the state. A groundswell of indignant peasants and workers, denied their basic rights of life and livelihood, advanced the struggle bolstered by the constitutional right to demand transparency of records and continued to approach the village council, asking for a public audit of accounts. According to the documents which were finally released, the main village road –

which in reality did not exist – had been laid four times. This phenomenon repeated itself several times in different shapes and revealed the level of corruption among the council members and the administration. This and other similar experiences became vivid proof of the close link between democracy and the right to development.

Who decides the social and economic agenda in the remote parliament is important because those sets of decisions also affect the future of the village pond, fishing rights, and whether an individual is going to be displaced because of a dam project. Acting upon this realization during election periods, we demanded that the political parties approaching us should ensure that policy was framed in the way we wanted in the State Assembly and hence open up for accountability. As the politicians failed to fulfil their assurances on several occasions, we responded with protests and hunger strikes in line with non-violent 'satyagraha' – the Gandhian method of civil disobedience. After many years of struggle and advocacy, a creative dialectic evolved and the government eventually accepted our request for minimal transparency, which enabled us to review payment rolls. A large part of Indian civil society along with judges and ex-members of the Supreme Court appreciated the efforts and joined the movement to support the cause and frame the entitlement.

The Right to Information Act is moreover an example of how the people have been successful in enhancing transparency within democratic political institutions. Parliamentarians were themselves limited in their access to information until the act became national law, and it has increased the voters' ability to demand accountability. In addition, the struggle and the law that followed have brought home the realization that we, the voters, are not limited to

demanding accountability at election time; we can question the elected representatives and demand answers throughout their term. This implies a transfer of power from the elected individual to the community he or she represents. To us, this is a vital change.

A campaign member summarized the reason for our movement's demands with the following reflection. 'We wonder, that if we don't get the right to information, whether we can survive or not. You wonder – as people running the government – that if you give us the right to information, will you be able to retain your power or not. But what we all need to wonder is whether the nation will survive or not without the right to information.'

THE NATIONAL RURAL EMPLOYMENT GUARANTEE ACT

In an environment of increasing distress among the poor, where the state evaded its responsibilities and the population was systematically being disempowered by economic policies, the growing demands for basic employment resonated across India. Numerous campaigns and workers' organizations joined the Right to Work Movement. The Indian parliament was eventually pressured to pass the National Rural Employment Guarantee Act (2005). This was without doubt a great victory for the people: rural workers were for the first time guaranteed employment for 100 days a year per household. As we speak, millions of Indians are working, earning their minimum wage in the country. It is indeed a phenomenal achievement for workers' struggles and movements in India.

CONCLUSION

Participating in the movements has taught us that dialogue can come out of campaigns and political pressure can be used to realize our objectives, without the use of violence. Due to tensions in some Indian states, this approach may be more difficult to adopt there than in others, but our argument lies within the dialectic between people and elected representatives; we have been able to establish a form of equality that may inspire others to follow.

By organizing ourselves into movements with a common agenda and interacting with parliamentarians and local politicians, we have succeeded in linking peasants and workers – people to whom the sphere of electoral politics always has been utterly remote – to people with voices and power within governments. In doing so we have been able to shape modes of interaction that have real political impact and opened up channels for future dialogue with India's elected decision makers.

We are ware that we are unlikely to win an election or form a political party, but we know we can influence people so that certain political forces are prevented from coming to power; we have the power to influence the negative vote, and with it comes the responsibility to exercise our influence in an ethical way. It is now up to us as people from social movements to treasure the lessons learned and sustain our energy. The Indian constitution was the result of a long collective struggle for independence. This spirit must be sustained if its promise is to be realized.

DEMOCRACY AND PRO-POOR DEVELOPMENT

Ravi Srivastava

Democracy may derive from one single principle, but actual voting in parliamentary, state or local elections gives rise to individual and varying perceptions of what democracy implies. When discussing democracy-related issues it is therefore important to realize the multifaceted ground upon which they rest.

A point of departure for discussing room for politics, democratization, national ownership and development is to define where the locus of development may be found today. How much of it resides in the national terrain and how much has shifted to other actors?

The problematique surrounding this question has been poignantly reflected in the Indian case by the thousands of suicides among farmers over the past few years. The reasons for these may be traced to the negative effects of both national and international policies. Discussions on ownership can therefore no longer be limited to national contexts but must take a broadened perspective into account.

DEFINING CONCEPTS

Discussing democracy and development as separate issues is an outdated approach, and, although views on the semantics vary, it is vi-

tal that the debate be based upon a working definition of the two concepts when exploring how to democratize national ownership of development. This presentation will refer to democracy in terms of representational democracy (which in itself does not necessarily advance the cause of development in a linear way) and define development as an extension of basic rights and freedoms.

Representational democracy may work in a number of ways – through the so-called 'money and muscle' well known to Indian citizens; or by appealing to cultural, social, sectarian and communal identities. These identities – although at times they play an important role in pluralizing democracy – are often used in the name of representational democracy in order to limit the process of development.

From a poor person's perspective, representational democracy is for obvious reasons often a lesser priority than accessing the basic needs for survival. However, claiming that democracy is irrelevant to underprivileged people means throwing the baby out with the bath water since democracy brings the notion of accountability – which is a fundamental component on which development rests – into the political system.

HOW TO EXPAND ECONOMIC DEMOCRACY?

When looking at development in terms of both political and economic rights it is important to recognize that the process of deepening political democracy must go hand in hand with the process of deepening economic democracy. In order for political democracy to be effective the space of economic rights has to be expanded, which is where the core problem lies: if political democracy does not by itself serve to expand the process of economic rights, then how do we expand the terrain of economic democracy? Two pathways suggest solutions to this challenge.

The first is the broad process which we refer to as growth: growth slowly expands the terrain of economic democracy and hence creates both political and economic aspirations. This in turn causes a churning up of society which is key in enabling those low down on the social scale and disadvantaged groups to express their aspirations and claim their due share of the cake. This phenomenon has been concretized in India, where it has deepened the democratic processes which are clearly occurring as a consequence (albeit often unintended) of the process of growth, rather than evolving as isolated events.

The second way in which economic rights may advance is through horizontal and largely secular movements that focus on elements within the domain of economic and political rights. Throughout Indian history, these movements have taken different trajectories, and the three main ones may serve to give a brief overview.

First, the approach chosen by radical redistributive movements has commonly been too drastic in the eyes of the state and has at times been responded to with excessive vio-lence, leading to their weakening or disappearance. In such scenarios the state has often in turn adopted some of the movements' main issues, particularly in cases related to land reform. Currently almost 100 districts throughout the country are affected by high-intensity mass movements but they are seldom able to influence development outcomes.

The second, more dialogue-focused, trajectory – commonly present throughout Indian history – has been adopted by the horizontal movements which through their interaction with the state have proved influential on the development discourse. The main issue in such cases is how to sustain the Indian states in imbibing the core aims of these movements; both in the past and currently, the state has dealt and is dealing with movements' demands in wave-like motions, taking one step forward and two steps back (or vice versa). A complex issue of political economy is played out between the states and the movements which depends on the movements' intensity, their breadth and their methods, and when they threaten the status quo too radically they are met with state violence.

In the third example, broadly-based social, political and economic movements have demonstrated a capacity to in some sense capture the state, and hence seize political power. In the Indian state of Kerala, the left-ist movement obtained such political power that it forced the state to be responsive on development issues. The state developed a broad social security and human development agenda and is presently carrying it forward. Once the agenda wins broadly-based political support, the ground is prepared to build a development compact between the political parties and the different sectarian identities in the state. In the case of Kerala, a multi-religious state where people of dif-

ferent beliefs live and strive for their own political strategies, a basic compact between the differing identities has been established on a common agreement over development issues. This has created a broadened national ownership in the sense that almost all Keralans, despite their diversities, have become stakeholders in the development plan and process within their state.

CONCLUSION

Several states in India have similarly moved towards the model of sharing a compact around issues of development. The processes behind the agreements are different depending on the context and are well worth studying in order to enable politicians and civil society actors to create situations where the pressure from these movements leads not only to a response from the state, but also to an internalization of the development agenda. Only then will the economically and politically disempowered citizens be able to develop a permanent stake in the system which has so profoundly failed to offer them their due share.

QUESTIONS AND ANSWERS

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1. Democracy's four pillars – the legislature, the executive, the judiciary and the media – are rarely given equal attention in discussions on democracy and development; we tend to concentrate on the legislature and omit the fact that the other pillars greatly affect the functionality of the political executive. In what way is the executive pillar important to the process of a democracy that generates development for the people?

Ravi Srivastava. As suggested, more focus should be given to other institutions of democracy in order to balance the discussion. Furthermore, the two most important issues as far as India is concerned are electoral reform and combating the mafia and corruption. With respect to the first we have a set of suggestions which should be developed; with regard to the second we still need to analyse how to control the more centralized forms of corruption since it has devastating effects on the political machinery.

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2. After 60 years of independence we have still not been able to ensure a basic economic minimum in terms of food, clothing, shelter, education, sanitation and health facilities for the people. If these rights fail to be met in the next 20–25 years, will democracy itself survive?

Ravi Srivastava. The immense economic growth that India has experienced has not trickled down to the poorer population, and inequalities have rather increased. The current situation indicates that much more than democracy is at stake if we fail to value and act upon the aspirations of marginalized groups.

Aruna Roy. In order to achieve political equality we must also ensure economic and social equality. I think we need to ask ourselves why we, as civil society and movements, have not contributed more on enhancing social equality. Focus must be put on broader spectra of issues, and further social movements should be created to do so.

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3. Experience shows that a parliament that includes a variety of parties is more dynamic and efficient than one that excludes the opposition. When we advocate strengthening parliaments we tend in practice to refer to a strengthening of the opposition. How may we realize this ambition in reality?

On a related note, donors are inclined to focus on relations with countries' executive branches and omit NGOs and other parties in the process. How should donors change this habit?

François-Xavier de Donnea. A parliament without an opposition is unable to exercise its critical role concerning proposed legislation or to exercise credible oversight of the government; it is simply not a parliament. Donor countries must therefore convince political parties in emerging democracies of the benefits of having a functioning opposition. In order to carry out its tasks, the opposition must be offered the same physical and intellectual facilities as members of the majority. Inter-parlamentary relationships, South–South as well as North–South, are crucial for dialogues through which such matters may be discussed.

One way to strengthen an opposition is for the state to finance political campaigns. In countries such as Belgium, the parliament offers each party an allowance that is proportional to its number of deputies. Such measures enable both opposition and majority to run a fair election on an equal footing as far as party financing is concerned.

William Brandful. It is indeed important to strengthen parliaments and encourage the inclusion and welfare of opposition within the official quarters. However, when the parliamentary majority perceives donors as focusing too much on members of the opposition, counter-effects are commonly triggered, and too often violence against minorities has been the unfortunate result.

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4. Please comment on the statement that it is important to link the ownership of development programmes to the ownership of the means of production, specifically in Africa. In addition, what is the European Union's position on untying the assistance from specific conditions?

François-Xavier de Donnea. In a globalized world, national ownership of all means of production of an individual country is – regretfully or otherwise – not possible. A strong government and a strong parliament which are able to promote free competition and fight excessive concentration and abuse of powers – whether on behalf of national or of foreign actors – is the most important thing.

Donors must realize that imposing hundreds of conditions requires recipients to spend enormous amounts of time on producing reports and receiving inspection missions. Fewer conditions would free qualified civil servants on the receiving end to focus on their original assignments. Focusing on the constant process of improving the institutions of governance – such as strengthening parliament, the judiciary and customs systems, and the police – enables virtuous circles. Over time this in turn will yield improved and more effective governance.

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5. The democratic system as we know it derives from principles of representation that emerged several centuries ago. Considering that within a foreseeable future technology will enable practically every person on the planet to communicate and access information, what is your view on democracy becoming more innovative as a system in which each person is able to participate and represent her/him-self?

Aruna Roy. Technology can certainly change communication patterns, but it is less likely to change political systems. What makes the political system 'thick' is its peculiar anomaly between the centralization of economic power and the inability to communicate the

real value of democracy to people. Communications technology has brought changes to rural areas where services such as banking are concerned, and text messaging has proved a powerful tool in mobilizing people for many positive causes worldwide. On a negative note, the genocide in Gujarat, India, took place largely through people texting and mobilizing to kill. Naturally, we must be open to the use and possibilities of technology, but more debate and a greater understanding of

the plurality of the situation are needed.

Ravi Srivastava. Inequalities are pervasive and in India the process of growth has bypassed an estimated 37 million people. Policies at the central level need to adapt to facilitate the inclusion of poor people in the processes of development, and the main issue is to take a stand when policy making requires trade-offs to ensure that they are made in favour of those who are normally excluded from the fruits of development.

MODERATOR: JAVEED ALAM

The key question extracted from the panel is: how do we – by looking at this particular relationship between democracy and development and giving it a national dimension – make the democratic process more inclusive? In their different ways, the panellists have reflected on the answer.

The pan-African cooperation is a crucial element in enabling a national dimension to development. The impact of globalization in this process is important to recognize since it involves two contradictory elements: on one level, opportunities for political reforms are opened, while on the other hand national economic processes are tending to slip out of the hands of national decision makers. William Brandful's reference to Ghana establishes a positive relationship between democracy and development, and reflects a people-oriented process of development taking place in the African region. The struggles for democracy and the establishment of democratic regimes have prepared the ground for that development to flourish, and the case of Ghana contrasts somewhat with the first session's questioning of the relationship between the two.

In order to manage the failure of foreign aid in combating poverty, François-Xavier de Donnea presents a set of prescriptions suggesting that focus must be put on better governance; this can only be done through consolidating democracy by strengthening parliament and obtaining national oversight and ownership in regard to aid.

The question posed by Aruna Roy is important. What, after all, is politics? It is neither simply electoral nor procedural; it is participatory, and it is participatory in the way in which it delivers in the face of abysmal poverty. Only by establishing equality between the people and the representatives can democracy be turned into an effective institution.

Finally, Ravi Srivastava's reflection on the question of representative democracy as something that does not necessarily lead to national development is particularly relevant to today's Indian society where representative democracy in reality has appealed to and strengthened narrow, congealed identities. The process of democracy – with its many different components – has also led to the empowerment of the poor. The expansion of democracy is therefore systematically related to the deepening of democracy's capability to deliver on people's economic rights.

DEMOCRACY AND DEVELOPMENT –
THE IMPACT OF GLOBALIZATION

TOWARDS A MULTIPLICATION OF SPECIALIZED ASSEMBLAGES OF TERRITORY, AUTHORITY AND RIGHTS[28]

Saskia Sassen

This is a time of epochal, even if partial, transformations. Some use the notion of globalization to capture the change – a 'national versus global contest' view. Others focus on the 'war on terror' and its aftermath, emphasizing the 'state of exception' that gives governments legal authority to abuse their powers. There are several other interpretations and namings of the character of today's major transformation. But this suffices to make the point that much of the commentary on the major changes of our time pivots on the notion that the national state is under attack, or at the minimum that it is suffering the erosion of its territorial protections.

But the major change is not fully captured in these types of understandings. A key, yet much overlooked, feature of the current period is the multiplication of a broad range of partial, often highly specialized, global assemblages of bits of territory, authority and rights once firmly ensconced in national institutional frames.[29] These assemblages cut across the binary of national versus global. They inhabit national institutional and territorial settings, and they span the globe in what are largely trans-local geographies connecting multiple sub-national spaces.

These assemblages include at one end of the range private, often very narrow, frameworks such as the *lex constructionis* – a private 'law' developed by the major engineering companies in the world to establish a common mode of dealing with the strengthening of environmental standards in a growing number of countries, in most of which these firms are building. At the other end of the range they include far more complex (and experimental) entities, such as the first-ever global public court, the International Criminal Court, which is not part of the established supranational system and has universal jurisdiction among signatory countries. Beyond the fact of the diversity of these assemblages, there is the increasingly weighty fact of their numbers – over 125 according to the best recent count.[30] The proliferation of these systems does not represent the end of national states, but it does begin to disassemble bits and pieces of the national. If you see through the eye of the national state, these assemblages look like inchoate geographies. But they are actually the bits of a new reality in the making.

BITS OF A NEW REALITY

Using this lens to look at some current, often minor and barely visible, developments opens up some interesting vistas. For instance,

Hizbollah in Lebanon can be seen as having shaped a very specific assemblage of territory, authority and rights that cannot be easily reduced to any of the familiar containers – nation state, internal minority-controlled region, such as the Kurdish region in Iraq, or separatist area such as the Basque region in Spain. Similarly, the emerging roles of major gangs in cities such as São Paulo contribute to produce and/or strengthen types of territorial fractures that the project of building a nation state sought to eliminate or dilute. Besides their local criminal activities, they now often run segments of global drug- and arms-dealing networks; and, importantly, they are also increasingly taking over 'government' functions – 'policing', providing social services and welfare assistance, jobs, and a new element of rights and authority in the areas they control.

We also see these novel mixes of territory, authority and rights in far less visible or noticed settings. For instance, when Mexico's (former) President Vicente Fox met with undocumented Mexican immigrants during his visit to the USA this past May, his actions amounted to the making of a new informal jurisdiction. His actions did not fit into existing legal forms that give sovereign states specific types of extraterritorial authority. Nonetheless, his actions were not seen as particularly objectionable; indeed, they were hardly noticed. Yet these were, after all, unauthorized immigrants subject to deportation if detected, in a country that is now spending almost 2 billion USD a year to secure border control. But no INS (Immigration and Naturalization Service) or other police came to arrest the undocumented persons who were thus exposed, and the media barely reacted, even though it was taking place at a time when Congress was debating whether to criminalize illegal immigrants. Similarly, President Hugo Chávez of Venezuela, seen as an 'enemy' of sorts by the US

government, is somehow enabled (through the state-owned oil enterprise) to bring oil to the poor in a few major cities in the USA. All of these are minor acts, but they were not somehow acceptable or customary even a short time ago. They can be seen as producing novel types of mostly informal jurisdictions that are neither global nor national.

Emphasizing this multiplication of partial assemblages contrasts with much of the globalization literature. It has tended to assume the binary of the national vs the global, and to focus on the powerful global institutions that have played a critical role in implementing the global corporate economy and induced states to implement the associated policies. My focus here opens up the analysis to a far broader range of components (including powerless actors) in what we describe as globalization. And it repositions the powerful global regulators, such as the (reinvented) International Monetary Fund (IMF) and World Trade Organization (WTO), as bridging events for an epochal transformation, rather than as the transformation itself. The actual dynamics getting shaped are far deeper and more radical than such entities as the WTO or the IMF, no matter how powerful these entities are as foot soldiers. They should rather be conceived of as powerful capabilities for the making of a new order; they are instruments, not the new order itself. Similarly, I argue that the Bretton Woods system was a powerful capability that facilitated some of the new global formations that emerged in the 1980s but was not itself the beginning of the new order, as is often asserted.[31]

I see in this proliferation of partial assemblages a tendency towards a disaggregating and, in some cases, global redeployment of constitutive rules once solidly lodged in the nation-state project with its strong unitary tendencies.[32] Since these novel assemblages

are partial and often highly specialized, they tend to be centred in particular utilities and purposes.[33] The normative character of this landscape is, in my reading, multivalent; it ranges from some very good utilities and purposes to some very bad ones, depending on one's normative stance. Their emergence and proliferation bring several significant consequences even though this is a partial, not an all-encompassing, development. They are potentially profoundly unsettling of what are still the prevalent institutional arrangements (nation states and the supranational system) for governing questions of war and peace, for establishing what are and what are not legitimate claims, and for enforcing the rule of law. Whether these established arrangements are effective at these functions, and whether justice is secured, is a different matter. The point here is that their decomposition would partly undo established ways of handling complex national and international matters. The emergent landscape I am describing promotes a multiplication of diverse spatio-temporal framings and diverse normative (mini-)orders where once the dominant logic was towards producing (grand) unitary national spatial, temporal and normative framings.[34]

This proliferation of specialized orders extends even inside the state apparatus. I argue that we can no longer speak of 'the' state, and hence of 'the' national state versus 'the' global order. There is a novel type of segmentation inside the state apparatus, with a growing and increasingly privatized executive branch of government aligned with specific global actors, notwithstanding nationalist speeches, and a hollowing out of the legislature whose effectiveness is at risk of becoming confined to fewer and more domestic matters.[35] A weak and domesticated legislature weakens the political capacity of citizens to demand accountability from an increasingly powerful and privatized

executive, since the legislature gives citizens stronger standing in these matters than the executive does. Further, the privatizing of the executive has partly brought with it an eroding of the privacy rights of citizens – a historic shift of the private–public division at the heart of the liberal state, even if it was always an imperfect division.[36]

A second critical divergence is between the increasing alignment of the executive with global logics and the confining of the legislature to domestic matters.[37] This results from three major trends. One is the growing importance of particular components of the administration, such as ministries of finance and central banks (respectively, the Treasury and the Federal Reserve in the USA), for the implementing of a global corporate economy; these components actually gain power because of globalization. Second, the global regulators (the IMF, the WTO and others) only deal with the executive branch; they do not deal with the legislature. This can strengthen the adoption of global logics by the executive. A third becomes evident in such cases as the Bush–Cheney administration's support for the Dubai Ports' attempted acquisition of several major port operations in the USA. In contrast to these trends, the legislature has long been a domestic part of the state, something which began to weaken its effectiveness as globalization expanded over the last two decades. This then also weakens the political capacity of citizens in an increasingly globalized world.

AVOIDING MASTER CATEGORIES

A major methodological, theoretical and political implication of the type of analysis I am proposing is that it is not sufficient to focus on the nation state and the global system as two distinct entities. The transformations that are afoot criss-cross this binary, and enter the national and even the state apparatus itself.

To historicize both the national and the global as constructed conditions, I have taken three trans-historical components that are present in almost all societies and examined how they became assembled into different historical formations.[38] These three components are territory, authority and rights (TAR). Each can assume specific contents, shapes and interdependencies across diverse historical formations. The choice of these three rests partly on their foundational character and partly on the contingency of my fields of knowledge. One could, and I hope someone will, choose additional components or replace one or another of these.

Territory, authority and rights are complex institutionalizations arising from specific processes, struggles and competing interests. They are not simply attributes. They are interdependent, even as they maintain their specificity. Each can, therefore, be identified. Specificity is partly conditioned by levels of formalization and institutionalization. Across time and space, territory, authority and rights have been assembled into distinct formations within which they have had variable levels of performance. Further, the types of instruments and capabilities through which each is constituted vary, as do the sites where each is in turn embedded – private or public, law or custom, metropolitan or colonial, national or supranational, and so on.

Using these three foundational components as analytical pathways into the two distinct formations that concern me in the research project on which this paper draws – the national and the global – helps avoid the endogeneity trap that so affects the globalization literature.[39] Scholars have generally looked at these two complex formations in toto, and compared them to establish their differences. This is not where I start. Rather than comparing what are posited as two wholes – the national and the global – I disaggregate

each into these three foundational components (TAR). They are my starting point. I dislodge them from their particular historically constructed encasements – in this case the national and the global – and examine their constitution and institutional location in these different historical formations, and their possible shifting across institutional domains. I develop some of this empirically in the next section of this paper, but a quick example would be the shift of what were once components of public authority into a growing array of forms of private authority. One thesis that arises out of this type of analysis is that particular national capabilities are dislodged from their national institutional encasement and become constitutive of, rather than being destroyed or sidelined by, globalization.[40]

This type of approach produces an analytics that can be used by others to examine different countries today in the context of globalization or different types of assemblages across time and space.[41] In the modern state, territory, authority and rights evolve into what we now can recognize as a centripetal scaling where one scale, the national, aggregates most of what there is to be had in terms of TAR. Although never absolutely, each of the three components is constituted overwhelmingly as a national domain and, further, exclusively so. Where in the past most territories were subject to multiple systems of rule, the national sovereign gains exclusive authority over a given territory and at the same time this territory is constructed as coterminous with that authority, in principle ensuring a similar dynamic in other nation states. This in turn gives the sovereign the possibility of functioning as the exclusive granter of rights. Territory is perhaps the most critical capability for the formation of the nation state, while today we see the ascent of a variety of assemblages for which it is not the most critical capability; thus for the global

regulators authority is more critical than territory.

Globalization can be seen as destabilizing this particular scalar assemblage. What scholars have noticed is the fact that the nation state has lost some of its exclusive territorial authority to new global institutions. What they have failed to examine in depth is the specific, often specialized rearrangements inside the highly formalized and institutionalized national state apparatus aimed at instituting the authority of global institutions. This shift that is not simply a question of policy making – it is about making a novel type of institutional space inside the state. In overlooking such rearrangements it is also easy to overlook the extent to which critical components of the global are structured inside the national, producing what I refer to as a partial, and often highly specialized, denationalizing of what historically was constructed as national.

Thus today particular elements of TAR are becoming reassembled into novel global configurations. Therewith, their mutual interactions and interdependencies are altered, as are their institutional encasements. These shifts take place both within the nation state, for example, shifts from public to private, and through shifts to the inter- and supranational and global levels. What was bundled up and experienced as a unitary condition (the national assemblage of TAR) now increasingly reveals itself to be a set of distinct elements, with variable capacities for becoming denationalized. For instance, we might say that particular components of authority and of rights are evincing a greater capacity for partial denationalization than territory: geographical boundaries have changed far less (except in cases such as the disintegration of the Soviet Union) than authority (i.e. the greater power of global regulators over national economies) and rights (the further

institutionalizing of the international human rights regime). This points to a possibly sharp divergence between the organizing logics of the earlier international and current global phases; these are often seen as analogous to the current global phase, but I argue that this understanding may be based on a confusion of analytical levels. In earlier periods, including Bretton Woods, that imperial logic was geared towards building national states, typically through imperial geographies; in today's phase, it is geared towards setting up global systems inside national states and national economies, and in that sense at least partly denationalizing what had historically been constructed as national. This denationalizing can take multiple concrete forms – to mention two critical ones, global cities, and specific policies and institutions within the state itself.

SPECIALIZED ASSEMBLAGES AS NEW TYPES OF TERRITORIALITY

Next I develop some of these issues empirically by focusing on emergent articulations of territory, authority and rights that unsettle what has been the dominant articulation, that characterizing the modern state. I will use the concept of territoriality, usually used to designate the particular articulation of TAR in the modern state. Here I denaturalize the term and use it to capture a far broader range of such articulations. But the national state is the standard against which I identify these following four types of territoriality assembled out of 'national' and 'global' elements, with each individual or aggregate instance evincing distinct spatio-temporal features. These four types of instances unsettle national state territoriality – the territory of the national is a critical dimension in play in all four. (There are other emergent assemblages which I examine as part of the larger research project.)[42]

A first type of territoriality can be found in the development of new jurisdictional geographies. Among the more formalized instances are a variety of national legal actions which notwithstanding their transnational geographies can today be launched from national courts. The critical articulation is between the national (as in national court, national law) and a global geography, outside the terms of traditional international law or treaty law. A good example is the lawsuits launched by the Washington-based Center for Constitutional Rights in a US court against nine multinational corporations, both US and foreign, for abuses of workers' rights in their offshore industrial operations, using as the national legal instrument the Alien Torts Claims Act. In other words, this is a global three-sited jurisdiction, with several locations in at least two of those sites – the locations of the headquarters (both the USA and other countries), the locations of the offshore factories (several countries), and the court in Washington, DC. Even if these lawsuits do not quite achieve their full goal, they signal that it is possible to use the national judiciary for suing US and foreign firms for questionable practices in their operations outside their home countries. Thus, besides the much-noted new courts and instruments (e.g. the new International Criminal Court), this example shows that components of the national rule of law that once served to build the strength of the national state are today contributing to the formation of transnational jurisdictions. Another instance is the US practice of 'exporting' prisoners to third countries (rendition), de facto to facilitate their torture. This is yet another instance of a territoriality that is both national and non-national. Finally, diverse jurisdictional geographies can also be used to manipulate temporal dimensions. Reinserting a conflict in the national legal system may ensure a slower progression than in the private jurisdiction of international

commercial arbitration.[43]

A second type of specialized assemblage that is contributing to a novel type of territoriality is the work of national states across the globe to construct a standardized global space for the operations of firms and markets. What this means is that components of legal frameworks for rights and guarantees, and more generally the rule of law, largely developed in the process of national state formation, can now strengthen non-national organizing logics. As these components become part of new types of transnational systems they alter the valence of (rather than destroy, as is often argued) older nation-state capabilities. Where the rule of law once built the strength of the national state and national corporations, key components of that rule of law are now contributing to the partial, often highly specialized, denationalizing of particular national state orders. For instance, corporate actors operating globally have pushed hard for the development of new types of formal instruments, notably intellectual property rights and standardized accounting principles. But they need not only the support but also the actual work of each individual state where they operate to develop and implement such instruments in the specific context of each country. In their aggregate this and other emergent orderings contribute to produce an operational space that is partly embedded in particular components of national legal systems which have been subjected to specialized denationalizations;[44] thereby these orderings become capabilities of an organizing logic that is not quite part of the national state even as that logic installs itself in that state. Further, in so doing, they often go against the interests of national capital. This way of representing economic globalization is very different from the common notion of the withdrawal of the state at the hands of the global system. Indeed, to a large extent it is the executive branch of

government that is becoming aligned with global corporate capital and ensuring that this work gets done.

A third type of specialized assemblage can be detected in the formation of a global network of financial centres. We can conceive of financial centres that are part of global financial markets as constituting a distinct kind of territoriality, simultaneously pulled in by the larger electronic networks and functioning as localized micro-infrastructures for those networks. These financial centres inhabit national territories, but they cannot be seen as simply national in the historical sense of the term, nor can they be reduced to the administrative unit encompassing an actual terrain (e.g. a city), one that is part of a nation state. In their aggregate they house significant components of the global, partly electronic, market for capital. As localities they are denationalized in specific and partial ways. In this sense they can be seen as constituting the elements of a new type of multi-sited territoriality, one that diverges sharply from the territoriality of the historical nation state.

A fourth type of assemblage can be found in the global networks of local activists and, more generally, in the concrete and often place-specific social infrastructure of global civil society. Global civil society is enabled by global digital networks and the associated imaginaries. But this does not preclude that localized actors, organizations and causes are key building blocks of global civil society as it is shaping up today. The localized involvements of activists are critical no matter how universal and planetary the aims of the various struggles: in their aggregate these localized involvements are constitutive. Global electronic networks actually push the possibility of this local–global dynamic further. Elsewhere[45] I have examined the possibility for even resource-poor and immobile individuals or organizations to become part of

a type of horizontal globality centred on diverse localities. When supplied with the key capabilities of the new technologies – decentralized access, interconnectivity, and simultaneity of transactions – localized, immobilized individuals and organizations can be part of a global public space, one that is partly a subjective condition, but only partly because it is rooted in the concrete struggles of localities.

In principle we can posit that those who are immobile might be more likely to experience their globality through this (abstract) space than individuals and organizations that have the resources and the options to travel across the globe. Sometimes these globalities can assume complex forms, as is the case with first-nation people demanding direct representation in international forums, bypassing national state authority – a long-standing cause that has been significantly enabled by global electronic networking. other times they are more elementary, as is the case with various Forest Watch activists in rain forests around the world. We can see here at work a particular type of interaction between placeless digital networks and deeply localized actors/users. One common pattern is the formation of triangular cross-border jurisdictions for political action which once would have been confined to the national. Local activists often use global campaigns and international organizations to secure rights and guarantees from their national states; they now have the option to incorporate a non-national or global site in their national struggles. These instances point to the emergence of a particular type of territoriality in the context of the imbrications of digital and non-digital conditions. This territoriality partly inhabits specific sub-national spaces and partly becomes constituted as a variety of somewhat specialized or partial global publics.

While the third and fourth types of territoriality might seem similar, they are actually not. The sub-national spaces of these localized actors have not been denationalized as the financial centres discussed earlier have. The global publics that get constituted are barely institutionalized and mostly informal, unlike the global capital market, which is a highly institutionalized space both through national and international law, and through private governance systems. In their informality, however, these global publics can be seen as spaces for empowerment of the resource-poor or of not very powerful actors. In this sense the subjectivities that are emerging through these global publics constitute capabilities for new organizing logics.

Although these four types of emergent assemblage that function as territorialities are diverse, they all share certain features. First, they are not exclusively national or global but are assemblages of elements of each. Second, in this assembling they bring together what are often different spatio-temporal orders, that is, different velocities and different scopes. Third, this can produce an eventful engagement, including contestations and what we might think of as a 'frontier zone' effect – a space that makes possible kinds of engagements for which there are no clear rules. The resolution of these encounters can become the occasion for playing out conflicts that cannot easily be played out in other spaces. Fourth, novel types of actors, initially often informal political or economic actors, can emerge in the processes through which these assemblages are constituted. These novel actors tend to be able to access cross-border domains that were once exclusive to older established actors, notably national states. Finally, in the juxtaposition of the different temporal orders that come together in these new territorialities, an existing capability can be redeployed to a domain with a different organizing logic. These

emergent assemblages begin to unbundle the traditional territoriality of the national, historically constructed overwhelmingly as a national unitary spatio-temporal domain.

CONCLUSION

Both self-evidently global and denationalizing dynamics destabilize existing meanings and systems. This raises questions about the future of crucial frameworks through which modern societies, economies and polities (under the rule of law) have operated: the social contract of liberal states, social democracy as we have come to understand it, modern citizenship, and the formal mechanisms that render certain claims legitimate and others illegitimate in liberal democracies. The future of these and other familiar frameworks is rendered dubious by the unbundling, even if very partial, of the basic organizational and normative architectures through which we have operated, especially over the last century. These architectures have held together complex interdependencies between rights and obligations, power and the law, wealth and poverty, allegiance and exit.

The multiplication of partial, specialized and applied normative orders produces distinct normative challenges in the context of a still prevalent world of nation states. To mention just one instance, I would induce from these trends that normative orders such as religions reassume greater importance where they were until recently confined to distinct specialized spheres by the secular normative orders of states. I would posit that this is not, as is commonly argued, a fallback on older cultures. On the contrary, it is a systemic outcome of cutting-edge developments – not pre-modern but a new type of modernity that is a kind of default sphere arising out of the partial unbundling of what had been dominant and centripetal normative orders into multiple particularized segmentations.

The ascendance of religion is but one outcome, albeit a highly visible one that arouses deep passions. But there are others, and their numbers are growing even as they are rarely as visible as religion.

Notes

28. This paper is based on a larger research project the results of which were published as *Territory, Authority, Rights: From Medieval to Global Assemblages* (Princeton, NJ: Princeton University Press, 2008 (pbk)). A Swedish translation, *Territorium, makt, rättigheter: sammansättningar från medeltiden till den globala tidsåldern*, was recently issued by Atlas (2008). All references in this essay are to this source; readers can also find full bibliographic elaboration of the issues raised here.

29. This is clearly an analysis that emerges from European history, with all the limitations that entails. Critical here is Gayatri Spivak's thinking about the diverse positions that can structure an 'author's' stance. Spivak, Gayatri Chakravorty, 'Can the Subaltern Speak?', in Patrick Williams and Laura Chrisman (eds), *Colonial Discourse and Post-Colonial Theory* (New York: Columbia University Press, 1994).

30. Project on International Courts and Tribunals, 'The International Judiciary in Context', version 2.0 (August 2001), <http://www.pict-pcti.org/publications/synoptic_chart/synop_c4.pdf>.

31. Sassen, *Territory, Authority, Rights,* chapter 4.

32. Sassen, *Territory, Authority, Rights,* chapters 4, 5 and 6.

33. Sassen, *Territory, Authority, Rights,* chapters 5, 8 and 9.

34. Sassen, *Territory, Authority, Rights,* chapters 8 and 9.

35. Sassen, *Territory, Authority, Rights,* chapter 4.

36. This is a complicated issue that I do not address here, but see Sassen, *Territory, Authority, Rights,* chapter 6. One question is whether there is a necessary relationship between an increasingly privatized executive branch and the erosion of citizens' privacy rights.

37. An issue here is the relationship between this executive branch alignment with global logics, on the one hand, and, on the other, the proliferation of various nationalisms. I address this in *Territory, Authority, Rights,* chapters 6 and 9. Helpful here is Calhoun's proposition that nationalism is a process

articulated with modernity; this makes room for the coexistence of global-
ization and nationalization. See Calhoun, Craig, *Nationalism* (Minneapolis,
Minn.: University of Minnesota Press, 1997).

38.   This is fully developed in Sassen, *Territory, Authority, Rights*.

39.   For instance, this endogeneity is present in 'explanations' of globalization
      that list the features of global processes and institutions. This, I would argue,
      is not an explanation of globalization, but a description.

40.   In the larger project (Sassen, *Territory, Authority, Rights*, chapters 1, 8 and 9)
      there are lengthy discussions of questions of method and interpretation. I
      propose a distinction between capabilities (for example, the rule of law) and
      the organizing logics (the national, the global) within which they are located.
      Thus capabilities are multivalent: they can switch organizing logics, with the
      latter shaping their valence.

41.   I use the concept of assemblage in its most descriptive sense. However, sev-
      eral scholars have developed theoretical constructs around this term. Most
      significant for the purposes of this book is the work of Deleuze and Guattari
      (Deleuze, Gilles and Guattari, Félix, *A Thousand Plateaux: Capitalism and
      Schizofrenia* (Minneapolis, Minn.: University of Minessota Press, 1987), pp.
      504–5), for whom 'assemblage' is a contingent ensemble of practices and
      things that can be differentiated (that is, they are not collections of similar
      practices and things) and that can be aligned along the axes of territoriality
      and deterritorialization. More specifically, they posit that particular mixes
      of technical and administrative practices 'extract and give intelligibility to
      new spaces by decoding and encoding milieux' (pp. 504–5). There are many
      more elaborations around the concept assemblage, including. not surpris-
      ingly, among architects and urbanists (v. the journal *Assemblages*). While I
      find many of these elaborations extremely important and illuminating, and
      while some of the assemblages I identify may evince some of these features,
      my usage is profoundly untheoretical compared to that of the authors cited
      above. I simply want the dictionary term. I locate my theorization elsewhere,
      not on this term.

42.   Sassen, *Territory, Authority, Rights*.

43.   Sassen, *Territory, Authority, Rights*, chapter 5.

44.   Sassen, *Territory, Authority, Rights*, chapters 4 and 5.

45.   Sassen, *Territory, Authority, Rights*, chapter 7.

GLOBALIZATION, DEMOCRACY AND DEVELOPMENT – RETHINKING THE LINKAGES

Nivedita Menon

This brief presentation will discuss the re-
lationship between globalization, democ-
racy and development by placing it within a
theoretical framework offered by the work of
political theorist Sudipta Kaviraj.[46]

Kaviraj suggests that modernity should be
perceived not as a single process but rather
as a conjunction of several processes of so-
cial transformation – such as the rise of the
nation state, individuation, mass democracy
and capitalist industrialization. The sequence
in which these processes occur differs from
society to society, and these specific histories
determine the particular form that moder-
nity takes.

The sequentiality argument enables us to
understand why the relationship between
democracy and development differs across
the globe. The processes of capitalist indus-
trialization in the Western societies had al-
ready been stabilized when popular demands
for democracy arose. The order of the same
two processes in India, however, has been the
reverse: democracy had already taken root
by the time industrialization began to take
off after independence. Because of this par-
ticular sequentiality, democratic resistance
to capitalist industrialization is at present a
challenge to the Indian state. Industrializa-

tion requires the expropriation of peasants
from common lands and the creation of a
vast proletariat with nothing to sell but their
labour power. In Europe it was possible for
the initial stages of this process to be carried
out without hindrance, as democracy was
non-existent. Indian industrialization, on
the other hand, has been exposed from the
beginning to popular resistance to these pro-
cesses, whether in Nandigram (West Bengal)
or in Chengara (Kerala).

The second point is that the definition of
development tends to be too narrow, being
virtually always referred to in terms of
capitalist industrialization. Notions of human
development and in particular sustainability
are left out in the development debate. A
recent Indian Supreme Court judgement
defines sustainable development as 'a policy
and strategies for continued economic
development without the detriment to
the environment and natural resources on
the quality of which further development
depends'. According to this definition,
development reduces nature to an input
to be strategically deployed according to
consumer needs. The unsustainability of this
type of development is a fact that tragically
few seem ready to recognize.

THE AMBIGUITY OF GLOBALIZATION

Globalization as a phenomenon dates back to the pre-nation-state era when it existed in the shape of cultural, economic and social exchanges without hierarchies between the engaging societies. Moving into a second phase with the emergence of the nation states in the West, globalization was reshaped due to the impact of imperialism. The following phase, of post-imperialist movements for independence in the former colonial world, halted globalization and replaced it with the move towards national development and self-reliance.

Since the 20th century, the third phase of globalization has accelerated the pace of corporate capitalist industrialization. De-territorialized capital and the nation state are both retreating from the social sector and from development responsibilities while simultaneously being reconstituted as agents of global capital. Laws adopted to favour multinational corporations are perhaps the clearest proof of how the nation states represent the dominant voices of entrenched and newly emerging power elites rather than the needs of more marginalized groups.

The notion of the environment has come to underpin 'the will to rule' in the sense that states overrule democracy, using the environment as justification. When interests are in conflict, the trend of court verdicts is for the environment to trump people, and for development to trump the environment. In India, for example, national parks are expanded with the argument that this is for the protection of diversity and forests. In the process, communities with a long tradition of identifying themselves with their habitat and who have lived in and protected the forests for generations are displaced. In such cases, the environment triumphs over the people, but when it comes to the construction of shopping malls and big dams, then the environment becomes a far lower priority.

Globalization is an ambiguous phenomenon. At the economic level it simultaneously offers and eliminates spaces; globalization produces new forms of employment which in turn disrupt traditional ways of life (to the benefit of some groups, such as the traditionally untouchable castes). Similarly, the spaces produced at the cultural level have freed groups such as the Dalits from entrenched hierarchies and given them opportunity to gain social status. In other words, we need to understand globalization as a set of disaggregated processes which produce both kinds of spaces.

The Narmada Bachao Aandolan movement presents another example of globalization strengthening democracy, as it has been immensely strengthened by European ecological movements pressuring the Indian government to halt projects for big dams. These solidarity movements are not necessarily limited to the national borders but often transcend them, finding nation states irrelevant. In a similar way, religious and ethnic identities which consider themselves as having existed before the nation state are often resistant to the history of the nation and opposed to being incorporated into the nation.

CONCLUSION

Thus, the processes of globalization can both hinder and further democracy, while development is a process that requires radical rethinking. Ecological and democratic pressures should force us to reconceptualize production and ways of living. 'Sustainable' development is not enough; development itself needs to be recognized as a 20th-century high-modernist fantasy, the achievement of which requires the end of life on this planet.

Notes

46.   Kaviraj, Sudipta, 'An Outline of a Revisionist Theory of Modernity', European *Journal of Sociology*, XLVI/3 (2005), pp. 497–526.

GLOBALIZATION AND DEMOCRACY: HOW WELL DO THEY MESH?

Jorge Heine

I define globalization as the rise in the transborder flow of goods, services, capital, symbols and cultural products that we have seen over the past three decades or so, springing directly from the Third Industrial Revolution that started in 1980 – the year both the first personal computer (PC) and CNN came on the market, thus starting the information technology (IT) and telecommunications revolution that has swept the world since.[47] This has radically altered the way we live and the way we interact with each other, going through different phases and product cycles, each of which has opened the doors for the next – the PC first, the email revolution second, and finally the Internet. The fall of the Berlin Wall can be traced partly to this: you could not, in the age of the electronic revolution, run a country in which private ownership of a photocopying machine or a fax machine – at the time key tools, today already somewhat anachronistic – was not allowed; it would be the equivalent of not allowing private ownership of the horse-drawn carriage 150 years ago.

We live today, as Manuel Castells has so brilliantly put it, in the information society, by which he refers to one in which 'productivity, competitiveness, efficiency, communication and power … depend considerably on the technological ability to process information and to generate knowledge'.[48] IT is to the information society what electricity is to the industrial society. The information society, in turn, is based on networks, a new, less hierarchical way of structuring organizations, and one in which the new currency of the realm is knowledge and the ability to handle it, which is one reason why India is doing so well today: this is a society in which knowledge (as opposed to brute force) has always had pride of place.

Computer literacy and the capacity to manage and analyse symbols, then, are key to success in the information society. One consequence has been the de-territorialization of international politics and the recasting of physical space, in which geographic distance becomes less important. Another has been the radical contraction of time. Thanks to the IT and telecoms revolution, we have *simultaneity*, that is, the situation in which billions of people scattered around the globe are able to enjoy the same experience 'at one go', as happened with the 2008 Beijing Olympics.

The 'flip side' of this simultaneity and one of the most pervasive dimensions of globalization – the integration of financial markets, in which billions and billions of dollars are traded daily – is that the 'hot money' that drives much of the dynamics of these markets is ready to leave any given country at the touch of a button, at the slightest hint of 'trouble' – meaning political or economic uncertainty of any kind. Mexico in 1994–5, Thailand in 1997 and Argentina in 2001 were all victims of this, as were, in different ways and on different occasions in the past decade, Russia, Brazil, Indonesia and Malaysia.

It is for this reason that, perhaps paradoxically in an age where the 'waning of the nation state' has been repeatedly prophesied, the strength of national institutions has become especially significant. Strong institutions, as opposed to personalized political power, allow countries to weather crises and overcome difficulties in a predictable, steady manner.[49] This puts a premium on democracy and all it entails, whatever its other failings. With democracy, what you see is what you get. With autocracy, on the other hand, you never know what's in store.

From 1980 onwards, therefore, globalization has taken the world by storm, and we have seen an exponential increase not only in foreign trade in goods and services but also in capital and financial flows, to a degree that was unimaginable 30 or 40 years ago.

This has brought a high degree of prosperity to many parts of the world – including India, which for a number of reasons (including the laying of tens of thousands of miles of fibre optic submarine cables by companies like Global Crossing, which went bankrupt in so doing, and left that digital infrastructure there) was well placed to make the most of this opportunity, which is why making an international phone call from India today is so cheap – perhaps the cheapest in the world.[50]

Yet it is also true that we are also seeing now, and have seen for the past five years or so, a decline in the particular form this globalization took in the first 20 years of its existence, that is of liberal globalization or 'globalism' as it has been referred to by Canadian author John Ralston Saul.[li] The conventional wisdom about liberal globalization was that we would soon see the end of the nation state, that it was transnational companies that would build up the new empires of the future, that entrepreneurs would be the diplomats of the 21st century, that ideology had come to an end, and that politicians and bureaucrats had better close shop and go home since there would be nothing for them to do in a world ruled exclusively by market forces and the laws of supply and demand.

Well, something funny happened on the way to the market, and we are not quite there yet. Nationalism asserts itself everywhere; the forceful presence of the state is very much behind the rise of these new giants, China and India; the collapse of the Doha Round is proof positive that key actors are not necessarily willing and able to move towards a more liberalized and non-subsidized trade regime; the Free Trade Area of the Americas (FTAA), heralded to come into being in 2005, is nowhere in sight; and one of the most exciting things on the financial scene is sovereign wealth funds, owned and run by governments.

Instead of globalization per se, that is the increase in the flow of goods, services and capital across borders, what we have had is a switch to another driver of the international agenda – energy. And, as we can see from the international price of oil, this has radically changed the international playing field, with some winners – mostly in the South – and some losers – quite broadly distributed around the world. It is the struggle for new sources of energy that is at the root of many

of the tensions and conflicts that are emerging around the world, and it is no coincidence that some of the leading oil producers around the world are also identified as antagonists by the last remaining superpower.

But the effects of this reach well beyond oil. By definition, energy sources are to be found in a particular territory, and therefore under the control of a sovereign state. This very fact gives governments much greater control over energy than over other productive activities. This has radically altered the power equation between the state and transnational business. The emergence of so-called 'resource nationalism' is therefore not simply the result of the political vagaries existing in any given nation or across the global South, but is a response to this radical shift in the sources of power on the international scene.

There are a number of reasons for this, but one of them is simply classic imperial overreach. It is one thing to promote greater openness of economies; it is quite another to get into other people's countries and start dictating to them how they should run their competition policy or intellectual property rights or what have you. The list of things countries had to comply with, for example, to be able to sign a free trade agreement with the United States was just incredible. One wonders how any country managed to comply with them, and one is not surprised that the South American Union of Nations (UNASUR), a long-standing initiative of Brazil, launched in 2008 under the pro tempore presidency of Chilean President Michelle Bachelet, has come into being.

If globalization has morphed into something different, and is no longer the driving force behind the international agenda, what has happened to democracy?

A DEMOCRATIC REGRESSION?

Larry Diamond, one of the distinguished speakers at this Round Table and a good friend, has just published a book entitled *The Spirit of Democracy: The Struggle to Build Free Societies Throughout the World.*[52] In it he argues that, after a long 35 years of the so-called Third Wave of democratization, in which some 90 countries made the transition from authoritarianism to democracy, leading to the current situation in which some 60 per cent of the 220 countries that exist in the world today have a democracy in one form or another, we have now entered a 'democratic rollback' in which more countries are reverting to authoritarianism than the other way around.

Diamond relies quite heavily on the examples of countries like Russia, Venezuela and Nigeria, albeit also bringing in Thailand and Bangladesh. Quite apart from indicating that, of the breakdowns of democracy that he lists, two-thirds have occurred in the last eight years, Diamond also argues on the basis of the significance and size of these states that these breakdowns of democracy do indicate a democratic regression. Not surprisingly, the subtitle of the article he published as an extract of his book in the March 2008 issue of *Foreign Affairs* includes the phrase 'the predatory state', the notion being that somehow, because these states are taking charge of their natural resources – mostly oil, but this obviously applies to other commodities as well – they are predatory, whereas if they were to leave them at the disposal of the oil majors they would be 'philanthropic' or some such adjective.[53]

As liberal globalization, with all it entails, comes to an end, so would the democratic wave that started in 1974 with the Portuguese Carnation Revolution.

I disagree. Far from going through a regression, I would posit to you that not only is democracy alive and well in almost all of Latin America and in much of Asia, which are the two continents I have been asked to refer to, but that it has changed and adapted to these new circumstances, which call for a greater and more assertive role of the state – which does not necessarily make them less democratic, though it may do so. In fact in some cases it may make them more democratic. Let us now turn to Latin America.

GLOBALIZATION AND DEMOCRACY IN LATIN AMERICA

The good news is that, for the first time in its history, democracy has become fully established in the region. The right to universal suffrage is now amply recognized. There are free and fair elections from the Rio Bravo to Fire Island. There is a free press and alternation in power; and, as a rule, civil and political rights are recognized and respected. This is by no means an inconsiderable achievement. In 1979, there were only three functioning democracies, in the full sense of the term, in Latin America. Today, democracy is the norm. We have come a long way.

This has largely been true ever since 1990, that is, over the past 18 years or so. Now: how has globalization manifested itself in Latin America?

It has done so in a variety of ways. One of them is that it has become apparent to the region that the inward-oriented import-substitution industrialization (ISI) model followed from the 1940s to the 1980s was no longer applicable to today's world. The vast majority of Latin American countries have therefore switched to export-led development, and are doing very well in that endeavour. Another has been to rediscover the benefits of some form of regional inte-

gration, though now with an 'open regionalism' approach, much more akin to the Asian model than to the old 'closed regionalism' variety of the 1960s. A number of sub-regional schemes have thus taken off, from the Southern Common Market (Mercado Común del Sur, MERCOSUR) to the more recent Bolivarian Alternative for Latin America and the Caribbean (ALBA), with the Andean Community, the Central American Common Market and the Caribbean Community (CARICOM) in between. An upsurge in trade with Asia has been another consequence. To give only one example, last year China displaced the United States as Chile's number 1 export market, and India displaced Germany as Chile's tenth most significant export market in 2007. According to the latest figures, in July 2008, 43 per cent of Chile's exports went to Asia.

This has been the good side, the positive side, of globalization, and the region's exports and balance of trade have soared as a result. But there has been another side. This has been the application of a certain type of economic programme, often known as structural adjustment, the so-called 'Washington Consensus'. The notion became widespread that there was only one economic model and one type of economic policy, that many key policy decisions were ultimately technical ones and had to be removed from the political sphere (i.e. from democratic controls), and that in the end the discipline of markets was more significant than the discipline of democracy. For 15 years we went through a veritable catharsis of economic reforms, which followed each other in various cycles, and which almost no government felt free from engaging in.[54]

These reforms had a number of beneficial effects, including the establishment of macroeconomic equilibrium and the stabilization of economies that had often reeled under

three-digit inflation rates, but, by focusing almost exclusively on cutting back on the size of the state (as opposed to enhancing its effectiveness) they also often weakened state capacity. This made it more difficult for the state to perform its essential functions. The notion of a 'lean and mean' state became only too true for many Latin Americans, with a state apparatus reduced not only to a bare-bones structure but also quite unable and unwilling to provide the security and essential services citizens expect.

What have these reforms brought to the people of the region, after the closing of whole sectors of industry, the firing of hundreds of thousands of public employees, in some cases the privatization of the post office, and, famously, in one case, the elimination of bus stops as they would interfere with the right of the bus driver to stop where he saw fit to pick or drop passengers? Not very much. According to one study, in 1980, when the index of economic reforms was 0.55, per capita income in the region was 3,739 USD (in constant dollars); 20 years later, with the index of economic reforms at 0.83, per capita income stood at 3,952 USD, almost the same.[55]

Not surprisingly given these meagre results, and once economists, in their own inimitable way, started to talk about the 'third generation' of reforms as the ones that would really work, people started to get a bit tired and started to look for alternatives. Politics is about choice, yet the main message of this kind of programme was that there was no choice: everybody had to do the same things, and had to do them now – to open up, to privatize and to deregulate. And many of the government reforms that have been undertaken in the name of modernizing the state have had as their main purpose to remove all possibility of discretion and choice from elected representatives of the people, and

leave them in the hands either of appointed technocrats or of market forces.

If you look at South America today, eight of the ten South American countries proper (let us leave aside for the moment Guyana and Suriname, which are part of CARI-COM) are ruled by left or left-oriented governments. Let me illustrate this with an example. On 20 August 2008, Fernando Lugo was inaugurated as president of Paraguay, bringing to an end 61 years of Colorado Party rule (which had come to power two years before the Communist Party of China did) and opened a new chapter in one of the poorest countries in South America. As *The Economist* put it, 'The Colorado party … has ruled so long that Paraguay sometimes feels like a run-down country club that exists purely for the benefit of party members'.[56] Curiously, the result of the Paraguayan elections went largely unnoticed by the international media, although the winner was a former clergyman, known as 'the bishop of the poor', whose coalition, the Patriotic Alliance for Change, represented an enormous upset for the status quo. Only a decade ago, in the late 1990s, the notion that the left would reach power in Paraguay would have been considered somewhere between ludicrous and preposterous. In the Latin America of the first decade of this century it is taken as a humdrum event – the expected outcome whenever presidential elections are held.

Does this mean that Paraguay is less democratic than it was under the 61-year Colorado Party rule? Should we add Paraguay to Larry Diamond's list of countries allegedly part of the 'democratic rollback'? Of course not: quite the contrary.

My point is the following: the relationship between globalization and democracy is by no means a simple and straightforward one. There are positive and negative aspects to

it. One negative aspect is the desire of great powers to impose all sorts of conditions that go way beyond what is reasonable on the smaller powers, and especially on developing countries – in which case there may be a strong negative reaction, which is what we have had in Latin America today in reaction to the efforts to impose the Washington Consensus. I am not saying that this was an entirely unilateral effort on the part of Washington; there were plenty of local officials and private players willing to make the case for these policies (and some are still around). But the net effect was the same – to withdraw some of the most critical government choices from democratic control

by putting them in the hands of supposedly all-knowing technocrats.

On the other hand, globalization has opened new doors to the developing nations of Africa, Asia and Latin America by exposing them to new trading and foreign policy partners, enhancing their growth and development opportunities. The rise of China and India, in particular, has been an important force behind the commodity boom that has undergirded economic growth in Africa and Latin America over the past five years, thus providing the material infrastructure that democracy needs to respond to the demands of its citizens.[57]

Notes

47. On globalization, see Held, David et al., *Global Transformations: Politics, Economics and Culture* (Stanford, Calif.: Stanford University Press, 1999).

48. On the information society, see Manuel Castells' trilogy, *The Information Age: Economy, Society and Culture: Vol. I, The Rise of the Network Society; Vol. II, The Power of Identity;* and *Vol. III, End of Millennium* (Oxford: Blackwell, 1996, 1997 and 1998, respectively).

49. This draws on my article 'From the Southern Cone to South Asia: Growing Links between Chile and India', *Indian Journal of Foreign Affairs*, 2/1 (January–March 2007), pp. 27–43, as well as on Castells, Manuel, *Globalizacion, desarrollo y democracia: Chile en el context mundial* (Santiago: Fondo de Cultura Economica, 2005).

50. Thomas Friedman's international bestseller, *The World is Flat: A Short History of Globalization in the Twenty First Century* (New Delhi: Penguin-Allen Lane, 2005) is largely inspired by these developments in India.

51. Saul, John Ralston, *The Collapse of Globalism and the Reinvention of the World* (New Delhi: Penguin, 2006).

52. New York: Times Books, 2008.

53. Diamond, Larry, 'The Democratic Rollback: The Resurgence of the Preda-tory State', *Foreign Affairs,* March–April 2008.

54. See Grugel, Jean, Riggirozzi, Pia and Thirkell-White, Ben, 'Beyond the Wash-ington Consensus: Asia and Latin America in Search of More Autonomous Development', *International Affairs,* 84/3 (spring 2008), pp. 499–517.

55. These data are drawn from the United Nations Development Programme study, *La Democracia en America Latina: Hacia una democracia de ciudadanos y ciudadanas* (Santiago: UNDP, 2004), especially pp. 39–41. See also Heine, Jorge, 'Back to the Future?: The Rise of the Left in Latin America', *India Quarterly,* LXII/4 (October–December 2006), pp. 1–19.

56. 'Liberation Politics: Paraguay's Elections', *The Economist,* 17 April 2008.

57. See Heine, Jorge, 'The Asian Giants and Latin America', *The Hindu,* 30 Oc-tober 2006; and Heine, Jorge, 'India and the New Scramble for Africa', *The Hindu,* 13 July 2008.

Globalization, Pakistan and terrorism

Najam Sethi

When approaching the theme of globaliza-tion, democracy and development from a political dimension, one of today's most pressing questions is the following. As ex-ternal actors enforce democracy and devel-opment on other countries – where neither concept is well established – in what way is the quest for democracy and development affected? To illustrate this discussion, I will use the case of Pakistan.

Historical background

The decade following the death of Pakistani President Zia-ul-Haq in 1988 was marked by efforts to implement democracy and de-velopment. Four general elections were held, and the outlook for democratic practices was bright. In regard to economic develop-ment, however, the state finances did not follow the same positive trend. Compar-ing the rates of economic growth during the military and democratic regimes reveals the differences between their financial per-formances. The tendency of military rule to produce statistically stronger rates of growth and results was suddenly obstructed as the attacks of 11 September of 2001 proved to dramatically transform the Pakistani socio-political landscape and put an abrupt end to the economic support the United States had been providing.

Table 1. Pakistan's annual growth rate in relation to type of regime

Period	Type of regime	Annual average growth rate
1950s	Civilian	3%
1960s	Military	6.8%
1970s	Authoritarian civilian	4.8%
1980s	Military	6.5%
1990s	Democracy	approx. 4%
1999–2002	Military	3%

BECOMING PART OF A GLOBALIZED SCENARIO: THE IMPACT OF MUSLIM EXTREMISM

The attacks of 11 September 2001 represented an unprecedented form of globalization after which suddenly Islam was identified as a global force and al-Qaeda was categorized as a global network. The international responses were swift, but the United States transmitted its unambiguous message: Pakistan had to choose sides – friends or enemies. As tensions rose in Afghanistan, the military regime of President Musharraf became the USA's front line against al-Qaeda and the Taliban in Afghanistan. The development reawakened memories from the 1960s and 1980s when Pakistan was the front line in the cold (and hot) war against the Soviet Union, during which US military and economic assistance explains Pakistan's peaking growth rate. Similarly, over the past five years the United States has donated over 10 billion USD to the regime under General Musharraf, which accounts for a great part of the high growth rate seen under his period from 2003 to 2007.

Pakistan's experiences manifest two unique aspects of today's globalization which are not found either severally or together in any other country in the world – first as the core of globalizing radical political Islam; and, second, as the front line of the global capitalist dispensation against it. In other words, Pakistan is currently the unique site of the confrontation between globalized al-Qaeda and globalized capitalism, which is a direct consequence of three historical factors:

- the financial support for the military state apparatus by successive US regimes, at the expense of democratic civilian dispensations;

- the birth of Islamic jihad under US

tutelage in Afghanistan and Pakistan's tribal borderlands for the purposes of defeating the Soviet Union in Afghanistan in the 1980s; and

- the Pakistani military's sustaining of this Islamic jihad and the creation of the Taliban in Afghanistan, which eventually led to the arrival of al-Qaeda in the region. Al-Qaeda's attacks on the United States in 2001 and the subsequent attacks by its network elsewhere in the world have their roots in the same tribal areas of Pakistan where al-Qaeda and the Afghan Taliban sought refuge after the US bombing campaign of December 2001. These areas of Pakistan have now become the site of the confrontation between two global forces.

Meanwhile, the transition from military rule to a civilian democracy is currently under way in Pakistan. Rather than being a planned course of action, the shift has been brought by a series of blunders by President Musharraf in the last 12 months, severely increasing his unpopularity and diminishing the financial flows from the United States.

Consequentially, while Islamic religiosity, anti-Americanism and pro-democracy sentiments sweep Pakistan, the USA is increasingly putting pressure on the fragile civilian dispensation to join the war against terror, which is universally perceived in Pakistan as the USA's war against Muslims, rather than Pakistan's own war against extremism. The Pakistani government is confronting a difficult situation: in the face of rising oil and food prices, the Pakistani economy is in recession and the national politicians are being blamed. The USA on the other hand is linking its continuing economic bail-out – with support from Pakistani civilians – to the war on al-Qaeda. Meanwhile, Pakistanis are turning against their state for pursuing this war

against fellow Muslims at the behest of the USA. In other words they are urging their elected representatives to make peace deals with the Taliban (who are proxies for al-Qaeda). These peace deals are welcomed by the Taliban as they offer them access to the political and military space needed in order to carry out organized attacks across the border into Afghanistan against North Atlantic Treaty Organization (NATO), the International Security Assistance Force (ISAF) and Afghan troops. By the same token, therefore, the United States opposes these peace deals made by the civilian leadership.

Scholars' research on radical Islam in general, and on al-Qaeda in particular, claims that the scenario described is a spin-off of globalization and its free movement of capital, ideas and enterprise. The jihad – inaugurated in Pakistan as a response to the Soviet invasion of Afghanistan – has attracted warriors from an immensely broad base, and is in a sense a globalized war: men from countries throughout the wide region between Algeria and Indonesia volunteer, financial support is transferred from the United States and Saudi Arabia, and weapons are purchased on the open global market with Pakistan as the final destination. Given this context, scholars increasingly refer to the situation as the first Islamist International. Since 2000, the Internet has facilitated the Islamist cause further; websites and programmes not only revisit the Soviet invasion of Afghanistan and Moscow's humiliation at the hands of the Mujahedeen, but also, when referring to the Palestinian tragedy, point to the United States' injustices which stir strong emotions within the Muslim community.

THE TALIBAN MOVEMENT AND AL-QAEDA GAINING SUPPORT

Why then, we should ask, does Talibanization succeed so well in Muslim societies? If

in the West a terrorist act of al-Qaeda produces fear and loathing, it produces sympathy in the Muslim world. This sympathy has its psychological origin in the use of intimidation in the face of a state with weakened territorial control. The weakened condition of the state in the case of Pakistan has been caused by 20 years of jihad through non-state armed warriors who were made a part of civil society and thus created parallel centres of power. Therefore citizens threatened with the divinely ordained punishments by the Taliban warlords in the tribal areas of Pakistan react in two ways – under intimidation when they want to save their lives, or under empowerment, leading them join in the Talibanization. The kibitzing population is just one of the groups that support Talibanization and depreciates the efforts of the state to retrieve its lost sovereignty, and criticizes the state for using the civilian populations as a human shield against air strikes as well as attacking the tribal jirgas of elders who are trying to negotiate terms of peace.

Al-Qaeda communicates a vague idea of a global khalifat or empire, but yet remains essentially an anarchist organization that focuses more on destroying the unjust international order presided over by the United States than on creating a new just order. The Taliban elements in the tribal areas of Pakistan pretend to have an order in mind, but they mostly concentrate on the culture of punishments created by the Taliban government in Afghanistan and the former Mullah Omar. A majority of the population of Pakistan believes in Sharia, Islamic law, and assumes that coercion and violence will cease once an Islamic utopia is created. But Pakistan is moving neither towards an Islamic utopia nor towards a vibrant democracy; just outside the big cities, Islamic jirgas and tribal panchayat are threatening the authority of the state.

CONCLUSION

Recent statistics show that US aerial surveillance of Pakistan's tribal areas has reached the level of US intelligence in Laos and Cambodia during the height of the Vietnam War. The United States–Pakistan conflict is brewing and the net casualty may well once again be democracy and development. The onslaught of the Taliban movement and al-Qaeda – both elements of globalization – may lead to an erosion of both democracy and development should the civilian dispensation be unable to resolve these confrontations satisfactorily. In turn, its failure will have adverse consequences for the region and for the globe.

QUESTIONS AND ANSWERS

1. Globalization has ushered in great prosperity within both developing and developed countries, regardless of the form of government, but globalization is not an unmixed blessing; it worsens the problem of unemployment. According to estimates by the American economic historian Paul Kennedy, technological unemployment will increase immensely; the biotechnological revolution is rendering millions of farmers obsolete; and the robotic revolution during the next 50 years will affect the factory system developed over the past 200 years, driving millions of workers out of employment. The widespread criticism of globalization in both developing and developed countries makes us feel that globalization needs a correction. What is the panel's view on these issues?

Saskia Sassen. Regarding the growth of low-wage jobs, we must not forget that economies are to some extent shaped by the cultures in which they exist. In a country like Sweden, where inequalities are much less marked than they are in most other nations, even menial tasks are valued and economically rewarded due to the approach adopted by the Swedish government and society.

All highly developed economies are experiencing a rapid growth and professionalization of their intermediate economies, that is the firm-to-firm economy. The explanation for this growth is that all firms, regardless of sector, are increasingly purchasing products and services from other firms – insurance, accounting, legal services, software programming and so on. Consequently, even a traditionally manufacturing-based (e.g. mining) region will generate a demand for specialized business services produced in cities (which may be close to the mine or far away). At the top of the economic system, global firms generate a demand for extremely complex business services, for which global cities are the key production place. This in turn feeds into growing inequalities inside global cities (the new professional firms can make super-profits, and so can their top-level employees) and between cities (global cities are able to extract super-profits from globalization while old industrial cities are left behind).

Ravi Srivastava. The economic motors represented by India and China undoubtedly affect the overall global trend, and statistics indicate that inequalities are decreasing. On a national level, however, inequalities have increased in a range of countries, and the effects of globalization are the greatest expansion as globalization tends to increase the returns on capital while driving down the returns to – particularly unskilled – labour.

'The race to the bottom' is a popular term invented to refer to the labour policies, followed virtually by all governments across the world, which basically aim at reducing the price of labour. Post-globalization risks and the vulnerability of the poor have risen in all sorts of ways, but they are seldom reflected in data. Again, here one has to look at the policies, particularly in regard to urban development and mining, in developing countries which have often led to large-scale displacement and increased the vulnerability of the poor. The systemic contribution of globalization to inequality is something we must worry about, as well as its implications for democracy.

Pranab K. Bardhan. One should keep the conceptual distinction between technological progress like biotechnology or robotics and globalization as such. Some of the technological progress will happen even if we do not participate in globalization. A further

point worth noting is that there are many cases where globalization has expanded job opportunities. Capital moving to low-cost labour countries does not necessarily always work against labour; the labour-intensive industrialization in China, Indonesia and Vietnam has raised hundreds of millions of people above the poverty line. The vulnerability of people arising from job insecurity, however, has indeed increased, and workers are clearly more exposed to market fluctuations due to globalization. Therefore it is not a coincidence that workers' unions are opposing globalization in countries with weak social protection such as the United States and India, but not in the Nordic countries where social protection of workers is much stronger.

2. Just as the economic sector is increasingly globalized, human rights norms are becoming standardized across the world. Compared to a decade ago, we now have a much broader set of standards, codified democratic conduct and rules in regard to the application of democratic constitutions. The International Criminal Court, and a deepened commitment to and demand for corporate-sector responsibility and fair trade, reflect this positive trend. The question, however, is whether our common set of standards is enough to cover the deficit of democracy, or whether we must also address an institutional deficit, such as reforming the UN Security Council and the World Bank.

Saskia Sassen. The globalization of standards for a diversity of factors, from human rights to accounting and outsourced manufacturing, is critical. I conceive of these standards as a kind of infrastructure on which the political story must build. International human rights laws exist, they are an infrastructure. But the fact that they exist as infrastructure is not enough. We have to make them performative in order to allow them to actually deliver their capabilities, their 'goods'. At that point, a human rights norm ceases being just a global standard and becomes active, able to change a condition. At this point also, human rights represent a bridge between localities, the immobile, the non-cosmopolitan, the non-globalized, on the one hand, and the global, on the other. In the long term, this bridging can make human rights an important source for denationalizing many key issues that are presently still ensconced in national logics – in nationalisms.

Larry Diamond. In order for our discussions on democracy to be trustworthy, it is high time to abandon outdated structures within our global institutions. Influential forums such as the UN Security Council and the Group of Eight advanced economies (the G8) must be urgently reformed and cease to exclude the many potential candidates who have so far been ignored without sustainable arguments.

QUESTIONS ON PAKISTAN TO NAJAM SETHI

1. Why did the development of Talibanization remain unchallenged prior to 11 September 2001?

It is fundamental to understand the origins of al-Qaeda in Pakistan and how the al-Qaeda protagonists were regrouping, planning and developing at least five years before the 11 September attacks. At that time, the USA had no interest in either Afghanistan or Pakistan, apart from initiating oil commerce with the Taliban who were regarded purely as a Pakistani proxy with no regional or global implications.

The only person who anticipated complications at this time was Egyptian President Hosni Mubarak, who in 1994 started questioning where the radical Egyptian Islamists were organizing themselves. As it turned out, a majority of them were gathering in Peshawar and by the border area of Afghanistan in the form of al-Qaeda.

Following the 11 September attacks, the USA asked the Pakistani government to persuade the Mullah Omar regime in Afghanistan to abandon al-Qaeda, promising to deal with al-Qaeda independently. By that time, however, al-Qaeda had put down very deep roots into Afghanistan and it is the failure of that diplomacy to separate al-Qaeda from the Afghan Taliban that eventually led Pakistan to end its support to the Taliban, provoking finally the US invasion of Afghanistan.

2. Some claim that the events of 11 September 2001 were really an orchestration by other actors than Muslims. What is your view?

The Muslim world in general is convinced that the 11 September attacks were orchestrated, and most will say that Muslims could not have done it. Many reasons may exist to support this claim, but it is absolutely clear that it is neither an aberration nor an orchestration; something very substantial is taking place in Afghanistan and I dare say that, after Iraq, Afghanistan is going to be the battleground embroiling the border areas of Pakistan.

The situation is challenging both in terms of Pakistan's new democracy and in terms of US demands. Al-Qaeda is clearly a threat as far as the United States is concerned, and discussions suggest that the USA will withdraw troops from Iraq while sending more soldiers into Afghanistan. In addition, a new dimension has been added: the United Arab Emirates (UAE) government has for the first time sent an advisory warning about the possibility of an al-Qaeda attack in the Gulf. Should something happen in the UAE region, the global conflict over Talibanization and al-Qaeda in the border areas of Pakistan and Afghanistan will acquire another serious dimension.

3. The Islamists did very poorly in the most recent elections; why did the tremendous wave of Islamist support in the rural areas not register in the election returns?

The poor Islamist electoral result may be explained by the following. First, the elections in the tribal areas – where the resurgence of political Islam is strongest – were mainly boycotted by the Taliban. Second, the Islamists did poorly in the rest of country because the Islamist government in the North-West Frontier Province was known for being corrupt, and the constituencies wanted change. Third, even more importantly, the strong results in the 2002 elections – when Benazir Bhutto and Nawaz Sharif were both in exile (forced on them by President Musharraf) and their mainstream parties were seriously disadvantaged – had been rigged effectively even before 11 September 2001, and the military did its best to facilitate the victory of the mullahs as part of their historic alliance.

Due to the great internal and external pressure to hold free elections, in the last election in February 2008, Musharraf was forced to relent and abandon plans to rig the result. Being free (in the sense that the mainstream parties were allowed to contest them unimpeded), the elections resulted in a huge loss for the Islamists. Pakistan is now facing two situations – one in which Pakistanis are not

ready to allow Islamists to rule the nation, and another where religiosity and anti-Americanism are increasing, feeding into a potential long-term revival of Islam as a political force. If this particular experiment with democracy fails at the latest round, both the military and the civilian liberal democrats will have suffered a great defeat. In such a scenario, we will see the rise either of ethnic or regional parties or of Islamist parties.

4. What is the potential role of the military in undermining democracy and development in Pakistan?

In regard to the role of the military, the whole thrust of my argument is that every military intervention has been facilitated by the United States, and in this relationship Pakistan's military state has extracted whatever it could from the United States, and vice versa. In essence, this has consisted of military assistance to bolster Pakistan's defence capacity and economic aid to underpin its legitimacy at home. The net result has been a loss for civil society and democracy in Pakistan.

5. What is a probable future scenario in Pakistan?

Pakistan's future is difficult to predict, but the military is presently under pressure from the civilians to relinquish political space. Its political power has retreated and it has conveniently handed over 'the ownership of the war on terror to the civilians'. In other words, the military has passed on all the decision making and responsibility to the civilian government, arguing that it is tired of being hated for being pro-US and for fighting the United States' war on terror.

The ownership of the war on terror is a very unpopular issue, which explains why the civilians are reluctant to engage the Taliban.

Currently, the pro-al-Qaeda warlord Baitullah Masood (accused by the Musharraf military government of the assassination of Benazir Bhutto) has been asked to make a peace deal with the civilian government in order to resolve the tension with the Taliban. In turn, however, such peace deals create new space for the Taliban and al-Qaeda, as well as popular support for attacks on US and Afghan forces across the border.

The situation is untenable; the expected US economic assistance has been halted; and the USA is pressuring Pakistan's military to take stronger measures to prevent the Taliban using Federally Administered Tribal Areas (FATAs) as a safe haven from which to attack US and NATO forces in Afghanistan. If it fails, the USA is likely to proceed on its own and make direct interventions in the FATAs, which would fuel a popular anti-American backlash in the country and undermine the new democratic civilian government. This would pave the way for another military takeover in time to come.

6. What has been the Pakistani experience in regard to NGOs?

A decade ago, civil society in Pakistan was almost non-existent. In the last year, however, there has been more mention of civil society in Pakistan than in the past 60 years, mainly due to the presence of NGOs. Most of these receive funding from European institutions and focus on social work, education, health, the empowerment of groups that suffer discrimination and so on. As Pakistanis were confronted with the long-term military regime, where the activities of political parties were hampered, the NGOs were our only source of inspiration. Despite the fact that the West supplies the financial support, leading some to refer to an attempt to impose democracy from the outside, the work of the

NGOs does not relate to political parties; the financial resources go directly to the NGOs and much is directed to the development of civil society and strengthening institutions, particularly the judiciary. Pakistan faced a military regime, but the NGOs' struggle to restore civil society and democracy was an invaluable beacon of hope.

MODERATOR: PRANAB K. BARDHAN

Concluding this session on globalization's impact on democracy and development, three brief remarks on globalization and inequality may be added.

First, when debating the adverse effect of globalization on inequality, it is important to recognize that the situation in different countries varies. Anti-globalists have many cases to refer to, China being the most outstanding one as it has shifted from being one of the world's most equal countries to one of the most unequal, bordering on the range of Latin American inequities. On the other hand, in Brazil and Mexico inequality went up in the 1980s, but since then it has been declining.

The second point to acknowledge is that the rise in inequalities correlates with globalization but need not always be caused by it; other factors such as technological progress, which raises the reward of skilled as opposed to unskilled labour, will increase inequality, regardless of globalization.

Remark number three is consistent with the messages of Saskia Sassen and Nivedita Menon, who refer to the effect of globalization on power shifts, and the new spaces created for marginalized groups in the new post-national formations. Globalization is often leading to a strengthening of forces of federalism or processes of decentralization worldwide. In areas where the nation state is weakening (whether due to globalization or not), local forces are gaining ground and the bargaining power of the regional autonomy movement improves, which in itself is a democratic effect.

CONCLUDING REMARKS AND MESSAGES

Vidar Helgesen

The impact of globalization on the prospects for development and democratic consolidation presents a mixed picture on both fronts. In economic terms, evidence suggests that globalization can contribute both to the reduction of and to an increase in existing inequalities. In relation to democratic consolidation, globalization has on the one hand brought more power to supranational institutions and processes while, on the other hand, it has enhanced opportunities for citizens to make an impact on global norms and standards.

Empirical data on the nature of the relationships between democracy and development have for a long time been said not to be conclusive. It is increasingly clear to me, however, that by empowering citizens and endowing them with rights, democracy is able – more so than other systems – to assist the process of development, and development understood as something more than economic growth alone.

Our understanding of development needs to be redefined and deepened by both democratizing the concept and expanding it to encompass a rights-based approach, with the emphasis on achieving human well-being.

Illustrating this shift of understanding and approach, empirical evidence increasingly focuses both on traditional hard data – such as national economic statistics – and attitudinal data – evidence relating to what people expect from democracy on a global scale. In this sense, the focus of democracy assistance is increasingly on the quality of democracy, that is its deliverables.

This brings me to the need for an understanding of politics at national and local levels. In many countries, democracy is experiencing a number of persistent problems, including clientelism, corruption, and use of the state as a means of promoting networks of patronage. In addition, many democracies continue to suffer from a tendency to produce political leaders who rely on the participative components of the system, in particular popular or populist mobilization around identity-based issues rather than the deliberative potential of democracy.

At the same time, we have heard about interesting and creative experiments with ways to carry democracy forward in areas such as institutionalizing the right to information, democracy at the local level, participatory budget processes and so on. These very phenomena and trends underscore

the importance of seeing development not as a technical exercise but as an immensely political process. This also relates to the need for cooperation agencies to see development not as a technical exercise of ticking boxes, but as part of political processes. Understanding the political economy in the national context is therefore essential for anyone engaging in support of democracy or development.

IDEA will pull together this rich discussion and let it inform and improve our operational work as well as our knowledge base.

Before concluding, I will try to summarize some key messages that, in my view, stem from our discussions at the Delhi Democracy Round Table.

1. Democracy and development are deeply intertwined in spite of the difficulty of identifying a direct, causal and quantifiable relationship between them; more importantly, they are increasingly understood today as including each other to a great extent and building upon each other.

2. Both democracy and development are political processes requiring long-term, context-specific and integrated approaches.

3. Both need to be owned, shaped and pursued by those who demand them and who will be their ultimate beneficiaries.

4. Both need institutions that are legitimate, effective and accountable to citizens and their elected representatives.

5. The quality of both democracy and development depends to a great extent on their inclusiveness, particularly with

regard to gender and historically disadvantaged groups such as indigenous peoples.

6. Sustainable development needs to stem from below, to benefit all and to reduce levels of poverty and inequality.

7. Enhancing the capacity of democratic institutions to deliver on the reduction of poverty and inequality and on the achievement of other Millennium Development Goals is key to the reclaiming of their credibility.

8. Political parties and parliaments have a key role to play in shaping the national development strategy and overseeing its implementation.

9. The international community and donors can only support such efforts; they cannot replace them.

10. Multilateral organizations, and the United Nations in particular, should take full advantage of their broadly-based international legitimacy in order to make democracy and development more supportive of each other and to help induce synergies.

11. Regional organizations of the global South are particularly well placed to lead the way as they operate in dynamic environments where democracy and development clearly add sense to each other and make engagement on both fronts an indivisible whole.

Finally, I would like to express my deepest gratitude to the CSDS for an excellent partnership and to the Government of India for the warm hospitality expressed by its support to this event.

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APPENDIX A

ABOUT THE SPEAKERS, PANELLISTS AND MODERATORS

OPENING STATEMENTS

Vidar Helgesen is the Secretary-General of International IDEA. A Norwegian national, he was appointed Norway's Deputy Minister for Foreign Affairs in October 2001 and remained in this position until October 2005. During this period he led Norway's efforts in peace talks between the government of Sri Lanka and the Tamil Tigers. Born in 1968, Vidar Helgesen studied and trained as a lawyer. Politically active from his youth, he has long been involved in Norway's Conservative Party. From 1998 to 2001 he acted as special adviser to the president of the International Federation of Red Cross and Red Crescent Societies in Geneva. In 2007 he was nominated as member of the UN Peacebuilding Fund Advisory Group.

Rajeev Bhargava is the Director of the Centre for the Study of Developing Societies (CSDS) and has been a professor of political science at Jawaharlal Nehru University, New Delhi, and head of the Department of Political Science, University of Delhi. He obtained his BA degree in economics from the University of Delhi and his MPhil and DPhil from the University of Oxford. He has been a faculty fellow in ethics at Harvard University, C. R. Parekh Fellow at the

CSDS in Delhi, Leverhulme fellow at the University of Bristol, senior fellow at the Institute of Advanced Studies, Jerusalem, and visiting fellow of the British Academy, and was the Asia chair at Sciences Po, Paris, in the summer of 2006. He was the first distinguished resident scholar at the Institute of Religion, Public Life and Culture, Columbia University, and visiting professor at Queen's University, Belfast, in 2008. His publications include *Individualism in Social Science* (Clarendon Press, 1992); *Secularism and Its Critics* (ed., Oxford University Press, 1998); *Multiculturalism, Liberalism and Democracy* (ed. with A. Bagchi and R. Sudarshan, Oxford University Press, 1999); *Transforming India* (ed. with Francine Frankel et al., Oxford University Press, 2000); *Civil Society, Public Sphere and Citizenship* (ed. with H. Reifeld, Sage, 2005); *Politics and Ethics of the Indian Constitution* (ed., Oxford University Press, 2008); *Social Justice* (ed. with M. Dusche and H. Reifeld, Sage, 2008); and *Political Theory: An Introduction* (ed. with Ashok Acharya, Pearson, 2008). He has contributed to several international books and journals including the *Routledge Encyclopedia of Philosophy and the Oxford Handbook of Political Theory*, and is currently working on a book on secularism. Professor Bhargava has also been a consultant to the UNDP report on

Cultural Liberty and Diversity and contributes regularly to Open Democracy.

Jairam Ramesh is the Indian Minister of State for Commerce and Industry and Power, and Congress member of parliament representing the state of Andhra Pradesh in the Rajya Sabha. He is also a member of the National Advisory Council. Ramesh helped put together the National Common Minimum Programme of the United Progressive Alliance (UPA) that came to power in May 2004. Formerly, he was part of the Congress election strategy team for the 2004 Lok Sabha elections, and he has been secretary in the All India Congress Committee (AICC), deputy chairman of the Karnataka Planning Board (2000–02), a member of the Rajasthan Development Council (1999–2003) and economic adviser to the government of Chattisgarh (2001–03). He was adviser to the finance minister during 1996–8, adviser to the deputy chairman of the Planning Commission (1992–4) and adviser to the Prime Minister in 1991. He has served in the Planning Commission, the Ministry of Industry and other economic departments of the central government, and been entrusted with numerous special assignments. He has authored a number of key government reports in areas such as energy, technology, capital goods, industrial policy and telecommunications. He was a key player in the team that formulated and implemented India's economic reforms in 1991 and 1997. He studied public management at Carnegie Mellon University during 1975–7 and thereafter spent a year at the Massachusetts Institute of Technology (MIT) studying technology policy, economics, engineering and management as part of the interdisciplinary technology policy programme.

PANEL 1. DEVELOPMENT – AN IDEAL, AN ELECTORAL SLOGAN OR A SINE QUA NON OF DEMOCRACY?

Peter deSouza (panel moderator) is the Director of the Indian Institute of Advanced Study. Prior his current assignment he was senior fellow at the CSDS where he was co-director of the Lokniti programme on comparative democracy. Professor deSouza taught for 16 years in the Political Science Department at Goa University, where he also was head between 1996 and 2002. He has been engaged with unpacking puzzles of democracy and has written on *panchayati raj* and the 'second wind' of democracy in India; party-hopping and the party system in India; electoral violence and its sources; dalits and discrimination; trust and political institutions; and freedom from fear and human security. As a political theorist, his abiding interest is in threats to freedom of expression in democratic polities and in issues of righting historical wrong. In addition to numerous articles he has edited two books, *Contemporary India: Transitions* (Sage, 2000) and *India's Political Parties* (with E. Sridharan, Sage, 2006). He was recently one of the three principal investigators of a five-nation study published by Oxford University Press on the *State of Democracy in South Asia*.

Pranab K. Bardhan is a professor of economics at the University of California, Berkeley. He has a PhD from the University of Cambridge and has been on the faculty of MIT, the Delhi School of Economics and the Indian Statistical Institute. He was the editor of the *Journal of Development Economics* between 1985 and 2003, and his research is in the general areas of the political economy of development, institutional economics,

poverty, and globalization. He is the author of 11 books and numerous journal articles, and co-editor of 12 books. His most recent books include *Scarcity, Conflicts, and Cooperation* (MIT Press, 2005) and *Globalization and Egalitarian Redistribution* (Princeton University Press, 2006).

Maria Amparo Casar has been a researcher and a faculty teacher at the Political Studies Department of the Centro de Investigación y Docencia Económicas, A. C. (CIDE, Economics Research and Teaching Centre), since 1979. She has served as Director of the Political Studies Division of CIDE, as an external adviser on political affairs to the Advisors' Committee of the City Hall of Mexico City and has been a member of the Linking Committee of the Congress. She has been a first class researcher of the Sistema Nacional de Investigadores researchers' catalogue since 1998, and was the advisers' coordinator to the Mexican Secretary of State (2001–05). She has a master's degree and a PhD from the University of Cambridge.

Larry Diamond is a professor by courtesy of political science and sociology at Stanford University and a senior fellow at the Hoover Institution and at the Freeman Spogli Institute for International Studies at Stanford. He is founding co-editor of the *Journal of Democracy* and co-director of the International Forum for Democratic Studies of the National Endowment for Democracy. He has also advised the US Agency for International Development (USAID, whose 2002 report, *Foreign Aid in the National Interest,* he co-authored), the World Bank, the United Nations, the US State Department, and other governmental and non-governmental organizations. His book *The Spirit of Democracy: The Struggle to Build Free Societies Throughout the World* (Times Books, 2008) explores the sources of global democratic progress and stress future prospects of democracy. Among his other

published works are *Squandered Victory: The American Occupation and the Bungled Effort to Bring Democracy to Iraq* (Times Books, 2005); *Developing Democracy: Toward Consolidation* (Johns Hopkins University Press, 1999); *Promoting Democracy in the 1990s* (1995); and *Class, Ethnicity, and Democracy in Nigeria* (Syracuse University Press, 1989). He is the editor of *Islam and Democracy in the Middle East* (with Marc F. Plattner and Daniel Brumberg, Johns Hopkins University Press, 2003); *Assessing the Quality of Democracy* (with Leonardo Morlino, Johns Hopkins University Press, 2005); *The State of India's Democracy* (with Marc Plattner and Sumit Ganguly, Johns Hopkins University Press, 2007); and *Democracy in Developing Countries* (with Juan J. Linz and Seymour Martin Lipset, Lynne Rienner and Adamantine Press, 1988).

Gloria Somolekae is a citizen of Botswana and a career academic who has taught development management and policy analysis at the University of Botswana for almost 18 years. She has published a number of articles on a wide range of subjects including governance, democracy, election management and foreign aid management, and has co-edited two books and contributed chapters in several. She has also served as a consultant for the Botswana government and for a number of international agencies, focusing on the way performance is managed in the public service. She has been an activist in the women's movement and in the democracy area. Somolekae led the democracy project at the University of Botswana for ten years, conducting research and opinion polls, and has been an election observer in Botswana and other countries in Southern Africa. Her involvement in these areas has also included serving on boards both within her country and in the region, such as the Board of the Africa Capacity Building Foundation (ACBF) and (currently) the Board of the Election

Institute of Southern Africa (EISA). She has been a director on the Botswana Diamond Valuing Company (BDVC) Board of Directors and she has completed government-appointed commissions, including being chair of Botswana's Long Term Vision 2016. Currently Somolekae works as a programme director for the W. K. Kellogg Foundation, based in the Africa office in Pretoria, where she oversees the Kellogg Program in Malawi, Botswana, Zimbabwe and Mozambique.

PANEL 2. ROOM FOR POLITICS – DEMOCRATIZING NATIONAL OWNERSHIP OF DEVELOPMENT

Javeed Alam (panel moderator) is the chairman of the Indian Council of Social Science Research. Formerly, he was a visiting senior fellow at the Centre for the Study of Developing Societies from Himachal Pradesh University. Among his best-known publications are *Domination and Dissent: Peasants and Politics* (Mandira, 1985); *India: Living with Modernity* (Oxford University Press, 1999); and *Who Wants Democracy?* (Orient Longman, 2004). He has also taught at Osmania University in Hyderabad, Andhra Pradesh.

Akwasi Osei Adjei is the Minister for Foreign Affairs, Regional Integration and NEPAD of Ghana. Prior to his current appointment he served as Deputy Minister for Trade and Industry. He began his active political career in 1992 when he was chosen as a parliamentary candidate of the New Patriotic Party (NPP). He has been a member of the NPP Young Executives' Forum and is currently a member of the NPP National Council. Before his current political career, Akwasi Osei Adjei served in various private-sector capacities. He trained as an accountant and holds the Party IV certification of the Chartered Institute of Management Accountants. He also holds an MSc degree in accounting from de Montfort University, Leicester.

François-Xavier de Donnea is a Minister of State (member of the Crown Council) of Belgium. He is also member of the Belgian House of Representatives, chairman of the Committee on Finance and Budget, and a member of the Committee on Foreign Affairs. He also heads the Belgian delegation to the Organization for Security and Co-operation in Europe (OSCE) Parliamentary Assembly and is the vice-president and former president of the Belgian delegation to the IPU. de Donnea is also chairman of MEDEA (Research Institute on Euro-Mediterranean Dialogue), a member of the Board of the Royal Institute for International Relations (Belgium) and a member of the Strategic Council of the Université Saint Joseph, Beirut, Lebanon. He is professor emeritus of the University of Louvain and has been chairman of the Committee on Foreign Affairs and minister of defence in Belgium. He has been a member of the European Parliament and was president of the European Union Council of Ministers on Research during the Belgian Presidency of July–December 2001. He has a bachelor's degree in economics and applied economics from the University of Louvain, an MBA from the University of California, Berkeley, and a PhD in economics from the Erasmus University, Rotterdam.

Aruna Roy is a recipient of the Magsaysay award – valued as the Asian Nobel prize – for community leadership and international understanding. She was an Indian Administrative Services (IAS) officer until 1974 when she joined the Social Work and Research Center (SWRC) in Tilonia, Rajasthan, set up by her husband Sanjit Roy. She worked at the SWRC until 1983. In 1990 she set up the Mazdoor Kisan Shakti Sangathan, a peasants' and workers' organization which has built a grass-roots movement, triggering broad debate and a nationwide demand for the public's right to scrutinize official

records: they succeeded in getting the Rajasthani Right to Information Act passed in 2000. Aruna Roy was awarded the Ramon Magsaysay award along with Arputham, the president of the National Slumdwellers' Federation.

Ravi Srivastava obtained his doctoral degree from the University of Cambridge and has since 1999 has been professor of economics in the Centre for the Study of Regional Development, Jawaharlal Nehru University. His main areas of research and publication include human development, rural poverty and rural development, decentralization, labour markets, educational finance, health issues and migration. He has written over 50 papers in Indian and foreign journals. Professor Srivastava is the principal author of the first *State Human Development Report of Uttar Pradesh* (forthcoming) and has completed more than 20 research studies to date. In 2001, he was given the University Grants Commission's award in economics for innovative research on poverty. He has held advisory positions and has worked in consultative positions with the Indian Planning Commission, the Uttar Pradesh State Planning Commission, the State Institute of Public Administration (SIEMAT), the UNDP, the United Nations Children's Fund (UNICEF), the World Bank, the UK's Department for International Development (DFID), the Swedish International Development Cooperation Agency (Sida) and the Asian Development Bank (ADB). He has been a member of various task forces, steering groups and consultative committees of the Department of Rural Development. He is also currently a full-time member of the government-appointed National Commission for Enterprises in the Unorganised Sector, mandated to study and make recommendations regarding the informal economy in India.

PANEL 3. DEMOCRACY AND DEVELOPMENT – THE IMPACT OF GLOBALIZATION

Pranab K. Bardhan (panel moderator)

See above.

Saskia Sassen is the Lynd professor of sociology, and a member of the Committee on Global Thought at Columbia University and LSE Centennial Professor at the London School of Economics. Among her publications are *Territory, Authority, Rights: From Medieval to Global Assemblages* (Princeton University Press, 2008); *A Sociology of Globalization* (W. W. Norton, 2007); the third fully updated *Cities in a World Economy* (Sage, 2006); the edited *Deciphering the Global: Its Spaces, Scales, and Subjects* (Routledge, 2007); and the co-edited *Digital Formations: New Architectures for Global Order* (Princeton University Press, 2005). She has just completed a five-year project for the United Nations Educational, Scientific and Cultural Organization (UNESCO) on sustainable human settlements with a network of researchers and activists in over 30 countries; it is published as one of the volumes of the *Encyclopedia of Life Support Systems* (EOLSS Publishers) (<http://www.eolss.net>). *The Global City* came out in a new, fully updated edition in 2001. Her books are translated into 16 languages. She serves on several editorial boards and is an adviser to several international bodies. Professor Sassen is a member of the Council on Foreign Relations and of the National Academy of Sciences Panel on Cities, and chaired the Information Technology and International Cooperation Committee of the Social Science Research Council of the USA. Her comments have appeared in *The Guardian, the New York Times, Le Monde Diplomatique, the International Herald Tribune, Newsweek*

International, OpenDemocracy.net, *La Vanguardia, Clarin* and the *Financial Times*, among others.

Nivedita Menon is associate professor at the Department of Political Science, University of Delhi. She writes with a feminist perspective on political theory and Indian politics, and her recent books are an edited volume, *Sexualities* (Women Unlimited Delhi and Zed Books, 2007); *Power and Contestation: India After 1989* (co-authored with Aditya Nigam, Zed Books, 2007); and *Recovering Subversion: Feminist Politics beyond the Law* (Permanent Black and University of Illinois Press, 2004). Among her recent papers are 'Living with Secularism' in *The Crisis of Secularism in India* (eds Anuradha Dingwaney Needham and Rajeswari Sunder Rajan, Duke University Press, 2007); 'Nation, Identity, Citizenship: Feminist Critique in Contemporary India' in V. R. Mehta and Thomas Pantham (eds), *Political Ideas in Modern India: Thematic Explorations* (Sage, 2006); 'Between the Burqa and the Beauty Parlour? Globalization, Cultural Nationalism and Feminist Politics' in Antoinette Burton et al. (eds), *Postcolonial Studies and Beyond* (Duke University Press, 2005); and 'Universalism without Foundations?', Economy and Society, 31/1 (February 2002). Nivedita Menon has been associated on fellowships with institutions in the USA, the United Kingdom, Sri Lanka and India.

Jorge Heine is a distinguished fellow at the Centre for International Governance Innovation (CIGI), Waterloo, Ontario and CIGI chair in global governance at Wilfrid Laurier University, Waterloo. He was previously ambassador of Chile to India, Bangladesh and Sri Lanka (2003–07). During his tenure in India, the first presidential visit from Chile took place, resulting in a bilateral trade agreement after which Chilean exports increased tenfold, to 2.2 billion USD. He has also served as ambassador to South Africa (1994–9) and as Cabinet minister in the Chilean government. A lawyer and political scientist, Heine holds a PhD in political science from Stanford University. He has been a visiting fellow at St Antony's College, Oxford, a research associate at the Wilson Center in Washington, DC, and a consultant to the United Nations, the Ford Foundation and Oxford Analytica. He is the author, co-author or editor of eights books and some 60 articles in journals and symposium volumes. He writes regularly for the international press and his articles have been published in the *New York Times, the Washington Post* and the *International Herald Tribune*. He was the first ambassador to present credentials to President Nelson Mandela, and for two successive years Johannesburg's leading newspaper, *The Star,* selected him as one of the 100 most influential personalities in South Africa.

Najam Sethi has a master's degree from the University of Cambridge. He is the co-founder and editor of the *Friday Times,* an independent weekly newspaper in Lahore, Pakistan, and of the *Daily Times*. He is the author of the forthcoming book *From Blunderland to Plunderland and Back: Pakistan under Benazir Bhutto and Nawaz Sharif 1988–99.*

APPENDIX B

THE DEMOCRACY AND DEVELOPMENT ROUND TABLE PROGRAMME

INTERNATIONAL IDEA AND THE CENTRE FOR THE STUDY OF DEVELOPING SOCIETIES

17–18 JUNE 2008
NEW DELHI, TAJ MAHAL HOTEL

TUESDAY, 17 JUNE

08:30–09:30   Registration

09:30–10:30   Opening addresses by

Vidar Helgesen, Secretary-General of International IDEA

Rajeev Bhargava, Director of the Centre for the Study of Developing Societies

Jairam Ramesh, Minister of State for Commerce and Industry and Power, Government of India

10:30–13:00   Panel 1 presentation and discussion

Development – an ideal, an electoral slogan, or a sine qua non of democracy?

Pranab K. Bardhan, University of California, Berkeley (USA/India)

Maria Amparo Casar, Centro de Investigación y Docencia Económicas (Mexico)

Larry Diamond, Stanford University (USA)

Gloria Somolekae, W. K. Kellogg Foundation (South Africa/Botswana)

Moderator: **Peter deSouza,** Indian Institute of Advanced Study (India)

13:00–14:30   Lunch

14:30–17:00   Panel 2 presentation and discussion

Room for politics – democratizing national ownership of development

William Brandful, Ministry for Foreign Affairs (Ghana) on behalf of

Akwasi Osei Adjei, Ghana's Minister for Foreign Affairs, Regional Integration and NEPAD

François-Xavier de Donnea, Member of Parliament (Belgium)

Aruna Roy, Mazdoor Kisan Shakti Sangathana (India)

Ravi Srivastava, Centre for the Study of Regional Development, Jawaharlal Nehru University (India)

Moderator: **Javeed Alam,** Indian Council of Social Science Research (India)

17:00–18:30   Reception and entertainment

18:30   Dinner hosted by Government of India, with welcoming speech by **Shivshankar Menon,** Foreign Secretary (India) and closing speech by **Marco Hausiku,** Minister for Foreign Affairs (Namibia)

WEDNESDAY, 18 JUNE

09:00–11:30   Panel 3 presentation and discussion

Democracy and development – the impact of globalization

Saskia Sassen, Columbia University and London School of Economics and Political Science (USA)

Nivedita Menon, University of Delhi (India)

Jorge Heine, Wilfrid Laurier University and Centre for International Governance Innovation (Canada/Chile)

Najam Sethi, *Friday Times and Daily Times* (Pakistan)

Moderator: **Pranab K. Bardhan,** University of California, Berkeley (USA/India)

11:30–12:00   Round Table conclusions and closing speech by **Vidar Helgesen,** Secretary-General of International IDEA