

# Engaging and Strengthening Political Parties for Improved Pro- Poor Policy Dialogue:

## Experiences and Lessons From Latin America

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# Overview and Objectives

1. DFID's Approach in Latin America: a Regional Programme in Highly Unequal Countries
2. Donor experiences with Working Politically
3. What DFID has tried to do
4. Some experiences and impacts
5. Lessons and Conclusions



# Background and DFID Programme Development

- DFID regional programme emphasized adding value to World Bank and IADB investments in highly unequal MICs in LA
- New aid instruments and ways of working in Middle Income Countries of LA
- Crisis of political systems and processes of constitutional reform
- Instability, fragility, volatility

= *"To improve the POLITICAL representation of the poor"*

# Why Engage in Improved Political Analysis and Engagement?

1. To engage important actors in the political system in 'enlightened' **policy dialogue** on poverty and inequality
2. To promote more sustainable and responsive pro-poor policies from a multi-actor standpoint
3. To identify the needs and potential strategies to improve pro-poor capacities and incentives within the political system

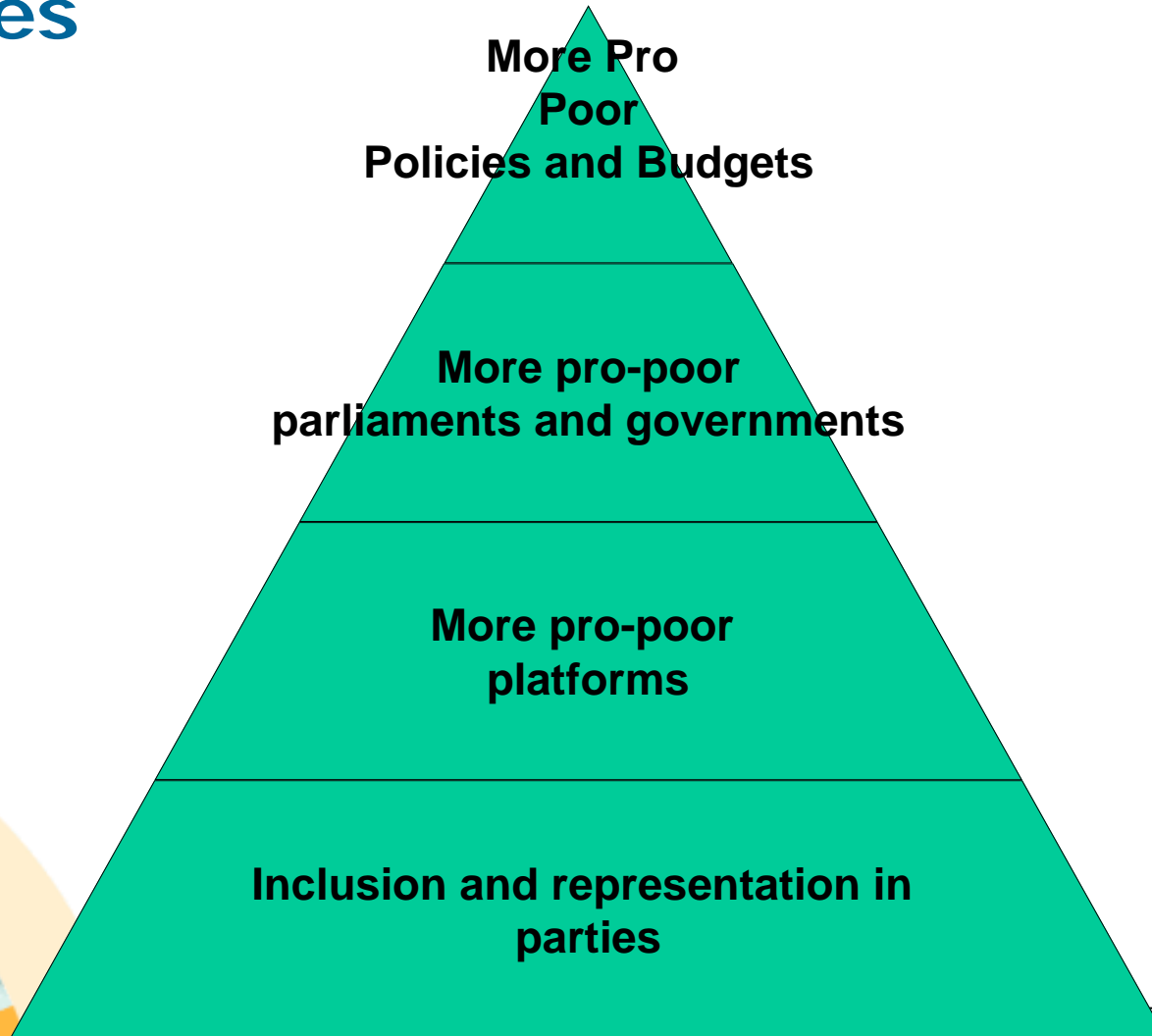


## How do we get to 'pro-poor' policies, programmes and budgets that are implementable and sustainable?

- Traditional approaches working with central government (MoF)
- Emphasis on direct participation of civil society and the poor, social movements, rights based approaches
- Growing awareness of the importance of parliaments, but few tools for engagement
- Growing governance and political analysis



# Pro-Poor Inputs and Outputs of Parties



# Issues and Mechanisms for Political Representation

- Citizens unsatisfied and feel unrepresented by parties and parliaments
- First choice (social organizations/ sindicatos)
- Explosion of alternative and direct democracy mechanisms
- BUT with what consequences?
- Roles and functions of parties being achieved by other means? Or Not?



# Political Systems: Elections, Parties and Parliaments

- Going beyond work only with elections
- Going beyond work only with Parliaments
- Both executive and parliaments come from Political Parties
- Working with actors only once they are part of government may be too late



# How did we approach the development of the programme?

- Analysis and assessment by local staff together with experienced partners
- Development of strategy and rationale for the approach
- Development of partnerships throughout the region with international, regional and local organizations
- Formation of coalition
- Following up at regional and local level with key strategic inputs



# What have we done so far?

- A 'strategic' programme of influencing around improving political understanding and engagement
- Central America (8 countries) and Andes (5 countries) since 2003
- Emphasize improving understanding of the relationship between Poverty and Political Systems
- Improve engagement by donors with political parties and systems on the poverty agenda



# Indicative Activities

- Country studies that examine the relationship between poverty, inequality and political systems
- Debate and dialogue around these studies at country and regional level with political parties and donors
- Establishing country level fora for permanent dialogue and debate between donors and 'democracy assistance' agencies
- Pilot engagement with WB and IADB on using these approaches on specific programmes in country



# Key Questions Used in the Studies and Dialogue

- What are the incentives for political systems to better represent and respond to the interests of the poor and excluded?
- How are the 'Inputs' side of political parties structured to permit inclusion and representation?
- How are the 'Outputs' of political parties orientated toward responding to poverty and inclusion?



State Capture

Campaign  
Finance

**Political Parties and Pro-Poor Incentives**

Votes

Private  
Interest



# Inputs and Outputs Framework

Inputs	Outputs
# of women, indigenous and poor included in party	Internal policies and positions, quotas
Quality of the participation (impact on decision making)	Internal democracy
Poverty Capacity	Platforms and declarations
Policy Capacity	Proposals for pro-poor policies
<i>Incentives</i>	Pro-Poor Institutional Reform



# Some Initial Impacts

- Donor agencies and democracy agencies working together
- The RECURSO experience in Peru with World Bank
- Peru with political parties that had more 'pro-poor' platforms and policies in 2006 elections
- IADB with strategies and approaches that include more analysis and response to the political situation and actors (Politics of Policies, etc)



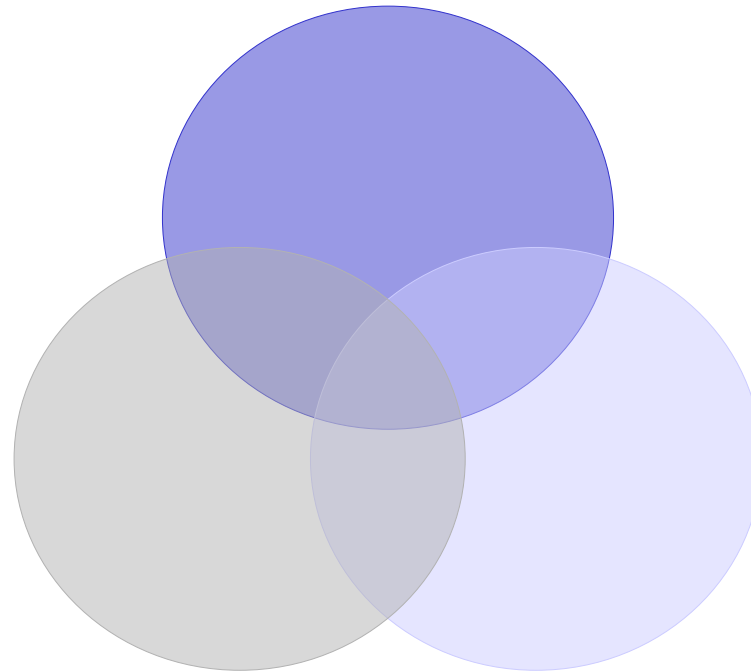
# Emerging Lessons

- Engagement demands high degree of understanding of local history, context and politics
- Understanding leads to better policy dialogue, which leads to heightened policy influence
- It is possible to engage with political parties and actors under a poverty focus
- Working regionally is an enabling factor



# Poverty Reduction and Democracy Promotion

Poverty Reduction



Governance Reform

Democracy Promotion



# Don't Confuse the 'long' route with the 'short' route

## The Long Route

- Its not (for us) really about the possible relationships between democracy and development at macro historical levels
- 'Strengthening Democracy' or the state, state reforms, modernization etc.

## The Short Route

- Improve donor understanding of the importance of political systems and actors for the poverty agenda
- Engage political actors on poverty, inclusion and policies needed to address



# Pro-Poor Political Systems?

- Constitutional, electoral and party reform
- Digger deeper to find the 'best' ways for inclusion and representation BUT that also provide for governance and stability
- Quotas? Size of parliaments and constituencies? Regional power sharing? Direct 'corporativisit' approaches?

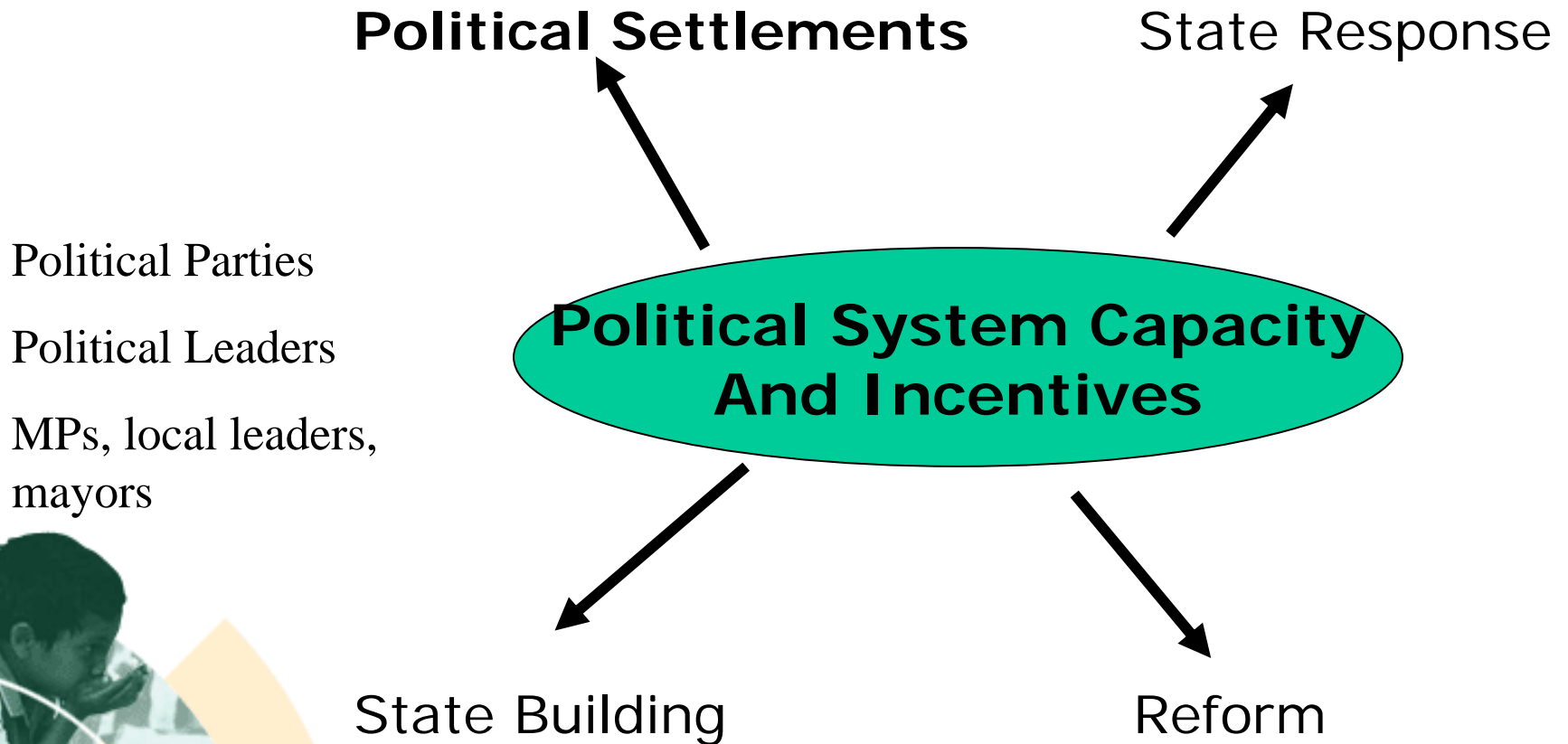


# Towards the concept of 'political capital'?

- From Kapital, to Social Capital, to Political Capital?
- Political capital is needed for a wide range of processes related to change, reform, settlements, and conflict resolution
- It entails the capacities to negotiate, aggregate, dialogue, and make pacts and policies
- It can be invested in and spent/used



# The Potential Uses of 'Political Capital'



# Future of the Work in Latin America for DFID?

- Not. DFID is closing its regional offices and programmes and routing funds through PPA NGOs
- Potential for this approach in your region?



# What have donors done to date and why?

- Democracy Assistance versus a Poverty Approach – different goals?
- Resistance by donors to 'engage politically' – intervention in foreign affairs
- State building / institution building and strengthening
  
- DFID – Drivers of Change, White Paper, Political Systems guidance
- Political economy analysis
- But generally emerging and scattered



# WHICH COUNTRIES?

## Central America

- Nicaragua, Guatemala, El Salvador, Honduras
- Post-conflict states
- Ethnic conflicts and drugs in Mexico

## Andean Region

- Bolivia, Ecuador
- Ethnic driven political and social instability,
- Past and current armed conflict in Peru and Colombia

## Less Fragile

- Brazil (but security and crime threats)
- Uruguay
- Chile
- Argentina

