

Democracy and Development: Thinking Forward

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Koenders - *Minister voor Ontwikkelingssamenwerking*

Final lecture by Minister for Development Cooperation Bert Koenders in the 2006-2007 Democracy and Development lecture series, Society for International Development.

Ladies and gentlemen: colleagues, experts and friends of the SID, IDEA and NIMD,

It is a great pleasure for me to address your conference on Democracy and Development this morning. This issue is at the core of my policy as Minister for Development Cooperation.

Now more than ever, development practitioners have to be aware of how they can assist the process of political change and emancipation in developing countries. Democracy is a vital element of this process, and we are still wrestling with our role in it. Much more is involved than you can find in a standard training course or standard textbooks on how to support a parliament or a party. People who are promoting development and people who are promoting democracy have to join forces rather than work in isolation. This requires political intuition, modest ambitions and a strategy for institution-building that correspond to the political realities on the ground. The first principle must be: do no harm. We must discard illusions about creating democracy by force, as we have seen in the cruel reality of Iraq. We live in a democratic age, and Europe has an obligation to do much more than it has. The credibility of our development efforts is at stake.

Today 120 countries have governments resulting from elections in which all adult citizens could vote. Hierarchies are breaking down; closed systems are opening up. More than ever before, media, the image of reality and those who have the power over it determine the outcomes, policies and state of democracy. Unfortunately the democratisation in the world is also at the same time a democratisation of violence. There is a danger that democratisation will be reduced to formal election of warlords, separatists or racists.

I came back just yesterday from Pakistan and Afghanistan. In Pakistan the struggle for democracy has been enhanced by the enormous growth of the free press and the courage of an independent judiciary in a still largely feudal society. Only completely free and fair elections can create the broader legitimacy that is needed to fight extremism and poverty. In Afghanistan major progress is being made. But as in other post-conflict countries, free elections are not yet accompanied by the rule of law, separation of powers and basic liberties. Democracy is making headway, but it is still illiberal democracy. Much more work can and must be done.

As a Member of Parliament, I was active in fostering democracy and creating alliances with parliamentarians and parties in Africa, especially after the openings created by Mitterrand's La Baule speech in 1990. I remember many, somewhat amateurish visits I made to parliaments in various places, from Benin to Zambia. I saw in practice how difficult it is to help build democracy in disadvantaged countries characterised by poverty and inequality. Democracy can exacerbate conflict, but it can also bring about enormous progress. Copies of Western models can be extremely counterproductive for democratic change; and the irony is that our models are being exported at a time when our own democracies in Europe are under pressure and going through major changes. So let me start with my own continent, where democratic change made a leap forward after 1989, but where the long and violent road to democracy is often forgotten.

The European experience

The struggle for democracy in Europe was also a long one. England experienced a slow transformation from an agrarian society to a parliamentary democracy. In France, a revolution was needed to remove obstacles to democratisation. In the twentieth century, all over Europe, the labour movement and civil society fought to beat back fascism and communism. And military action was necessary to defend democracy. The German socialists' struggle led initially to the Weimar Republic, a fragile attempt at parliamentary democracy that proved unable to withstand the economic crisis and the Nazis. In Germany, the struggle for a more substantive democracy continued after the war with the Federal Republic, leading to a very successful model of democracy and social market economy. In his case studies Barrington Moore sheds light on the historical conditions in which these transformations took place, in Europe and elsewhere, and the decisive role that social groups played in these political processes.

The struggle for democracy is not only about establishing a political system. It is part of a larger project for the rule of law and broad participation. Achieving substantive democracy is crucial. I see it in the development of my own country. There was no universal suffrage in the Netherlands until 1919; it was only in 1922 that women's right to vote was enshrined in the constitution. You might be aware of the debate on the position of women in the strict Calvinist SGP party. Until 1970 voting was compulsory in Dutch elections; today, as you know, turnout for Dutch elections could be much better. Until the 1950s diversity in the Netherlands was managed through the system of 'pillarisation', whereby the whole of Dutch society was compartmentalised along religious or ideological lines. While the old pillars have long since collapsed, globalisation and above all increased immigration have created a new, 'imported' diversity. The Netherlands still faces democratic challenges today. Our society is changing, and our democracy is seeking ways to change with it. New parties appear, internet plays a larger role, and the political class has become part of a larger spectator democracy.

In 2006 the Ministry of the Interior carried out a 'State of Democracy Assessment', using the well-known methodology of the International Institute for Democracy and Electoral Assistance. The assessment concluded that attempts to restrict freedom of expression are becoming more frequent and more serious, and that traditional political parties are losing their roots in society. At the same time involvement in politics, especially among young people, seems to be increasing: take the debate on Europe. Populism, both left-wing and right-wing, is on the rise. Political parties now play a different role in our democracy, a role in which individual personalities are central and the ability to project an image is crucial. This is leading to more 'drama democracy'. Finally, the 2006 assessment showed once more that social cohesion and the integration of new citizens into a common identity – a new 'us' – is one of the biggest challenges in deepening Dutch democracy.

The new Dutch government spent its first hundred days trying to get a clearer picture of who this 'us' is before translating its ideas into policy. The consultations on the Millennium Development Goals were one example of this process. I discussed the MDGs with over three hundred companies, organisations, journalists, researchers and ordinary members of the public. I asked them how 'we' can help achieve the MDGs. And by 'we' I don't just mean the government but the Netherlands as a whole, with all its dynamism, talent and diversity. Democracy requires a community, a Polis- this is still the weakness of European democracy and its parliament. And in Holland we constantly have to reassess who our Polis is.

Lecture series – challenges in the international debate

This is also the case for so many developing countries. In this lecture series, Thomas Carothers, Anwar Ibrahim, Paul Collier and others have illuminated opportunities and dangers for democracy and development in our time. I welcome the chance to discuss some of these challenges. I would also like to underline William Easterly's plea to make development cooperation more effective by doing more to reach the poor. I agree with this sentiment. What we need is a joint effort by all those who are genuinely working to reduce poverty.

I too was moved by the story of Amarech in Ethiopia, who gathers wood and brings it to the market to sell, and is too poor to go to school. And by the story of Kama in Mali, who suffered life-threatening burns while fetching kerosene and was smeared with charcoal because there was no money for medical treatment. I am dismayed when I hear about child soldiers who were forced to commit atrocities; about a mother who watched her daughter being raped; about political dissidents who have been tortured in prison. I am appalled when I see images of young Africans trying to make the crossing to distant, rich Europe in flimsy little boats.

Development cooperation and democracy can only be effective if we look for solutions that reflect the reality of people like these. Development cooperation can encourage and support home-grown processes that will contribute to a world with less poverty and more justice. It needs to aim at increasing access to and participation in these processes by the poor themselves.

I was asked to comment on Karl Popper, as he was cited by William Easterly who will speak to you shortly: like them, I choose 'piecemeal democratic reform' over 'utopian social engineering'. The economic and political complexity of societies is a given. You can't plan a market; you can't plan democracy. At the same time, economic growth and a functioning democratic system are essential to ultimately achieving sustainable, equitable development, independent of foreign aid.

In a democracy that functions well – well enough to make development possible – the government looks for ways to supply the services that citizens demand. In many countries, however, citizenship cannot be taken for granted. It requires respect for the political and civil rights of all individuals and groups in society, and conditions in which people are able to make use of their rights. Nor is that enough. Citizenship also means that people must want to shoulder their responsibilities as citizens. It means that they are aware of the rights and duties – and above all, of the opportunities to improve your own living conditions.

In this connection, I support the call for 'searchers'. The dynamism of the poor at the bottom has much more potential than the plans of those at the top.' Yes. In my opinion, however, the challenge is not to shift all our attention from plans at the top to the dynamism of the poor. It is to translate the dynamism of the poor into plans at the top. Flexible plans, yes, but we cannot reduce poverty without sensible plans to improve service delivery, to create safety nets, to foster pro poor growth, to improve the educational system, to plan for energy systems and infrastructure to reach the poor.

Democratisation, development and peace and security

Ladies and gentlemen,

Maybe the relationship between democratisation and economic growth is the dimension of poverty that is most often discussed. This is partly because the distribution and redistribution of the benefits of growth are necessary to reduce poverty in practice. But the popularity of this topic

is also closely related to the high growth rates of countries like China and Vietnam, whose democratisation lags behind their impressive economic growth. That has successfully taken millions out of poverty. At the same time other countries with high growth rates, like India and Brazil, have functioning democratic systems. Clearly there is no one-to-one relation between growth and the political system. Growth is a result not only of governance but of economic policy, climate, regional stability and other factors linked to place and time.

I am convinced, however, that the type of political system in a country and the quality of its performance do have an impact. It is no accident that 95% of the worst economic results over the past forty years were furnished by non-democratic governments. Compared with autocracies, democracies are structured to take account of a broader range of interests. The separation of powers also serves as a constant reminder, as the book *The Democracy Advantage* says, that 'the central government's powers are limited. Thus, it encourages the expansion and the independence of the private sector. This, in turn, fosters a climate of innovation and entrepreneurship, the engines of economic growth.' Democracies produce better development indicators on average 'because they tend to be more adaptable'. In a functioning democracy, corrupt and ineffective leaders are more likely to lose their jobs. Finally, thanks to their adaptability and 'quality of steadiness', democracies are better able to respond to economic and humanitarian disasters. For large parts of the population, this can make the difference between life and death.

What about countries that have not yet been able to plug into the global market? They will have an especially difficult task in catching up. In Europe, the poorer EU countries have grown more quickly than the rich ones, so that the gap between the relatively rich and poor has narrowed. By contrast, globalisation makes it harder for the poorest developing countries to bridge the gap with the rest of the world. Money and highly educated and enterprising people are draining away from these countries. With China, India and Brazil occupying their potential niches in the global economy, the latecomers to the world market have been forced to the sidelines. The challenge presented by this perverse globalisation is to see that these countries too experience an economic take-off. Latecomers in the global system tend to be undemocratic as I referred to the German undemocratic past earlier.

Can democratic developments spark economic growth in the countries that need it most? If so, what democratic developments, and under what conditions will they lead to a take-off? Despite everything that has been written about democracy and economic growth, there is still no answer to this question. Case studies present unique patterns of social, economic and other factors that can simply not be summed up with generalisations.

Yes, more substantive democratisation can undeniably favour economic growth. Democratisation is necessary to distribute and redistribute the benefits of growth and ensure universal access to and participation in that growth. And undeniably, poverty is not only economic; poverty has political, human and sociocultural dimensions. By definition, effective poverty reduction means working to change the nature and quality of governance, because these things shape the conditions in which comprehensive poverty reduction takes place as well as the results that can realistically be achieved.

In a functioning democracy, democratic principles are respected. Democratisation is an never-ending process of negotiation between state and society to ensure this respect. Democratisation is not a quick fix for poverty; both the state and the society have to ensure that formal institutions operate democratically in practice.

Paul Collier and others suggest that low per capita incomes, the presence of oil and other natural resources, and serious inequality and ethnic divisions are not conducive to democracy. I think this is right. Collier also said in his lecture that democracy is misunderstood. Revolutions in one part of the world are too often seen as models for other parts of the world, and democracy is wrongly portrayed as a panacea. And: democratisation is equated with holding elections, while hardly any attention is paid to ensuring checks and balances. When this superficial kind of democratisation fails to produce positive effects, the value of democracy as a political system can easily be dismissed. The unique case of China, with all its shortcomings, is then taken as a model for Africa. But the Chinese model does not work in Africa, or in the Middle East or Latin America. In fact, I'm convinced that the Chinese model isn't even working sufficiently in China. China's economic growth has come at the cost of an alarming increase in social inequality and unacceptable harm to the environment.

Maybe the most problematic since the end of the Cold War and my own amateurish steps in democracy support in Africa is this: we have yet to see the big socioeconomic benefits of the wave of democratisation in the 1990s. We also see that young democracies can relapse into conflict. But I state and believe that this is not the fault of democratisation. More often it's the fault of stalled democratisation. The failure of democratisation to pay dividends in terms of peace or development is due not to the failure of democracy as a concept, but to the failure to deepen democracy. It was 'democratic deficits', not democratisation, that plunged Côte d'Ivoire in 2002 into the hopeless crisis that it's been in ever since.

Should democratisation be postponed until certain preconditions have been met? The 'sequencing' debate is all the rage at the moment. Thomas Carothers rightly says that sequencing is not a solution to the challenges facing societies engaged in democratisation. There are very few autocratic leaders who are sincerely development-minded. As Carothers says, 'Prescribing the deferral of democracy – and consequently the prolongation of authoritarian rule – as a cure for the ills of prolonged authoritarianism makes little sense.' But is it a good idea then to support democratisation in suboptimal conditions? Here I would like to cite Sheri Berman: 'The main drivers of democratic development are generally internal rather than external. But on the margins, taking the side of the local democrats and reformers rather than their authoritarian overlords makes more sense both morally and politically. The construction of stable liberal democracy generally requires breaking down the institutions, relationships, and culture of the *ancien régime*, a process that is never easy and about which the *ancien régime* itself is rarely enthusiastic. Yes, achieving a full transition to consolidated democracy is difficult. But it cannot be completed if it never starts.'

Post-conflict countries may be a special case. First and second elections can be accompanied by violence. As Jack Snyder emphasises, elections give political elites a chance to exploit ethnic tensions and nationalist and religious sentiments. Look at the world around us. Therefore power-sharing mechanisms and strong civil society organisations and state institutions need as much attention as elections in any process of democratisation. Carothers however maintains that a one-sided emphasis on state-building, and not substantive democratisation, fuels most wars. 'The overwhelming bulk of the many wars that have raged in Europe over the last half a millennium have been related not to democracy, but to state-building.' And this is very true.

Global trends

Let me make some general, somewhat superficial points of regional context and start with the Arab World.

Stability in the Middle East is either mostly superficial or fragile at most. Carrying out democratic reforms would enable countries in this region to link up with a globalising world. As it is elsewhere, in the Middle East, democratisation is a precondition for justice and prosperity. Stability as I see again reappear as a goal after the failures in Iraq, can only be meaningful when it is based on development, peace and security. Therefore democratic reforms will ultimately increase true stability.

Anwar Ibrahim's lecture in the SID-series elegantly disposed of the bromide that Islam is incompatible with democracy. In fact this is a non-issue. After all, no one asks whether Christianity, Judaism or other religions are compatible with democracy. In any case, policy has never been founded on this kind of standpoint. My only reason for even mentioning this discussion is that the supposedly non-Islamic character of democracy has been used too often by autocratic rulers in Arab countries to ward off democracy, and by the West as an excuse for maintaining a double standard.

The UNDP Arab Human Development Report 2005, published in December 2006, says that public freedoms have been further restricted in Arab countries in recent years and that oppressive systems of rule have remained in place. At the same time, small steps have been made 'towards widening the margins of freedom in the region'. For example, democracy and human rights have been made required subjects in the state school curriculum in Bahrain. The Justice and Reconciliation Commission in Morocco has recommended legal, institutional and cultural reforms. In nine Arab countries, women occupy prominent positions at national, provincial and municipal level. 'With a few exceptions,' the report says, 'no Arab country is now without a parliament or a cabinet or a local council in whose assigned tasks at least one woman participates in an able manner.' Participation by women in public life is slowly increasing in the region, even in Saudi Arabia.

At the same time, the report notes that announcements of reforms and pseudo-reforms are used as a cover for maintaining the status quo. Respecting the singularity of democratisation in the Arab world should not mean accepting indefinite postponement of reforms due to lack of commitment by its political elites. In the Arab world and outside it, rulers' fears of the possible effect of democratisation – effects that might be unacceptable to them – are the greatest obstacle to democratisation. Yet as the Arab Development Report 2004 says, 'widespread and thoroughgoing political reform, leading to a society of freedom and good governance, is the means of creating a free society, in the comprehensive sense, which in turn, would be equivalent to human development'. Therefore, democratisation needs the broadest possible support base.

In this connection I'd like to mention the report *Dynamism in Islamic Activism* by the Advisory Council on Government Policy, which supports the idea that building blocks for human rights and democratisation can be found in the Muslim world. The diversity of Islamic activism offers scope for cooperation with Islamic organisations as democratic actors. In many countries in the region, moreover, Islamic organisations are the only potential partners that have any broad social base.

Democracy cannot be imposed by military force. I plan to establish a fund for democratisation in the Arab region that can be used to finance theme-based contributions to international organisations, dialogues and other specific democracy-building activities at grassroots level. We must build a bridge to the Islamic world, without being naive. For example, the media can play a role in reaching the silent majorities who have not yet spoken out against terrorism. Citizenship can emerge from silent majorities.

When the discussion turns to Africa, governance is often spoken of in Patrick Chabal's terms of façade and reality. I prefer to ask another question: what does democracy really mean now in Africa? What do Africans want, and how can it be achieved? Is democracy an alternative to patronage? Let's take a look at how democratisation is taking shape on this continent.

It is a fact that more leaders are coming to power in Africa by democratic means and that there are fewer violent changes of regime. This is one aspect of the trend that Daniel Posner and Daniel Young have so aptly described as the 'increasing institutionalisation of political power in Africa'. As they write, 'the formal rules of the game are beginning to matter in ways that they previously have not.' Between 1960 and the 1980s, most African leaders met their ends through coups, murders or other violent forms of regime change. Since the 1990s, periods in office have usually come to an end in accordance with democratic rules, through electoral defeat or voluntary departure at the end of a constitutionally limited term. While formal institutions alone are no indicator of how well governance works, they do determine what strategy is used to gain or retain power. This is a fundamental change in the way power is exercised.

Surveys by Afrobarometer show that large majorities of Africans prefer democracy to any other form of government. The people of Ghana, Kenya and Senegal have the greatest confidence in the functioning of democratic institutions. But even in countries where confidence is lower, like Tanzania (especially Zanzibar) and Madagascar (after outbursts of violence there), this does not mean that citizens prefer some other form of government.

The surveys also show that formal institutions are beginning to matter to people's perceptions of democracy. For example, the changes to the electoral system in Lesotho have greatly increased popular support. Relying on the surveys, Michael Bratton writes in 'Institutionalizing African Democracy: Formal or Informal?' that formal institutions seem to matter even more than informal ones, and that Africans generally think they are not getting what they expect from democracy. 'People continue to think that presidents ignore constitutions, that legislatures are unrepresentative of popular desires, and that multiparty competition all too easily spills over into political violence,' Bratton says. 'As such, Africans estimate that the key elements in a well-functioning democracy – notably institutions that check the executive – are performing below par.'

One particularly interesting conclusion from Bratton's work is that informal institutions are used to fill gaps in formal democracy. 'Because the performance of all formal institutions systematically falls short of popular expectations, people will plug ensuing institutional gaps with informal ties.' What does this mean? Like other people, Africans prefer democracy to other forms of government. Democracies are becoming more institutionalised, even in Africa, and the functioning of democracy, particularly in Africa, is affected by both formal and informal institutions. And finally, in Africa as elsewhere, the quality of democracy determines how likely it is that informal institutions will undermine sustainable, equitable development.

We have to take complex political realities seriously and look beyond the usual pigeonholes. My efforts in Africa will be aimed particularly at improving the quality of democracy and thus at achieving substantive democratisation. More experienced democracies can provide support, through peer pressure, civic education, and a stronger role for the media, watchdogs and oversight institutions to ensure greater accountability. Dutch political parties, through the Netherlands Institute for Multiparty Democracy, can provide this support. Uganda and Burundi have recently asked me to work especially with political parties as the "missing link" in sensible democracy support.

In Latin America, inequality and the rise of institutionalised crime – such as the political power of drug lords, state capture, violence and corruption – are the biggest challenges to ongoing democratisation. Citizens see no change in their fate. When governments fail to deliver social and economic goods or ensure justice and reconciliation, their credibility suffers. This has increased tensions and led to the emergence of new nationalist movements. These movements in turn have radically altered the relations among states.

What is the significance of the swing to the left in Latin America? What does it mean for the future of democracy? Hector Schamis talks about different varieties of ‘post-socialism’ and ‘post-populism’ in the region. He argues for a deeper analysis of the quality of party systems, however, because these are more important for determining a democracy’s effectiveness than a regime’s exact political leanings. The institutionalised party systems of Chile, Brazil and Uruguay are the main explanation for these countries’ success, he says, while dislocated systems explain the failure of Menem and Kirchner in Argentina and Toledo and Fujimori in Peru. Schamis also says that oil distorts the entire political and economic picture, ‘whether in a collapsed party system such as Venezuela’s or a disjointed and fragmented one such as Bolivia’s’.

The role of political parties cannot be emphasised enough. As the African surveys also show, there is a substantial gap between what parties are supposed to do and how they actually function in practice. Confidence in political parties is lower worldwide than in any other democratic actor. The NIMD plays an important supporting role in getting parties on track. It has made a major contribution to changing the political culture of Guatemala, for example. It has not only fostered dialogue among political parties, but also helped with their institutional development and their dialogue with civil society and the business community. It looks for fostering a new national consensus to prepare Guatemala for the next stage of economic development out of extreme inequality, violence and the risk of parallel structures invading the political space.

I don’t have any quick fixes for complex development problems. I certainly don’t have quick fixes for the inequality, social exclusion, violence and impunity that plague Latin America. But the democracies in the region will have to find solutions to these problems soon if they want to survive. When large numbers of young people cannot share in economic progress, they have no confidence in the formal institutions that are the bearers of democracy. If left unchecked, marginalisation will lead to more violence and more institutionalised criminality. Preventing this is the biggest challenge to substantive democratisation in Latin America. The solution lies in active involvement by young people and other marginalised groups themselves. The NIMD is succeeding in getting this issue on the political agenda. I will support initiatives to prevent social and political exclusion through our embassies, and Dutch and international organisations. With initiatives including support for better representation and defence of marginalised groups, I will try to help increase their access to and participation in economic growth and the distribution of wealth.

Development cooperation and democratisation: new policy

In supporting democracy, we need to learn from the mistakes of the past. For example, we have to avoid seeing democratisation in terms of a Western model. I mentioned that earlier. Effective support for democratisation should focus on strengthening the operation of universal democratic principles in a specific context. Another lesson is that democratisation should not be left to technocrats, because that means losing sight of its essential political significance. Those of us in the field of development cooperation need to take more account of the impact that our working methods have on local politics. It is also time for us to stop being afraid that paying attention to

democracy will undermine stability. As I said earlier, it is not 'excessive' concern for legitimacy that ultimately undermines peace and security, but rather the lack of it. Finally, the role of women has been neglected for too long. In the area of substantive democratisation too, women can make a difference.

What does this mean for policy? I would like to address this question under four headings: a more political conception of good governance; a democracy and development agenda; and more focus on fragile states and women's rights.

1. A more political conception of good governance and deepening democracy

I will begin by discussing what I mean by a more political conception of governance, and above all the deepening of democracy. Because poverty is not only an economic phenomenon but also a sociocultural and political one, good governance has increasingly become less a precondition for development partnerships and more an objective. Experience shows that poverty reduction does not have sustainable, equitable results unless there are genuine improvements in the political realm. Technical issues are only a minor aspect of governance, and aid for capacity building makes only a limited contribution to quality of governance. My approach, therefore, will be informed by a more explicitly political conception of good governance. We need this if we want development cooperation to have a positive effect in practice on governance problems like corruption and insufficient rule of law and their underlying causes. We have to shed more light on democratic deficits. To do this we need more political analyses of the context, which should lead to a more political strategy for good governance and a more political strategy for poverty reduction. This means making greater efforts to deepen democracy – not only at embassies but also together with Dutch and international NGOs and in intergovernmental networks and organisations. I have already mentioned the NIMD; other relevant organisations include the Association of European Parliamentarians for Africa, the EU, OSCE and UN. The Netherlands is an active member state of International IDEA, an expert institute in the field of home-grown democracy. It has my enthusiastic support.

2. A democracy and development agenda

I also have a clear democracy and development agenda. Wherever we give development aid, especially budget support, I will automatically examine the role of local politics in development cooperation. Too often, because we see the implementing government as our natural counterpart in a recipient country, that government accounts for its spending and policies mainly to donors. Accountability by national governments to donors should never come at the expense of political accountability in the country itself. In other words, development cooperation should never weaken national democratic institutions. If it does so, we are not responsible donors. Because our aid is needed and domestic accountability still often falls short, I will focus on making local politicians accountable to their own peoples. This will be taken up more in political dialogues and specific activities.

Harmonisation and alignment with national poverty strategies and budget mechanisms are important principles of the Paris Declaration. They are essential so as not to place too heavy a burden on the limited capacity of governments and partner organisations in recipient countries. However, they can also give legitimacy to procedures that are insufficiently democratic. Too often, the ownership of national poverty reduction strategies by recipient countries still means in practice ownership by a small elite that can speak the donors' jargon. Ownership should be in the hands of ordinary citizens, not donors. So we need a reality check. We need to take a critical look

at governments' and donors' actions, and where necessary, take steps to ensure that poverty reduction addresses the causes of poverty and not merely its symptoms.

My remarks about accountability and ownership suggest that we also face challenges with regard to the Paris Declaration's provisions on harmonisation and alignment. The first challenge is to develop a conception of accountability and ownership that refers explicitly to national political processes. If, in Afghanistan, we say that we need to have a PRSP and if not we cannot fund, it is about a wish list that has nothing to do with national accountability. It is about handpicked organisations while formal democratic institutions, like the Parliament, are not even consulted. The second challenge is to use the Paris Declaration as a tool in such a way that democratic principles are respected and the operation of democratic institutions is never undermined.

This brings me to the MDGs. We have to realise that qualitative political change is needed to attain the quantitative MDGs, especially with regard to sustainability and equity. Reaching the MDGs is not a technocratic process, it is a political process stimulated by the searchers who do and act and know to reach the planners to support them.

I am working on the democracy and development agenda with partners like the NIMD, AWEPA and IDEA. They complement our embassies' work by paying attention to the role of local politics. Thanks in part to support from the NIMD, for example, the political parties in Zambia have taken back the lead in giving their country a new constitution.

3. Fragile states

Third, my policies will focus more on fragile states. When dealing with fragile states it is a fatal mistake to ignore the importance of legitimacy – either because lack of legitimacy is a cause of the state's fragility, or because a viable and thus legitimate state has to be built in a post-conflict country. Of course essential services have to be provided immediately after a conflict; but it makes a difference who does what and how. So we have to avoid creating parallel responsibilities and parallel mechanisms of accountability. At the same time we have to ensure that the institutions receive the signals from society and are responsive to them. We have to avoid institutional collapse brought on by a failure to acknowledge the causes of conflict. Our embassy in the Democratic Republic of Congo will support women MPs' efforts to increase their legitimacy as representatives by accounting to their constituency for their actions and by keeping their feelers out. These MPs will also encourage other women to stand in local elections. My aim in fragile states is effective governance that is also legitimate. I will be presenting the new policy on fragile states at greater length soon.

4. Women's rights

Finally, I want to focus on more rights and opportunities for women. In a functioning democracy, all citizens have equal rights and in principle equal opportunity to exercise their rights. In practice, where democracies fall short in this regard, ensuring that women participate equally with men is an enormous challenge. We badly need to invest in women, not in a token fashionable gender agenda. Giving women more rights and opportunities leads to higher economic growth by raising national productivity. More rights and opportunities for women also means that girls and women are more likely to speak up and take part in local administration and national politics. So investing in women is a way to achieve both maximum economic growth and substantive democracy.

Persistent marginalisation of girls and women has deep-rooted social and cultural causes. Exclusion and discrimination also simply reflect the realities of power. Often women cannot afford the costs of becoming candidates for parties with a real chance of being elected. Nor have they usually been trained in organising themselves politically. Increasing women's rights and opportunities requires sociocultural and political transformations and girls' and women's empowerment. This demands political motivation and cooperation. I see the Netherlands playing an important role in this regard.

Political transformation is necessary for sustainable, equitable development, especially to attain MDGs three and five. For example, our embassy in Guatemala is investing in expanding women's role in local government as a means of improving their sexual and reproductive rights and health. Women are often members of local committees, especially those related to healthcare issues. Their goal is better hygiene in childbirth and better medical instruments. Committees are represented in community councils which set priorities for the community. The community councils are in turn represented in municipal councils, where the financial decisions are taken. Dutch support is helping women in the committees not only with training in their particular field but also in having a say at different levels of government. Learning better meeting and negotiating skills strengthens these women's position in their communities and in government. This leads to enduring gains for women's reproductive health and rights.

Macedonia decided last year that women will occupy a third of the seats in parliament. At the same time, it is also important for those in power – women and men alike – say what really needs to be said. This too is part of deepening democracy.

The international dimension

Ladies and gentlemen,

We cannot talk about democracy and development without discussing the international political climate in which we work. After all, that climate is far from perfectly democratic. There are unequal relations of power at intergovernmental as well as local level. The international political arena is a domain of constant political competition and negotiation. Geopolitical interests count for more in the world than development. There are tensions between international agreements and national sovereignty. At international as at national level, crooks are rewarded, and loyalty is a crucial informal factor.

Therefore efforts to deepen democracy at national level must be accompanied by efforts to democratise international organisations, strengthen the international legal order and ensure more coherence between the words and actions of non-state actors, countries and organisations. As an MP I endeavoured to increase the accountability and transparency of the international financial institutions, particularly the World Bank. We need international watchdogs here too – remember the Wolfowitz affair.

Serious efforts are needed to reach agreement about democracy and support for democratisation, for example within the EU. I mean to work towards a European approach in this area.

We can also share our experiences and push for standards of governance in intergovernmental and other networks. And we support also larger accountability of NGOs and businesses.

Conclusion

Ladies and gentlemen,

I began by talking about the Netherlands, and mentioned the assessment of the state of Dutch democracy. The Netherlands is not the only country that has made such an assessment. Until November 2006, Mongolia was chair of the International Conference of New or Restored Democracies, and in that capacity it used IDEA's methodology. It then drew up an action plan to improve the quality of Mongolian democracy. This is an excellent way to show commitment to democracy, not only in other countries but in one's own.

Your discussion of democracy and development will continue. Clearly this is a topic with many sensitive aspects. I am convinced, however, that we have to address the sensitive political points to make fundamental changes in the world. At stake today is not only the functioning of other people's democracy, but democratisation everywhere in the world.

Thank you.