



International conference **Democracy & Development**

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During Polish Presidency in the EU Council in the second half of 2011, Zagranica Group carried out the process of analyzing the relations between democracy and development.

The first action undertaken was gathering a task force consisting of experts and representatives of Polish NGOs, which concentrated on efforts to describe the relations between democracy and development, responding to needs of Polish NGOs interested in engaging in support for societies of the poorest countries. The work will result in a report. The preliminary draft of this report can be found in the first article of this publication *Democracy and Development. Preliminary report*.

The next stage was to take a look at this issue in the policy of the European Union. On November 17, the Zagranica Group together with the Institute of Public Affairs organized a seminar entitled *Development and Democracy in EU External Policy*. The highlight of these discussions on the mutual impacts of democracy and development was the international conference *Democracy & Development*. Its most special participants were the leaders and activists of civil society organizations, journalists and academics from countries such as Morocco, Libya, Egypt, Jordan, Tunisia, Lebanon, Palestinian Autonomy and Syria. This publication includes most important conclusions from the remaining conference session, as well as articles written by panelists.

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INTRODUCTION

W Polish NGOs dealing with development cooperation and associated in Zagranica Group have been trying for years to find their identity in relation to democracy and development issues.

Support for democracy is a traditional direction in the international engagement of Polish organizations. It stems on one hand from the Polish history of democratic change and the related feeling of commitment to support other countries in this process, sharing the Polish democratic transformation experience. On the other hand, before Poland got involved in development cooperation, this kind of action – support for democracy, mainly in post-communist countries – was often and willingly financed by foreign (“Western”) donors who believed that Poles have got the experience which can be valuable, particularly for to the former Soviet Union countries.

With Poland’s accession to the EU and the emergence of the Polish government’s own development policy, attention began to be paid also to another type of international cooperation, namely the support of socio-economic development. With years a number of organizations appeared also in this field, engaged in what can be called “hard development” – projects strictly directed to reduction of poverty and sustainable improvement of the level of life in the poorest countries of the Global South.

Both types of organizations – dealing with support for democracy and dealing with development – since the beginning have been members of Zagranica Group, which emerged mainly as a platform of cooperation and developing common positions towards officials, mainly the Polish MFA.

At first all types of actions undertaken by member organizations were described broadly as international cooperation, however, with time a certain discord appeared in the Group between organizations defining their actions as development cooperation and those specialized in support for democracy. In turn, the need for a practical definition of the relation between democracy and development appeared, both generally and specifically in Polish development policy, in order to achieve some level of agreement between the differing organizations working together within the Zagranica Group.

This need resulted in the process of analyzing the relations between democracy and development, carried out by the Zagranica group during Poland’s presidency in the EU Council in the second half of 2011.

The first action undertaken was gathering a task force consisting of experts and representatives of Polish NGOs, which concentrated on efforts to describe the relations between democracy and development, responding to needs of Polish NGOs interested in engaging in support for societies of the poorest countries.

The work will result in a report attempting to answer the following questions from the point of view of Polish NGOs, in the context of the Polish development cooperation system and the global debate about relations between democracy and development: do democratization projects contribute to development? Is there a place for democracy components in development projects? Do these two types of actions have positive impacts on each other? The preliminary draft of this report can be found in the first article of this publication *Democracy and Development. Preliminary report*.

The next stage was to take a look at this issue in the policy of the European Union. On November 17, the Zagranica Group together with the Institute of Public Affairs organized a seminar entitled *Development and Democracy in EU External Policy*. The meeting was attended by representatives of the Ministry of Foreign Affairs, the European Commission, European External Action Service, academics and NGOs. The first panel was devoted to general principles and perspectives of EU’s policy on democracy support; the second panel was in turn dedicated to the establishment of the European Endowment for Democracy (EED). The points made in the summarizing discussion reminded participants that the successful emergence of EED was to a large extent possible thanks to a new international atmosphere after the Arab Spring, which made member states more supportive to supporting democracy elsewhere as well.

The highlight of these discussions on the mutual impacts of democracy and development was the international conference Democracy & Development. Its most special participants were the leaders and activists of civil society organizations, journalists and academics from countries such as Morocco, Libya, Egypt, Jordan, Tunisia, Lebanon, Palestinian Autonomy and Syria.

The sessions of the conference were organized as open discussions were opportunities for Polish NGOs to engage in development cooperation projects connected to supporting democratic transformation in countries of North Africa and the Middle East. The conference was a unique occasion to build new relations with representatives of partner countries and to think together about areas where we could start cooperation and strengthen the social, political and economic change taking place in these countries. Members of Zagranica Group had also the opportunity to present their achievements so far and to share their experience in building civil society and supporting democratic changes in Poland.

The substance of the opening session *DEMOCRACY AND DEVELOPMENT: How can both processes mutually reinforce each other?* has been described in detail in further chapters of this publication. Their authors are panelists: Faten Agged from the European Center for Development Policy Management and Kinda Mohamadieh from ANND Arab NGO Network for Development. The remaining conference sessions are summarized below.

Civil society in transition

The session *Civil Society in Transition* was devoted to building civil society, with presentations of country-specific perspectives by Ben Halim from National Awareness Movement (Libya) and Haggag Nayel from the Arab Program for Human Rights Activists (Egypt).

Mohamed Ben Halim began his speech from a short overview of the Libyan society, split into 3 groups: the politically aware elites, connected to the previous regime (now trying to cut those ties); people who emigrated to Europe during the regime and are now coming back to the country; and finally the middle class or the so-called „ordinary people“, who want to engage in the movement for democratization, though they do not possess the necessary skills and resources (e.g. they don't know how to organize themselves). This last group constitutes the unused potential for building civil society. Ben Halim pointed out that this is the kind of energy which dies out fast and it should be built upon as soon as possible. Before the revolution, nobody in Libya was thinking about civil society. From newspapers or from TV, Libyan citizens knew that human rights are respected in the Western countries, but they did not take action for their realization in their country. Their goal was mainly to stay far away from the authorities. Only after the revolution the first organizations emerged, lacking however the means or capabilities to take action and develop.

According to Ben Halim, time is needed to build civil society. Although extremist groups are a minority, still the majority of the society is conservative. Too much focus on change, e.g. on the issue of gender equality, may discourage local communities. People who deal with civil education and awareness raising come from different backgrounds. Some of them are Europeans, some came from countries of Europe and want to introduce their rules, which in countries such as Libya are not successful. Ben Halim emphasized that the education of society must take place slowly, with time given for accepting the change. Social change is a chance to create new values, but those most important existing ones should stay. People are showing signs that they want changes, new elements of freedom. However, changes which undermine the fundamental issues should not be introduced; one cannot go too far, because the society won't trust the elites who want to introduce radical changes.

For this reason organizations should first of all work with people from small towns and villages, learn about their problems, gain their trust, learn to talk to them. Poorer classes do not know what democracy is so they won't have trust for it. They have never had the access to credible information, they believed what was presented by the mass media. Some citizens in the villages supported Kadafi and have not changed their views after his death – these people must be reached as well.

Similar needs of the Egyptian civil society were discussed by Haggag Nayel from the Arab Program for Human Rights Activists. It is very conservative on one hand, and on the other hand it had not been properly educated for many years. It needs workshops, trainings etc., in order to become a conscious actor in the actions. In Egypt the legality of the organizations' activities is a problem in itself. 80-90 of them are "typical" NGOs, the remaining 2000 are organizations connected to the previous authorities. Not much has changed after the revolution, and the temporary government suspended the possibility to register new organizations. NGOs had to act secretly up till now, which certainly negatively affected their possibilities of action and engagement for society.

According to Haggag, organizations should support society in a systematic and consistent way. They should find their space besides the family and the authorities and appropriately arrange it. Religion is an important factor in Egyptian society, but not the only one. If Islamic leaders do not succeed in their role of

leaders, the society will turn them down. People want change. Until now social life was dominated by two groups: the military one and the religious one; now a chance has appeared for creating new structures enabling self-organization.

Representatives from other Northern African countries joined the discussion as well. Mayta Musa from the Polish Jordan Business Association (Jordan) acknowledged that civil society in his country had not only been systematically persecuted for 50 years, but on top of that it did not receive any help from the European Union, which in practice means any aid at all, so as of now it practically doesn't exist. On the other hand, as pointed out by the political science professor Hassan Aourid (TARIK IBN ZYAD Center), there are about 55 000 organizations in Morocco, however, most of them are active in fields other than human rights. The fact that right now in almost every smaller or bigger town local social civil organizations organize anti-governmental protests brings hope. This is a kind of a democracy school.

Inquired about the possible areas of support from the European Union, representatives of the Arab countries agreed in underlining that knowledge about democratic mechanisms and procedures is needed. This is definitely more important than money. It was also stressed many times that each Arab country should be treated individually, as they all have a different past, culture and different current needs.

Consequences of the lack of democracy and respect of human rights for development

The relation between human rights and development of democracy was a frequent topic during the sessions of the conference. One of the discussants on this topic was Lenur Krymova from the Helsinki Foundation for Human Rights. In his speech he emphasized the fact that human rights enable citizens to participate in the political process and decide, among others, about the way they would like to manage resources in the particular country. In addition, they give the basic protection to people who want to fulfill their own needs and aspirations. If a country respects human rights, it allows the development of both society as a whole and individuals.

After the breakup of the USSR, countries belonging to the former Eastern block were in the same starting position. After 20 years one can see the differences in development between countries such as Poland, Czech Republic, Slovakia, Baltic countries and Ukraine or Central Asian countries. Why? According to Lenur Krymov the reason is the lack of democracy, or rather façade democracy and the lack of protection of human rights. The consequence of the lack of democracy is in turn corruption which takes place in two forms: inappropriate use of national budget and a widespread system of bribes in various public institutions such as the sanitary inspection or police. Corruption destroys one of the main factors of development, which is the social capital, as well as trust towards authorities and trust among people.

Ugyan Choedup from the Other Space Foundation presented the history of violation of human rights in Tibet under Chinese occupation, including the acts of self-immolation of Tibetans resulting from the authorities' repressions towards religious freedoms. He discussed the Chinese government's activity on the international arena as violating the sovereignty of other countries (e.g. South Africa's refusal to grant a visa to the Dalai Lama invited to Archbishop Desmond Tutu's birthday), as well as forcing the application of double standards, using its economic power. The Tibetan population is marginalized, official workplaces are reserved for the Chinese. As a consequence, Tibet is at the lowest 31. position among the Chinese provinces in terms of the Human Development Index (HDI).

Mustafa Haid, a Syrian activist dealing with monitoring the acts of violence during the peaceful protests in Syria, shortly presented the situation in his country. Since March, over 4 thousand people were killed, many other arrested by President Bashar al-Assad's forces. Access to information is very limited, illustrated by cases such as blocking the access to al Jazeera by the authorities upon the start of the unrest in Tunisia and Egypt.

Mustafa Haid acknowledged that it's difficult to predict how the situation in Syria will develop, nevertheless, there is still a chance for a peaceful change. Syria now needs advocacy and publicity, so that as many people as possible join the protests. Tools to bring about the change are also needed (in Syria, since 40 years there have been no political parties or NGOs). When Assad came to power in 2000, a large part of the society put their hope in him, and some still believe his promises. These people need to be reached. In the last time many have joined the protests, but at the same time there are many operations against the protesters. However, as long as the protests are peaceful, there is chance for a peaceful election of the government.

Education for democracy in schools and local communities

The session devoted to civil education was led by Alicja Derkowska and Beata Budzik from the Educational Society for Malopolska. The mission of their association is to share democratic values and awareness about the possibility to influence the situation in the surrounding among even the youngest citizens.

Representatives of the Society reported about two projects: *Public Achievement* and *The village project*. These are carried out within the School plus network including schools from Albania, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Macedonia, Moldova, Romania, Serbia and Montenegro, Ukraine. The main goal of the first of these programmes is to search for solutions to important problems in a particular community, even if their solving is very difficult or impossible. The programme stimulates the ability to work in the group and common problem solving. *The village project* is a basic school of democracy, relating to the democracy in ancient Greece. It teaches cooperation, common decision-making about matters important to one's community, as well as bearing the consequences and accountability for the taken decision.

What to do / what not to do in countries of the Middle East and North Africa?

During the conference's closing session there was a presentation given by Azzdine Akesbi from Transparency Marocco. He presented the situation in the Arab Spring countries, concentrating on economic issues. The current problem is high unemployment (particularly among women), most of which is long-term unemployment. There is also a serious risk of poverty and social protection applies only to about 20% of the society. There is also a big issue with corruption and not much has been done so far in this matter. Societies demand the return of the capital displaced by the toppled regimes, which has been to a large extent inserted into the European economy. They expect support from the European countries in regaining those resources.

Mustafa Haid presented the potential opportunities for European Union's engagement in Northern Africa. Above all, the EU should set clear procedures for actions and avoid double standards. One should consider, whether the imposed sanctions really work, or they are just a symbolic measure. A contradictory move was taken by Italy, which delivered tools helping authorities to censor the Internet. A similar situation concerns freezing money in foreign accounts. Information on this is confidential and it is not known what amounts of money this concerns and whether the accounts are frozen at all.

In addition, the European Union should review the effectiveness of the previous forms of cooperation with Mediterranean countries and officially support peaceful movements fighting for change. When it comes to development cooperation in the narrow understanding, European countries should concentrate on transferring the knowledge about introducing changes in a peaceful manner (which includes the experience of democratic transformation in the countries of the former Eastern bloc). In addition, they should improve the system of financial support for the NGO sector in Arab countries.

The conference Democracy&Development was an occasion for NGOs from many countries to discuss support for democracy in action. The broad meaning of democracy was not discussed here, but rather the practical implications. Civil society should focus not on preparing elections and their democratic implementation, but rather on preparing societies to everything that is connected to a free, democratic choice, its advantages and consequences. Civil education, dialogue, consultations are all elements of focus under „democracy in development“.

Development is a process of mutual cooperation. Democracy in turn is not just a result of carrying out development actions, but also the objective of those actions. This is particularly important in countries "in transition" such as Tunisia or Egypt. It's not only about free elections, but about how the society will use them to fulfill its own needs and goals. That's why awareness is so important, both in relation to civil rights and obligations. It's not only taking receiving but also giving something from yourself. Support for civil education is important, as it enables the development of civil society mechanisms and its awareness, helping form a free and democratic community, deciding about itself and fulfilling its goals, rights, obligations and development.

Democracy and development. Preliminary report

Miłosława Fijałkowska

Wojciech Tworowski

This document is an introduction to further research on democracy and development in Polish development cooperation. The report is a result of a preliminary analysis of official documents and publications on the subject in Poland and in the global context. On this basis further qualitative research will be carried out, consisting mainly of interviews with Polish development cooperation stakeholders, aiming at better definition of the existing and desired relation between democracy and development issues in Polish aid policy and in the operational practice of organizations implementing aid projects.

The report consists of three parts. The first part describes the place of democracy in Polish development cooperation and its relation with development according to documents, attempting also to define the term "democracy" itself. The second part is an overview of main trends in the global debate about democracy and development. The third part summarizes the content of the report and points at the direction of further qualitative research, which will be carried out in early 2012.

Democracy in the context of development in Polish development cooperation

Since its beginning, Polish development cooperation officially attempted to include socio-economic development issues, at the same time stressing the special importance of supporting democracy, especially in countries undergoing transformation. Already the first (and so far, the only one existing) strategy for Polish development cooperation (published in 2003) puts support for democracy right next to support for sustainable economic growth, however, without defining, what support for democracy exactly means, but rather including such actions in the long list of strategic goals and tasks, encompassing among others *respect for human rights (...), rule of law and good governance, promotion of global security and stability, transferring experiences from Polish political system transformation, development of human capacity, support for the development of public administration and local structures, protection of the natural environment and prevention of ecological problems, as well as granting extraordinary humanitarian and food aid.*¹

Later, democracy has appeared many times in annual programmes of the MFA, which are the basic programming document for Polish Aid. The programme for 2007 includes a reference to democracy in the form of: *securing the functioning of mechanisms ensuring respect of human rights and civil freedoms, freedom of speech, rule of law and good governance in all regions where the weak respect for democratic standards hinders development, as well as support for modernization and democratization of civil society, as well as building and strengthening its institutions.*² The definition of democracy is therefore presented here rather broadly, including elements of both human rights and rule of law, as well as good governance and development of civil society. This kind of definition is also quoted by the next annual programmes, defining thematic priorities for Polish development cooperation in the area named democratization (e.g. introduction of standards of good governance).

¹ *Strategia polskiej współpracy na rzecz rozwoju przyjęta przez Radę ministrów w dniu 21 października 2003 r.* Polish MFA (2003). p. 5.

² *Polski program pomocy zagranicznej udzielanej za pośrednictwem MSZ RP w roku 2007.* Polish MFA (2007). p. 3-4.

Besides this broad definition of support for democracy, the MFA in its annual programmes declares also more direct support for democratic change of the political system (mainly in Belarus),³ as well as impact on democratization through financing the monitoring of elections.

A formal attempt to define both democracy and development is contained in a provision of the act on development cooperation (Article 2), which states:

Development cooperation is understood as the sum of actions undertaken by governmental administration with the aim of supporting developing countries, in line with the principle of international solidarity:

- 1) development aid, in particular in the form of:
 - a) promoting and supporting the development of democracy and civil society, including the development of parliamentarism, rules of good governance and respect for human rights,
 - b) supporting their sustainable socio-economic development, undertaking actions aimed at reduction of poverty and improving the state of health of the population, as well as raising the level of education and job qualification of the population;

Assuming that this definition reflects the dual approach among NGOs and in view of the content of specific annual programming documents it can be concluded that democratization in Polish development cooperation refers to support for civil society, free and transparent elections, human rights, as well as broadly understood rules of good governance, in practice connected mainly to capacity building for officials of governmental and territorial administration at different levels. Development in turn is aiming at reduction of poverty or improvement of the level of living ("socio-economic development"), particularly through the development of entrepreneurship, promotion of health, as well as general education and development of job qualifications – both through training and infrastructure projects. The definition merges those two areas of action into "development aid".

A slightly clearer view on the ways to understand and define democracy and democratization can be found in the draft of the multiannual plan (made available for the needs of this research carried out by the Zagranica Group office) in its chapter concerning democratization and human rights. Support for democracy is defined there as: *Actions for strengthening transparency of procedures and democratic institutions, aimed at building a democratic state of law, as well as actions supporting the building of civil society, improving the capacity of citizens to co-decide about the country and all citizens to decide about their fate, as well as support for respect of human rights.* In general, this is in line with the definition in the earlier quoted act, however, it also includes the particularly important element of the capability to decide about the country and about one's own fate. Nevertheless, the description of actions possible under the heading of support for democracy does not refer to this element, concentrating rather on support for civil society and implementation of good governance principles. It seems a significant omission, taking into account the fact that the decision-making power, or impact of each individual citizen on the relevant social processes may constitute the first step to the democratic understanding of citizenship and ownership of those processes.

In its second part, the first chapter of the multiannual programme specifies also human rights as the potential „first step in the direction of democratic changes“. The third part of the chapter describes the basics of the concept of including the perspective of human rights in development projects (HRBA), quoting five core principles: application of the human rights framework, empowerment, participation, non-discrimination and accountability. This logical construction (democracy is closely connected to human rights, and human rights should be included into the mainstream of development cooperation) hints that the authors of the first chapter (elaborated in a process of broad consultations with NGOs) aimed at defining the connection between development and democracy, however, the very general level of the principles and lack of specific mechanisms for implementing the HRBA approach, as well as the lack of clarity in the defining of relations between democracy and HRBA leave a lot of doubts.

In view of the limited availability of source documents and the consequent reliance upon subjective observations and opinions, in-depth qualitative research will be necessary before the publication of the full report, in particular in the form of extended interviews with officials and decision-makers responsible for the strategic planning of Polish development cooperation.

³ The most direct definition can be found in the annual programme for Polish foreign aid for 2007 (page 5).

Democracy and development in the global debate

The issue of democracy in development emerged in the early 1990's. The 1990-2000 period is called the fourth „decade of development“ by researchers. The beginning of that decade saw the collapse of the iron curtain, falling apart of the USSR and a new international order. After the end of the “cold war” development policy stopped being treated as an element of foreign policy aimed at gathering allies and became appreciated as an important field in the framework of global policy.

Early 1990's saw the emergence of the concept of supporting development in relation to rule of law and *good governance*⁴ which was a term introduced in 1992 by the World Bank, defined as *the manner in which power is exercised in the management of a country's economic and social resources for development*.⁵ As defined in a report by the World Bank, *Governance and development*, this means among others building healthy state structures, as they also have an impact on the economic development process. The new approach led to signing several important documents in the following few years, which underlined the importance of democratic development in the global context.⁶

Adoption of this new perspective resulted mainly from the failure of earlier development concepts and the accompanying historic events. The previous decades of development were dominated by other topics: in 1960's and 1970's economic aspects and Bretton Woods institutions were predominant; the 1980s were the period of debt and the Washington Consensus. The 1990's were dominated by the concept of the sustainable development and emergence of new dimensions related to support for human rights, democratization processes, human and social development.

The discussion about the new perspectives of development was undertaken both at the level of international institutions, including financial institutions, and at the level of a political and scientific discourse. Questions were asked concerning the role of democracy, the political system and the form of governance in development of the countries. Earlier democracy was seen as a result of development, now democratic transformation was perceived as an element of development. The debate provoked further questions about the definition of democracy in development and what is understood under this term – it's not only about free elections but other aspects: security, democratic state administration, building civil society and institutions, NGOs, good governance, freedom of media and speech, respect for human rights and realization of basic rights and freedoms of the individual. What is the role of democratization processes in development? Is it a paradox that democracy is at the same time the goal and the precondition for successful implementation of development aid? If yes, how should this priority be implemented? Is it democracy that supports development, or does development support the democratic transformation? Do we need democracy for development? What about countries such as China? After all, countries without democracy do show economic growth. Is poverty reduction through democratization possible? Is the Western understanding of democracy universal enough to implement it in different countries and differing cultural and religious systems?

Researchers who were attempting to answer the question whether it's democracy that supports economic development or rather it's economic development benefiting the development of democracy and what is the significance of the political system in the particular country in relation to development have pointed out the fact that problems with lack of political stability and lack of democratic governance have their consequences in all areas of development. The lack of political stability and democracy negatively affects the freedom and security of citizens, implies the lack of social institutions, limited access to health care, education and intellectual development of citizens, causes corruption and in extreme cases violence and crime, which can lead to conflicts, also affecting global security. It has been stressed that development is not just economic growth, increase in GDP and welfare, or – in less developed countries – satisfying basic needs necessary for survival; it is much more than that. Development should be understood as development of citizens, social and civil structures, democratic institutions, freedom of association or free media.

⁴ The multitude of *good governance* concepts makes it difficult to give one definition. *Good governance*, translated also as conscious governance relates to many different areas of the operation and management of the state and its democratic institutions such as just courts, respect for human rights, participation of society in political processes, fighting corruption, democratic management of state administration and civil freedoms. In the late 1990's the *good governance* concept has been enriched in a component of democratization, human rights and the rule of law. *Good governance* means above all the state's delivery and creation of structures forming the base for the sustainable development of the country and tackling challenges such as poverty, disease or climate protection.

⁵ *Governance and development*, World Bank, Washington 1992, s. 1.

⁶ This resulted, among others, in signing of the Millennium Declaration (where countries committed to support also *good governance*). In turn, the Paris Declaration underlined the idea of supporting governance on local level and bottom-up support for authorities' good governance.

A discussion about the link between the political environment, political system, institutions and receiving aid, as well as the impact of political system on the management of aid resources began among international and financial institutions. The importance of creating appropriate conditions for receiving aid in the developing country has been emphasized. *Conditionalities* started to be introduced for developing countries in an attempt to secure the granted aid and ensure more stability. This is where good governance emerged. By supporting good governance donors improve the opportunities and quality of services carried out in the developing countries, which makes the situation more stable and predictable, securing also the donors' actions in the particular country. In 1996 the International Monetary Fund emphasized the importance of good governance – understood as the rule of law and fighting corruption – as a significant element creating the framework for success of economic development. The World Bank in turn acknowledged the need to support democratic processes by supporting political competition and strengthening the role of citizens in political decision-making with the aim of improving the effectiveness of development.⁷ Several international organizations, including the African Union, Council of Europe, New Partnership for Africa's Development, Caribbean Community have adopted declarations in favour of introducing democratic governance as a norm applying to its members.⁸ However, the fulfillment of the commitments by those countries remains a separate issue, just as support and execution of the adopted principles by the IMF and WB.

Research papers regarding support for democracy specify two kinds of justifications for those kinds of actions: instrumental and normative. In the instrumental justification democracy is supported as a means leading to other goals, for example in cases where it is necessary to achieve sustainable development, security, freedom and broadly understood development. In case of the normative justification, democracy is supported as an end in itself, as a political system which is a foundation for basic rights. Nevertheless, a question emerges about the role of supporting democracy from the outside – through actions of the donor countries – and the effectiveness of such actions. Support for democratization can take place twofold: „*top down*“, through governments of the countries, which receive conditions from the donor countries „*forcing*“ them to introduce certain democratic solutions and create democratic institutions⁹ or through the second model promoted in EU policy, which is support for civil society in line with the „*bottom up*“ principle. The second model entails support for grassroots democratic changes through the development of civil and non-governmental organizations, empowerment of different groups and social actors, as well as support for modernization and transformation, development of the civic state, enabling the political participation of citizens in decision-making, establishing democratic social institutions and development of democratic mechanisms – such as NGOs and independent media taking on the „*civil control*“ role over the actions of authorities. These two types of actions supporting development of democracy – external and bottom-up – complement each other.

To understand the issue properly, it is important to take a look at the discussion among researchers in the topic. Some of them, as Bredow, believe that freedom, democracy and development form an indivisible triangle.¹⁰ Reforms must emerge internally, nevertheless, effective support from the outside, with the presence of foreign aid, can strengthen the internal processes. For this reason it is so important to support democracy within development aid granted to such countries. Amartya Sen, Nobel Price holder, in his book entitled *Development as Freedom* (1999) writes that people living in a difficult economic situation need a political voice, too. According to Sen, democracy is not a luxury and cannot wait for the coming of the general welfare.¹¹ Democratization of society, participation on local and central level, as well as democratization of national policy should be a goal for development policy, also in the context of poverty eradication. Democracy makes those who govern accountable and this system protects the poor, who receive a chance for *empowerment*.

A similar view is represented by William Easterly, who states that *nobody is too poor to be free*. As stressed by Easterly, it is a mistake to think that some people are too poor to live in democracy. According to him, *all deserve freedom and democracy understood as rights and freedoms of the individual, human rights, free*

7 M. Halperin, J. Siegle, M. Weinstein, *The Democracy Advantage: How Democracies Promote Prosperity and Peace*, New York, London 2010, p. 197-198.

8 As above, p. 204.

9 T. Beichelt, F. Schimmelfenning, *Von postsozialistischen Transformationsoptimismus zur politischen Realität – Die Grenzen des Demokratieexports in Osteuropa und dem Kaukasus* [in:] *Import/Export Demokratie. 20 Jahre Demokratieförderung in Ost-, Südosteuropa und dem Kaukasus*, Heinrich Böll Stiftung, Schriften zur Demokratie Band 14, Berlin 2010, p. 18.

10 W. Bredow von Jäger, T. Kümmel, *Menschenwürdig, effizient und zukunftsorientiert? Die globale Politik im „magischen Dreieck“ von Demokratie, Entwicklung und Frieden* [in:] *Demokratie und Entwicklung*, red. W. Bredow von Jäger, T. Kümmel, Opladen 1997, p. 7-27.

11 A. Sen, *Development as freedom*, Oxford 1999, s.148-149.

market, which can be empirically connected to long-term welfare.¹² Easterly writes that many countries have corrupted and undemocratic governments, with the wrong governance leading to poverty in the countries. There is a relation between the income of the state and democracy, however, that relation is not a cause-and-effect scheme, though Easterly points out that there is evidence proving the impact of bad governments and corruption on aggravation of poverty and low level of development of poor countries.¹³

According to Nuschler, it is globalization which creates an incentive for democratization, engagement of civil society, good governance and cooperation between countries. Globalization introduces the market economy and democracy as a leading model. Countries, just as companies active worldwide, shall have an obligation to report, as their performance is measured by worldwide standards. Nuschler also emphasizes the role of NGOs in various areas of development.¹⁴ Nevertheless, this author asks the question *how democracy should function in conditions of mass poverty and widespread illiteracy, when people understand the term democracy mainly as improvement of life conditions, also when well-governed countries cannot satisfy those expectations. It is certain that democracy can be assumed when the right performance makes it possible to achieve a qualitative change from the formal legitimacy to the legitimacy through implementation.* How should then democracy be supported in countries with the most difficult economic and political situation? Globalization carries the democratic model, but how should it be introduced in poorly developed countries?

Fareed Zakaria in *The Future of Freedom. Illiberal democracy at home and abroad*¹⁵ points out that not always the lack of democracy goes hand in hand with poor economic development, as shows the example of China. How should this phenomenon be explained? There are a growing number of countries categorized as illiberal democracies in the world, where civil rights and freedoms are limited, there are no democratic institutions, but which at the same time are developing well economically. Russia is democratic, but as a consequence of its presidential system and the rule of the "Putin's hand" is according to Zakaria an illiberal democracy. Media are under control, NGOs face limitations¹⁶, nevertheless, the Russian economy is still developing. Does that mean that economic development doesn't need democracy? Can democracy develop in conditions of an illiberal political system?

Campbell underlines that economic liberalism can exist without democracy, China being a good example. Similarly as Zakaria, she notes that economic development is not a function of the political system and democracy is not a warrant of economic development. There is no democracy in China, and the economic opening of China was not accompanied by democratic development. Democracy is not only about market solutions, but also entails the rule of law, open civil society, accountability and free elections.¹⁷ Campbell emphasizes that without the rule of law, carrying out elections according to democratic rules means very little.¹⁸ According to her, local tradition and values can be taken into account, but the main values of democracy are not negotiable. Campbell rightly points out that democracy is not important only for the quality of life in the particular country, but is also significant in relation to the architecture of international law.¹⁹

Francis Fukuyama is among those researchers who claim that political democracy leads to economic growth in developing countries. According to him, democracy is a basis for civil liberties and freedoms, which create conditions for the development of the economy.²⁰ Another concept, developed by Adam Przeworski, underlines that economic development does not create democracy, but does help in sustaining it. Friedrich Hayek believes that the democratic system is better in securing e.g. individual rights to private property, which supports economic development.²¹

12 W. Easterly, *Freedom and Development* [in:] *Democracy and Development*, ed. B. Berendsen, Amsterdam 2008, p. 69.

13 W. Easterly, *Brzemie białego człowieka*, Warszawa 2008, p. 110-111.

14 F. Nuschler, *Lern- und Arbeitsbuch Entwicklungspolitik*, Bonn 2005, p. 73.

15 F. Zakaria, *The Future of Freedom. Illiberal democracy at home and abroad*, New York, London 2007.

16 Researchers such as Lucan Way or Steven Levitzky reject Zakaria's position on *illiberal democracies*, claiming that using that term in relation to some of the countries is not justified. According to them, a country such as Russia is not democratic and despite elections it represents authoritarian tendencies. They categorize such countries as under *competitive authoritarianism*.

17 K. Campbell, *Alternatives for Liberal Democracy* [w:] *Democracy and Development*, ed. B. Berendsen, Amsterdam 2008, p. 148, 153.

18 K. Campbell, as above, p. 146.

19 Campbell K., as above p. 155.

20 F. Fukuyama, *The End of the History and the Last Man*, New York 1992.

21 F. Hayek, *The Fatal Conceit*, vol. 1, Chicago 1988.

Researchers present varying views, stressing different aspects or elements of democracy influencing development or helping sustain it if it's perceived in the economic sense. However, if development is understood as human and social development, the actions in the field of democratization can be regarded as development actions. Democracy is a complicated system of the state's operation, consisting of many elements and its indicators are not only free elections or introduction of free market rules. The human, social, institutional and legal aspects play a very important role as well. Despite the varying views in the theoretical discussion, the global debate has led to a situation where support for democratic transformation is a very important field in development cooperation among the largest donor countries such as the USA, Japan, Canada, Germany, Sweden and Norway. The largest donors began to introduce this priority to their policies as a result of the discussion on democracy and development held at the international institution level, where already in the late 1970's and in the 1980's the need to support not only economic development but also other areas of development in third countries was identified. Various countries began to create their own instruments of support for different areas of democracy.

Scandinavian countries – Denmark, Finland, Sweden and Norway – promote above all their own democratic values in development policy, mainly through the active involvement in international institutions and bilateral cooperation. Norway has started already in 1977 to introduce human rights policy into its aid programmes. In case of Denmark, promotion of human rights began in late 1980's and early 1990's. In the Swedish development policy the issues of democracy and human rights emerged after 1993. Nordic countries view participation in democratic processes both as a goal in itself and as a means to achieving other development goals. Democratic institutions, freedom of speech, free media and social development are perceived as supporting the participation of citizens. This understanding of democracy, typical for Nordic countries, is reflected among others in the Molde Declaration from 1990, which emphasizes the promotion of political pluralism in developing countries.²² Nordic countries have developed this way not only strategies, but also instruments of support and promotion of democracy in developing countries, with particular focus on support for direct actions in partner countries, including support in preparing for elections, carrying out political and information campaigns, registering voters, providing education and political information to citizens. Nordic countries engage also in actions connected to legislation, constitutional and parliamentary reforms.²³ Free media and NGOs are supported as well. One of the typical aspects of the policy of promoting democracy among Nordic countries is the emphasis on the role of the state and institution building, as well as support for NGOs and their dialogue with the state.²⁴

In Germany, support for democratic transformation in developing countries is one of the priorities since the middle 1990's. Democratic transformation is understood as strengthening the structures of governance and social structures, participation of different social groups in political processes, holding free elections, development of free and independent media, respect for and protection of political, civil, economic, social and cultural rights.

At the EU level, in middle 1990's, in line with the worldwide tendency, the issues of supporting democracy, good governance and rule of law have been included among the directions of development action. In 1994 the European Parliament began the *European Initiative for Democracy and Human Rights* (EIDHR) aimed at supporting actions promoting human rights and democratic governance.²⁵ The preferred solution was to carry out actions along the „bottom up“ principle with the aim of supporting different groups, minorities and non-governmental actors. The European Commission was also given the mandate to include democratic issues in cooperation agreements with third countries. In 1999 the Council adopted regulations known as human rights regulations, forming the basis for democratization actions in the framework of EIDHR. In later years many documents were devoted to democracy and human rights and the issue has become one of the top priorities of the European Union's development cooperation.

22 L. Laakso, *Promoting a Special Brand of Democracy: Denmark, Finland, Norway, and Sweden* [in:] *Exporting democracy. Rhetoric vs. Reality*, red. P. Schraeder, London 2002, p. 58-60.

23 L. Laakso, as above, p. 67.

24 L. Laakso, as above, p. 70.

25 C. Santiso, *Promoting Democracy by Conditioning Aid? Towards a More Effective EU Development Assistance*, [in:] "International Politics and Society", 3/2002, p. 109.

Since the 1990's the discussion about democracy in development has been running on all levels – international institutions including the financial institutions, in academic circles and on national level. The biggest donors have noticed very early the meaningfulness and the need to introduce this priority in development actions. Various countries have answered the global debate with their own specialization in the broad spectrum of democratization, support for good governance and human rights, which was mainly derived from their history, experience and the definitions of those issues. A deep and practical analysis of the trends in the global debate will be a reference point for the discussion about democracy and development in aid projects implemented by the actors in the Polish development cooperation system.

Democracy and Development:

Improving the delivery capacity of democracy for development*

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In the course of the last two decades, Africa (across its five regions) has witnessed a series of popular calls for greater democratisation. Popular support for democracy has increased and so has demand for it as exemplified by the events of the Arab Spring. In varying degrees, most developing regions have formally embraced this agenda and recognised the ‘democratic advantage’ in terms of delivering development. In Africa, a stream of policy declarations have been issued, pointing to the positive links between democracy and development. Both the NEPAD and the Africa Peer Review Mechanism (APRM) are premised on this belief³. The Inter-American Charter (adopted in Lima in 2001) considers that “democracy and social and economic development are interdependent and are mutually reinforcing”. However, increasingly, there is call for ‘Democracy for Development’; a concept that places emphasis on the ‘utility’ role that democracy can play in order to pave the way for development. This call is largely driven by the perceived limited capacity of democracy to deliver on socio-economic development in a number of developing countries. But how do the expectations for a developmental impact of democracy match reality? What do we know about the linkages between democracy and development so far? How to ensure that democracy delivers on the aspirations of the people of developing regions?

A Reality Check:

What do we know about the link between democracy and development?

A reality check on the potential symbiosis between democracy and development looks rather sobering. Admittedly, the impact of democracy on development is not simple and straightforward. These are some of the general observations collected over the past two decades:

Elements where there is consensus

- Positive effects. There is no direct, empirically validated causal connection between the introduction of democracy and economic growth. However, evidence suggests that safeguarding the rule of law and equality before the law, upholding the ground rules of a market economy, including the protection of property rights and contractual freedom, protecting free media and freedom of expression, and ensuring relatively equal distribution of productive resources, all tend to create conditions conducive to “sustainable development” (including social justice).
- Link with poverty reduction. If one has a multidimensional understanding of poverty as lack of power, opportunities and security – as this is the case in EU policy frameworks- democratisation is to be considered a part of development.
- Emergence and sustainability of democracies. There is no solid empirical base for the view that various ‘preconditions’ need to be in place for democracy to emerge. Yet structural factors, including low levels of human, economic and institutional development, may seriously hamper the prospects

* This is an adapted version of a note by the European Centre for Development Policy Management (ECDPM); Democracy in Development: How can both processes mutually reinforce each other? To view the full paper, see http://ec.europa.eu/development/services/events/EDD2009/docs/edd_bckgd_paper_demo_plena.pdf

of consolidating and sustaining democracies. Hence the need to invest in the foundations underpinning democracy (e.g. education, citizen awareness on rights, employment, human security).

- Moving beyond elections and formal institutions. In order to overcome the limitations of representative democracy (focused on elections) there is a need to invest more in substantive democracy by promoting principles such as participation, transparency and domestic accountability in the overall development process and at various levels (regional, national and local). This includes constructing a ‘public space’ for free, open, pluralistic and critical debates among political and societal actors. However, the construction of a basic societal consensus constitutes a major challenge (both in the developing world as in Europe) amongst others because the time-horizon of politicians, media and citizens tends to be focused on the short-term.
- Response capacity of the state. Legitimate, capable and effective state institutions are key to promoting both the democracy and development agenda. This implies the need to properly articulate strategies respectively aimed at strengthening democracy, development and state building.
- No democracy without democrats. Experience clearly demonstrates the critical importance of well-informed and active citizens in promoting both democratisation and sustainable development. Yet in many countries a wide range of barriers need to be overcome to fully mobilise the potential of citizens to claim their rights and demand accountability. The road from being a mere ‘subject’ to becoming an (informed) voter and acting as a ‘citizen’ is long.
- Need to rethink donor support strategies. In their discourse donor agencies admit that democracy is a ‘home-grown’ process and that external efforts to impose democracy from abroad are likely to fail. Yet the practice support to democracy building has not lived up to expectations. The design and implementation flaws of democracy programmes have been widely documented. Awareness is growing that a major overhaul is required to increase relevance, coherence and impact of the overall EU approach to supporting democracy abroad.

Contested points

- There is a link between democracy and economic and social development, but it is debated what comes first.
- Democracies outperform other forms of governance when it comes to human development. While there is abundant evidence that democracies produce positive development benefits, there are also well-known examples of authoritarian states having achieved strong economic performance. Different views therefore exist on this position. In order to promote better development outcomes there is a need to focus much more on the, political economy underlying the organisation of society. This means looking ‘behind the façade’ of formal democratic systems in order to understand the patrimonial/patronage networks that have a major, often detrimental impact on economic opportunity and development.
- A more refined understanding of the ‘demand side’ for improved democratic governance is needed. This implies a critical assessment of both the “drivers of change” in a society and the possible limitations of formally established agents of democratisation (e.g. national election bodies, parliaments, the judicial system, etc).

Elements that are neglected

- The need for a ‘social contract’ strengthening the bond between state and citizens through a mutually agreed set of rules, roles and responsibilities, contributing to social cohesion and redistributive justice.
- Closely related to this, the importance of fair and equitable taxation systems for constructive State-Citizen relations. Recent research indicates that taxation affects the quality of governance: state reliance on broad taxation can provide the basis for a responsive democratic system, state building, improved accountability and broad economic prosperity. Taxation, if well designed, can also contribute to sustainable funding for essential public services, such as health, education, and security, which in their turn are essential for economic growth and social development.

Democracy for Development: how to improve the delivery capacity of democracy?

Building on these insights derived from experience, the following approaches could be considered to enable democracy to deliver better development outcomes:

- 1) **Adopting a much more realistic and long-term approach to promoting democracy for development.** Democracy is a process that is centered around the development of accountability systems between the state and society. Therefore, international partners engaging in democracy support should avoid adopting a normative approach – which may lead domestic actors and external actors to look at what is not there – it is much more promising to analyze what the reality is and understand why it is so. This may help to avoid the trap of only considering the formal aspects of democracy while neglecting the more fundamental informal rules of the game, cultural norms, power structures and incentives that determine the conduct of public affairs in a given country. Furthermore, Consolidating a democratic culture; redefining a social contract between state and society; reviewing constitutions in a participatory manner with a view to agree on a set of cultural norms and values subscribed to by officialdom and the public at large; elaborating ‘home-grown’ democracy agendas; supporting political parties; promoting active citizenship, etc. These are all long-term processes that need to be carefully nurtured and supported in order to impact positively on both democracy and development outcomes.
- 2) **Deepening democracy for improved development outcomes by focusing on domestic accountability systems and inclusive forms of participation.** This is the second priority. It means adopting a broader transformation agenda in pushing forward democracy (beyond formal attributes) and investing much more in the substance of democracy. This includes giving greater prominence to both ‘accountability’ (vertical and horizontal) and to ‘participation’ – conceived as a political project to develop and sustain more substantive and empowered citizen participation than that which is normally found in liberal representative democracy alone.
- 3) **Enhancing the response capacity of the state (central and local).** The State has moved up the development agenda during the last decade. It is now widely accepted that “the orientation and effectiveness of the state is the critical variable explaining why some countries succeed whereas others fail in meeting development goals”. In order to make democracy relevant for all citizens, greater importance needs to be given to the response capacity of the state. Yet many emerging democracies, particularly poor ones, lack the foundations of coherent functioning states and public administration systems. This has resulted in a growing concern for ‘state building’ – a concept that is increasingly integrated into donor policies with regard to fragile and/or post-conflict environments. However, state building is, admittedly, a complex process with numerous obstacles. First, the field lacks conceptual clarity. Intervention strategies are generally based on ideal-typical models of modern (Western) states and tend therefore to be ill-adapted and over-ambitious. Second, there is little real experimentation or more systematic sampling of evidence of what works and what does not. Third, the assumption too often prevails that the process of state building can be consensual, inclusive, participatory, bottom-up and democratic. Such rosy picture obstructs a view on the messiness, the non-linearity and the violent and tumultuous features that most often accompany state building.
- 4) **Clarifying the role and responsibility of the various external actors.** Democracy is one of the pillars of EU external action. Yet particularly in this area, there tends to be quite important a gap between stated policies and actual practice both in terms of supporting democracy building and in making the link between democracy-development. Several factors contribute to this, including:
 - a) the lack of strongly owned national democracy agendas (upon which to base external support);
 - b) the tendency to adopt a rather narrow focus on democracy (as a self-standing entity disconnected from development) and within democracy an even narrower focus on elections;
 - c) a relative neglect of investing in ‘political society’ as opposed to ‘civil society’;
 - d) the often less than optimal use of diplomatic and economic pressure on autocratic regimes;
 - e) issues of coherence between stated objectives (defending democratic principles) and practice

(co-determined by foreign and economic interests);

- f) lack of adequate and flexible support modalities and procedures;
- g) limited evaluation, stock-taking and learning.

Various avenues exist to improve overall effectiveness and coherence of EC/EU support to democracy, both as a self-standing objective and a means to promote development such as:

- a) making a much more effective, coordinated and consistent use of 'multi-actor' political dialogue;
- b) improving the interplay between development and foreign policy in supporting democracy building;
- c) further developing common positions that transcend national interests (on issues such as anti-constitutional changes,, human right abuses, etc.);
- d) providing smart support to the consolidation of domestic accountability systems between state and the society.

The right to development and revised economic partnership model at the heart of democratic transition in Arab region

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The interface between democratic transition and the sustainability of the democratic model and practice on one hand, and the questions on development paradigms and right to development are central to what we are witnessing of change in the Arab region. It is evident that economic grievances, poverty, inequalities, unemployment, deterioration of wages, among other violations of social and economic rights have underpinned revolutions and uprisings in the Arab region. Along the multiplicity of factors including political repressions, corruption, and lack of accountability and legitimacy of Arab regimes, the peoples' uprisings and revolutions reflect a climax of failure of social and economic development paradigms.

Indeed, democracy entails practicing all dimensions of citizenship, whether political, social, cultural, and economic. Accordingly, the revolutions cannot achieve its objectives, including the objectives at the political fronts, without a reassessment on the economic front, whereby economic systems and policies are unpacked and re-constructed to put at the forefront the people's economic and social rights and the right to development. This includes complementing the thinking on governance models and mechanisms with a rethinking of the role of the state and statecraft¹ in the Arab countries. Accordingly, space, time, resources to nurture a national dialogue that identifies the needed political, economic, and social reforms are core to this challenge.

Moreover, such quested changes in the Arab countries necessitate a rethinking of priorities and policy approaches in the cooperation and partnerships with partners like the European Union, on various fronts whether political, economic, social or cultural.

For the last three decades, the economies of countries that witnessed the peoples' revolutions, Tunisia and Egypt, similar to other Arab economies, have been constructed around an approach prioritizing a form of growth that neglects development objectives and peoples' economic and social rights. Policy makers have prioritized integration in the global economy through trade and investment liberalization, borrowing, expansion for privatization deals and public - private partnerships, overall economic deregulation, and overfocus on macroeconomic stability². Concurrently, national productive capacities have been marginalized along with the national development project generally, which includes addressing inequalities, empowering people through employment generation and wages, and establishing comprehensive rights-based social plans³. Accordingly, we saw countries achieve economic growth, while poverty, unemployment, and inequities were on the rise.

Within this context, the lines between political ruling elites and economic powers dwindled, while in fact they came to re-enforce each other. The political powers and ruling groups gave up the project of the state as a major actor in promoting and shaping a developmental project for the country. The fragmented development project they that was established marginalized the right to development, economic and social rights, and was constructed to serve the interests of the few became a tool for sustaining the disempowerment of the citizen and for re-enforcing the oppressive regimes and dictators.

1 Statecraft defined as: "The art of leading a country"; at: <http://www.thefreedictionary.com/statecraft>

2 These are part of the package of neoliberal policy reforms that came to be known as the Washington Consensus, see: <http://www.cid.harvard.edu/cidtrade/issues/washington.html>.

3 See: The report entitled "Development Challenges in the Arab States: A Human Development Approach", by the United Nations Development Program and League of Arab States (December 2009).

This is why, reclaiming citizenship and accountability of the state through the peoples' revolution promises to shift the basis on which development policy making is undertaken in the region. This shift is supposed to ensure serving the majority and their rights instead of the few at the interest of the former.

Unfortunately, there are attempts to use the peoples' revolutions as a platform for recycling the same old economic policies and recipes established by previous regimes as answers to the people's quest for change. Such attempts are clearly embodied in the kind of declarations revealed by the G8 and G20 meetings, the international financial institutions, and other global powers. At the same time, the questions on the economic and social fronts have not been addressed yet through a democratic representative dialogue at the national level, both in Tunisia and Egypt. There is no clarity arising as regards to the national spaces available to discuss a reconstruction of the development and economic model. This discussion has found limited if any space in the elections related processes in both countries, including among political groups and nominees running for the elections.

Failure of previous regimes: weak governance or wrong economic policy model?

Within this context, there are tendencies to present the shortcomings of previous economic policies and models established by toppled regimes as a result of governance weaknesses and not a failing in the economic policy itself. This represents an attempt to re-establish the same economic model, which assumes strong links between economic liberalization and democratic transformation⁴. This indeed will close a lot of spaces for change at the developmental front in the region. Today however the peoples of several Arab countries have reclaimed their spaces as citizens who have a say in constructing the political and governance systems in their countries. The sustainability of any democratic transition to be achieved as a result will rest on the ability to establish new basis for the relationship between these citizens and the state, rooted in the respect of rights, active participation, the existence of accountability mechanisms, and acknowledgement of mutual responsibilities.

Until now, there has been much focus on issues such as constitutional reforms, electoral laws and procedures, the powers of the legislative and judicial branches, as well as dealing with authoritarian institutions such as security agencies. Yet it is as important to critically and forcefully address the questions on the economic and social front, including various stakeholders as part of this debate, including existent and new political parties, civil society organizations, labor unions, and groups that emerged as a result of the revolutions themselves, representing a variety of youth voices and adopting various forms of organization.

⁴ This approach claims that by undertaking reforms of regulations pertaining to competition, investment, dispute settlement, etc., new economic stakeholders would play a bigger role in the national economy. Under this pretext, international trade liberalization has been presented as a necessary tool for promoting human rights and democracy abroad and ultimately for a more peaceful world. See Daniel Griswold (2007), "Trade, Democracy and Peace: The Virtuous Cycle," (April 20), http://www.cato.org/pub_display.php?pub_id=10712; It is worth noting that in 2001, the Bush administration called for the democratization of the Arab region through promoting bilateral free trade agreements.

What economic partnership to serve democratic transition and peoples' rights?

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The moment of change and the importance of policy reform

After the discussion for decades have focused on: macro-economic stability, inflation rates, budget controls, cuts in government spending, and integration in regional and global economies through trade and investment liberalization, on a production, income, employment policies in agriculture, industry and services, as well as discussing the role of the state and the role of local and foreign private sectors in all of this.

During the last decade, the eight Arab Southern Mediterranean countries that have association agreements with the EU, among other Arab countries, have witnessed a structural disconnect between their economic growth policies, including trade policies, and the development challenges they face.

This would raise the necessity in certain areas a review of existing commitments in the framework of free trade agreements, bilateral investment agreements, and under the World Trade Organization agreements, and other agreements and contracts, especially where the needed production and employment strategies.

The EU approach on trade, investment, and economic liberalization remains the same despite the lessons from the crisis and despite the evidence that revolutions in the Arab region made clearer. For example, in the communication on revising the European Neighborhood Policy (ENP), it is noted that “in the short term, to build sustainable and inclusive economic development, the EU will step up efforts to enhance the trade provisions of the existing Association Agreements by concluding the ongoing negotiations on agriculture and those on services and the right of establishment” (p.17 of the communication on ENP). The global crisis and the revolutions in the Arab region showed that the formula promoted by the EU, linking economic liberalization to aid, and growth and development does not hold. Yet, the EU continues to address trade and investment agreements in isolation from the overall economic and developmental context of the Euro-Mediterranean region.

The EU position post the peoples' revolution

The EU was very active in regards to positioning itself and its own aspirations from the ‘Arab Spring’. The High Representative of the EU for Foreign Affairs and Security held several visits to Tunisia starting from early February 2011¹. Lately, the EU announced the establishment of the EU – Tunisia Task Force focusing on initiatives to boost economic recovery². The High Representative of the EU for Foreign Affairs and

¹ See:

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/119433.pdf

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/151;>

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/122731.pdf

² For more on the first meeting of the task force during September 2011:

<http://europa.eu/eucalendar/event/id/256064-first-session-of-the-eutunisia-task-force/mode/standalone>

Security visited Tunisia during September 2011³ in a mission entitled “Fostering Growth” Investment and Jobs”, where Tunisian and European representatives of the private sector were an integral part of the discussions⁴. The first meeting of the EU – Tunisia Task force agreed to restart negotiations to liberalize trade in agriculture and to launch a ‘Deep and Comprehensive FTA’ among other financing and aid programs⁵. The EU had already expanded the mandate of two major financial institutions, the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) in both Tunisia and Egypt. This is undertaken without an assessment of the previous interventions by the EIB in the region and its implications on development processes, nor a pre-assessment of the development expectations from first time interventions by the EBRD. For example, while the EBRD have notified a public procurement call for a “Critical Assessment of the Sub-Sovereign Financial Framework” for Egypt and Tunisia, such assessments do not consider an assessment of the added value in terms of poverty reduction, employment creation, and respect of democratic processes, which is reflected in the Bank’s mission statement⁶.

Concurrently, the EU officials have been making it clear that the EU perceives that economic policy pillars agreed with the previous regimes were not flawed but need to be pursued and deepened. In announcing that the EU would provide an extra €1.24 billion to the foreseen €5.7 billion support to its southern and eastern neighbors¹, the European Commission President, Mr. José Manuel Barroso, noted that aid was not enough to respond to the socio-economic challenges in the EU’s neighborhood and that “we (the EU) need to do more to boost growth and jobs (...) push(ing) for faster free trade agreements, targeted concessions and smart investment facilities”. The EU Foreign Affairs Council have indicated (Monday 26 September, Brussels) the acceleration of a number of on-going negotiations and preparation of „deep and comprehensive” free trade areas that will serve as the basis by which the EU will support the democratic and economic transition of Mediterranean countries⁷.

What trade agenda between the EU and Arab countries?

The EU established 8 separate bilateral association agreements with Southern Mediterranean countries, covering industrial products, as well as ongoing negotiations on agriculture, services and establishment (access of investments and investors), as well as rules of origin, and dispute settlement. The EU’s approach recently has been pushing beyond liberalization of import tariffs towards more focus on regulatory policies. This includes work towards facilitation of economic integration and investment, and for launching bilateral negotiations on a package of non-tariff and regulatory issues.

The EU remains the biggest trade partner for all these countries; thus there are high stakes in terms of what happens in the EU market as well as the channels of trade and investment that link these countries. It is important to recognize that the shrinking demand in the EU market due the global crisis was one of the major channels of transmission of the crisis to Southern Mediterranean and other Arab countries.

Policy coherence and priority considerations in trade relations within the Euro-Mediterranean region – recommendations

There is a need to link progress on trade and investment liberalization with the developmental stages and capacities achieved by the Southern Partner Countries. Trade policies and their implementation must contribute constructively to the strategic objectives of Southern Partner Countries for their own national development, which is established through newly established democratic participatory national processes.

The fora and mechanisms for addressing such structural policy problematic is still lacking among Arab countries and between them and the EU. With such an active trade and investment liberalization agenda,

3 See: <http://www.ebrd.com/pages/workingwithus/procurement/notices/csu/34403.shtml>

4 See: <http://www.tunisia-ive.net/2011/09/28/catherine-ashton-visits-tunisia/>

5 See: “EU: New Tunisia is example for entire region” (29 September 2011) available at: <http://en.trend.az/regions/met/arabicr/1938365.html>

6 EBRD mission statement: “(...) We aim to promote market economies that function well – where businesses are competitive, innovation is encouraged, household incomes reflect rising employment and productivity, and where environmental and social conditions reflect peoples’ needs”. Available at: <http://www.ebrd.com/pages/about/what/mission.shtml>

7 The steps decided by the EU Foreign Affairs Council will include launching negotiations with individual countries once economic and political conditions are met (including market access for agricultural goods, accreditation and acceptance of industrial goods services and investment Euro-Mediterranean preferential rules of origin and sufficiently ambitious to provide the prospect of progressive integration into the EU’s single market. The EU Commission is expected to present, in November 2011, draft mandates for the negotiation of agreements on deep and comprehensive free trade areas with Egypt, Jordan, Morocco and Tunisia.

coherence with development policy cannot be achieved except if institutionalized cross sectoral dialogue at the policy making level, institutionalized monitoring and assessment mechanisms that monitor the developmental outcomes of trade policies.

The trade agenda, including liberalization in the areas of agriculture and services, and steps in the area of regulatory convergence necessitates a revision of the results achieved thus far from the liberalization process undertaken in the area of industrial products.

Pre and post human rights and development assessments: trade negotiations ought to be built on well developed human rights based assessments of the potential impacts of the trade liberalization on the developmental dimensions associated with the sector being addressed. For example, given the significant role of services in employment creation, the negotiations on liberalization of trade in services need to be associated with impact assessments on employment, including monitoring of the right to work and the impact of changes in structures and employment capacities in this sector.

For example: The indications in the EU Commission's paper entitled "Trade, Growth, and World Affairs" in regards to the necessity of consultation with civil society as part of EU policy making and the embedding of impact assessments and evaluations in trade policy making is a positive indication that needs to be set in practice⁸. Moreover, the plans for organizing trade and industrial policy process to discuss horizontal cross sectoral issues, which was mentioned by Euro-Mediterranean Trade Ministers among their priorities for 2011, is a welcomed step towards enhancing sectoral policy coherence.

While competition policy, public procurement, and investment protection are areas of high development impact that were not accepted as trade negotiations items by many developing countries under the WTO, including Southern Mediterranean countries, the EU must not introduce these issues in bilateral agreements without considering their implications on national policy space for development.

⁸ European Commission; "Trade, Growth, and World Affairs; Trade Policy as a Core Component of the EU's 2020 Strategy" [COM (2010) 612].

DEMOCRACY & DEVELOPMENT WITH SPECIAL FOCUS ON MIDDLE EAST AND NORTH AFRICA COUNTRIES

9.30 - 9:40 Welcome speech:

Grzegorz Gruca, Board Member of Zagranica Group, Polish Humanitarian Action

9:40 - 11:00 Opening Session:

DEMOCRACY AND DEVELOPMENT: How can both processes mutually reinforce each other?

Faten Aggad, European Center for Development Policy Management (ECDPM)

Kinda Mohamadieh, ANND Arab NGO Network for Development

Patryk Kugiel, Polish Institute of Foreign Affairs, PISM

Moderator: **Konrad Pędziwiatr**, Tischner European University

11:15 - 12:45 Part I.

Parallel Sessions

Session 1.

CIVIL SOCIETY IN TRANSITION
Perspectives from Middle East and North Africa

Haggag Nayel

Arab Program for Human Rights Activists, Egypt

Mohamed Ben Halim

National Awareness Movement, Libya

Moderator:

Wojciech Tworkowski

Development Synergy

Session 2.

WHAT ECONOMIC PARTNERSHIP
BETWEEN EU AND ARAB COUNTRIES?

Sebastien Leclef

CASE

Kinda Mohamadieh

ANND Arab NGO Network

Petr Hlobil

CEE Bankwatch Network

Moderator:

Maciej Małyż

SDG PRO-ACADEMIA

Session 3.

LACK OF DEMOCRACY AND HUMAN RIGHTS. CONSEQUENCES FOR DEVELOPMENT

CASE STUDIES - SYRIA and TIBET

Lenur Kerymov, Helsinki Foundation for Human Rights

Mustafa Haid, Syria

Ugyan Choedup, Tibet

Moderator: **Bartosz Kozakiewicz**

Lech Wałęsa Institute

13:30 - 15:00 Part II.

Parallel Sessions

Session 4.

CSOs PARTNERSHIP, OWNERSHIP AND COOPERATION

Jamie Balfour-Paul

OXFAM, Egypt

Representative of Polish Humanitarian Action

Moderator:

Jacek Drozda

FRDL

Session 5.

GRASSROOT DEMOCRACY. SCHOOLS AND LOCAL COMMUNITY

Alicja Derkowska

Educational Society of Malopolska

Beata Budzik

Educational Society of Malopolska

Information Society Development Foundation

Center for Citizenship Education

Session 6.

CSO's STRATEGIES AND TYPES OF ACTIONS FOR HUMAN RIGHTS

Lenur Kerymov

Helsinki Foundation for Human Rights

Maria Ejchart

Helsinki Foundation for Human Rights

15:15 - 16:45 Closing Session:

What to do/ Not to do in the middle east and north africa.

Lessons learned from democracy support and development cooperation.

Azddine Akesbi, Profesor of Economics, Transparency Maroc, MAROCCO

Louay Hussein, Building the Syrian State Party, Director, SYRIA

Bronisław Misztal, Professor, Community of Democracies

Moderator: **Patryk Kugiel**, Polish Institute of International Affairs

19.00 Dinner

Restaurant Dekanta, ul. Marszałkowska 55/57, Warsaw

Partners of international conference Democracy & Development:



ANND - Arab NGO Network for Development



Helsinki Foundation for Human Rights



Educational Society of Malopolska



Other Space Foundation



Association of Economic Consultants Pro-Akademia



Lech Wałęsa Institute

