

SECTION V

The Impact of the Political System on Reform Policy and Process

At a national level, politicians and parties in Bolivia speak easily of technical reform priorities and willingly explain the economic rationale behind proposed reforms.⁶⁸ It is easily apparent that Bolivia's reform process has access to highly educated policy and process experts for various poverty reduction challenges. The question then, is to what extent the political leaders are using party coordination mechanisms to pursue policies that are politically viable, as well as technically sound. This section, therefore, details the impact of Bolivia's political system on elected officials' ability to develop policies that are responsive to the expressed needs of the electorate and to implement those policies in a sustainable manner.

The Absence of Key Incentives Inhibits Effective Policy Formulation

NDI research generated consistent evidence that Bolivian political parties do not pursue coordination of policy development through party mechanisms. It is important to note here that individual party leaders' use of party networks to pursue specific policy outcomes is very different from the internal use of party mechanisms to develop policy positions or proposals.⁶⁹ Party coordination of policy formulation is a way for individual parties to synthesize information about citizen needs in multiple locations and to propose the response that they believe resonates with as many voters as possible. Parties undertake this policy coordination role in an effort to maximize the votes they receive in the next election. However, several key observable characteristics of the Bolivian political context suggest that this process does not occur. Evidence that political parties are not driving policy formulation includes:

Top-down communication within the party does not convey the actual needs of a geographically diverse electorate to the party center or to the technical policy experts. The personalized nature of internal party politics suggests that communication runs primarily from the center to the municipal levels, and research confirms this. "The parties sometimes want to monopolize everything, they want to direct from above, to make decisions on a municipality, on the administration...", noted one mayor.⁷⁰ "Platforms are written by technical experts with limited opportunities for input from local party membership," and, as a result, there is no self-sustaining information-gathering mechanism on the poverty-related needs of various municipalities.⁷¹

Lack of partisan think tanks. Parties that contest elections by generating public support for their policy prescriptions often establish (or build relationships with) think tanks whose research agenda is influenced by the party's ideological approach. Partisan think tanks are a necessary part of healthy policy formulation because they provide issue assessments, response recommendations, and impact analysis of various policies. In Bolivia, however,

consistent party links to such organizations are minimal. “In most cases, party leadership draft them [the platforms], but you never hear about them.”⁷² Party leaders interviewed by NDI confirmed that they used technical drafters for their policy positions, but made no mention of work with think tanks, or other independent organizations.

“...people grew used to the idea that parties have no policy platforms.”

—Government minister

Parties have not demonstrated strategic approaches to the National Dialogues or other national forums on poverty policies and priorities. Although parties were originally somewhat purposely excluded from the National Dialogue to maintain the ‘participatory’ qualities of the dialogue, their ultimate involvement still remained superficial and non-strategic.⁷³ In many ways the public dialogue surrounding a PRSP process provides a national platform from which parties are able to apply policy positions publicly and mobilize media coverage to differentiate themselves from their political counterparts.⁷⁴ Furthermore, in Bolivia, where unprecedented municipal dialogues about the distribution of HIPC funds allowed local politicians to contribute to national policy as well, internal party policy coordination mechanisms would have been useful for recently elected or appointed officials. However, municipal officials interviewed by NDI almost universally had no idea whether their party held any position on the distribution of HIPC funds, on the allocation mechanism, or on the question of budget limits. “Party vision?... No, I don’t know.”⁷⁵

Disincentives for politically-driven policy formulation are built into the political system

The fact that Bolivia’s parties are not playing a constructive role in the formulation and testing of alternative policies has great bearing on the potential for politically driven pro-poor change in Bolivia. In essence, the political system has created substantial disincentives for political parties to engage in the development of experimental poverty-reducing policies. These include the following:

Domestic demand for party-led policy proposals is insufficient to justify expenditure of party resources and political capital. Parties that do not believe that their ability to formulate sound policy will affect their electoral performance have little incentive to expend party resources on the development of responsive, effective policies. In Bolivia, parties appear to base their assessment of the political benefit of sound policy formulation capacity on three previously detailed factors: historic precedents for considering business interests over poverty reduction; political legitimacy rooted in institutionalized distribution of public sector employment; and political structures designed to avoid legislative-executive deadlock by fostering legislative coalitions to select the president. Together, these factors create a domestic environment in which parties are rational to believe that their electoral success is divorced from their policy formulation capacity. This is reinforced by an apparent belief that as long as reforms are rooted in sound technical models, it is not necessary to keep the population informed or involved in the reform process.⁷⁶ This sentiment is likely rooted

in precedents set by Bolivia's multiple militarist regimes and historic declaration of a state of siege in response to popular protests. Finally, the events of 2003 demonstrated a tangible risk to politicians who propose controversial reform measures. In the eyes of observing politicians, the protests that forced an elected government to leave office were triggered by an unpopular economic policy proposal. This additional risk makes the cost of producing party policy formulation even higher, creating further disincentive.

Electoral law creates incentive for uneven implementation of non-election period activities. Based on the Electoral Law, parties are to receive public funding for training in nonelectoral periods, but a much larger amount of funding in election periods is based on the number of votes won by the party in the most recent election. This system clearly creates the incentive for parties to focus their efforts on earning votes in election periods, rather than on maintaining their base between election cycles.

The actions of the international community discourage opportunities for political competition and provide further incentive for party leaders to focus on public sector job distribution. The international development community has been active in Bolivia for many years, and its actions have inevitably helped to shape the nature of the political system. There are two main effects on the policy formulation process, one associated with multilateral budget and financial assistance, and one associated with providers of various types of technical assistance.

Because much of the country's economic or poverty agenda is financed by and negotiated with the international community, Bolivians often view programs to address poverty, macroeconomic or coca-related issues as internationally mandated.⁷⁷ Consequently, there are few poverty-related challenges for which the response is determined through competitive policy proposals by the parties; the local political system is perceived as able to make very few real fiscal decisions. Whether this is true or not, the parties' own perception that they would not be able to implement their own policies—even if in control of the national government—provides a serious disincentive for parties to invest the time and resources necessary to generate and formulate sound poverty reduction policies. Parties anticipate a need to negotiate all strategic plans with external actors, further diminishing their incentive to develop issue specific priorities.⁷⁸

“Parties gradually forgot about a plan of making citizens better off.”

—Senior party member

In an effort to avoid their programs being seen as partisan, alternative technical assistance providers in Bolivia have tended to focus on building non-partisan mechanisms to address poverty. As discussed, this meshes well with certain cultural preferences for collective action, and civic actors presently enjoy greater public trust than political parties. However, in conjunction with the limiting effects of negotiated national strategies, this emphasis also reinforces parties' tendencies to focus on what they perceive as their comparative advantage: distribution of public sector employment. Party leaders that NDI spoke with describe

employment as a fundamental element of poverty reduction over which they have some control. They therefore view job distribution among their supporters as an available means to reduce poverty. As partisan debate is excluded from the process of developing national poverty reduction strategies or initiatives, parties may focus more and more heavily on the political appointment mechanisms available to them.

The combination of electoral structure and geographic factors is a disincentive for addressing the deepest rural poverty. Despite significant agricultural capacity, Bolivia's population is primarily concentrated in major urban centers of La Paz, El Alto, Cochabamba, and Santa Cruz. Consequently, parties are most likely to derive voter benefit from demonstrating capacity to develop programs that address urban poverty and infrastructure. This is particularly true for municipal or national legislative candidates on the party list, who must generate as much support as possible for the party to maintain its office. As previously discussed, it is not yet clear what impact there will be from the recent electoral reform to eliminate the required party-support for municipal candidates.

Lack of Party Coordination Mechanisms Affects Policy Implementation

While Bolivia's political system creates strong disincentives for party-driven policy formulation, its impact on the parties' ability to coordinate implementation of reform policies when they are in office is even more striking. Political parties that do not believe they are competing for electoral votes on the basis of delivering services or improving citizens' quality of life feel even less incentive to pursue difficult reform policies than they do to formulate them. "A political party should have a vision...but the only objective for them was to be present in the municipalities. It doesn't matter [to the party] if we reduce poverty or not," noted one newer municipal official bitterly.⁷⁹ Because public cynicism regarding politically driven reform processes magnifies the importance of effective implementation, the obstacles to politically coordinated implementation must be examined closely.

Capacity effects

A political party's ability to drive reform of any type is in part based on internal communication, management, information sharing, and strategic use of its elected officials and staff. In addition to a lack of visible incentives for Bolivia's political parties to develop or strengthen their use of these internal systems for specific policies, there are institutionalized obstacles to party-driven policy implementation. The effect is that the incentive problem has become further reinforced by genuine capacity constraints.

At a national level, this is characterized by ministerial inability to rely on party interests or incentives to drive implementation of specific initiatives or policies. Coalition politics, and the negotiation of party support for a single presidential candidate in exchange for specific ministerial appointments or other political positions, creates a tremendous challenge to

"Parties are just electoral machinery..."

—Ministerial Appointee

coherent cabinet strategy. In an effort to link the parties more closely and require cooperation among them, the entire chain of command within each ministry alternates among the coalition members.⁸⁰ This not only creates challenges for the pursuit of party platforms, but also builds gridlock into the ministry itself.⁸¹ Because politics are so personalized, ministry staff has little personal incentive to support the leadership of a different party's minister. Layered on top of a fully appointed civil service, this alternation of appointments seriously handicaps policy implementation by eliminating even partisan consistency as a coordination mechanism. Furthermore, it reinforces the informal nature of party advancement; meritocratic advancement is nearly impossible when one's immediate superiors are almost always from another party.

At a municipal level, party coordination is needed to facilitate the policy implementation among municipalities facing similar situations, to orient newly elected officials on the responsibilities and expectations of their positions, to connect municipal officials to national networks within the central government, and to offer technical or policy guidance for national issues.⁸² In Bolivia, the lack of incentives for parties to build municipal officials into national coordination mechanisms presents a second obstacle for party-driven policy implementation. Despite their election as members of a party list, municipal officials at local levels expressed almost universal disconnection from the main party structures. A shocking majority of the officials interviewed were unable to convey their party's position on a specific policy issue. Party platforms on national issues such as the constituent assembly, the hydrocarbon referendum, or Bolivia's use of HIPC funds were generally summarized, "look, I don't have any idea what the party vision is...."⁸³

"As a party, we have not discussed this problem. As a municipality, we are facing this problem."

—Municipal councilor, Beni

Further exacerbating the lack of party guidance on national issues, a multitude of elected officials never receive instructions or orientation on the duties, rights, responsibilities and procedures of their new positions. Individual officials who have served for the last few years explain that, although there are a tremendous number of capacity building resources for specific technical issues, many councilors and mayors are still unsure about procedures for basic responsibilities, and political or project management. In the words of one observer, in addition to working with a 'technical' staff of political appointees, many "elected leaders don't have any capacity in how to do basic things."⁸⁴ One first-time indigenous municipal councilwoman from Potosí admitted that because no one ever explained her job to her, she was "afraid to go and talk to the government [in the municipality]."⁸⁵

Emerging parties are not yet an incentive to improve implementation efforts

The parties do not perceive that recently consolidated indigenous movements offer a viable political alternative or demonstrate capacity to govern well. Indigenous social movements have gained public support - and been elected to office in some cases - by mobilizing the frustration of poorer, indigenous citizens. In the eyes of parties, however, the success

of these movements in criticizing government does not represent a capacity to propose realistic alternatives or to govern effectively. Whether this assumption is correct or not, it does prevent parties from perceiving the need to prove their own capacity to govern effectively. This could change over time if officials elected from non-party backgrounds are able to build track records of reform and service provision—and to use that track record to sustain and increase popular support.

The Net Effect on Public Perceptions of Representative Democracy

Taken together, these disincentives create a serious obstacle for politically-driven reform in Bolivia. It is important to note that this lack of will also has tremendous impact on the representative capacity of the Bolivian political system. Parties that lack an incentive to develop and pursue the interests of the citizens who elected them are, in essence, failing to effectively represent their constituency. Until at least some political parties in Bolivia believe that their electoral potential hinges on their ability to convince or demonstrate to the electorate that their party is pursuing the voters' interests, it is difficult to consider the system genuinely representative. Although the institutions of representative democracy are present, there has not yet been real representation of the interests of poorer (often indigenous) Bolivians to date. This point is critical. Throughout its research, NDI regularly encountered assertions that “representative democracy does not work for us,” and that participatory democracy would be a better fit for domestic cultural preferences. While cultural preferences for consensus-model decision-making are certainly evident in the indigenous communities of Bolivia, it is not clear that ‘representative democracy’ is to blame for the current system’s flaws. It is unfortunate that Bolivians are judging the notion of a representative system on the history and actions of a system that many Bolivians describe as fundamentally unrepresentative. However unfortunate this judgment is, it is partially responsible for the increasing calls for reform from the most radical leaders of the indigenous movements.