'Politicking for the Poor'

Final Report to the U.K. Department for International Development

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Background and Objectives

Senior politicians usually make most of the key decisions about governance, development and poverty reduction in less developed countries. But they have been largely ignored in the literature on these matters. The basic aim of this project was to bring them to centre stage where they belong.

The literature is often pessimistic about the possibility that politicians and politics might serve pro-poor purposes. We selected three politicians who appeared to have succeeded – not totally, but substantially – at that, and (crucially, since this matters most to them) in making pro-poor approaches serve their own political interests. Our analysis found both of those things to be true. We therefore demonstrate that pessimism is not entirely warranted. Politicians and relatively open political processes in less developed countries can play a role in reducing poverty. We show that it can be done, and how these three leaders did it.[1]

This study was undertaken by three co-equal partners.[2] The politicians analysed were former Chief Minister Digvijay Singh in Madhya Pradesh state, India; former President Fernando Henrique Cardoso in Brazil; and President Yoweri Museveni in Uganda.

Methods

As *Appendix 1* explains, the analytical methods required to examine each of these three leaders varied somewhat – necessarily, because their specific problems varied and so, therefore, did the approaches that they adopted.

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[1] Our Indian and Ugandan cases also show that this can occur in the absence of pro-poor political parties -- which loom large in some studies of South Africa, Brazil and the Indian states of Kerala and West Bengal. Such studies are inspiring to those who wish to see poverty tackled. But they are irrelevant to parts of the developing world because such parties do not exist there. Our findings have much wider relevance.

[2] They were James Manor (Institute of Development Studies, University of Sussex), Marcus Melo (Federal University of Pernambuco, Brazil) and Njuguna Ng'ethe, (Institute for Development Studies, University of Nairobi, Kenya).

In studying Brazil, we concentrated on Cardoso's machinations within national-level institutions and his country's federal system – to <u>reorient</u> existing institutions by forging bargains required to mount pro-poor initiatives. His struggles (and thus our analysis) were mainly intra-governmental. He did not have to muster popular support for poverty programmes because it already existed.

Singh in Madhya Pradesh had to <u>augment</u> existing bureaucratic and political institutions so that pro-poor initiatives became practicable. He also had to open up institutions at lower levels to create opportunities for poor people to exert some influence on the political and policy processes. In so doing, he stimulated demands from the poor and created mechanisms which could respond to their demands. So our analysis of Madhya Pradesh concentrates on these processes – and, more than in Brazil, on state-society relations.

Museveni in Uganda had to <u>construct</u> state institutions from scratch, amid the devastation left by former regimes and armed conflict. He empowered elected bodies at lower levels which were reasonably responsive to the unusually large number of poor people (82% of the population). He reinforced this with efforts to catalyse demands from them. Since his tasks and strategy resembled somewhat those of Singh, our analysis of Uganda resembled somewhat that used in Madhya Pradesh, but only up to a point. Singh was not required to undertake state-building, and Museveni was. So our analysis of the latter had to go beyond that used in Madhya Pradesh.

Thus, the specific modes of analysis necessarily varied from case to case, but as *Appendix 1* explains, there was at another level a unity of purpose and approach in our analyses. We focused on political entrepeneurship – the strategies and tactics used by these politicians to enhance their influence and popularity, and to address poverty. Those preoccupations and actions were common to all three, and our analyses of them therefore had much in common. They also yielded a unified set of insights on the implications of this study for DFID (see 'Findings' below).

We approached all three cases with a common set of hypotheses. These are fully examined in *Appendix 2*, but they deserve brief comment here. We identified four 'Tracks' along which politicians might launch pro-poor initiatives.

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

We then tested four hypotheses which were linked to these tracks (see 'Findings' just below).

We extracted evidence from documents – official papers, donors' documents, reports in the media, and analyses by other social scientists. But our most telling evidence emerged from a large number of semi-structured interviews with a great diversity of knowledgeable informants.

Findings

This study revealed certain common features in the approaches of these three leaders which – despite inevitable variations in their specific strategies – have considerable promise. In current conditions, politicians are impelled to operate near the centre of the left/right spectrum. This imposes painful limitations, but we found that centrists who seek to tackle poverty can make headway -- by proceeding incrementally. This may frustrate some donors, because it means that they often concentrate on less-than-radical reforms or 'low hanging fruit'. But if they do so consistently, on a broad array of fronts, the cumulative effect can be significant.

They were also centrists in another sense – in avoiding the extremes of cynicism and naivete (see Appendix 1 for details). Both of these extremes inspire popular alienation and apathy, and shrewd politicians understand that to address poverty, they must break those things down and foster a belief in an inclusive political community. This usually implies the need to stimulate political demands from poorer groups.[3] They must do this in ways that do not alarm the non-poor[4] – and here incrementalism, accommodations and artful political 'presentation' (words, salesmanship, distractions, occasional concealment, etc.) are important. And they must develop political instruments and policies that respond to those demands. Otherwise, the poor (and others) will experience frustration and grow still more alienated.

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[3] Occasionally, as in Brazil, this will already have happened.
[4] This often implies the need to include benefits for the non-poor in programmes that are mainly aimed at the poor, but our evidence indicates that this need not always be true.

They also exercised self-restraint by avoiding certain other actions which are damaging. Politicians need to eschew excessive ruthlessness and capricious actions – so that they appear predictable and trustworthy. These things inspire a wider culture of political accommodation and restrained behaviour. Leaders also need to restrain themselves from excessive patrimonialism – the reliance upon patronage networks centred on individuals which make personal ties more important than institutions. Finally, they must also avoid excessive reliance on charismatic appeals – because these again undermine institutions, and generate unrealistic expectations. Such expectations cannot be fulfilled, and when that becomes apparent, popular alienation grows and leaders' legitimacy declines.

These three politicians all exercised such self-restraint. In doing so, they promoted three core beliefs which were common to them all:

- that it is 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 are limited.
- that it is essential to persuade people that accommodation (bargaining and compromise) is an unavoidable part of the political process – indeed, that is was desirable since (though it requires them to accept less than complete victory) it helps to build a sense of a broadly inclusive political community, and
- that it is essential to persuade people that accommodations amount to more than a mere zero-sum game – that by accepting less than total victory, many interest groups will gain more than they lose in the process.

If these three ideas take root – among the poor and the non-poor – the chances of achieving incremental progress towards poverty reduction are enhanced.

Politicians also need to choose carefully among the four 'Tracks' listed above, so that the types of initiatives that they pursue suit the contexts in which they operate. It usually makes sense to proceed along more than one 'Track', but in most countries certain 'Tracks' offer only limited promise. 'Track Four', however, tends to be promising in most contexts, and it is often underestimated – by politicians and sometimes by donors.

Let us now turn to our four hypotheses, which are linked to the four 'Tracks' listed above. It is worth briefly summarising our findings (fully provided in *Appendix 2*).

Hypothesis A.: That 'Track One' initiatives are economically and politically infeasible in current conditions.

In political terms, 'Track One' initiatives are not only feasible but advantageous – but they carry grave economic risks in current conditions. They invite swift and severe punishment from international investors and financial institutions, and from donors   That does not make substantial new spending on pro-poor programmes unthinkable. They were avoided by Singh in Madhya Pradesh, but they have been undertaken in more prosperous Indian states -- and in Brazil and Uganda. In the former, Cardoso developed three such programmes, and in Uganda Museveni mounted a costly Universal Primary Education initiative.

Cardoso could do this because Brazil is a middle income less developed country with the resources to make it possible. Museveni's initiative would eventually have bankrupted his government, but he reckoned (correctly) that his status as a development icon would compel donors to fund it.

The message for most politicians in less developed countries is thus clear. Unless you are an icon, 'Track One' initiatives are only possible in middle-income countries, or in more prosperous regions of some less wealthy countries like India. But even in middle income countries, such programmes will be under-funded because (i) tax rates are already so high that little added revenue can be obtained, (ii) tax collection instruments are too ineffective, and (iii) governments fear punishing responses from the international economic system. 'Track One' initiatives are decidedly risky in current conditions. So while Hypothesis A has not entirely been disproved, it holds true for most less developed countries.

Hypothesis B: That health and education initiatives on 'Track Two' and 'Track Three', and most initiatives on 'Track Four' are more politically and economically feasible in current conditions than are other initiatives -- and that they can substantially benefit the poor while avoiding the ingratitude that afflicted wage increases and cash transfers in earlier times when fiscal constraints were not so tight.

Feasibility: Economic feasibility is not in doubt on these 'Tracks'. We found that (i) health and education initiatives on all three 'Tracks' were indeed more politically feasible; (ii) the literature over-estimates the difficulties of implementing them, especially along 'Track Three'; and (iii) 'Track Four' initiatives are especially feasible.

Impact: We found that many health and education initiatives on 'Tracks Two and Three' and most initiatives along 'Track Four' made a significant, and sometimes a substantial impact on poverty. Like most pro-poor programmes,

they had difficulty in reaching not just the somewhat poor but also the poorest, but in many cases, their impact extended to them as well.

'Ingratitude': We found that while many such initiatives avoid the problem of 'ingratitude', they catalyse demands from the poor which pose problems for politicians. But they are also a sign of success. (For details, see *Appendix 3*.)

Hypothesis C: That centrists are capable of acquiring pro-poor political will, often but not always gradually, that (despite some tactical retreats) they can sustain it, and that the gradual acquisition of 'will' (which donors can encourage) provides an adequate basis for success.

There are three questions here. Are centrists capable of acquiring pro-poor political will? Can they sustain it? And does it provide an adequate basis for success in efforts to tackle poverty? Let us first consider the first two together.

Two of our three leaders had long been ideologically committed to pro-poor policies, but Singh in Madhya Pradesh plainly acquired pro-poor 'will' and it gradually gained substance as its utility for enhancing his reputation became apparent – which suggests a positive answer to the second question above. Cardoso and Museveni both largely sustained it, although the latter became somewhat distracted by a war against rebels and the issue of a third term as President. That raises doubts about sustainability, but the preponderance of evidence indicates that most leaders can sustain such a determination.

As we see in *Appendix 4,* a leader's 'political will' on its own is never sufficient to ensure success for any initiative. His or her skills as a political analyst and machinator must also be formidable, and those machinations must create political conditions necessary for success. So the 'political will' even of an immensely powerful leader provides only a small part of the explanation for any pro-poor achievement.

Thus, the first two elements in this hypothesis are largely (but not entirely) substantiated by our findings, but the third is disproved.

Hypothesis D: That centrists are capable of building and sustaining pro-poor coalitions which include non-poor groups, and that such coalitions are always essential to the success of pro-poor initiatives.

We found that while centrists are capable of these things when pro-poor initiatives are less than radical, serious doubts arise when they present bold challenges to the status quo.

We also found that coalitions including non-poor groups are essential to the success of pro-poor initiatives in nearly all -- but not every -- instance. (For details, see *Appendix 2.*).

Implications for Development Practitioners

What are the implications of our findings for practitioners within DFID and similar agencies? Practitioners should recognise several things.

- While politicians face tight constraints, they may achieve more than pessimists believe.
- While some politicians do great damage, others have constructive impacts.
- Politicians loom large and more attention should be paid to their machinations and the political dynamics that those actions foster.

Practitioners should abandon the vague notion of 'political will' that is now widely used. A more precise, limited definition – 'will' is an individual, not a collective thing (see *Appendix 3*) -- can help to refine analyses of 'political will', and directs attention to other features of the political landscape.

Practitioners can (within limits) encourage politicians to pursue constructive strategies. But their main role is in supporting such strategies with resources.

At a strategic level, practitioners should be patient with politicians who proceed incrementally. Indeed, they should be sceptical of leaders who embrace ambitious reforms which are less practicable politically. Incrementalism may appear to entail the pursuit of mere 'low hanging fruit', but success on that front can prepare the ground for tougher reforms thereafter. And even if tougher reforms are not attempted, the cumulative effect of persistent incrementalism can be substantial.

At a tactical level, practitioners should be patient with adjustments and even retreats that produce political accommodations which enhance the legitimacy and sustainability of constructive initiatives, and facilitate subsequent advances.

Practitioners should recognise that certain ironies often arise. For example, the centralisation of power is usually necessary to the promotion of democratic <u>de</u>centralisation and other 'Track Four' initiatives. And politicians may need to engage in concealment to achieve changes that will make the overall system more transparent.

In considering whether to extend support, practitioners should give less weight to technocratic details of policy content and provisions for financial management – and more weight to analyses of whether a politician has a politically practicable strategy and the tactical agility to get results.

If a politician is unable to deliver fully on every aspect of a reform package for understandable political reasons, practitioners should exercise patience if the leader is mostly moving in constructive directions.[5]

Practitioners should look for efforts to build, augment or reform institutions in ways that make the system less dependent on individual leaders. They should not equate the dynamic, energetic pursuit of control by a senior politician with promising leadership.

Practitioners should pay more attention to a politician's ability to present him/herself persuasively to other politicians and ordinary people than to the international media, donors and external investors.

'Track One' initiatives should be treated with great caution, but they may occasionally merit support because they establish the credibility of a promising politician.

Practitioners should not overestimate the political impediments to 'Track Three' initiatives, as the literature does. And 'Track Four' initiatives have considerable promise – on their own, and as devices that enable initiatives on other 'Tracks' to succeed.

Practitioners should understand the particular value of initiatives that persuade people that politics is not always a zero-sum game.

Dissemination

We have so far confined ourselves to presentations (public and private) to development analysts and practitioners. Case study findings were presented at leading policy studies centres in Brazil, India, Uganda, Kenya, France and Britain. Presentations of comparative findings were given at IDS and the Universities of Pernambuco (in Brazil) and Cape Town and the Western Cape (in South Africa), London and East Anglia. Findings have also been shared with practitioners at DFID, and the Dutch aid agency. Portions of the book manuscript have been shared with colleagues at Harvard University, M.I.T. and the University of California. The section below explains further plans for dissemination.

Publications

We have not yet published any findings. We have, however, nearly completed the manuscript of a book -- our principal publication. We expect to submit it to a publisher soon. The attached appendices are drawn from that book. We will also place an article summarising our findings in a leading

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[5]   This and some other points here may seem obvious and unexceptionable, but we are aware of cases in which practitioners and donor agencies have not proceeded along these lines.

journal. We plan to publish, separately, a paper on 'Political Will' (see *Appendix 3*). We also intend to present brief distillations of our findings through outlets such as ID21.

Appendices

As evidence to DFID, we enclose with the report a number of appendices. *Appendix 1* is the 'Introduction' to our book. *Appendix 2* provides a detailed discussion of our tests of hypotheses and the results of that exercise. *Appendix 3* contains our findings on 'Political Will'. *Appendix 4* presents the analysis of one of our cases (Madhya Pradesh) – to give readers a sense of how cases were analysed.

Disclaimer

The UK Department for International Development (DFID) supports policies, programmes and to promote international development. DFID provided funds for this study as part of that objective but the views and opinions expressed above are those of the three researchers who undertook the study.