Political parties and the social contract in fragile states

By Clare Castillejo

Executive summary

There is increasing awareness that building a strong and inclusive social contract is critical for a sustainable exit from fragility. Political parties have a unique role to play in mediating state-society relations and shaping the social contract. However, in many fragile contexts weak and dysfunctional political parties act to undermine rather than strengthen the social contract.

This expert analysis examines some of the common challenges faced by political parties in fragile states – from fragmentation to capture by private interests – and the ways in which these challenges limit states' ability to develop a new social contract. It analyses how these challenges play out in four very different contexts: Nigeria, Nepal, Guatemala and Myanmar.

Finally, the expert analysis examines the track record of the international community in working with political parties in fragile contexts. It argues that international actors must move beyond traditional "blueprint" approaches to party support and instead develop more comprehensive and context-relevant responses to the specific challenges that parties face. In particular, international actors should focus their support on those areas that are most critical in enabling political parties to effectively represent citizens, mediate state-society relations and broker a stronger social contract.

The social contract is a "dynamic agreement between state and society on their mutual roles and responsibilities" (OECD, 2008: 17). This contract emerges from interaction between societal expectations of the state, and state capacity and elite will to meet these expectations. Research increasingly demonstrates the importance of the social contract in shaping the nature of fragility and possibilities for peacebuilding. Indeed the OECD (2012: 11) suggests that fragility is best understood as a "deeply political issue centered on the social contract between the state and society". It is therefore important that peacebuilding includes efforts to strengthen the social contract, including by establishing more responsive institutions, more inclusive state-society dialogue and effective public politics.

Political parties play a key role in shaping the social contract. Parties are unique among political institutions in their potential to mediate elite-constituency relations, link citizens to the state at multiple levels, aggregate and

represent citizens' interests in state-society bargaining, shape state institutions and determine the power of the executive, establish policy agendas, and generate a more inclusive political society. If they perform these roles, political parties contribute to building a strong social contract and peaceful society. However, in many fragile and conflict-affected states (FCAS) dysfunctional parties fail to perform these functions and instead perpetuate weak and exclusionary state-society relations that fuel conflict. It is therefore critical that international actors supporting peacebuilding understand and address the relationship between political parties and the social contract.

Political parties and the social contract in fragile contexts

While all political parties are shaped by their specific contexts, common traits among parties in FCAS prevent them from playing a positive role in relation to the social contract.

Political parties in FCAS tend to be disconnected from citizens and "weakest in their roles as links between state and society" (Wild et al., 2011: 5) – arguably the most critical roles for strengthening the social contract. Instead, parties frequently represent a limited elite and operate primarily as vehicles for this elite to win elections and access state resources, with little incentive to perform wider interest aggregation and representation functions. According to Reilly et al. (2008: 4), this is partly due to the fact that many FCAS have gone from situations of no competition to full competition, meaning that "most parties do not emerge as mass based movements with strong aggregation and articulation functions … [but] are the result of elite initiatives". Such parties often have little ideological basis or programmatic content on which citizens can base support for them or hold them to account.

Weak party-citizen links in FCAS are also due to lack of capacity. Parties tend to be urban based, lack the resources and institutional structures to reach out to a broader constituency, and are often only active around election time. Not only does the fragile economic situation of many parties in FCAS limit their ability to reach out to citizens, it also makes them more susceptible to capture by powerful private interests. It therefore appears that both party incentives and party capacity to engage with and represent citizens must be addressed for political parties to play a more constructive role in state-society relations.

Another major challenge is the fragmented party landscape in many FCAS, with parties continually emerging, splitting and disappearing in response to the interests of particular individuals. This generates numerous small parties that are irrelevant to political life and dissipates political energies in big parties through endless realignments. Parties in FCAS also tend to be highly personalised around "charismatic leaders who monopolize power and do not tolerate dissent" (Kumar & De Zeeuw, 2008: 278) and set the party agenda to suit their own interests. This is particularly true of political parties that have emerged from former rebel groups, such as the Sudan People's Liberation Movement in South Sudan, which, according to Kumar and De Zeeuw (2008), struggle to move away from authoritarian military structures. Likewise, many FCAS experience dominant party-state fusion, resulting in the repression of opposition parties and a reduction in democratic space. These dynamics of party fragmentation, centralisation of authority, and party-state fusion all impede the development of inclusive, representative and robust political parties that can help reform the social contract.

Political parties in FCAS are embedded in complex networks of patronage and clientelism. Parties frequently operate as vehicles for elites to access rents and distribute these through patronage networks in exchange for support. Such dynamics are particularly acute in countries with natural resource-based or illicit economies, such as Nigeria or Colombia, and inevitably reduce incentives for parties to reach out to citizens with meaningful policy programmes or promote reforms to a political and economic system from which they benefit. Indeed, Bratton and Logan (2006) argue that as a result of such dynamics, in many African contexts people have become voters but are not yet citizens, because they have no effective relationship with political actors. Beyond clientelist networks, parties are also embedded in informal institutions such as traditional governance structures or ethnic and kinship networks that also shape their incentive structures.

Finally, political parties in FCAS are often shaped by deep ethnic and social cleavages and represent antagonistic identity-based agendas. Identity-based parties can have greater legitimacy and incentives to represent their constituency's interests than elite-driven aggregate national parties. However, the extent to which they make a positive contribution to strengthening the social contract depends on their ability to present a national vision or represent the interests of their community in national institutions, as opposed to playing divisive identity politics.[1] Moving beyond negative identity politics is a challenge for such parties in post-conflict contexts, where "the civil values of trust, mutual understanding and willingness to discuss differences, which are essential for the development of multiparty democracies, are often deficient" (Kumar & De Zeeuw, 2008: 264).

Despite such common challenges, there are a wide variety of ways in which political parties in FCAS influence the social contract and possibilities for peacebuilding. Below this expert analysis examines how the above factors play out differently in four FCAS with widely differing characteristics.

Nigeria

In Nigeria, a corrupt oil economy has created a political system focused on elite enrichment and power through patronage, while lack of redistribution has resulted in extreme inequality and growing instability (Amundsen, 2012). In this context political parties have no incentive to represent citizens' interests, address the grievances that fuel conflict or promote a more inclusive social contract.

Nigeria has a dominant-party system: the People's Democratic Party has been in power since 1999. Moreover, with over 50 parties registered, party fragmentation is a significant problem[2] and many parties have no presence beyond major cities. According to Domingo and Nwankwo (2010), Nigeria's political parties have no internal democracy, are not programmatically coherent and there is little ideological distinction between them. Party loyalties are weak and members and voters move between them on the basis of

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1 For more on the importance of a shared national vision, see Kaplan (2014).
2 This situation is exacerbated by the low threshold for registering political parties and the fact that all parties are eligible for state funding.

which can offer most access to state patronage. Moreover, Reilly et al. (2008) argue that regulations preventing the formation of parties on sectarian or regional principles have moved conflict over issues such as regionalism, ethnicity and religion from the inter-party to the intra-party arena, making it difficult for any party to address them.

Nigeria's political parties clearly lack the incentives, structures and outreach to aggregate and represent citizens' interests, offer a meaningful policy agenda, or play a positive role in state-society relations. Moreover, through their focus on rent seeking, use of corruption and patronage, involvement in election fraud and violence, and failure to include marginalised populations and women,[3] these parties actively undermine democracy and stability.

International support to Nigeria's political parties has traditionally involved technical assistance around elections. However, donors are expanding their approach through a joint donor project that takes an integrated approach to supporting a range of democratic institutions, including parties, the electoral commission, civil society organisations (CSOs), the media and the judiciary, with the broad aim of building accountable and responsive governance institutions.[4] Under the project parties receive ongoing, substantive support based on detailed context analysis throughout the electoral cycle.[5] This project's goals appear highly ambitious, given the incentives that drive Nigeria's parties. However, growing violence and the rapidly approaching February 2015 election highlight the urgent need for political parties that can broker a new social contract in Nigeria.

Nepal

Nepal's political parties played an important role in ending the country's civil war, but have since failed to agree a constitution, despite six years of deliberations. Widespread marginalisation and exclusion were central drivers of Nepal's civil conflict, and the 2006 peace agreement recognised the need for a more inclusive political settlement and social contract. However, the country's parties lack the capacity and internal democracy required to address such complex challenges and have instead become bogged down in wrangling and internal conflict. These parties' weaknesses have become a major barrier to peacebuilding.

Nepal's parties exhibit many weaknesses common in FCAS. They employ patronage and use state resources to consolidate their power, are highly centralised and lack representation of marginalised groups, and have untransparent funding. Unable to manage the interests of a range of members, they experience constant factionalism and splits, often causing governments to collapse. However, Nepal's

parties do offer different policy programmes, particularly in relation to issues of identity and federalism.

Ethnic, caste and regional identity have become the central axes of political mobilisation in Nepal. This has given new voice to marginalised populations, some of whom have developed their own political organisations, such as the Madhesi political parties that represent the people of the plains. However, Nepal's mainstream parties (which remain dominated by priviledged identity groups) have not proved to be effective channels to articulate and negotiate this new identity-based politics. While it is positive that marginalised groups are mobilising, if mainstream parties cannot accommodate them in a broader national vision, this could fuel identity-based extremism.

Wild and Subedi (2010) caution that international actors have limited influence over Nepal's parties, although they can help facilitate inter-party dialogue, support the political inclusion of marginalised populations and provide capacity-building to parties. Given that Nepal's political parties must take the lead in developing a new political settlement and social contract, working with parties should be a priority for international actors, despite the challenges this poses.

Guatemala

Guatemala is a context in which an inclusive peace process failed to shift patterns of exclusion, the absence of a social contract remains a driver of fragility, and political parties are vehicles for advancing the interests of powerful private actors with little incentive to represent citizens or improve state responsiveness and accountability.

Power in Guatemala is concentrated in the hands of a business elite that deliberately keeps the state weak and dominates political life. Political parties receive extensive hidden finance from this elite, as well as increasingly from criminal networks. Parties therefore owe their primary allegiance to these groups and act to promote their interests. Guatemala's highly excluded indigenous communities are largely unrepresented in mainstream parties at the central level.

Guatemala's political parties suffer from extreme fragmentation, with parties constantly appearing, splitting and disappearing, and a high level of defection between parties. According to Briscoe and Rodriguez Pellecer (2010: 6), this has facilitated the capture of parties by private interests, because the "constant mutations in political parties have provided opportunities for interest groups and individuals to gain a foothold in the state structure … generating a state that is porous, corroded and criminalized". Unsurprisingly, political parties have little public legitimacy and election turnouts are low.

Briscoe and Rodriguez Pellecer (2010) argue that this situation is due to Guatemala's top-down democratic transition, which prevented parties from emerging as inclusive political forces. Instead, they are beholden to private interests and focused almost entirely on short-term electoral goals, lacking both the freedom and incentives to promote the structural reforms (such as tax and public spending reforms) required to build a meaningful social contract and address the country's ongoing fragility. While there has been significant international support for peacebuilding and democracy in Guatemala, this has not shifted the power dynamics and incentive structures that keep the country's parties dysfunctional and its society unequal. Guatemala's elite has largely rejected international efforts to promote meaningful reform and is likely to continue to do so. However, international actors still have important roles to play, such as supporting oversight institutions and key elements of the judiciary that can help expose and challenge corruption in political institutions.

Myanmar

Myanmar is a country in transition where space is opening for political parties; new relationships are emerging among parties, civil society and citizens; and the political settlement is shifting. It presents a potential opportunity to renegotiate a social contract that is more accountable, inclusive and stable.

Since 2011 democratic reforms in Myanmar have provided new space for political parties. The country currently has 62 parties, although most are not represented in parliament, where the ruling party and military maintain a strong majority (Jesnes, 2014). While this high number suggests that party fragmentation is a challenge, Jesnes (2014) notes that many smaller, ethnically based parties are forming alliances. This apparently demonstrates their willingness to move beyond a limited agenda related to communal interests and work together to challenge ruling-party dominance. Such consolidation could strengthen the ability of Myanmar's nascent opposition parties to effectively aggregate citizen interests and mediate state-society relations.

Jesnes (2014) identifies emerging linkages between civil society and political parties in Myanmar. For example, some CSOs provide capacity-building to parties on issues of democracy and human rights, while on specific issues (such as pressure to abandon the Myitsone Dam project in 2011) CSOs and parties have worked together across ethnic and political lines. Such party-civil society collaboration could potentially play an important role in ensuring that citizens' interests are effectively represented in negotiations over the political settlement and social contract in Myanmar. Indeed, Ten Hoove and Pinto Scholtbach (2008: 22) suggest that strengthening relations between civil society and political parties is critical to "channel specific interests of the population more effectively to those who design and implement policy, as well as aid in strengthening accountability mechanisms".

Jesnes (2014) argues that the next phase of the transition depends on the inclusion of alternative voices in relation to controversial issues, for example, by allowing political parties and CSOs to participate in ongoing peace negotiations between armed ethnic groups and the government. International actors can help press for such inclusion, recognising that strengthening the social contract requires that parties and CSOs can play their part in aggregating and representing citizens' interests in every sphere.

What role for international actors?

A comprehensive and context-based approach

There is increasing awareness among the international state-building community that supporting the development of democratic and accountable state-society relations in FCAS requires more than a focus on electoral processes. However, engagement with deeper political dynamics in FCAS involves risks for international actors in terms of sensitivity, impartiality and involvement with "unsavoury" local actors. This is particularly true of international engagement with political parties.

International actors have a weak record on working with parties in FCAS. Wild and Foresti (2010) argue that there is a general lack of understanding about political parties in the international development community and parties are largely overlooked in development theory and practice. Moreover, they claim that donors' work with parties is frequently not based on local political analysis. As a result, donors fail to understand the role of parties in local political systems and state-society relations, and instead "work with political parties in isolation, using blueprint approaches that assume that the weaknesses of political parties can be treated in the same way in each country" (Wild & Foresti, 2010: 2). While such standardised technical assistance may have some value in supporting election processes, it is unlikely to help parties to effectively mediate state-society relations and build a stronger social contract.

In order to do this, international actors must address how parties relate to the context-specific power dynamics among elites, citizens and institutions, and how such dynamics shape their ability to perform. For example, Ten Hoove and Pinto Scholtbach (2008) identify three different types of challenges frequently faced by parties in post-conflict contexts, all of which require different types of international support. Firstly, parties with a history of being dominant ruling parties tend to have weak accountability to members and voters. Secondly, newly emerging parties in these contexts frequently lack capacity and operate under significant constraints in dominant-party systems. Finally, parties that have emerged from rebel movements must undertake internal reforms to turn authoritarian military structures into consensus-building democratic ones.

International support to parties must be part of broader support to political systems in FCAS. Indeed, Wild et al.

(2011: vii) argue that "As political parties are embedded in wider political systems ... this implies working more at the party system level, on a cross party basis where possible". Support to parties should be integrated into broader work with other institutions that are important for enhancing citizen voice and state responsiveness and accountability, including parliaments, civil society, the media, the judiciary and other oversight institutions (as seen in the Nigeria project referred to above). Such integrated programmes must obviously be based on an understanding of existing relations among these various institutions. In addition, it is important to link work with parties with wider activities to empower citizens to engage with parties and hold them to account.

Priorities for support

While political parties in FCAS experience a range of weaknesses, some of these are particularly crucial to parties' ability to play a more positive role in renegotiating the social contract. These weaknesses should be priorities for international actors concerned with peacebuilding.

One such priority is supporting parties to enhance their internal democracy and external accountability. This can involve providing capacity-building and supporting parties to establish democratic structures and processes. However, as illustrated by contexts such as Guatemala and Nigeria, it must also involve addressing sensitive issues related to incentives that drive party decision-making and the nature of party financing. These are areas where international actors have limited entry points for influence, although they can support local actors seeking to challenge existing party incentive structures.

Another priority is supporting parties in programme development. Valladares Molleda et al. (2014) argue that if parties have coherent programmes that constitute the basis for links with constituencies, electoral competition and policymaking, they are better able to pursue interest aggregation and promote a representative political system and responsive government – all critical for a stronger social contract. Building the policy capacity of parties can be helpful if they have an incentive to develop programmes, e.g. if they want to expand their support base, are newly emerged, and are seeking to create an identity or compete on the basis of different ideological visions. However, it is more challenging if parties are purely electoral vehicles.

Strengthening outreach is another area where parties may require support in order to become effective mediators in state-society relations. Such support can involve helping parties to establish a presence beyond the capital and to establish processes for reaching out to and engaging with a broader group of citizens.

A major challenge for many parties in FCAS is inclusion. Marginalised populations, including ethnic and identity groups, women, and rural or poor populations, are often excluded from party structures and their interests are unrepresented. The international community has promoted quotas for women in many FCAS. These have certainly increased women's presence in parties and parliaments, although assumptions that they would automatically increase women's power in these institutions have not always proved true. In other contexts, such as Nicaragua, quotas have been created for indigenous populations in parties, while in Lebanon an ethnic balance is required on party lists. In some FCAS where exclusion is a driver of conflict, such as Nepal, there has been significant international support to build the capacity of excluded populations to participate in political life. However, such efforts have limited impact unless they also address the structural barriers that block these groups' participation.

Finally, international actors often support reform of party regulations in FCAS. Regulations can shape the ability of parties to effectively represent citizens' interests and mediate state-society relations. For example, Reilly et al. (2008) argue that regulations promoting aggregative, national parties and prohibit ethnic or sectarian parties, as in Nigeria, can weaken links between parties and social constituencies. However, where divisive ethnically based politics can flourish unchecked this can cause instability. International actors must therefore promote regulations that allow the development of parties that can represent the needs of specific ethnic constituencies, while channelling these into an aggregate national agenda.

Actors and tactics

While international support to parties may be generally weak, in some contexts international actors have made progress in addressing the power dynamics, incentives and structural challenges that shape party development. Such successes often involve the use of a wider range of tactics and the engagement of a broader spectrum of actors. For example, Wild et al. (2011) suggest that the Deepening Democracy Programme in Uganda was successful in addressing the challenges of a dominant-party system because it combined grant-making for parties, inter-party dialogue and ongoing monitoring of the political context.

Beyond formal programmes to support parties, international actors can use brokering, negotiation and high-level political engagement to address the challenges faced by parties in FCAS. They can facilitate inter-party dialogue, as in Nepal, where donors have supported a number of policy dialogue initiatives involving political parties. They can also work with individual reformers in parties.

Leveraging a broader range of tactics may require development and diplomatic actors to work together to combine their respective skills in programming and outreach, political networking and convening, and high-level dialogue. It may also involve drawing in security-related international expertise, especially to support parties that are transforming from rebel movements.

Conclusion

There is growing awareness among the international community of the importance of the social contract to peacebuilding and state-building, as well as the role of political parties in shaping it. There must now be a move away from traditional approaches to party support to a more context-based, comprehensive and coordinated approach that supports parties in FCAS to effectively represent citizens, mediate state-society relations and broker a stronger social contract. This involves recognising that parties are integral components of wider political systems and are inevitably embedded in the power dynamics and incentive structures of these systems.

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