

Appendix 1

Introduction

Poverty reduction has never been a more salient issue in discussions of development than in recent times. The global commitment to the Millennium Development Goals and the strong preoccupation with poverty of certain key donor agencies – not least DFID -- have raised its profile. Other donors give it somewhat less emphasis, but it is a priority for all, and governments in less developed countries almost always stress it.

But under the surface runs a strong current of scepticism, even pessimism, about the feasibility of achieving much in the struggle against poverty -- and many of these doubts are linked to perceived inadequacies of governments in less developed countries. The tight fiscal constraints that they have faced since the early 1990s leave them short of funds for poverty programmes, but that is only part of the story. They also appear to lack appropriate institutions and agile, responsive administrative instruments. And crucially, politics and politicians are seen as impediments to serious efforts to tackle poverty.

Political processes in many less developed countries may have become more open in recent years, but sceptics do not see this as good news for the poor. The increasingly free interplay of interests in the pursuit of power is said to have given elites and other non-poor groups fresh opportunities to make gains at the expense of poor people. This is said to have compelled most politicians atop these systems to pay little heed to poverty reduction – despite their public statements to the contrary. To make matters still worse, most leading politicians appear to lack not just the will but the imagination, skills and political instruments to address poverty seriously and effectively.¹

This study challenges that depressing view. It assesses leading politicians in three quite different less developed countries -- all of whom faced many of the difficulties noted above and still made significant headway against poverty. Against great odds, they did so not by insulating themselves from the rough and tumble of politics, but by embracing it and turning it to the advantage of the poor. They brought toughness and determination to their tasks, but they also operated with subtlety, delicacy, flexibility, imagination, and some idealism. Despite some

¹ This has persuaded many analysts that the only reliable weapon against poverty is economic growth -- but significant growth remains an elusive dream for many less developed countries.

missteps, they calculated carefully, engaged adroitly in horse trading and manoeuvring, intimidation and rewards, inspiration and some dissimulation – and developed shrewd policy initiatives and political strategies to enable them to make an impact. They demonstrated that political entrepreneurship has genuine promise in the service of poverty reduction, and that poverty reduction can serve the political interests of leaders. Poverty reduction is neither politically infeasible nor politically unproductive for those who pursue it.

This is critically important since politics is inescapable and powerful politicians matter enormously in less developed countries. Their thinking, words and actions almost always determine whether policies are well designed and implemented, whether politics – and life in their countries -- are brutish or benign, and whether injustice and deprivation are seriously addressed. They make most of the crucial decisions about development and poverty reduction.

The basic message of our analysis is that far from being – invariably -- part of the problem that poor people face, powerful politicians can play important roles in its solution. These three did so -- and these cases should encourage others to follow suit, and inform others on how to proceed.

Situating This Study

Despite their huge importance, politicians in less developed countries have received remarkably little attention in serious analyses of development and poverty. We have witnessed enormous interest in the impact on development – for good or ill – of ‘governance’. A senior official at a major European development agency recently told us that his minister spent his first year in office thinking that “governance explains everything”. Partly as a result, analysts of development have increasingly focused on political institutions in less developed countries. They have assessed presidential and parliamentary systems; relations between executive, legislative and judicial bodies; federal systems and other types of decentralised government, bureaucracies and agencies designed to by-pass or augment them, etc.

We agree that institutions are important. But three features of this recent surge of interest are troubling. First, the dominant concern in most recent studies has been the economic impact of institutions -- on processes of reform, fiscal discipline, revenue generation, taxes and tariffs, public sector enterprises, subsidies, and much else. Less has been written about their effect on social policy and poverty -- even though institutions matter greatly on both of those fronts.

Second and more crucially, many analyses of institutions have failed to provide an adequate understanding of how they work (or malfunction) -- because they tend

to assess institutions in rather schematic, formalised terms. This leaves us with a sense of unreality because these institutions are inhabited and usually dominated by politicians who are complex creatures -- much more complex than many studies of institutions would have us believe. They bring with them skills and incapacities, appetites and altruism, commitments and inconsistencies, good and bad judgement. And the most powerful among them take actions that impinge decisively on development policy -- and on efforts to tackle poverty, our core concern here.

Finally, while institutions in less developed countries often need to be created or substantially altered, institutions cannot easily change themselves. Change requires the intervention of external actors – almost always senior politicians who have received far too little attention in the literature. In order to explain the creation of new institutions or change within existing institutions, we need to study political agency and entrepreneurship – the interventions of political leaders.²

So there is some urgency in the need for detailed analyses of senior politicians - - and of the complications and ambiguities that attend their thinking and actions. In the absence of this kind of analysis, studies of the development process – even those that are strongly preoccupied with ‘governance’ -- offer us Hamlet without the prince, or indeed, without *The Prince* (the one by Machiavelli). This study addresses that serious, extraordinary omission. We consider leading politicians in detail, and Machiavelli is never far from our minds.

We³ examine the political machinations of three senior leaders in less developed countries – to ensure their political survival, to enhance their influence and reputations, and to tackle poverty. The three are Yoweri Museveni, the leader of Uganda since 1986 (and its President since 1996); Digvijay Singh, Chief Minister of the state of Madhya Pradesh in India’s federal system between 1993 and 2003⁴; and Fernando Henrique Cardoso, President of Brazil between 1995 and 2003.

² We are grateful to Merilee Grindle for raising this issue.

³ The three authors of this study have been equal partners throughout. We drew lots to determine the order in which our names should appear on the title page. The three case study chapters were written by country specialists – chapter two on Uganda by Ng’ethe, chapter three on Madhya Pradesh by Manor, and chapter four on Brazil by Melo. But all three of those chapters were substantially revised after collective discussions of each.

⁴ It may seem strange that this study – unlike those of Uganda and Brazil – focuses on a state within a federal system and not on a country. A Chief Minister in an Indian state does not possess the sovereign powers available to national leaders elsewhere. But Chief Minister Digvijay Singh still exercised very formidable powers – especially in the making and implementation of policies that might benefit poor people, the sphere that interests us here. State governments have control of roughly 30% of the revenues from taxes collected by the national government, and they also collect substantial taxes on their own. Many development programmes originate at the national level, but state governments have substantial

In pursuing our research, we have drawn heavily upon one of the few earlier analyses of politicians, institutions and efforts to address poverty in less developed countries: William Ascher's *Scheming for the Poor*.⁵ There are two main differences between his study and ours. He focused entirely on Latin American cases, while we consider one case each from Africa, Asia and Latin America. And he examined episodes that occurred during the 1970s and early 1980s when the conditions that politicians in less developed countries faced were very different from those in the period studied here -- the years since the early 1990s. We must say a little more about how times and conditions have changed.

One pessimistic analyst, Geoffrey Hawthorn, has argued that since the early 1990s, governments in most less developed countries have faced crippling problems. The international economic order and globalization have deprived them of much of the influence that they formerly exercised over crucial levers of macro-economic policy. If they try to ignore the limitations on their power, they will be punished -- swiftly and severely -- by international forces beyond their control. Among their most excruciating problems are tight fiscal/budgetary constraints. There is very little money available for development in general and poverty programmes in particular. Hawthorn concludes that leaders in less developed countries therefore face a cruel choice. They can pursue disciplined macro-economic policies in the (sometimes vain) hope of receiving international aid and investment, or they can try to meet the needs of their people, not least the poor. But they can no longer do both of these things.⁶

When we began this project, we suspected that Hawthorn had exaggerated the problem, and our investigations have made us more optimistic than we were at the outset. But we have also found that Hawthorn does not exaggerate by much. Politicians in less developed countries who carefully test the amount of room that is available for them to pursue development and the fight against poverty find themselves constrained. They must proceed in the teeth not just of international constraints, but of domestic difficulties as well.

informal influence over how those programmes are actually implemented on the ground. And state governments have great latitude in initiating development programmes of their own – a core concern here.

The choice of an Indian state seems especially appropriate when we consider the issues of scale and complexity. Madhya Pradesh has a larger population than most countries in Asia, Africa and Latin America. It is larger than Uganda, though not Brazil. If we had taken India as our unit of analysis, we would have examined an entity with a population that exceeds that of the whole of Africa, and of the whole of South and North America. India is also an astonishingly complex country. There are marked differences between states – in terms of their levels of development, social composition, state-society relations, political traditions and much else. This and the fact that most of the actual governing in India occurs at and below the state level argue for a state-level study.

⁵ Harvard University Press, Cambridge MA, 1983.

⁶ G. Hawthorn, "The Promise of 'Civil Society' in the South" in S. Kaviraj and S. Khilnani (eds.) *Civil Society: History and Possibilities* (Cambridge University Press, Cambridge, 2001) pp. 269-86.

They have inherited legacies – institutional, political and policy legacies – that are often ill-suited to these tasks. The administrative instruments available to them often lack capacity, probity, flexibility and responsiveness. Laws and constitutions – even when they are substantially democratic -- sometimes do more to impede them than to help them. Their party organisations are often weak, over-centralised, unresponsive and corrupt. Opponents of the changes that are needed to pursue development and to address poverty are usually formidable – and they are sometimes found not only outside ruling parties but within them. Potential allies in the drive against poverty – not least, poorer groups -- are often ill-organised and apathetic or alienated from the political and policy processes. Long-standing policies that must be abandoned or changed are often supported by powerful, entrenched interests. Senior politicians who seek to promote development and to tackle poverty must struggle against daunting odds.

And yet we have found that if they are imaginative and adroit, they can make progress. This study assesses both political and (to a lesser degree) economic reforms or initiatives that had some impact on poverty. The literature on the former says much more about what political reforms are than about the dilemmas faced by leaders who seek to implement them, but the message that emerges about such dilemmas is not encouraging. The literature on economic reforms – especially ‘second generation’ reforms – is more extensive, but once again, it is rather discouraging. Our analyses indicate that on both fronts, the difficulties have been overstated. Senior politicians in less developed countries today are certainly constrained, but they have more room for manoeuvre than most other have recognised. We are not arguing here that great men make history, but that the importance of political agency and has been widely underestimated.⁷

These three shrewd politicians devised poverty reduction policies which they expected to be both practicable and effective. (And for the most part, their expectations turned out to be correct.⁸) They then situated these policies within broader political strategies that made them still more practicable. They carefully sequenced their actions and deftly presented (or on occasion, concealed) their intentions in ways that maximised the likelihood of progress. They often drew poor people, their representatives and their allies into the policy and political processes – so that pressure from below reinforced efforts from above. They developed approaches that substantially disarmed, distracted or won over potential opponents of constructive change. In so doing, they sometimes – more often than

⁷ Richard Samuels makes same point about leaders over the last century and a half in Italy and Japan in *Machiavelli's Children: Leaders and the Legacies in Italy an Japan* (Ithaca and London, Cornell University Press, 2003) p. 15.

⁸ As Merilee Grindle has stressed to us, practicability is easier to judge in advance than is effectiveness.

the literature would have us expect -- managed to foster something approaching a consensus to support, or at least to tolerate, poverty initiatives.

These three politicians crafted initiatives to tackle poverty in ways that were intended to enhance their own political influence and survival. They were not sacrificing their own interests in order to help the poor. They devised approaches in ways that aligned their own interests and their need broad popular support on one hand with, on the other, the interests of the poor. The former almost always took precedence over the latter, but they saw to it that there was little or no dissonance between these two things. They were reshaping the political game by engineering changes which strengthened their influence and which were meant to – and often did – benefit poor people.

We do not want to overstate our case so that this study becomes an anthem of praise to the three politicians. They did not always succeed. When they succeeded, some of their victories were less than complete – because the impediments that the literature leads us to anticipate were not entirely overcome, or because these leaders miscalculated. So what we offer here are studies in ambiguity. But they made significant headway often enough to warrant considerable confidence in the promise of political entrepreneurship and of enlightened Machiavellian management of the political game.⁹ That entrepreneurship -- which is the central theme of this study -- entailed two crucial elements. The first was the shrewd, intelligently measured design of policies and political strategies. The second, thereafter, was the adroit, determined implementation of them with the flexibility to make well-judged and well-timed tactical adjustments.

The Three Cases: Too Varied? Not Representative?

⁹ When we refer to ‘Machiavellian management’, we are deploying what we regard as a neutral term. ‘Machiavellian management’ can be used for enlightened or malign purposes. We need to stress its positive potential, since the word ‘Machiavellian’ often carries only negative connotations. Indeed, in earlier times, Niccolo Machiavelli’s name was used to refer to Satan -- as ‘Old Nick’. In rejecting such negative views, we follow (among others) Quentin Skinner in *Machiavelli* (Oxford University Press, Oxford, 1981). Skinner rightly calls attention not just to *The Prince*, but to the *Discourses* because it is there that Machiavelli stresses that the quality of *virtu* should be possessed not just by leaders but by the community as a whole – a goal with which leaders may assist (pp. 53-54).

The term *virtu* implies (as Richard Samuels has explained) “skill, ability, fortitude, audacity” or “virtuosity” – although he also adds “as well as goodness and justice” (*Machiavelli’s Children...*, p. 16). Others, for example David Leonard on reading a draft of this Introduction, have doubts about how much *virtu* implies “goodness and justice”.

We place ourselves closer to Samuels in this dispute. We are arguing that these three politicians used “skill, ability, fortitude and audacity” to serve the needs not of the state – which Machiavelli elevated above all other values – but of democratic politics and poverty reduction, both of which served what for them was a still higher purpose, the enhancement of their own influence and reputations.

Two questions about this study need to be addressed here. First, are these three cases so different that it is impossible to extract common insights from them? Second, are these three cases insufficiently representative of less developed countries in general to justify this study? In answering both questions, we stress the central theme of this analysis – political entrepreneurship.

Let us begin with the first question. Our over-riding preoccupation was with the political entrepreneurship – the strategies and tactics – that these three politicians used to sustain and increase their influence, and to tackle poverty. This common concern makes it possible to extract common insights from all three of these rather different cases. The specific problems which each politician faced varied somewhat, and the specific approaches that they adopted to grapple with them also (quite naturally) varied. But in all three cases, these political entrepreneurs were dealing with two common challenges – the need to acquire and project political influence, and the need to address poverty. As a result, the specific actions that they took varied, but they had much in common at another level.

All three succeeded, by various specific means, in reorienting both the terms of political debate and the logic of the political game in ways that suited their similar purposes.¹⁰ All three succeeded, by somewhat different means, in generating some support for initiatives to tackle poverty. All three succeeded, by various specific means, in impeding, winning over, or distracting real or potential opponents of those initiatives. And all three avoided extremes that might have created long-term problems – actions that departed too far from centrist (or in their cases, centre-left) approaches which conditions required that they adopt, actions that bordered on the cynical or the naïve, and actions that relied too much on charismatic appeals or clientelism. So their approaches had enough in common – despite variations in the specifics – to lend considerable unity and coherence to this analysis.

The conditions that existed in Uganda, India and Brazil varied to a significant extent. But there was far less variation in the character and role of political entrepreneurship. Consider a few of the parallels across the three cases.

We found parallels in the responses of these three politicians to the legacies that they inherited. Those legacies – institutional, political and policy legacies -- varied across the three cases, but common threads emerge when we consider these leaders' strategic and tactical interactions with institutions and interests. All of them grappled with legal and institutional frameworks, with the limitations of

¹⁰ Samuels has argued along similar lines in *Machiavelli's Children...*. Indeed, he (p.8) reminds us that Machiavelli himself called attention to this point.

administrative and policy instruments, with the need to change all of those things, with the demands of party systems and of diverse organised interests, with fiscal and other constraints imposed by the international order, and with much else. All of them strove to build popular trust (i) in their governments, (ii) in a political community characterised at least in part by a spirit of accommodation and mutuality, and (iii) in the idea that anti-poverty policies represented something other than zero-sum games. They developed political bargains and understandings that facilitated all of those things and assisted in the construction of coalitions of support (or at least tolerance) for poverty initiatives. When they introduced changes, they worked to ensure – wherever possible -- that losers were swiftly compensated and that winners made tangible early gains. And since accommodations required (by definition) give and take, they encouraged the development in the popular mind of a realistic understanding of the limits on what politics can achieve. Inflated expectations, which tend eventually to lead to destabilising disenchantment, thereby arose less often.

So despite the many differences between Uganda, India and Brazil – which are made vividly apparent here – these parallels in our accounts of political entrepreneurship across the three cases ease the problem of comparability very substantially. They make it possible for us to develop a coherent analysis – even though (as we explain below) we had to use somewhat different analytical tools to examine these different cases.

How representative are these three cases? The answer is ‘not especially’, but (as we will explain presently) that is not a serious concern. It can be argued that each of our three cases – apart from being important in its own right -- epitomises a cluster of other less developed countries. They do not epitomise the continents from which they come, each of which is too varied for that to be true. Rather, they epitomise types of cases which can be found in more than one region. Uganda epitomises post-conflict cases in which, as a matter of urgency, new institutions must be constructed amid the rubble of collapsed regimes. It is thus more like cases such as Cambodia than it is like many of its African neighbours. The Indian state of Madhya Pradesh had elaborate but somewhat sclerotic political and administrative structures which existed amid a long-established settlement between political elites and mainly prosperous social forces. Those things had kept human development indicators at dismal levels. The political order needed to be pried open to facilitate the inclusion of previously excluded, poorer groups -- partly by creating new political institutions, and partly by supplementing and regenerating¹¹ old ones. It is thus more like Paraguay or Tanzania than it is like many other Asian cases. Brazil was a middle income developing country, beset by

¹¹ This concept and process are discussed in more detail in J.Manor, "Political Regeneration in India" in A. Nandy and D.L. Sheth (eds.) *The Multiverse of Democracy: Essays in Honour of Rajni Kothari* (Sage Publications, London, New Delhi and Thousand Oaks, 1996) pp. 230-41.

extreme economic inequality. Sophisticated technocrats left a strong imprint on public policy, but major changes in policies and institutions were needed if poverty was to be effectively tackled. It is thus more like South Africa than it is like a number of other Latin American cases.

But despite these comments, we did not choose these three cases because these political systems are broadly representative. That is true only up to a point – to a limited extent. We chose them because these three politicians did things which were not representative, which others said were impossible or would cost a leader dearly. They demonstrated what is feasible in current conditions, not modal behaviour. But by showing that political entrepreneurship can produce results in the struggle against poverty and serve the interests of leaders and their governments – in quite varied political systems – they indicated to other politicians in all sorts of less developed countries that efforts in this vein are worth pursuing. These three leaders were unusual (and thus unrepresentative), but they and the political entrepreneurship that they exercised in the service of the poor need not remain unusual. Others can do likewise.¹²

Against What Odds? – The Three Cases

We present our case studies, which occupy the next three chapters, in order of the degree of difficulty faced by the three politicians in their efforts to address poverty.

Museveni in Uganda faced the longest odds, so he comes first. The number of poor people was vast. Even after his programmes had begun to ease destitution, 82.2% of the population lived on less than one dollar per day.¹³ Before he could begin tackling poverty, he had to construct a state out of the wreckage of past disasters. The other two men inherited well-established state structures, policy legacies that held at least some promise, and settlements or understandings between political elites and social forces. They both sought to change these things, in order (among other things) to make them more congenial to the interests of the poor. But Museveni had to bring all of these things into being from scratch -- a staggering task.

The institutional vacuum into which he strode when he emerged with his resistance forces from the bush in 1986 presented him with immense problems, but it also yielded one advantage that was unavailable to Singh and Cardoso. It offered him a clean slate on which he could impose his own preferences with a relatively free hand. The other two had to operate within structures and legacies

¹² We are grateful to David Leonard for stressing these points.

¹³ UNDP, *Human Development Report 2003* (New York and Oxford, Oxford University Press, 2003) pp. 198-99. The figures come from the period between 1990 and 1999.

that assisted but also constrained them. But whatever benefit Museveni enjoyed from this difference was vastly outweighed by the daunting problems posed by the need to construct a new political order in a wasteland.

Digvijay Singh's task in addressing the needs of the poor was more arduous than Cardoso's in Brazil, so he comes second. In theory his Congress Party was a progressive, indeed, an explicitly social democratic force. In 1971, its then leader, Indira Gandhi, had won a landslide election victory on the slogan "*garibi hatao*" (abolish poverty). And since he was freed of the necessity to work with coalition partners, Singh's difficulties might at first appear to have been less troubling than Cardoso's in Brazil where that problem loomed large. But in reality, his party had done little to tackle poverty. Both in India and in his state of Madhya Pradesh it was populated by political barons, some of whom were corrupt and given to normless behaviour, and all of whom were inclined towards factional strife. In his state, these barons came mainly from higher castes and maintained power bases in sizeable sub-regions by distributing patronage mostly to those castes and to other prosperous groups. The poor, who constituted roughly 40% of the overwhelmingly rural population in this seriously under-developed state,¹⁴ mainly got tokenism. Singh himself came from a higher caste, indeed from the family of a minor ex-rajah. But he saw that if his party was to survive amid a still nascent awakening among poorer groups -- and among ordinary rural dwellers more generally -- major changes were needed to promote their inclusion and empowerment.

The national and state governments in India's federal system had generated numerous policies to address poverty and to promote inclusion. But the informalities of his party's old politics -- and bureaucratic rigidity -- prevented these policies from having much effect. At the same time, another similarly elaborate set of policies were intended to serve prosperous interests, and here the informalities helped them to make an impact. Little had been done to catalyse demands from poorer groups, to organise them, or to draw them into the political and policy processes. To change the old politics, Singh had to make enormous efforts on those fronts.

Cardoso, like Singh, stood atop an elaborate set of political institutions which were well-entrenched (sometimes too well-entrenched) and democratic. But unlike Singh, he led a party that was genuinely committed to progressive, redistributive policies. And although it had to govern in coalition with more conservative forces, that coalition functioned within a widespread consensus among all parties that poverty and Brazil's yawning inequalities required urgent corrective action. (Only 9.9% of the population -- far less than in the other two

¹⁴ *Ibid.*

places -- lived on less than one dollar per day,¹⁵ but those inequalities ensured that a great many more Brazilians were distinctly 'poor'.) Cardoso inherited a set of progressive policy proposals -- and in some cases, existing policy experiments -- which were carefully crafted and had substance, so he appears third in the chapters that follow.

He himself had contributed to these proposals as a left-of-centre intellectual and Senator, but some of them had also been devised by the Workers' Party which opposed him from further left and which brought pressure upon him to address poverty. The Workers' Party had never held power at the national level -- its day would not come until 2003 -- but it had developed experimental anti-poverty programmes in various states and municipalities which it controlled. That party, together with Cardoso's own social democratic party and other progressive forces (including formidable civil society organisations), had during the 1980s mobilized huge numbers of poor people and helped them to develop the organisational capacity to apply still greater pressure on any government to take effective action on poverty. Cardoso further consolidated the incorporation of these groups into the democratic process. But he was spared the task -- which Singh faced -- of drawing poorer groups into politics.

And yet he still faced long odds. Brazil's political system -- which gave substantial leverage not only to state governors, but to mayors in municipalities as well -- fragmented power in ways which limited any president's capacity to project his influence. Indeed, it appeared to give other actors in the system multiple veto powers over presidential proposals for change -- so that the system faced a very real risk of deadlock. And when he assumed office, he had to tackle hyper-inflation and serious fiscal indiscipline before he could proceed very far with new poverty programmes. His formidable technocratic and negotiating skills enabled him to tame inflation -- an achievement which enhanced his authority and helped him to recentralise power somewhat within the system. Thereafter, he played upon the anxiety that international capital markets would punish Brazil for fiscal indiscipline to make headway on that front as well. In so doing, he further strengthened his own hand and established accommodations that could then be extended to cross-party efforts to tackle poverty. The complexity, delicacy and difficulty of this task can hardly be overstated.

Some readers may wonder whether we have selected three 'best case' scenarios, which would mean that this study presents a misleading picture of what is possible in less developed countries. We do not think so. We have chosen three highly skilled politicians for analysis, but the conditions that they faced were decidedly unpromising, as the comments just above indicate. And yet in the teeth

¹⁵ *Ibid.*

of these unpromising, indeed vile circumstances, all three leaders managed substantial achievements -- in general and in the struggle against poverty.

Conditions in most other parts of the less developed world are more promising – sometimes far more promising -- than those that initially confronted these three politicians. Most other leaders in less developed countries are less formidable than the three who are discussed here. But many are reasonably adroit -- these three are not especially unrepresentative figures. This study therefore suggests that we should not necessarily despair at the news that politicians loom large in the political and policy processes. We should take heart from the fact -- which is established here -- that they are not an entirely unpromising breed.

We should also be encouraged further by one other finding from this study. The recent history of less developed countries is not entirely a story of state failure, as some would have us believe. Governments and political processes have some promise -- potentially, significant promise if these three cases are any guide. All three of these leaders sought not to dismantle, to shrink or to bypass the state, but to enhance its capacity to perform constructively -- in general, and as a force for poverty reduction. And all three made significant headway on both fronts, despite the odds. This study explains how they achieved this. And in the process, it demonstrates – more crucially for a sceptical audience – that it can be done.

Modes of Analysis in the Case Studies

Readers will notice some variations in the way in which our three cases are analysed. These are explained by differences not in the predilections of the three country specialists, but in the political realities that they encountered in the three countries. A brief word on these is in order.

The chapter on Brazil offers a more detailed analysis of the evolution of various pro-poor initiatives than are found in the studies of Uganda and Madhya Pradesh. It also focuses more heavily than the other case studies on discussions among Brazil's technocrats who worked with the President and on interactions between the President on the one hand and, on the other, (a) members of the national legislature or Congress, (b) political actors at the state and municipal levels in that federal system, and (c) actors in opposition parties. This approach is used in the Brazil chapter because it is in these areas that the crucial events occur. In Uganda and Madhya Pradesh, they happen – for the most part – elsewhere.

In those other two places, technocrats counted for much less than in Brazil, in part because Uganda and Madhya Pradesh had less fully elaborated welfare states – in the design and operation of which technocrats tend to loom large. Brazil had a range of social programmes akin to those found in the OECD countries, although

it was able to disburse far fewer funds through these programmes than is common in the industrialised North. In Uganda and Madhya Pradesh, welfare provisions, even after the two leaders there had worked for years to develop them, fell far short of those in Brazil.

In Uganda and Madhya Pradesh, the senior politicians on whom we focus faced legislators who had less leverage over them and less capacity to affect pro-poor programmes than in Brazil where such programmes constantly required massive congressional approval. And crucially, the Brazilian President's party controlled only around 20% of the votes in Congress, while the ruling movement in Uganda controlled all of the seats in the national legislature and the ruling party in Madhya Pradesh enjoyed a clear majority.

The Brazilian President had no choice but to secure the cooperation of state and municipal governments for many of his pro-poor programmes. He could only make some of these programmes function adequately by striking bargains with state governments that ceded major powers over economic policy to the federal government. No such dilemma confronted leaders in Uganda or Madhya Pradesh. The leaders in both of those places sought not to disempower but to empower institutions at lower levels, but in doing so, they never forfeited their dominance over the making of policies to tackle poverty. They were far more powerful within their political systems than was this or any Brazilian president.

Opposition parties also posed less serious problems for the leaders in Uganda and Madhya Pradesh. In Uganda – a 'no-party' system – there were no opposition parties, and Museveni faced only limited opposition from within the ranks of his movement (which functioned rather like a ruling party). In the two-party system in Madhya Pradesh, the opposition party had a substantial number of legislators, but it was incompetently led. Tolerably good discipline within the ruling party, which was the result of much careful effort by Singh, gave him a virtually free hand in policy making.

These variations from case to case compelled our three politicians to adopt somewhat different strategies and tactics in devising poverty initiatives. But common themes unite them. They all made shrewd calculations of what was politically (and economically) possible in the distinctive conditions that they faced, and of how to achieve it. The approaches that they devised were largely appropriate to their political environments, and all three were prepared to fine tune those approaches amid changing circumstances – as allies and opponents came together or fell into discord, as their relations with these groups changed, as institutional impediments arose or were removed, as the leaders' credibility and authority waxed or waned, as external events strengthened or undermined them, etc. All three politicians were aware throughout of the need to pursue both their

own self-interest and their main policy objectives – not least, the struggle against poverty – and of the occasional need to strike a balance between these two things.

The differences in the political realities in the three places, and in the approaches adopted by the three leaders, required us to use somewhat different modes of analysis in each case. Since we are determined to take the reader to where the main action was in each case, our approaches (like those of the three leaders) necessarily varied. But our basic purpose did not vary. We concentrate throughout upon ‘politics’ – the interplay of contending interests in the pursuit of power – upon the political entrepreneurship of leaders atop these systems, and upon the role of these two things in shaping the political and policy processes and outcomes, especially but not only where poverty initiatives are concerned.

Centrist Predominance

The fiscal and budgetary constraints that have confronted leaders since the early 1990s have produced one further, major difference from the earlier period which Ascher studied. Politicians who seek to pursue anti-poverty policies must proceed so carefully and incrementally that they almost always end up operating as centrists on the left/right political spectrum. This is true even of most leaders who describe themselves as leftists, such as those in Vietnam and the Indian state of West Bengal.

This represents a dramatic change from the 1970s and early 1980s which Ascher examined. When he went looking for politicians who tried to tackle poverty, he found three types of leaders, all of which were represented in significant numbers: radicals, populists and centrist reformers. Times -- and the conditions in which politicians must operate - have changed so that centrists have been overwhelmingly predominant since the early 1990s. Radicals and populists are hard to find. The former tend to be relics of that earlier era -- Fidel Castro is a rare example. The latter tend not to survive in office. Estrada in the Philippines was ousted from power, as was Chavez in Venezuela who made a comeback but who has had to battle hard to survive.¹⁶ The rest of the political landscape in Africa, Asia and Latin America is largely occupied by centrists -- a reasonable number of whom seek to address poverty.

¹⁶ Another populist, N.T. Rama Rao (Chief Minister of Andhra Pradesh state in India) was ousted by members of his own party in 1995.

Centrist Reformers -- in Two Ways -- and Self-Restraint

We need, here at the outset, to identify – briefly -- the ways in which the politicians that we analyse operated as centrists, and to note how they exercised self-restraint. We begin by considering two key fronts on which they did so.

Between Right and Left: It is not surprising, in an era of centrist dominance, that the three politicians assessed here were (and are¹⁷) all centrist reformers. That was true in two senses, the first of which places them along the conventional axis dividing right and left. Two of these leaders had, earlier in their careers, been forthright leftists. During the 1960s, Museveni studied sociology at the University of Dar es Salaam where he imbibed the then prevalent Marxist perspectives, and thereafter he fought in the then leftist Frelimo movement in Mozambique. He has not entirely abandoned these views, but since coming to power in Uganda, he has placed himself firmly on the centre-left. He has pursued poverty reduction, but has made some accommodations with right-of-centre prescriptions from the IMF. In his younger days, Cardoso was a well known exponent of the dependency school, and stood well to the left. He evolved over time into a social democrat – anchored, like Museveni, within the centre-left.

Digvijay Singh in India was different. He had not been a leftist in his younger days – indeed, he had been politically apathetic. He was drawn into politics by family obligations, after the death of his father who was a minor figure in the Congress Party. That party has often presented itself as a social democratic force, but in practice, it has always been solidly centrist. Singh recognised that if his party was to survive as a serious force in his under-developed state, it needed to reach out to poor people – for whose plight he had swiftly acquired genuine sympathy once he entered politics. This placed him – like the other two leaders – firmly within the centre-left.

Between Naivete and Cynicism: If all three men, when they assumed power, avoided the extremes on the familiar right/left spectrum, they also avoided them on another continuum -- the one that stretches from naivete on one pole to cynicism on the other. They were thus centrists in what turned out to be another important sense. Naivete and cynicism appear to be – and often are – opposites. But they often produce rather similar results, none of which contribute to constructive democratic politics, to a sense among ordinary (and poor) people of at

¹⁷ We use the past tense in referring to these leaders in this study – because we are assessing their careers up to mid-2004. But it is important to recognise that all three remain politically active – so the present tense might have been justified. At this writing, Museveni continues to be the President of Uganda. Digvijay Singh was defeated at a state election in December 2003, but he is comparatively young and probably has a political future. Cardoso had to leave office in 2003 after serving two terms as Brazil's President, as the constitution requires. But there is no constitutional bar (as in the U.S.) against him seeking election to the presidency again, after one term has elapsed – and he may eventually do so.

least minimal trust in government and in other social groups, and to the kind of broadly inclusive political community which all three of these politicians sought to encourage. They tend strongly, over time, to inspire popular alienation and (yes) cynicism about the political process.

Naiveté, among leading politicians -- not all of whom are as shrewd and adroit as the three considered here -- can take diverse forms. They may decide to pursue an initiative without carefully calculating its likely impact. They may adopt a policy that will prove dangerously divisive on ethnic or religious grounds because they unwisely conclude that parochialism is safe in their hands. If they conclude that they have gone too far in one direction, they may naively over-correct and in the process, appear hopelessly inconsistent. One Indian Prime Minister reversed himself after three years on every major initiative that he had originally undertaken.¹⁸ They may unwittingly undermine their credibility by making exaggerated claims for existing policies, or by offering inflated promises for those that are about to emerge. This eventually leads to popular disenchantment when those expectations are inevitably unfulfilled. They may -- in a naive attempt to appear responsive -- give ground to any interest group that puts pressure on them. This leaves them appearing not just inconsistent -- since diverse interests will make demands -- but embarrassingly weak.

This list of naive miscalculations could be longer, but the dangers that they pose are already apparent from this partial litany. The point here is that Cardoso, Museveni and Singh largely avoided these kinds of errors -- although as we shall see in the case studies, the latter two were arguably naïve at certain key moments.

Cynicism also manifests itself in diverse ways. Like naiveté, it may inspire politicians to use divisive appeals to ethnic, religious or other similar sentiments. It may, again like naiveté, trigger exaggerations or inflated promises which generate unrealistic expectations that lead ultimately to popular disillusionment. Cynics often behave with extreme ruthlessness. Political opponents may be persecuted. So may interest groups, the media and civil society organisations, even when they stop short of criticism of the government -- simply because they are independent power centres outside the state. Hostile treatment may even be meted out to potentially independent power centres within governments -- the judiciary, legislative institutions, the bureaucracy, regulatory bodies and the like. Even allies of the leader may be subtly undermined or capriciously cut down, suddenly and without obvious justification -- to discourage independence among important figures within the regime.

¹⁸ This was Rajiv Gandhi, Prime Minister between 1984 and 1989.

Once again, these three politicians largely restrained themselves from acts of ruthlessness because, as we explain below, such acts produce outcomes that contradict the basic objectives that the three were pursuing. They also exercised self-restraint on two other important fronts.

Avoiding other extremes: Some leading politicians in less developed countries – fewer than some scholars and many journalists suppose – have charismatic potential. And some of those who do make extravagant use of this to cultivate popular support. But there are clear dangers in doing so -- because it tends to inspire inflated expectations of what can be achieved by the leader and his/her government, and because it undermines political institutions as attention focuses on the person of the leader. Some potentially charismatic leaders ignore these dangers, but the two leaders considered here who possessed such potential (Singh and especially Museveni) were well aware of them. They therefore usually adopted more low key postures – as we shall see in more detail in the case study chapters.

They also usually restrained themselves from excesses on another front -- patrimonialism. Many politicians in less developed countries develop extensive patronage networks – distributing goods, services and funds in ways that cultivate clients who in turn develop their own clients. Senior politicians preside over these networks from the apex of the system, and often come to depend heavily – far too heavily – upon them. Patrimonialism does serious damage in two main ways. It focuses attention on what are highly personalised networks – which undermines the importance of impersonal political institutions. And it closes off institutions and the political and policy processes to meaningful participation and influence by a broad array of social groups. The three leaders examined here were strongly inclined towards building institutions that would promote such participation and influence – hence their self-restraint on this front.

Their avoidance of extremes and excesses in all of the ways described above originated from and served three core beliefs:

- that it was essential to instil in ordinary folk a rough but realistic understanding of what is and is not possible from the political and policy processes – not least because, in an era of tight fiscal constraints, possibilities were quite limited.
- that it was essential to persuade them that accommodation (bargaining and compromise) was an unavoidable part of the political process – indeed, that it was desirable since (though it required them to accept less than complete victory) it helped to build a sense of a broadly inclusive political community, and

- that it was essential to persuade them that realistic accommodations amounted to more than a mere zero-sum game – that by accepting less than total victory, many interest groups would gain more than they lost in the process.

These leaders sought to avoid both wildly overblown expectations and popular alienation and pessimism not just because they would make them unpopular, but also because political accommodations very difficult. If an ordinary person has either exaggerated expectations or no hope whatsoever, s/he is unlikely to see any utility in political bargains. Why accommodate, why accept only part of a loaf if one's expectations are sky high? Why accommodate, why make compromises – indeed, why engage with the political process at all – if one can hope for nothing from it? Why believe that politics – and pro-poor policies – are not a zero sum game if one's expectations have become so inflated that a winner-takes-all mentality is the result? And why believe in non-zero sum games if one gains nothing from politics?

Managing Demand from Below

We are also concerned here with the ways in which these three politicians dealt with demands on their governments from below -- especially, but not only, demands from poor people. The fiscal/budgetary constraints that confront all politicians in less developed countries imply that most of them face the problem of demand overload -- even in countries where organised interests are less than formidable and thus not particularly demanding. Politicians feel overloaded even in such cases because there is not enough money available to enable them to respond with any adequacy to the demands that arise.

Despite this, however -- and rather surprisingly -- two of our three leaders set out systematically to stimulate demands from poor, previously excluded groups. Museveni in Uganda and Singh in Madhya Pradesh did so because the demands which had already overloaded their governments came overwhelmingly from the non-poor, and especially from prosperous groups. If the two leaders were to develop broad social bases, if a reasonably inclusive political community was to be created, and if the poor were to be reached and served more adequately, demands from them had to be catalysed. (The exception to this pattern was Cardoso in Brazil where this was unnecessary because poorer groups had already been very substantially mobilized during the 1980s.)

Museveni and Singh knew that in adopting this approach, they were running the risk that everyone -- poor and non-poor -- would end up feeling sorely disappointed with the responses to their demands. But both took the risk for a combination of altruistic and self-serving reasons -- because they genuinely

wanted to tackle poverty, and because not doing so would pose greater threats to their own interests than the risks did. They were sufficiently adept to engineer things in ways that prevented the risks from becoming crippling realities.

Types of Poverty Initiatives

We need to distinguish between different types of poverty initiatives, for several reasons. Certain types of initiatives are more appropriate than others in the distinctive conditions that exist in any given political system. Therefore, different leaders emphasise different types. Some types carry greater risks than others. Some are more difficult than others to implement – depending, again, on context – and different types of initiatives tend to have different impacts. We distinguish between types by locating poverty initiatives along four possible 'Tracks' -- as follows.

Track One: Redistributing material resources through substantial new taxes and/or new spending on pro-poor programmes.

Track Two: Liberating existing funds for pro-poor programmes by undertaking fiscal/budgetary adjustments, that is, by cutting subsidies, shrinking public payrolls, shifting funds from other programmes, etc.

Track Three: Enhancing service delivery to poor people by undertaking administrative reforms (including changes in incentives) that either liberate existing funds to pay for services or improve things in other ways.

Track Four: Addressing other disadvantages faced by the poor through initiatives that enhance: state responsiveness; the skills, confidence, organisational strength, participation, connections and influence of the poor (and their allies) within the political and policy processes; and poor people's access to information and legal redress. (As this implies, we see 'poverty' as multi-faceted.)

Governments need not choose just one of these Tracks in pursuing a pro-poor initiative. An initiative may be located on more than one Track at the same time. And politicians almost always undertake multiple initiatives along multiple Tracks. The uses made of the various Tracks by these three politicians are discussed in detail in chapter six. But it is worth noting here that the comments there are far from discouraging for those interested in tackling poverty.

Placing This Analysis within the Literature

This study addresses a number of shortcomings and gaps in the literatures on politics, reform and poverty reduction in less developed countries. We are

especially concerned with two misperceptions, two omissions and two exaggerations.

The misperceptions both have to do with politics. First, many analyses offer a rather static view in that they fail to recognise that political interventions and manoeuvres can change the nature of the political game in ways that can make poverty reduction more likely. Second, many other studies – especially by policy analysts -- take an excessively pessimistic view of politics, as a set of largely unsavoury activities which cannot contribute to constructive outcomes in the struggle against poverty or in other spheres.

The first omission also applies to politics. Many policy analysts avoid any mention of politicians, while others give them far less attention than they devote to social forces, bureaucratic and other structures, developmental sectors and the like. Even Ascher, on whom we draw heavily here, tends to focus inordinately on broad sociological categories. These things are of course important, and we deal with them here, but we also focus squarely upon the capacity of politicians to reshape the political game in ways that may yield gains for the poor. The second omission occurs when analysts overlook the promise of Track Four initiatives – those which open the political and policy processes to participation and pressure (by ordinary people, including the poor) from below. The literature has remarkably little to say about the place of the poor in reform processes. We examine these things, and in the process, we scale down the unrealistic expectations of some evangelists for Track Four. We also integrate assessments of Track Four with initiatives along the other three tracks – which has seldom been done by others.

Finally, two exaggerations are also addressed here. First, we argue that studies which emphasise the veto points that stand in the way of poverty-oriented initiatives have overstated the case. Second, we challenge analysts who believe that the conditions which politicians have faced since the early 1990s thwart poverty initiatives. Theirs is not a gross exaggeration, but politicians have somewhat more room for manoeuvre than those analysts believe.

The Problem of 'Political Will'

We often hear it said -- in discussions within development agencies, and in some studies of development -- that 'political will' helped to achieve successes, or (more often) that the lack of it proved damaging. But such comments are often – like the concept of 'political will' itself -- so vague that they tell us little. We therefore provide -- in chapter five -- a narrower, more precise and thus more analytically useful definition of 'political will'. We discuss how leading politicians may acquire it, and how it may gain strength, be sustained or diminish over time. We examine things that impede or facilitate the acquisition and impact

of ‘political will’. And we consider leaders’ ‘political will’ in relation to other political actors – which is crucial to more precise analyses of it.

Means and Ends

Finally, some readers will be concerned by one finding from this study: that politicians almost always pursue poverty reduction not as an end in itself but as a means to a more important end – to serve their political interests.

The only exceptions to this are leaders who are ideologically committed to poverty reduction, but there is a distinct scarcity of such people. Two of the three leaders analysed here – Museveni and Cardoso -- had long possessed such commitments, but by the time that they took power, the advancement of their interests had overtaken poverty reduction as a preoccupation. Some will see this dilution of their idealism as alarming.

We do not agree. It is of course possible that politicians who elevate their interests over the pursuit of poverty reduction will abandon the poor when stiff opposition arises. But readers should take some comfort from another finding of this study. In most less developed countries, poverty reduction is more practicable than the sceptics understand, opposition to it is usually manageable – and adroit political entrepreneurs can turn poverty initiatives into ‘good politics’ which strengthens their hands.

This is true for three main reasons. First, there are large numbers of poor people in nearly all less developed countries, so the pool of potential supporters is substantial. Second, the more open political systems that are emerging in many of these countries increase the chances that poor people will be able to make their numerical strength felt in the political game. And as our case studies indicate, it is quite feasible for politicians to open those systems up still further, in order to make support from the poor count for even more than it does already.

So if politicians become persuaded that poverty reduction can serve their interests, then poverty will be tackled. We argue here that it can do so. If idealists who seek to help the poor wait until political leaders become ideologically inclined towards poverty reduction, in most cases they will wait forever. It is not just unavoidable but safer to rely on the Machiavellian reckonings and machinations of politicians.