

Prepared remarks  
of  
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before the  
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Oppressors vs. Reformers in the Middle East and Central Asia.”*

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Madame Chairwoman and members of the Subcommittee, on behalf of RTI International, I am pleased to provide testimony concerning United States government programs and efforts designed to engage in dialogue about democracy, encourage political reform, promote the development of civil society, and develop transparent and accountable governmental institutions, in Arab and Muslim societies as well as throughout the world.

I am Executive Vice President for International Development at RTI International, an independent, non-profit research organization based in North Carolina that conducts a wide range of scientific research and provides a wide range of scientific and technical services to the U.S. Government and a number of private sector clients.

For the majority of my professional life, nearly 30 years, I have worked in the field of international development, primarily in the areas of decentralization policy and strategies, municipal finance and management, and urban infrastructure finance systems. During that time, I have witnessed firsthand the progress being made by nations in many parts of the world to increase participation in government to improve public health, education and social welfare as a result of U.S. Government-sponsored programs.

Since 1981, RTI International has been engaged in programs to promote good governance and encourage the development of civil society in post-conflict situations and in societies transitioning from centralized, authoritarian regimes to modern governance systems. Our work has been in partnership with the U.S. government, through the Agency for International Development, and the Departments of State and Defense.

In our experience, there are four key components that contribute to stable conditions under which a democratic society can develop and flourish. They are:

- Freedom for a society to select its own leaders in an open, democratic process;
- Security that prevents outside agents from dispensing violence and supporting internal dissidents;
- Investments in their people -- education, health and social welfare programs, which are assisted in early stages by donor organizations such as USAID and other bilateral or multilateral organizations; and
- Finally, a system of governance in which the populace can observe and hold accountable their leaders for inappropriate actions or conduct. Such a system provides the mechanism through which the electorate can, if necessary, “throw the rascals out” at the next election.

It is the last component – institutions of governance that promote accountability to the populace in a society and in turn promote a democratic, open society – which I will address today. RTI International develops and strengthens decentralized systems of governance and civil society to support these evolving institutions. Over the past twenty-five years, we have assisted countries making the transition from highly centralized regimes to systems where government is closer and more easily controlled by the people. These efforts are critical because while national elections may occur even in highly centralized systems, national elections alone do not provide citizens with sufficient influence over government services or accountability. Shifting some central

authority to local control is essential to providing citizens the opportunity to influence the delivery of everyday government services such as water, sewers, streets, health, education and social welfare programs. Day to day, these are the things that matter to people, the things that define the quality of life. In Pakistan, for example, through U.S. Government support, RTI International is assisting the Government of Pakistan to provide for greater local management of the education system without sacrificing national standards for curriculum and quality.

### **Government Decentralization in Poland**

Sometimes, these components are obtained relatively easily. Poland is such an example. There, significant advantages such as a low threat environment, an educated populace and major assistance from other countries such as the U.S. already existed. With these advantages, Poland required mainly the end of an authoritarian, centralized regime so the society could choose and hold accountable their leaders. RTI International is proud to have been a part of establishing a decentralized governance system in Poland, a system in which significant authority is vested in elected executive and legislative leaders at the local level. The system allows citizens to readily assess whether the basic services of public utilities, health and education are provided efficiently and effectively.

However, the central Asian countries of the former Soviet Union and many Middle Eastern countries have not had the same starting point, and have not fared as well. With notable exceptions, there are few Middle Eastern or Central Asian societies in which individuals can select and hold accountable their leaders. While there are signs of change in the region, such reforms will require U.S. and indeed the world's encouragement and support. Successful municipal elections in the West Bank and Gaza along with processes put in place to allow Palestinians to engage their government officials on a daily basis are hopeful signs. Elsewhere, political stability was notably increased when the Philippines adopted the Local Government Code. This code defines the powers and authority of local governments and shifted substantial responsibility for public services, health and education to local governments, along with central government revenue sharing and provisions for local government revenue generation.

Effective central institutions are necessary, especially when security and economic structures have collapsed. Aware of this, the United States employs a balanced approach in supporting countries that are transitioning to more democratic and stable societies. Individual rights, civil society organizations, fair and open electoral systems, and a balance between central, regional and local government institutions are necessary if U.S. programs are to be effective. In the aftermath of a catastrophic event, such as war or economic collapse, it is tempting to quickly re-establish strong central institutions. It is critical that the U.S. in its democracy building programs not succumb to the tendency to focus only on the quick re-establishment of strong central control. Such an approach may facilitate a new authoritarian regime to find an easy path to power.

## **El Salvador Experience**

Here, El Salvador is a useful illustration. In El Salvador, we can look back well over a decade since the country was embroiled in a civil war and review the institutions and processes that contributed to a more stable, democratic society. When the FMLN became a legitimate political party, emerging from years of a guerrilla campaign, it vied for power with well established parties who controlled the national assembly and most of the cities and towns. Though still unable to capture majority control in the national assembly, FMLN and other parties have been able to win mayoral and council elections in several towns, including the capital city of San Salvador, thus creating a balance of power that promotes societal stability.

In addition to political reforms, El Salvador has enjoyed improvements in civil administration. There, locally elected officials are shaping the delivery of basic services to their constituents. As part of these reforms, participatory processes have been developed through programs sponsored and funded by the U.S. government, and implemented by RTI and local partners, which enable citizens to control the priority setting process that determines the allocation of local government investments. Civil society organizations have developed around these participatory processes, enhancing the culture of citizen voice in political affairs and strengthening the ways citizens hold government accountable.

Local governments that successfully adopt these participatory processes are rewarded with additional resources from the central government. In short, the more democratic the local administrative and political process, the more resources local government has at its disposal to improve the everyday conditions of the population. Strengthened local government in El Salvador provided an avenue for a former insurgent group to gain important political power even though it has not been strong enough to capture national office. Strengthened civil society holds those newly elected local officials accountable for good governance and for delivering basic services to citizens.

## **Indonesia Decentralization**

Indonesia is another example of a country in which remarkable changes have occurred in the past decade, and where U.S. government programs have prominently assisted those changes. A decade ago, Indonesia, while prosperous and growing, offered limited opportunity for popular political choice, and left large segments of society out of both political processes and the rising prosperity. When the economy collapsed, the centralized, autocratic regime lacked the legitimacy of popular support and the economic and political institutions to make the changes necessary to recover. Less than a decade after the economic collapse and the overthrow of the Suharto regime, Indonesia has held successive elections for national office with virtually no violence. This year, for the first time in history, all Indonesian local executive leaders and local parliaments will have been elected.

In 1988, RTI, through USAID, started helping the Government of Indonesia develop a policy for shifting some authority from central to provincial and municipal governments. While decentralization reform was slow during the last decade of the Suharto regime, it accelerated rapidly after the first national elections. Within the past five years, the Indonesian parliament

enacted two critical pieces of legislation that define additional powers and authority for provincial and municipal governments. These measures provide for local revenue generation as well as a formula for sharing between central and local government national resources such as forestry, precious ores, and oil and gas. Combined with the popular election of local leaders, versus the former appointment by central government, these reforms are fueling a more open society and providing channels for legitimate, peaceful dissent.

At the same time, there are elements within Indonesian society that are not committed to peaceful resolution of differences. In response, U.S. assistance has been reorganized to support strong, accountable local government with a focus on improvements in health, education, basic urban services, and environmental programs. The shift provides a focus for democracy at the local level, where citizens see and can interact with government on a daily basis. The growing experience of Indonesian citizens with democracy through the electoral process and through participation with local government in setting local priorities will help Indonesia to thwart attempts by extremists who rely upon failure of political institutions to attract individuals who feel they are unable to exert influence and control over the things that matter to them in their daily lives.

Through our work in Indonesia, RTI has learned that even as mechanisms such as electoral systems and institutions such as political parties are created to allow for the election of national leaders, mechanisms and institutions at the local level also must be developed to link citizens to their local government. Over the past three years we have worked in more than 100 local governments across Indonesia to help form community-based groups to participate in planning and priority setting for local government services. In addition, we trained local government service departments and political leaders in implementing a participatory development planning process. The result is improved delivery of local services and increased citizen satisfaction with local government as leaders are seen to be accountable to citizens. Through newly awarded U.S. government contracts in community management of education and local government capacity building, we will be working over the next five years with at least 100 additional municipal and provincial governments.

For example, currently, critical work is under way to strengthen local government in Aceh Province to enable it to cope with overwhelming governmental responsibilities in the wake of the recent tsunami. Indonesia of course is far from finished on its path to a prosperous as well as democratic society. Much of Asia, Central Asia and the Middle East is further away even than Indonesia.

### **Establishing Local Governance in Iraq**

Each of these examples appears relatively simple compared with the challenges we have faced in Iraq, where RTI International has been engaged with U.S. efforts to promote a stable, democratic society since coalition forces liberated Baghdad. Under the USAID Local Governance Program, RTI started work in Baghdad, just three weeks after the city fell, drawing upon the talents and courage of a truly international staff that has brought experience from a dozen other Middle Eastern and Central Asian Islamic societies. Over the course of its project, now in its third year, RTI has employed more than 3,500 Iraqi nationals as part of our team. Most importantly, we

have worked with thousands of courageous Iraqis at the local level who have formed civil society organizations to secure improvements in their lives and who have served on local councils, as Mayors, as Governors, or as department heads. We continue to collaborate closely with NDI, IRI and numerous other partners including a growing number of Iraqi non-governmental organizations such as the Foundation for Development and Democracy, a relatively new Iraqi NGO formed to focus attention on issues of decentralization.

Two years ago, Iraq was a totally centralized, totally authoritarian regime that had oppressed its population, was accountable only to a cadre of political favorites of Saddam Hussein, and permitted no expression of political dissent, and no means for citizens to influence the actions of government. As RTI staff first met with neighborhood groups in Baghdad and elsewhere, we sought to develop mechanisms whereby citizens' voices could be heard, and a degree of control over political processes could be taken by citizens at the local level. Working with colleagues from USAID, the Department of State, and the U.S. military, we devised a program of neighborhood "town meetings" to enable citizens to articulate to the Coalition concerns and issues needing immediate redress. The town meetings also provided the forum to elect a group of citizens to represent their neighborhoods in forming a City Council for Baghdad.

By the first week of July 2003, 90 neighborhood councils, 9 district councils, and the City Council had been formed through this bottom-up process in Baghdad. U.S. military civil affairs officers and enlisted personnel provided the person power to achieve this remarkable feat within two months. We are indebted to the resourcefulness and bravery of these personnel who accompanied RTI staff, who took the initiative, and who ultimately covered all of Baghdad.

This effort to form small councils at the neighborhood or sub-district level and more geographically comprehensive councils at the district, city or province level took place throughout Iraq. Approximately 900 of the more than 1,000 councils ultimately were assisted through the formation process or subsequent training and technical assistance by RTI. But RTI was only one of the actors committed to giving Iraqis for the first time in their history a voice in government through working at the local level. U.S. and British military forces also helped Iraqis form councils around the country and provided sustained support side by side with RTI staff throughout all the provinces in Iraq. More than a year before the first elected Iraqi national assembly, local councils were operating across the country.

These councils were far from perfect given the expedient nature of their formation. Yet despite their shortcomings, the councils provided a valuable means for citizens to express their grievances, identify priorities, and demand accountability from local leaders for the services that affect their daily lives. Equally important, the councils have provided for the first time the means whereby a local political body can interact with and influence the technical departments that operate at the local and provincial level, even though the managers and staff of those departments remain central government employees. The local nature of these councils is exhibited by the way meetings are conducted openly, in full view of the public.

Last July, shortly after the handover from the Coalition Provisional Authority to the Iraqi Interim government, I had the privilege of attending part of the weekly meeting of the Babel provincial council in Hillah, in South Central Iraq. Most noteworthy was the council was conducting the

kind of business that would be recognized as commonplace in my home town of Chapel Hill or any other city council in America. There were discussions over which of several projects the council should fund with a modest grant and debate on a motion of censure of a member of the council for trying to improperly influence the awarding of a contract. But most impressive was that the entire day-long meeting was being televised over local television. Conduct of open meetings and local media coverage is the norm, rather than the exception, with these councils.

The pride that Iraqis feel in serving on these councils and the dedication and courage they exhibit in the face of threats and deaths of many local council members are an inspiration to our staff. Overlooked in the massive international media coverage of the January national assembly election in Iraq was the fact that provincial councils were elected for all 18 provinces across the country. Those new provincial councils are now organized throughout the country, and I am proud to relate that on our USAID project RTI Iraqi staff members are training those new council members in the basic functions of councils in a democratic society.

We are helping to implement a code of conduct for council members, means of engaging citizens in discourse with the council, and legislative-executive interactions. These council training sessions are taking place in all the provinces, including those where some of the worst violence is still occurring.

Looking back at our two years of experience in Iraq, we see the value of working at the local governance level to create local political institutions to speak to and for citizens. The visibility of these councils as the first-ever government bodies selected by the citizens of Iraq re-emphasizes a valuable lesson learned. Having local elected bodies, as outlined earlier in El Salvador, the Philippines and Indonesia, is helping create a more pluralistic society. Also, the bodies are helping avoid a “winner take all” syndrome in which citizens perceive that only capturing control of the national government matters. More work has to be done, especially in those provinces where voter turnout was very low, to help these bodies be truly representative of the population in their province, but there have been critical steps.

## **Lessons Learned**

Some of the key lessons learned in our experience over the past twenty-five years in promoting stability and the development of democratic societies in a wide variety of transition settings, refined by our ongoing experience in Iraq, include:

1. Citizen participation is the key. An essential component of societal transition toward a democratic system from a tumultuous past, whether the result of the downfall of the Soviet system, economic collapse, dissolution of civil society, or military conflict, is the creation of or strengthening of existing institutions in which large segments of the population can participate. National government institutions are critical, but citizens’ connections with national government are tenuous and in many cases opaque. Civil society organizations formed at the local level are easy to observe and facilitate widespread participation through running for office, advocacy with local government officials, or directly participating in leadership selection.

2. New civic organizations are needed. A possible obstacle to overcome in developing an active civil society is posed by pre-existing civic groups. In Iraq, the Ba'ath Party established unions representing every occupation, e.g., the Lawyers' Association, the Iraqi Nurses' Association, the Iraqi Engineering Union, the Iraqi Teachers' Union, Iraqi Women Federation, etc. These organizations functioned as extensions of the party, mainly to gather information about people in their communities, and were largely detested and feared by ordinary citizens. Helping Iraqis form civil society organizations at the local level, however, enabled them to build organizations composed of members they know, whose behavior can be monitored, and who can advocate directly for things of more visible and immediate benefit. Already in Iraq, national "unions" of local NGOs are forming to replace previous regime-appointed institutions.
3. Formation of associations. A similar application of this principle of "start local and expand nationally" is being played out now in Iraq with the formation of local government associations. In some countries, regional differences are not so pronounced as to impede the early formation of trusted national institutions. However, in Iraq, significant regional variation in tribal affiliation, religious affiliation, and ethnic groups makes Iraqis reluctant to join in and rely upon national organizations. We have found Iraqis much more interested in forming local government associations within their respective provinces, consisting of membership from council members at the sub-district, district, and province level and some mayors/governors and department heads. At least a dozen province-level local government associations have been formed to date. Within larger regions, these associations are now willing to discuss "associations of local government associations" combining forces across several provinces, and these associations are beginning to discuss how they can be advocates for local government issues with the national government.

## **Recommendations**

I offer Subcommittee Members the following recommendations as you consider the way ahead in encouraging reform, freedom, democracy and opportunity for Muslims and indeed for all people.

First, we need to recognize the critical role that local government structures and their elected officials play in creating legitimate governments and stable societies. In America we have a saying that all politics are local. That saying is true as well in developing nations and in nations in transition, so political reform must begin and be supported at the local level. While effective central institutions are essential to providing the framework for security and economic structures, U.S. Government-sponsored programs must balance efforts to support central, regional and local government institutions if we are to create lasting stability in these nations.

Second, we must recognize the significant investment in time and resources is required to sustain our efforts to promote institutional reforms in developing nations. Experience tells us that government reforms require a commitment to reform and decentralization by the host nation's central government and that government reforms must be integrated with other programs to improve public health, education, social welfare and economic development. Together such

programs provide the foundation of a democratic society, and to be efficient and effective, U.S. Government-sponsored programs must be integrated and supported by the host nation.

Lastly, and most important, for democratic reforms to succeed, citizens need to see concrete examples of improvements in the delivery of government services – services that are most often provided by governments at the local level. As USAID Administrator Andrew Natsios said during a press briefing in March of 2004, the best way to begin democracy is at the grassroots level because the problems there are very practical. If you want the water system to work, it's not a matter of political ideology or religious theology – it is simply a matter of does the water system work or doesn't it? Is the water clean? Does the pump get turned off all the time? People need to see the tangible benefits of government and they need a mechanism to hold government accountable for those services. Improving conditions for average citizens – providing health care, education, clean water and electricity – is essential to creating stable democratic societies.

## **Conclusion**

Promotion of democracy and civil society is an institution-building effort. Success in sustaining new non-governmental and governmental institutions does not happen overnight. While we can all appreciate the limitations on our resources, it is in the national interest of the U.S. government to maintain long-term programs to help form and sustain these types of institutions in order to counteract forces that promote disintegration of societies.