



DEMOCRACY ROUND TABLE
***“DEMOCRACY AT CROSSROADS – THE CHALLENGE OF ILLICIT FINANCE
IN POLITICS”***

Mexico City 1 – 2 December 2009

CONCLUDING REMARKS
BY THE SECRETARY-GENERAL OF INTERNATIONAL IDEA
MR. VIDAR HELGESEN

Mr. President

Excellencies

Ladies and Gentlemen

We are about to conclude the 2009 IDEA Democracy Round Table deeply honored by the hospitality and personal involvement of President Calderon: this is a proper moment to recall that the theme of this Round Table: “Illicit funding in politics as a challenge to democracy” was a personal proposal by president Calderon as Mexico was assuming its role as Chair of international IDEA.

1. All the rich and thought-provoking presentations we heard yesterday and today from our distinguished speakers and panelists have been unanimous in describing the illicit funding of political processes as a major threat and a challenge to democracy.
2. There is unanimity in the perception that the phenomenon has been exacerbated and rendered more dangerous by the often criminal origin of the

funds involved: their linkages to trans-national trafficking in arms, drugs and human beings.

3. Striking examples have been exposed of the numerous ways in which illicit funds have been used to influence electoral processes, penetrate political parties, corrupt local authorities and even capture entire state structures.
4. The interpenetration of politics and organized crime is becoming a global phenomenon. It affects countries where illicit substances are produced such as Colombia or Afghanistan, but also regions used by criminal networks as points of trans-shipment and re-packaging like West Africa. Countries representing the most important export markets for such substances like the United States and Europe are also being increasingly affected.
5. In all cases, criminal networks seek to take advantage of institutional weaknesses which can occur in periods of democratic transition as clearly illustrated by the inter-penetration of state structures and organized crime in Eastern Europe but in some other regions as well.
6. As organized crime has grown global and threatens the functioning and sometimes the very credibility of democratic institutions across the world, the need arises for enhanced international cooperation in defense of democracy.
7. So far international efforts to combat organized crime focused essentially on issues of security. In view of what we heard at our Round Table, there is an acute necessity to broaden international cooperation against organized crime with a focus on the collective defense and protection of democratic institutions and processes so as to strengthen their resilience to the pressure of illicit funding and organized crime.

8. As was evidenced over the past two days, organized crime and the illicit use of funding for political gain are not phenomena that effect only developing countries but are also very present in developed ones; and where in the past it was easier to track supply and demand chains; today the rapid pace of globalization provides an additional and significant challenge to curbing illicit activity.
9. The task is complex and overwhelming as illicit political funding and the inter-penetration of politics and crime are not phenomena super-imposed on society; their root causes are often socio-economic and structural.
10. A multi-pronged strategy is needed in order to be effective to fight organised crime and its penetration of politics. If we take a closer look at it, we realise that democratic processes and institutions are at the heart of all components of such a strategy:
 - a) Security is the essential starting point, but the question of who controls security and law enforcement is critical in this regard – and this depends on the legitimacy and effectiveness of democratic institutions and processes
 - b) Social and economic development can enable society to be more resistant, and this relates to the ability of democratic actors to respond to popular needs and improve the delivery capacity of the state
 - c) This points to the need to improve the quality and effectiveness of democratic politics. Democracy provides for stability, but the process of democratisation can be destabilising and even violent. Why? Because it is all about changing entrenched power structures and networks in society

- d) Managing democratic transition is therefore a challenge, and paradoxically it is not always made easier by the political competition which is so crucial for democracy.
- e) Democracy is at the same time about political competition and responsiveness to citizens' needs. If these two are to go hand in hand, there is a need for a level of cooperation in political competition. This is of particular importance when countries face challenges that are not only important for one part of society or the other, but that amount to a threat to the whole fabric of society and the very institutions of democracy and rule of law.
- f) The last two days have given us overwhelming evidence that the challenge of illicit finance in politics is indeed a threat to democracy's foundations. That is in itself a call for cooperation to protect democracy through holistic approaches that promote reforms to enhance at the same time security and the rule of law, economic and social development and effectiveness of political institutions.
- g) Such cooperation is required within countries but also between countries. Our conference has confirmed that the international dynamics of the challenge will require an altogether different level of co-ordinated international response. The evident starting point would be the UN, and I would suggest that both the UN Security Council and the General Assembly should address a challenge which is a threat to the three pillars of the UN: peace and security, human rights and development. As we all know, the political system that provides the foundations for those pillars is democracy.

11. The initiative of President Calderon to hold the 2009 International IDEA Democracy Round Table on the theme of illicit finance in politics could not

have come at a more appropriate time, and let me also say, in a more appropriate forum.

12. International IDEA with its 25 member states coming from all continents and including developed and developing countries alike and sharing a common commitment to democracy was indeed the right place to launch a call for the strengthening of international cooperation against organized crime and in defense of democracy.
13. We are keen to hear the concluding words and message by President Calderon and again, on behalf of International IDEA, I wish to thank him for his farsighted and inspiring initiative.
14. This Round Table will be followed, by the annual meeting of the Council of IDEA member states. As we discuss, under the chairmanship of our host country Mexico, the current and future work of international IDEA, let us also dedicate a moment of the Council's meeting to reflect upon the follow up to our findings and recommendations.
15. We have clearly come to the conclusion that the defense of democracy against illicit funding and organized crime is a major international issue. I hope that IDEA member states will be bold and imaginative in taking the issue further towards concrete international commitments and action.