

**Intervention of Francisco Sagasti, former President of Peru,
Plenary Session on Governing and Delivering Global Public Goods
Twenty-fifth Anniversary Meeting of the Club de Madrid
Madrid, June 23, 2026**

His Majesty King Felipe VI, President of the Club de Madrid Ms. Laura Chinchilla, Minister of Equality Ms. Ana Redondo García, Mr. José Luis Martínez-Almeida Mayor of the City of Madrid, dear colleagues, associates and friends of the Club de Madrid.

Thank you for the opportunity to share some thoughts on the two main issues Club de Madrid members are dealing with during our twenty-fifth anniversary meeting: Democracy and Multilateralism, and the Governance and Delivering of Global and International Public Goods.

I will try to join both sets of issues in my remarks and invite you to engage in a thought experiment: to consider Democracy and Democratic Governance as an International Public Good.

Democratic governance and the practices that characterize it are the main way to reconcile *individual freedom* with *collective action* in the exercise of political power and authority, with the main purpose of improving the wellbeing of all citizens.

To emphasize the public good nature of democracy let me briefly recall some of the principles it is founded upon:

- Equal rights, duties and dignity for all citizens;
- Capacity to elect leaders to exercise political power and authority through fair and equitable election processes;
- Open, responsible and accountable exercise of political power and authority by those temporarily designated by citizens to do so;
- Peaceful and orderly transitions of those who hold political power at the behest of the citizenry;
- Preventing the concentration of power in the hands of autocrats, oligarchs or any other group or individual that pretend to impose their own particular views on society at large.

Putting in practice these principles require joint undertakings by citizens, this is, it requires *collective action*, to ensure that each and all individuals are able to enjoy their *individual freedom*.

Democracy and democratic governance are the best way of reconciling these two apparently incompatible drives for human action. They allow to articulate and pull together different views, aspirations, purposes and objectives, enabling partial and temporary agreements that allow a gradual progression towards what is broadly agreed to be the common good.

From this perspective, is democracy a Global or International Public Good? Following the standard definition of this economic and social concept, I would argue we should consider it so:

First, it is *non-rivalrous*: that fact that one country is democratic does not prevent others from being so.

Second, it is *non-excludable*: it is the case that no one country cannot prevent another to become a democracy and enjoy the benefits of democratic governance (unless it does so by violent imposition).

Third, It has *significant externalities*, both *positive* that must be enhanced, but also *negative* that must be prevented.

Among the *positive externalities* it is possible to identify:

- Listening to different voices and taking a diversity of views into account, even if they may appear inconsistent and diverging, confers resilience and adaptive capacity for coping with ever-shifting demands. This allows to devise appropriate responses to emerging challenges, and to find least unsatisfactory courses of action to gradually advance towards the common good. This is especially important at times of rapid change and uncertainty, like the ones we are living, when everything is fluid, turbulent and unstable.
- Democracy and democratic governance practices have been demonstrated to lastingly improve citizens wellbeing and the quality of life in the medium and long-run. This contrasts with autocratic regimes that eschew openness, consultation and citizen's participation, and that rely on a strong person or a few like-minded supporters. These less likely to have the flexibility to successfully confront rapidly emerging challenges in an effective and lasting

manner, even though they may lead to ephemeral and deceptive short-term gains.

But there are also some *negative externalities*, that manifest themselves as what public goods theory calls *free riding*, which means taking advantage of the openness, tolerance and other features of democracy that make it a public good, but without adhering to its principles and warping its characteristic features. Let me mention just three:

- Using freedom of expression to undermine democracy and democratic governance by disseminating false and misleading information.
- Taking advantage of economic and financial freedoms to support efforts to destabilize democracy and distort democratic practices.
- Distorting the rules and procedures of democracy to subvert it and creep towards autocratic rule.

Viewing democracy and democratic governance as a public good could allow us to think about enhanced ways of spreading and supporting the values that underly them. Multilateral initiatives can and should assist national efforts in this direction. The Club de Madrid has a significant role to play in this regard.

Thank you.