

## SECTION VI

### **Recommendations for the International Community**

Regardless of the challenges built into Bolivia's political system, sustainable poverty reduction will ultimately require the constructive involvement of political parties. As the bodies that coordinate election to public office, they are intimately involved in the decision-making process of every elected and appointed official. As the only official non-state link among all levels of government, parties are one of the few potential domestic sources of sustainable coordination capacity for policy formulation and implementation. In light of the obstacles to political parties' capacity to drive pro-poor change, however, international assistance programs may be designed to account for current system failures in the short-run and to empower self-sustaining reform in the long-run.

#### **Supporting Political Stability and Pro-poor Reform at a Macro-structural Level**

As demonstrated, many of the political obstacles to pro-poor reform in Bolivia originate at institutional and structural levels. In response to those challenges, and bearing in mind the varied mandates of the international development community, NDI recommends that efforts to support reform at a macro-level include emphasis on the following:

*Structural reform that deconstructs politically-motivated job distribution practices and reinforces healthy political competition. Recognize that these reforms are political by nature and therefore likely to meet strong resistance from entrenched interests.*

For example, reform leading to the establishment of a permanent, non-partisan civil service is desperately needed. At present, parties' ability to distribute public sector employment in exchange for political and financial support is one of the lynchpins in Bolivia's noncompetitive political system. Previous attempts to reform the civil service failed, in part, because the parties' dependence on employment distribution as a means of securing political legitimacy was underestimated. Although many parties may have expressed frustration with the practice, they have no incentive to actively support elimination of the partisan staff tradition.<sup>86</sup> Conversely, an abrupt change in the political appointment system carries the danger of contributing to short-term political instability as parties scramble for new ways of guaranteeing electoral support.<sup>87</sup> Reform would, therefore, need to be gradual enough for parties to find substitute means of securing popular support; perhaps phasing a non-partisan civil service into ministries and state agencies immediately following elections for the next several electoral cycles.

*Long-term institutions that not only bolster the social capital needed to overcome years of political and economic exclusion, but that also satisfy the demands of emerging democratic institutions.*

The need to invest in institutions is by no means a new idea, and the international community already supports many such programs in Bolivia. In designing these initiatives, however, donors must recognize that informal networks of exclusion have permeated society so extensively that it is necessary to design certain types of institutional reform with a long-term objective in mind and the understanding that such investments will not show results for nearly a generation. For example:

*Professional Education.* Much is being done to improve access to education for all sectors of society. While investing in education at all levels will contribute to greater human development over time, integrated university education with an emphasis on developing managerial and entrepreneurial skills (in place of technical specificity) would do much to address capacity constraints in municipal governments, erode entrenched parallel systems for social engagement, and gradually build a cadre of qualified administrative personnel that can fill demands for non-partisan civil positions as they become available.

*Formal Partisanship.* Bolivia needs political parties that are able to coordinate policy and communicate outcomes in order to build a poverty-reduction strategy that is consistently responsive to the needs of the poor. Although there is a natural tendency to emphasize the need for consensus among political elites in conflict-sensitive societies, this can reinforce tendencies toward political collusion already in place in Bolivia. One response would be to make greater use of formal mechanisms for partisan negotiation and disagreement, in an effort to eliminate dependence on informal networks or connections.<sup>88</sup> At a structural level, reforms that could advance this formalization of political practices include: greater transparency for fiscal processes, procurement, and discretionary-spending; electoral laws that do not encourage mega-coalitions; and measures that integrate the need for negotiation of geographic differences directly into government structures and public space (e.g., single-member districts rather than party list; direct election of regional-level government). Such reforms would likely generate more visible disagreement and a necessarily slower pace of reform, but they would also reduce dependence on informal systems of negotiation and encourage more constructive party competition over time.

*Lending and monitoring mechanisms or timetables that are sufficiently flexible to accommodate the inherently political process of reducing poverty and exclusion.*

Efforts to employ the right mechanism to deliver assistance are most successful when the assisting organization bears in mind two key notions. First and foremost, there is a tangible relationship between the actions of international assistance organizations to inject money and/or technical assistance into a policy process, and the development of the do-

mestic political system. Secondly, when donors specify a poverty reduction agenda, they have already begun to pursue specific political outcomes whether they overtly engage political parties or not.

Over the course of three National Dialogues, Bolivia has seen a large-scale (and in the case of the PRSP, well-financed) donor emphasis on civic participation in designing economic reform packages. Although direct civic participation in national dialogues is one mechanism for increasing social inclusion in decision-making, it should not eclipse formal mechanisms for incorporating citizens' concerns into policy-making processes. While methods of fostering sustainable systems of inclusion are more relevant to technical assistance programs, it is important to note here that large-scale efforts to ensure participatory policy processes have the most impact when the mechanism selected can be easily and inexpensively integrated into all types of policy procedures. Political parties and civil society groups are not interchangeable participants in effective policy-making processes; in other countries, civic groups that attempt to play all the roles of a political party (from issue advocacy to supporting a candidate) have then gone on to develop the same institutional features of the other parties in the system.<sup>89</sup>

#### **Technical Assistance to Foster Stable Transition and Alleviate Short-run Insecurity**

Long-term pro-poor reform will not only require patience, but the recognition that deep reform of the political processes that affect poverty reduction will generate periods of uncertainty in the short to medium term. Encouraging a stable transition from the current cartel-based, parallel system, to a responsive, inclusive system should include efforts to encourage parties to reform their own structures, political management training programs for emerging alternative political groups, and measures to build public faith in political actors' ability to effect meaningful reforms.

#### *Promotion of healthy political competition*

Healthy competition within a political system can be fostered through technical assistance, using a number of strategies. One approach is to identify groups or individual within parties who have recognized the need for fundamental change, and to work with them to recognize and pursue opportunities where parties have political incentives to move particular issues. In other contexts, structured use of public opinion research has helped provide a useful "reality check," and may highlight the need to demonstrate tangible incremental, meaningful reform, based on dialogue with underrepresented groups. Despite a central tendency in Bolivia toward uncompetitive political practices, elected political actors with a genuine desire to improve the lives of their constituents do exist. Where it is the lack of political management capacity or experience that obstructs support for reform processes (most likely at municipal levels), international support for political management

training programs may be one solution. Such training could enable more moderates in political leadership positions - from political parties and indigenous movements - to pursue tangible reform while in office, and to build political support based on that success. While ongoing capacity-building programs have focused on specific technical processes or developing policy resources, political training programs that teach strategic planning, management, effective use of the media selecting public relations projects and techniques for political impact, designing two-way communication mechanisms, and dealing with an angry public could have a considerable effect immediately following the December 2004 municipal elections.<sup>90</sup>

Alternatively, political reform may be most rapidly advanced by weakening the cycle of public cynicism identified by NDI as follows:



In the end, effective political negotiation will require politically savvy actors from all parties. Cultivating leaders from previously-existing and newly-emerging political parties now is a longer-term strategy, but has potential to stabilize the incorporation of new actors into a system which admits new members only grudgingly.

*Focusing new political actors on the constructive aspects of formal political involvement*

The challenges in Bolivia are significant since some of the most vocal critics of the government are generally more comfortable criticizing from the outside, and often reluctant to work too closely with the international community. There is space for movement in this area but it requires a longer-term approach to enable newer political movements to gain a meaningful seat at the negotiating table by demonstrating their capacity to propose alternative solutions. Support for inclusion requires work on both sides of the table. Technical assistance programs designed to foster more effective citizen advocacy to relevant levels of government by engaging in the political process, rather than working around it, could

gradually build public familiarity with the state. Political or elected officials who are likely to be advocacy targets need assistance developing political management skills, negotiation tactics, the capacity to administer through transition, budget management skills for responsive government, and use of the media to cover success stories. Lessons learned or tools used to implement these types of programs in states with more evident conflict, such as South Africa or Macedonia, may also be useful.<sup>91</sup>

*Restoring confidence in political communication through public education and expectation management*

The stagnant pace of always-promised poverty reduction has made the Bolivian public extremely skeptical of all messages delivered by political parties. Today, information delivered or assertions made by party actors are almost immediately discounted by the public. This challenge to political legitimacy and stable reform can be addressed through a number of strategies. Technical assistance programs for political parties could be tailored to encourage the use of regular public communication mechanisms in conjunction with incremental improvements in social service delivery to build public credibility and voter support. Such programs would need to be targeted at political parties concerned about maintaining sufficient support at local levels, and be based on foundation that strategic local outreach is, at this juncture, the only way to build public support rather than enforce cynical conclusions.

Alternatively, there is tremendous need for civic education and accessible information on economic reform from sources outside of discredited state and political institutions. This could include the following: continuing support for implementation of freedom of information legislation (including assistance on making the most use of available, affordable information technology); training for journalists on media coverage of specific types of economic processes; targeting future community leaders for youth programs that include information on Bolivia's economic history and current situation; and others. Such opportunities for capacity building could help to moderate public expectations in the short- to medium-term, and provide a source of concrete, incremental change.

## SECTION VII

### **Conclusion**

Sustainable democratic governance and poverty reduction in Bolivia will require a transition from the current situation of party collusion to retain political power, to a more broadly-based competition to attain political power. Such a transition will be necessary in order for reform-minded individuals to be able to pursue the changes needed for pro-poor reform. It is also needed to restore public confidence in political parties and the democratic process. Typically, such transitions are either stable and lengthy, or rapid and accompanied by a period of more extreme instability. In the end, this duality must shape the international community's efforts to assist Bolivia in its transition.

For established political actors, the events of the last few years have prompted serious concerns: Morales's near presidential victory in 2002; protests, violence and the shut-down of La Paz in February and October 2003; the overthrow of a twice-elected president through a process that began with indigenous street protest; succession of a 'non-party' president; the country's first referendum (on national hydrocarbon policy); and electoral reform that eliminates the need for party support to contest municipal office. Faced with the current political environment, parties must, at some level, wonder what these events portend for their future. How much of today's authority will they still control in ten years? In twenty years? Without a doubt, party leaders believe that traditional politics in Bolivia, as they have come to master it, is under some threat. It is clear that a newly mobilized indigenous population can not only perform well at elections, but can effectively shut down the capital city if they believe appropriate reforms have not been made. To the extent that the parties have a constituency, their constituents are anxious. Despite the parties' control of the economic and political levers of power in society, the events of October 2003 demonstrated that parties are out of control. This is a recipe for political fear and uncertainty. Consequently, an international community hoping to provide the most suitable type of assistance must consider the way parties have decided to respond to this threat.

Eventually one must ask how concerned the parties actually are about their future. If they are fearful at all, what kind of fear is it? Some fear prompts groups to turn inward and strengthen internal coordination in an effort to stave off challenges from the outside. A cynic might argue that Bolivia's parties appear to have responded by agreeing to tighten their informal network, act as a single ruling group, and hope that reforms to the electoral law, the referendum, and the pending constituent assembly will distract the new political actors sufficiently to slow their progress. This could be motivated by a belief that if the parties are all working together, they can remain consistently ahead of the emerging groups. But how long would it take the population at large to recognize this strategy, if new groups

are able to mobilize or inform citizens effectively? It is not yet clear which is moving faster—social recognition of cartel politics, or the cartel's “response” to public demand.<sup>92</sup> Will the parties realize that they must make painful internal reforms early enough to remain part of the political system, or will they prove so resistant to difficult reform that the electorate will eventually dismiss them?<sup>93</sup> As detailed in this document, the two different scenarios will require quite different responses from the international community. Effective donor support for pro-poor reform in Bolivia, therefore, hinges on preparing for both potential outcomes simultaneously, while recognizing that only one can occur in the long-run.