

Tidewater Dinner

The Organisation for Economic Co-operation & Development
(OECD) Development Assistance Committee (DAC)

Keynote by
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Neuchatel, 14 June 2022

Excellencies, Colleagues,

It is a pleasure and an honour to address you this evening.

I would like to make a few remarks about the challenges faced by the development assistance community when working with autocracies. Although I have a development background, including as former deputy director general of the SDC, I don't presume to have all the answers to the difficult issues that we are discussing here. Rather, in addition to the good food that we are most likely to enjoy this evening, I wanted to provide some food for thought.

A trend towards autocracy

In the early 1990s, after the end of the Cold War, there was a wave of democratization. Some even referred to the “End of History” as if most countries would continue on a linear path towards liberal democracy.

Unfortunately, in the past decade we have witnessed the opposite trend. The financial crisis, counter terrorism, COVID and now food insecurity have created an environment that allowed authoritarian regimes to flourish. Technology has probably also been an enabler – making it easier for dictatorships to spy on and repress their own people and to carry out transnational repression.

Recent reports reveal some disturbing data.

- According to the latest V-DEM Democracy report, the share of world population living in autocracies has jumped from 49 percent in 2011 to 70 percent last year.
- The absolute number of democracies has been declining since 2015. Indeed, according to International IDEA, there were only 98 democracies in 2020.
- That means that roughly half of all UN Member States are not democracies.
- Therefore, it is not surprising that an increasing amount of ODA is going to autocratic regimes.

In addition, even well-established liberal democracies have shown authoritarian tendencies. Populism and fake news have created a toxic political environment.

The result is shrinking space for civil society, dissatisfaction with political elites, and a tendency towards simplistic solutions and rhetoric. We cannot take democracy for granted.

The pandemic, the financial crisis, and migration have shown how inter-connected we are. In a world at risk, people are looking for security and clear orientation. This plays into the hands of those who propose simple solutions to complex problems.

But building walls will not stop what Kofi Annan described as “problems without passports”. We are all neighbours now. What happens in a far-away conflict, in a country affected by climate change, a virus somewhere on the other side of the world can eventually have an impact in our communities. From the perspective of pure self-interest it makes sense to improve the lives of people in need.

This is something that the military seems to understand. In a testimony on Capitol Hill a few years ago, General Mattis said that “if you don't give more funding to the State Department and provide more aid, then please buy a little

more ammunition for me because I'm going to need it". He realized that you can't shoot your way out of underdevelopment, corruption, and weak governance.

But if half of the world is made up of undemocratic countries, and many of those need development assistance, should we engage with them, and how?

Engaging or abandoning autocracies?

The pitfall of providing development assistance to autocracies is that it risks rewarding bad behaviour. It:

- strengthens the ability of the state to repress its people;
- it takes the pressure off the need to reform;
- and it supports the structures that enable elites to plunder the public purse.

Even if there is not fully fledged autocracy, there is a serious risk of systemic political corruption that uses state structures for private gain – in other words “state capture”. What is the use of state-building if you are bank-rolling a mafia state?

But not providing development assistance in weak democracies or authoritarian regimes risks deepening the misery of the population, exacerbating conditions that increase instability and polarization, and abandoning the most vulnerable.

There is also the risk that autocracies will step into the breach – providing development assistance and thereby compounding a development problem with a political or even a geo-political one.

So what can be done?

Call out kleptocrats and strengthen resilience

To start with, I would argue that the strength of autocracies is also their weakness. Money is power. Go after their money and you diminish their power. Therefore, reducing corruption and tackling illicit financial flows should reduce the possibility of development assistance empowering kleptocrats.

Since most development assistance flows through the public sector, checks and balances should be strengthened, for example through procurement to enhance transparency and accountability and quite simply to ensure aid effectiveness. And public institutions should be made more effective in line with SDG 16.

At the same time, development actors should strengthen resilience and democracy. This includes:

- supporting civil society organizations;
- safeguarding freedom of the media;
- promoting education;
- empowering women and girls;
- and strengthening capacity of the justice system, particularly prosecutors and judges.

This is often referred to as “soft power”. But it can strengthen the social antibodies of society and increase community-level resilience.

Furthermore, such measures are often seen as less threatening, especially if they are couched in terms of achieving the Sustainable Development Goals.

The chances of success are probably greatest in weak or hybrid democracies. I would suggest to put a focus on those countries in the middle and bottom 30% of the Liberal Democracy Index. Working with governments to improve the ability of the state to deliver public security, administration and services should strengthen the social contract. Governments should see the self-interest in such an approach.

We should also learn good lessons from recent democratization success stories.

And there should be investment in training the next generation of leaders - as we do at the GCSP.

Dialogue and development with the devil?

Colleagues,

If, as President Biden says, the world is being divided into democracies versus autocracies, what does this mean for the development community?

I think we need to make the case that development assistance bolsters democracy. Yet we cannot ignore the majority of humanity that does not live in democracies.

That means keeping open channels of communication – including with the leadership of these regimes. After all, diplomats are also paid to talk to bad people. We should also apply the motto “do no harm”: in other words, not rewarding dictators with tax revenues from democracies, but also not neglecting the poor who need support.

We should keep in mind that most autocrats don’t want to live in isolation. They want acceptance from, access to, and inter-action with democracies. We should leverage this to promote democratization, integrity, and sustainable development.

In an inter-dependent world, big and powerful countries have an interest in a predictable international order that they profit from. Therefore, even if they are not democracies, they should see the need to follow common rules and maintain certain standards – not least to be eligible for development assistance. We may not share the same values or political systems, but it may still be possible to identify shared interests. Let us be frank. The most important challenge in this respect is to find a way to work constructively with China.

Therefore, more needs to be done to raise awareness in the development community about their role on the front line of democratization, and the relationship between sustaining peace and sustaining development. This will be one of Switzerland’s thematic priorities for its UN Security Council membership in 2023/24.

Resource competition

Colleagues, there is one final issue that I want to put on the table and that is competition for resources. Money is tight among donors. Development

assistance was already under pressure as a result of the financial crisis and has become even scarcer because of funds spent on COVID. Now in many Western countries there are pressures to increase defence spending. And major funds will be earmarked for the reconstruction of Ukraine.

In such an environment, we need to make the case for how development assistance is prevention. As the saying goes, an ounce of prevention is worth a pound of cure. Smart development assistance is a good investment – both in terms of doing good, and for reducing the chance of things going bad and triggering crises that will become more costly later on.

To conclude,

There is a growing need for development assistance yet shrinking resources. And the recipients of ODA are increasingly authoritarian. This is a tough environment.

But it is what it is. That does not mean doing more with less. It means being smarter with what we have. That includes seeking new partners among philanthropists and the private sector. Working with local civil society actors. Having more joined up approaches among like-minded donors. And yes, where necessary, engaging with autocratic regimes to reduce vulnerability, increase resilience, and support development and democracy.

Thank you for your attention.