

Current challenges for democracy

Colóquio entre membros do Club de Madrid.

Boston (USA), 26th July 2004.

Thank you, Kim Campbell.

Before addressing your question, let me tell you that I am very pleased that some members of our Club of Madrid managed to be here and make this timely talk on challenges for democracy possible.

I appreciate being hosted by the National Democratic Institute for International Affairs.

May I also thank the presence of such a distinguished audience, whose comments on our remarks would be mostly welcome.

I was asked by Kim what I consider, in light of my experience in office, to be the most pressing challenge for the continued enhancement of democracy in Brazil.

My answer cannot but be candid: the most pressing challenge for democracy in Brazil and in the developing world in general is to make democracy meaningful for the poor.

I will not go as far as saying that, unless our elected governments prove effective, the poor will lose faith in democracy.

This will not occur as public liberties are increasingly seen in Brazil and elsewhere in Latin America as values in themselves.

Authoritarianism is a closed chapter in our history. But there is no doubt that, unless material conditions are available for a meaningful exercise of citizenship rights, democracy will remain an unfinished journey.

Valuable though it is, political franchisement should be translated into access to social welfare. Such a challenge takes up particular features in today's world.

With the development of mass media and the advent of information technology, an increasing number of social demands are generated by emulation.

Consumption patterns travel fast, affecting tastes and expectations, regardless of cultural or national differences. In groups where basic needs are still to be met, expectations change at a particularly fast rhythm.

Let me recall what I learned from the implementation of agrarian reform in Brazil, which allowed for the distribution to farmers of nearly 20 million hectares of land, an area larger than most European states.

In spite of the unprecedented scope of the program, claims increased in number as land settlement progressed. Once provided with a plot, farmers and their families went in search of other facilities to make their new assets productive, such as credit lines, technical assistance, transportation, to mention a few.

It goes without saying that, from a historical perspective, such a phenomenon is positive, as it might lead to greater equality of opportunities and to the spreading of democracy.

But it implies some non-negligible risks. Perhaps the most important one is that of undermining the legitimacy of elected governments. Governments do not derive their legitimacy any longer from sustaining the "right cause" or launching the "good combat", but from delivering well what their constituency expect them to.

Today's motto is not "what to do", but "how to do it" in the most efficient and cost-effective manner. I am not suggesting that values or ethical considerations ceased to matter to public agency. Politics has not been confined to a technical optimization of defined interests.

Values continue to be as important to politics as ever, but they import in a different way. Political agents are now supposed to be more "enlightened" today than in the past.

The task of fitting many conflicting demands into policies of common interest can only be successfully pursued if couched upon the necessary expertise to evaluate and choose.

Neither should we underestimate the limits set by today's circumstances to public agency. Globalization or interdependence has certainly expanded the means for the generation and reproduction of wealth.

But it has not created a more equitable and balanced world. It has not moved us an inch closer to the elimination of poverty and destitution.

How should we account for that?

I have been sustaining that the failure of globalization in producing a more human world order is due to the existing deficit in global governance.

Economy has become global, but politics has not. The independence of markets has not been matched by

the setting-up of effective mechanisms of political supervision over international trade and finance.

As a result, national governments are under the constant threat of being deprived of instruments and resources necessary for meeting demands from increasingly complex social tissues.

Suffice it to mention the damage done to national budgets in the developing world over the last decades by protectionist upsurges in affluent countries and by volatile capital flows.

Hence the need to ensure that world trade and finance follow more stable and predictable patterns. Hence the importance of reviving the discussion about updating the international trade and financial architecture.

The Bretton Woods structure has paid an important contribution to modernize the economic agenda of the developing world. State reform, poverty reduction policies and, lately, fight for greater equality are examples of causes spearheaded by those institutions and duly adopted by governments throughout the developing world.

It is now time for multilateral fora to turn their attention to the crucial issue of international financing for development. I am not referring to the traditional instrument of overseas development aid. I am claiming instead for ways of curbing financial volatility and of expanding financial resources at the disposal of developing nations for the generation of job and income.

As Brazil has demonstrated, it is certainly possible for a developing country to do the domestic work necessary to reduce poverty and social inequality.

But I am convinced that, were Latin America and the developing world in general not faced with the obstacles such as the rising US and European protectionism and world financial instability, our chances would be much greater.

Reducing social inequality in Latin America is not simply a question of good practices. It is also a cause that could be greatly enhanced by the availability of institutions prepared to feature sustainable development as a common and universal goal.

Thank you very much.