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CHALLENGES AND OPPORTUNITIES

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DEMOCRACY AND DEVELOPMENT

Mme Chairman, Mr. Hazelwood, Sir John, Members of the Council, Honoured Guests, Ladies and Gentlemen -

In the next two days in this symposium, we are going to discuss two of the most challenging issues of our time. The current phase of global transformation is marked by both a crisis of development and a crisis of democracy.

But let me first define the terms I use for the purposes of our discourse tonight. When I speak about development and democracy I speak primarily about the two possibly most fundamental drives - apart from the fear that now dominates our lives so profoundly - in today's world, i.e., the desire to escape from poverty and for the material improvement of life, on the one hand, and the drive for freedom; on the other. Depending on the historical, political, economic, social and cultural baseline conditions from which these drives have set off, they have created economic, political and social systems reflecting the equilibria in which the conflicting demands of security and stability, on the one hand, equity and economic growth on the other, and freedom were balanced in the first half of this century, but also earlier on. When I therefore speak about development I am referring to the managed transformation of society aimed at enhancing its capacity for economic growth, reflecting this drive for material improvement. When I refer to democracy I do not so much have in mind the specific systems, structures, processes and values, but rather the democratic impulse that fuels the variety of political and social systems that have evolved in the course of modern history, in the industrial countries, West and East, and in the South. In the interaction between the two, both previously accepted and evolving

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equilibria among security, stability, equity, growth and freedom are called to question.

The twin crises have many points of common origin: in the deep economic recession, in the demographic, employment and ecological pressures that are building up so intensely in many regions, in the militarization of whole societies, and so forth. But beyond these common ancestors, the crises of democracy and development feed on each other. The failure of development is, in the long term, a crippling constraint on the establishment and maintenance of political systems that reflect democratic aspirations. I would also argue that one of the major reasons for the derailment of development efforts is their divorce from democratic consensus. Despite this mutual dependence, however, it is still common to hear people speak in terms of a trade-off between the two. Both being essential to the body politic, I do not think that they can be separated - any more than we as individuals can trade off heart and wing or blood and bone.

All political systems that aspire to freedom, North and South, East and West alike, face very serious problems of governance in this period of rapid social and economic change. But when I speak of a crisis of democracy, I am not referring only to democratic systems and structures, but also to a crisis in, or perhaps for, democratic aspirations. In various countries around the world, peoples aspirations for participation, representation and freedom are struggling to manifest themselves under the most difficult conditions, along with demands for accountability on the part of the state and for acceptance of mutual collective obligations. Very often, such democratic aspirations are set up in supposed conflict with the exigencies of nation-building, social cohesion and vigilance against external or internal threats. The volatility of the situation is extreme -- and part of the reason is that values and expectations are

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changing at least as rapidly as objective conditions are changing, straining political and social structures, whatever their rigidities and ideological orientation.

In the face of such volatility, and the deteriorating economic prospects for many countries, the emergence and persistence of the democratic impulse however fragile provides one of the few bright spots in the rather gloomy record of the past decade. The Portuguese people have just celebrated the tenth anniversary of the revolution that brought an end to a bitter dictatorship and there, as in Spain and Greece, the young democracy seems to have put down deep roots. In the Andean region and the Southern cone of South America, seven out of nine countries had military governments in the 1970s -- but today only three remain. One of these three, Uruguay, is scheduled to return to civilian rule next year. In a second, Brazil, the clamour for direct elections has reached a level that cannot be ignored. Asia and Africa have yet to experience such a region-wide sweep of democratization, but the democratic impulse is far from sporadic. It is interesting to note, for example, that even the authors of three recent military coups in Africa (Ghana, Nigeria and Guinea) have declared themselves to be intervening in order to build or preserve the foundations and preconditions for democratic systems.

I use the term crisis then, in relation to democracy, not only in a negative sense, remembering that in its original theatrical context this term refers to the turning point in the drama. We can apply the same sense of the term to the crisis of development, I believe. We have arrived at a very clear recognition of the inadequacy of existing theories and practises of development -- and in fact in many cases the economic failures of undemocratic regimes have helped to foster an opportunity for democracy. The supposed trade-off between democracy and development has been exposed as a sham by the disastrous economic performance of many of the authoritarian states: despite their promises of growth, they have not been able to

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escape the recession; despite their promises to restore national unity, they have increased inequality; despite their promises of order, they have generated unrest. But let us not forget that more than a few of the dictatorships that are now under threat were founded or at least consolidated on the economic ruins of prior, more democratic regimes.

The question is, can today's democracies do better? They hold out the promise of patterns of growth that are sound because they are based on a broad consensus, freely arrived at. But can they keep pace with rising expectations which are quickened even more because people expect more of a government they chose themselves? Can a democratic government temper high expectations with a sobering dose of realism and still retain its credibility? Social, political and economic demands are more freely articulated in a democratic context, but economic constraints and structural rigidities inherited from the past still hinder efforts to answer them. Will people have patience, in the face of very urgent problems, to let democracy work?

The skill of consensus-building, the art of compromise as an essential precondition for the maintenance of a stable polity, the habit of constructive criticism all take time to learn. This kind of social learning, in which the whole society must participate, is a particular challenge to the emerging nations. In many of them, the development of civil society was arrested, even destroyed, by colonialism. Indigenous forms of participation, indigenous vehicles of consensus and conflict resolution and indigenous sources of legitimacy have only rarely survived or been restored; indeed they have often been further suppressed by the modernizing bureaucratic state.

But democracy is now being given a chance in a number of countries in which it has been a stranger. And one of its first problems is that democracy restored, installed for the first time, or even only approached, despite its evident fragility, generates such enormous optimism. I think

it is important to realize that even with all its great intrinsic value, democracy is not an end in itself. It is rather a means for defining and attaining national goals. It is in the end also judged by its capacity to deliver.

In order to foster realistic expectations about democratic systems, we must face squarely the problems of governance that present potential hazards to democratic systems. Our distinguished speakers will address specific issues in regional contexts tomorrow, so I will speak in more general terms, though I am well aware of the dangers of generalization, especially in such a sensitive subject. Please do not imagine that I think that all of the problems I am going to mention affect all democratic countries, or all of them equally. I am also aware that some of them are problems for non-democratic government as well.

The first problem I would like to mention is really one of a cluster of four whose nature makes them difficult to handle for governments that depend on popular approval for their continuance. The first of these is the problem of structural change and its distributive implications. The structures of a society -- whether economic, social, technological, demographic or something else -- generate interest groups with a strong stake in the continuance of existing structures. These interest groups are, to varying degrees, active players in the democratic process they may use their political influence to enlist the instruments of government to obstruct change - through legislation, public financial subsidy, protectionism, and so on. To slow the pace of structural change is, in many instances, to slow the pace of development. This can involve a democratically chosen collective goal, as for example when a nation opts for greater self-reliance in food rather than the maximum efficiency of the international

marketplace. But it may also be a narrow interest of a small minority at odds with the national interest.

Democratic systems have a similar kind of problem dealing with long-term issues, issues whose final costs or benefits will be realized only in the future. Unborn generations cannot vote, and the interest without a constituency does not always fare well in a democracy. We ourselves are not always conscientious about representing the needs and the rights of our grandchildren and their grandchildren. And for the poor who face a daily struggle for survival, a future orientation is often an unaffordable luxury. So it is that democratic societies have often found it difficult to come to grips with the long-term protection of the environment. They have continued to stockpile nuclear wastes without reliable plans for safe storage, have depleted natural resources, torn down irreplaceable parts of our architectural heritage, and otherwise dealt with today at costs to tomorrow.

Perhaps the most familiar metaphor to most of us for this kind of short-sightedness is the "tragedy of the commons". The obstacles to wise management of the global commons such as the atmosphere, the oceans, or the great natural gene banks of the tropical forests illustrate two potential problems of democratic governance: one, the lack of future-orientation that I have just referred to and, two, the difficulty in dealing with international issues, and the international aspects of domestic issues. Internal problems such as inflation, unemployment, ecological stability and national security can no longer be resolved within the context of single national economies. Interdependence is a fact; even the largest and most powerful economies are subject to transnational forces.

The other side of this coin is for national governments -- especially the governments of large and powerful nations -- to be realistic and responsible about the impact on other countries of their own national

goals and policies. Here once again is a matter of constituencies: the citizens of other countries have no role in choosing the leaders of a democracy whose actions may affect the foreigner profoundly. The recognition that no government can afford to be guided solely by the expressed wishes of its own constituents can be difficult to achieve in a democracy. Recent history has shown all too clearly that it is entirely possible for democratic governments, supported by their parliaments and a majority of their people, to commit aggression and condone coercive violence abroad. Conversely, external issues can paralyze or distort the democratic process at home. It is essential to the functioning of democracy that people who believe in it and live under it accept the fact that national decisions, however democratically arrived at, cannot be taken without consideration of their international dimensions.

The fourth and last in this category of problems that democracies handle with difficulty is in some ways the most obvious: it is comprised of issues that are politically unpopular and/or electorally unrewarding. Yet many of the decisions that are necessary in order to retool societies for development in the post-industrial age answer this description. It is never easy for a popularly elected government to trim public spending or raise taxes, to oppose protectionism, to quell jingoism, to champion the rights of a disfavored minority group. But it is the responsibility of the opposition in a democratic system not to exploit in opportunistic fashion the unpopularity of needed but painful steps taken by the government. Without this kind of self-restraint, a stable pluralistic system is very hard to maintain.

One of the most dangerous potential pitfalls of democracy, foreseen by Aristotle, is that it degenerate into a tyranny of the majority. Indeed, in those modern electoral democracies where voter turnout is relatively low, the majority that wins an election may be quite a small

minority of the constituency. The resistance of minority groups to subordination of their interests is a prime source of internal unrest in democracies whether old and established or new and fragile. From Spain to India, Zimbabwe to Canada, minority groups are demanding greater autonomy. All too often, the struggle degenerates into violence which not only sets back development but threatens to topple the whole structure of democracy. Simple majority rule may not be the right formula for multi-ethnic states, and in fact most democracies exercise some restraints on it, either through proportional representation, regional weighing of votes in at least one house of the legislature, or through more elaborate arrangements.

The turbulence generated by the fears and demands of minorities are only one of the forms of instability to which democracies are subject. More generally new popular grassroots movements of various kinds are beginning to erode established structures and processes, which could be the beginning of political decay, transformation or even the building blocks of new political systems and as such the harbingers of a new political legitimacy. A crucial issue for most of them is how to resist destabilizing political and social pressures, external and internal, without betraying their democratic values. Every state must have some kind of security apparatus, but must also devise ways to contain its power so that it does not smother democratic freedoms or inhibit expression and participation.

The autonomy of democratic governments to carry out the expressed wishes of their constituents is severely compromised by the operation of certain forces utterly beyond their own control: the commodity markets that determine the prices of key exports; the capital

markets that determine the interest rates they must pay on their external debts; even the weather that determines the extent to which their people can feed themselves. Also beyond their control in many cases is the part their nations play in the strategic designs of the big powers -- especially the two superpowers. Each of these forces in its own way affects the prospect for both democracy and development.

Another, abstract force that has an impact on both is science and technology. Certainly, this pair is a key to many of the processes of development, and certain applications -- of communications technologies for example -- have the potential for fostering participatory democracy. On the other hand, the achievements of science and technology put immense power into the hands of the elites who are able to master them -- and this power may be used for democratic or authoritarian purposes, for development or for the consolidation of gains in the hands of the few.

While one can generalize, as I have been doing, about the nature of problems of governance in a democratic system, I should emphasize again that the particular manifestations of these problems are specific to each region and country and I look forward to the papers that we will have tomorrow from the regional perspectives. Ultimately, each political entity must devise for itself ways of making democracy work. This will entail a choice of development strategies of political and social institutions and processes, and the values undergirding them, for freedom and material improvement are two goals that cannot be handled separately in the long run. The way in which individual countries, and the international system, handle the problem of poverty will determine the scope for freedom and participation in our future.