

Speech by

**Commonwealth Secretary-General
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***Building Democratic and
Accountable States***

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Building Democratic and Accountable States

I am very pleased to contribute today to your series of meetings in which you are building a picture of the future of international development assistance. The Commonwealth has been in this business for many decades, with a fairly high measure of success. We are therefore in a position to contribute to the discussion here in London just as we would in any of our 52 other capital cities where this sort of issue is also often discussed.

My point of departure is that Official Development Assistance (ODA) is a means to an end. It should not always be a matter of how much is spent – the bottom line – though that can be important. It should be a matter of how ODA is spent, and on what it is spent. Frankly, I have a concern about the large amounts of extra ODA that were pledged last year when this country was leading the G8, and when the world was reviewing the MDGs one third of the way through their life cycle.

I was concerned then – and still am – that some will not honour those pledges. I am also concerned that there is insufficient capacity amongst either the donors or the recipients to spend such increases well.

Quality is critical. It's where an organisation such as the one I represent can help. Our mission statement talks about the Commonwealth Secretariat being a "trusted partner" in development.¹ The fact of the matter is that we do 'walk the talk'. And we can go places, say things, and give practical help that bilateral agencies and even other multilateral agencies cannot. I will come back to this point a little later on.

For now, let me lead straight on to my second point, which it is that the durability and sustainability of a state is a product of two influences above all others. One is the extent to which a state reflects the will of the people it serves, the extent to which is home-grown and belongs to them. Hence the importance of democracy and good governance which allow the people's will to be expressed and protected. The second influence is the extent to which a state is supported by others around it, the extent to which there is collective support and recognition. No man is an island, and no state is either.

Look at Africa. In the 1970s, one could count the number of democratic governments on that continent on less than two hands. By one account, there were only three in 1973. Today, there are more than 30 and the number continues to grow. In the Commonwealth, 8 countries in Africa moved in the 1990s alone to multi-party democracy. They did so because the people's will

¹ "We work as a trusted partner for all Commonwealth people as a force for peace, democracy, equality, and good governance; a catalyst for global consensus building; and a source of assistance for sustainable development and poverty eradication"

was given space to express itself, and because the region collectively moved in that direction in a mutually-supporting way. The AU decision in 1999 to accept at the table only those governments elected by constitutional means, and not those that rose to power at the end of a gun barrel, was a landmark one.

The building of a democratic and accountable state always looks easy from the calm and ordered environment of those states whose democratic credentials stretch back more than a century. To develop such an environment in a 30 to 50 year period becomes problematic. To achieve it in 10 to 20 years is asking a lot of people whose history may be anything other than democratic.

In short, there has been tremendous, rapid and welcome change in the direction of democracy and improved governance in Africa which deserves our full support. This is positive change achieved in decades where it has taken far longer elsewhere simply for the concept to take root. We should support and encourage that continuing evolution.

Commonwealth leaders know democracy's advantages and they have charged us at the Secretariat with a permanent role of helping our member states to bed down the foundation blocks. Hence our work on election monitoring and other support for the electoral process; our work on developing oversight institutions such as the Ombudsman's office that foster and promote accountability; our work on strengthening the independence and authority of the judiciary; and so on.

The main responsibility for growing democracy and improving governance lies with the citizens of the country concerned as I said. A strong and effective state that is accountable to the people is the first pillar of democracy. It cannot be imported. All people and groups of people must be confident that their voice is being heard. National governments should take the initiative by ensuring that their own core institutions of democracy are fully accountable.

And remember, of course, that democracy is not a finished product. Democracy is a process, a journey, and all countries are at a different point along the way. When I was asked to talk to you today about building democratic and accountable states, I was immediately in a difficult position because this title implies that democracy is a building project with a set blueprint, a start point, and with adequate funding, an end point when the project will be complete. That is not so. Building democracy is ongoing wherever we call home.

In fact, if we take a snapshot of all Commonwealth countries now, we have to acknowledge some worrying trends. There has been no dramatic regression. But there is a lack of parallel development. Even where there has been recognised pluralistic development, we see a sad development story. This is especially the case in sub-Saharan Africa and in small states.

Their share of global trade and investment has been falling. So-called, “business as usual” doesn’t make sense when it is hard to show a demonstrable democratic dividend.

What does that mean when it comes to providing targeted financial assistance – the question with which you are grappling as that White Paper takes shape? It means supporting the fundamental building blocks of a democracy, the institutions. Given the tensions and conflicts in the world today, and the seriousness of many of the divides between countries, religions and ethnic groups, reducing poverty and improving governance are more important than ever.

Let me share with you what I think are those essential elements of a democratic and accountable state, the fundamental building blocks. And this Commonwealth perspective is one that has been shaped by the work of a Commonwealth Expert Group that I convened from 2002 to 2003. The Group was chaired by Dr Manmohan Singh and it submitted its report shortly before he became Prime Minister of the largest democracy in the world.

The Commonwealth Expert Group set out the following elements:

- A freely and fairly elected Parliament that is broadly representative of the people of the country and whose election is overseen by an independent electoral commission.
- An Executive that is answerable to – and funded solely through – the Parliament.
- An independent Judiciary, which means judges must be financially secure during the period of their appointment and in retirement.
- A transparent and straightforward public accounts system which clearly reflects where money is coming from and where it is going to.
- A Public Accounts Committee, ideally chaired by a member of the Opposition, responsible for monitoring public expenditure.
- An Auditor-General answerable to Parliament ensuring the financial accountability of the Executive.
- An independent Human Rights Commission that protects citizens from discrimination and human rights abuses and ensures that the government treats all citizens equally.
- A Freedom of Information Act that enables the public to gain access to information about executive decisions.
- An Ombudsman who addresses the grievances of the public.
- A Police force that responds to the law for its operations and the government for its administration.
- Armed Forces that are answerable to government and Parliament, not to political parties, and are responsible for the defence of the country.

That’s a long list, but those are the building blocks. And there is no shortage of effort and investment required in those at any time in any democracy in the world. But they do have strong credibility: all Commonwealth Heads endorsed them when they met in Abuja in 2003.

At the same time as leaders received the Expert Group report, they also endorsed what we know as our Latimer House principles. These are the Commonwealth's guiding principles that take some of the key building blocks and set out how they interact – the relationship between Parliament, the Judiciary, and the Executive. They outline the limits of power in the three branches of government. They are about securing trust: trust among the branches as well as trust and confidence of the people in the leadership exercised by those branches.

If you put all this together – the findings of the Expert Group and the Latimer House principles – you can then develop more rapidly the democratic culture so necessary. Without the culture, the rest is only a skeleton. That is where freedom of assembly and freedom of the media are crucial. They allow an informed public to play its part fully.

And the challenges in recent times have become more marked in this regard, as there is no perfect balance or answer when it comes to issues such as the responsible exercise of freedom. Last year, Commonwealth Heads of Government expressed their awareness of the strains in all societies, of how some people feel marginalised on the grounds of race, religion, income, linguistic group, or other reasons.

They charged the Secretariat to undertake work on 'promoting understanding and mutual respect'. Our job is to identify the criteria for a society which is not only tolerant since tolerance is essentially reactive and passive. Our job is also to find ways of promoting positive, active engagement as a way of breaking down barriers and exclusion. In other words, to strengthen democratic culture.

A democratic culture can also be promoted through strengthening elected local government and widening citizen's participation, particularly the participation of women and youth. This can be achieved through careful and well-planned decentralisation that devolves power to local governments that are accountable, transparent and representative.

The Commonwealth target of 30 per cent of women in decision-making, particularly in Cabinet, Parliament, the Public Service and local government must be seen as an interim target. We can raise the bar further. Women already play a crucial economic, social and cultural role. This must now include political decision-making.

The commitment to root out corruption, both at the national and international levels, also has to be a crucial part of all efforts to mould democratic and accountable states. Corruption is not only a tax on development, it puts up the price of everything and it undermines good governance and the respect for human rights.

All in all, as I said at the outset, considerable progress has been made in the Commonwealth towards creating and sustaining democratic and

accountable states. Challenges remain, but a matter of particular concern is the lack of a development dividend for countries that have embarked on the path of democratic and accountable governance.

A central theme of Commonwealth practice is that democracy and pro-poor development can and should be mutually reinforcing. Yet progress on the political front has been accompanied by economic marginalisation for many countries. Poverty in all its dimensions continues to be a special challenge throughout the Commonwealth and for the Commonwealth collectively.

- One third of the Commonwealth's 1.8 billion people live on less than two US dollars per day.
- Almost two thirds of all HIV/AIDS cases are in the Commonwealth.
- Maternal deaths remain a scandal. In some countries, women face a 1 in 16 chance of dying in pregnancy or childbirth, contrasted with 1 in 2,800 in developed countries.
- Nearly two thirds of Commonwealth citizens lack access to essential drugs and adequate sanitation facilities.
- Around half of the world's children without access to primary education are in the Commonwealth. Some Commonwealth countries are not on track to meet the Universal Primary Education target by 2015, let alone 2015.
- While 11 Commonwealth countries made significant progress on the MDGs last year, 31 made slow progress and some actually went backwards.

This lack of progress of many Commonwealth countries towards achieving the MDGs is worrying. It is, however, insufficient simply to sketch out the dimensions of poverty. One needs to be specific about the obstacles to development faced by poor countries.

There are often national and international obstacles that need to be addressed. They include weak administrative capacity, macroeconomic instability, poor planning, the digital divide, poor education, ill health and lack of medical facilities, lack of infrastructure, land ownership confusion, and so on.

Specifically, poor countries often have weak administrative capacity. The role of the state has changed but it has not got any less important. There is a general consensus that the state should no longer become involved directly in the production and distribution of goods. Instead it should focus on policy - making, coordination and regulation. The Commonwealth Secretariat attaches the highest priority to activities designed to assist our countries to strengthen their public administration.

Many poor countries experience macroeconomic instability. Unsustainable budget deficits are the main source of instability and are some times caused by populist expenditures which undermine the budgetary framework.

Governments must avoid policies that increase inflation, contribute to balance of payments crises, and create unsustainable budget deficits.

Education is one of the most essential pre-requisites for successful integration with the global economy in the twenty-first century. Educating girls in particular can have a profound impact on political freedom, gender equality, income poverty reduction, effective population policies and family health. Human capital is a critical asset for development. Yet millions of children around the world do not have access to the skills they need for gainful livelihoods.

Ill health is both a cause and consequence of poverty. The lack of effective health systems is a major barrier to reducing poverty and meeting some of the MDGs.

Lack of consultation and planning on environmental matters is another barrier to pro-poor development. Environment degradation and poverty are closely interlinked.

Lack of land titling is another major impediment to development. Access to land, based on effective systems of property titling and registration, is widely accepted as essential to development. Land is a source of life, livelihood and income.

The lack of effective infrastructure continues to be a drag on the development prospects of many countries. Priority needs to be attached to infrastructure development that transforms the lives of the poor. This includes roads that link rural communities to markets; irrigation schemes that benefit subsistence farmers; rural electrification; and clean water and sanitation for the urban poor.

The digital divide also constrains development. The internet and other new technologies cannot work for the poor without concerted government effort, in partnership with the private sector.

That is a daunting set of challenges for action at national level. But none of you will be surprised by this, or when I say that it underlines how, in poor countries, the state has to be developmental as well as democratic and accountable.

And while action at the national level is essential to make states developmental, democratic and accountable, some of the most significant obstacles to development exist at the international level. These arise especially in the areas of aid, debt and trade.

Earlier, I alluded to the significant increase in **aid** commitments since Monterrey. This is, indeed, very encouraging as are the efforts to develop new mechanisms such as the International Finance Facility which must continue as we are still well below meeting the 0.7 per cent target.

Above all, commitments need to be translated into resource transfers. Far too much aid – particularly bilateral aid – continues to be motivated by political rather than developmental objectives; and is supply driven rather than country led. There is a strong case for direct budgetary support to overcome these drawbacks. The Rome and Paris Declarations on aid harmonisation and alignment must be implemented. It is important to point out, however, that while we need harmonisation of aid management processes, we should not have harmonisation of ideas. Aid policy must be customised to local conditions.

While there has been a welcome increase in the volume of aid commitments, there is very little discussion taking place on “aid architecture”. Above all, there is no forum where developing country voices are being heard on this subject. For example, is the current balance of 65/35 per cent between bilateral and multilateral aid appropriate? What should be the respective roles amongst the multilaterals? These and other questions need to be addressed. It is for this reason that the Commonwealth Secretariat and La Francophonie are organising two regional workshops this year, and I’m very pleased that ODI will have a major intellectual input into these workshops as our partner.

I might add that the new aid architecture will also need to incorporate new donors such as China and India.

As for **debt**, the cancellation breakthrough last year was a major advance. There are a number of implementation issues to be resolved and it is important to ensure that those countries that benefit do not regress a few years down the line. Gordon Brown’s proposal to extend debt cancellation to a wider group of countries also merits support. The Commonwealth played a pioneering role on debt relief going back to an Expert Group in 1984. We may not always be the best at trumpeting our role and success, but it is this sort of ‘thinking outside the box’ that has become one of the hallmarks of Commonwealth work in the development field.

Finally, **trade**. Liberalisation and export-led growth have the potential to bring millions of people out of poverty. The unprecedented success in reducing poverty in East and South East Asia was driven by rapid growth in international trade, and also enabled by building capacity through education and skills, as well as stability and predictability in economic policy and the political environment. More recently, the surge in India’s performance has arisen for the same sorts of reasons.

The difficulty for many developing countries is that the current international trade system generates asymmetrical outcomes, making potential benefits hard to sustain. This is why the Doha Round is so important.

There must be delivery on the Doha Development Agenda. Commonwealth Heads of Government showed strong collective leadership when they issued the Valletta Statement on Multilateral Trade last year. It contains a powerful message in its call for fairness and equity in multilateral trade issues and in its call for special attention to small states and LDCs.

Ladies and Gentlemen, I believe the Commonwealth is a major player in continuing to build developmental, democratic and accountable states. It is an ongoing process. It requires responsibility being taken by people and governments; and it also requires robust and collective engagement by the international community. There is a recipe for success, we've shown it works, and I continue to encourage others to join the Commonwealth in taking it forward.

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