

# **IS FINANCING AN OBSTACLE TO THE POLITICAL PARTICIPATION OF WOMEN?**

## **FINAL REPORT**

### **OAS Unit for the Promotion of Democracy, the Inter-American Commission on Women and International IDEA**

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#### **Introduction**

The OAS Inter-American Forum on Political Parties (FIAPP, by its Spanish acronym) has been able to bring together a critical mass of institutions to promote the reform and modernization of political parties and systems in the Hemisphere. Political participation of women has been identified as a principle area of work as well as a cross-cutting theme in FIAPP activities. In partnership with International IDEA, the FIAPP is developing a comparative study of campaign and party finance of the 34 OAS member states, which addresses the effects of financing on the political participation of women. The study divides the Americas into three sub-regions: North America, Latin America, and the English speaking Caribbean and analyzes five variables related to financing: access to the media, disclosure, enforcement, public/private financing and gender.

Steven Griner, Coordinator of FIAPP, clarified that the study is not intended to be merely academic, but a practical and useful guide for reform minded political participants in the region. He also noted that the effects of financing on the political participation of women have not been studied in most countries and there are a number of challenges to obtaining quality information. UPD Executive Coordinator, Elizabeth Spehar pointed out that the objectives of the work shop were to define a methodology to be used as information was gathered and analyzed; to outline a number of preliminary practical recommendations to facilitate the access women have to the political spectrum; and finally, to examine from a comparative perspective the viability of exchanging successful experiences (such as EMILY's List) with other countries of the region.

Carmen Lomellin, Executive Secretary of the Inter-American Commission of Women (CIM), emphasized that the concern for this issue is not something new in the Inter-American system or at a global level. In the 1998 CIM Assembly of Delegates, participants evaluated progress in political participation of women and their presence in the decision-making processes. As a result of this session, an action plan was developed with concrete recommendations to support leadership and negotiation training as well as to promote reform of electoral regimes and political party statutes. In 2000, the CIM hosted the first Summit of Women Ministers of the Western Hemisphere. On the global level, CIM was instrumental in developing the action platform of Beijing, led by the United Nations. Additionally, participants of the 1997 Inter-parliamentary Union meeting, "Towards a Political Alliance between Men and Women" participants

considered the exorbitant costs of campaigns and provided recommendations such as the promotion of a dues system and the establishment of foundations that support women in fundraising. Lomellin noted, though, that while these proposals look good on paper, they are difficult to effectively implement, especially during electoral campaigns.

## **POLITICAL FINANCE AND PARTICIPATION OF WOMEN: STATISTICS AND STAGES OF DEVELOPMENT**

Richard Matland, professor at the University of Houston, affirmed that worldwide, approximately 15% of the members of parliament are women. Scandinavian countries have the highest percentage, close to 40%. As a region, the Americas at 17.5 % rank higher than the world average, but there are substantial variances among countries. Costa Rica, Argentina, Cuba, and Grenada rank among the top 20 countries in the world, with between 26 and 35% representation of women in parliament. Saint Vincent and Grenadines, Nicaragua, Canada, and Guyana average about 20%, while the remainder of the countries' representation drops to less than 19%. The representation of women in parliaments even drops to the single digits in the cases of Honduras, Venezuela, Guatemala and El Salvador.

Matland explained that there are four stages in the process to become a legislative representative, beginning with eligibility, moving from an aspirant, then to a candidate and finally to an elected official. Financing affects each stage differently, depending on factors such as the legal environment, nomination procedures and the political culture. The United States represents a dramatic case, where 51% of the eligible population is female, but only 14% of legislative representatives are women. In the first stage, financial resources are important in determining necessary education level and professional experience to meet eligibility requirements. In this first state, the influence of money varies dramatically; in the United States it plays a decisive role while in the Scandinavian countries the influence is insignificant.

Nevertheless, the step from aspirant to candidate is where there is a dramatic decrease in the presence of women. In this stage, the people and mechanisms used in the parties to select candidates play a more important role than that of money. Evidence seems to indicate that the more open and democratic the selection process, the more costly, adversely affecting women more than men. A more personalistic candidate selection in parties is more economical than caucuses or primaries, such as those utilized in the United States. Similarly, an electoral system that combines proportional representation with closed lists has lower costs than a system in which open lists or single-member districts. Although the process for selecting candidates may be less democratic per se, it may offer more effective mechanisms to promote gender balance. Matland concluded that in parliamentary elections, money is not as relevant of a factor as previous stages of the selection process. This is due in part to the fact that candidates can utilize parties as vehicles to finance their campaigns and the outcome of this fourth stage depends more on those who cast votes than those who contribute.

## **FINANCE AND POLITICAL PARTICIPATION OF WOMEN IN THE AMERICAS**

### **The United States**

Ruth Mandel, Director of the Eagle Institute of Politics, noted that while women's participation in U.S. legislatures has increased from five to 14% over the last 30 years, there are worrying tendencies such the amount of time needed to achieve this growth and the modest progress in meeting international standards. Evoking the dictum “all politics are local”, Mandel emphasized the importance of supporting women at the state and local level. It is at this level at which the greatest advances have been achieved and where success stories have begun. In spite of the obstacles, women are not only winning elections, but are raising more and more significant quantities of funds, according to Mandel. Among the 50 top fund-raising campaigns for the senatorial elections, six were women, with Elizabeth Dole and Jean Carnahan raising 8 million and 7.5 million respectively. In 2000, Senator Hillary Clinton raised US \$30 million surpassing all other women candidates and most men.

Of particular note is the increase in collective fundraising, both in the number of organizations as well as the amount of money. From 1992 to 2003 the percentage of political action committees dedicated to establishing networks and raising money for women increased from 16 to 42%. Some 13% of these organizations worked on at the national level and 29% at the state level. In 2002, these political action committees raised approximately US \$27 million, including US \$22 million raised by EMILY's List. These numbers not only illustrate increased access of women to resources, but a validation of the importance of women supporting women.

Finally, Mandel questioned the dictum made famous by Jessie Unruh, Speaker of the California State Assembly that “money is the mother's milk of politics”. Financing is a necessary condition, but in itself does not guarantee electoral success. A poll examining the motives of women state legislators to run for office revealed that 37% had never considered running until someone else suggested it to them. Only 11% indicated that their running for office was entirely based on personal initiative. The fact that similar results were almost exactly opposite for men reinforces the importance of providing additional incentives essential for aspiring women candidates, including support from friends and spouses, assistance with domestic responsibilities and the existence of networks and organizations for women.

### **Canada**

Despite a relatively low participation of women in legislatures (20.6%), financing in Canada does not appear to represent a significant impediment to political access. Once women officially become candidates, they can raise practically the same amount of money as men, due primarily to party structure and the parliamentary system. Impediments to participation are usually found in the two steps prior to elections, though. Party leadership nominations have been completely deregulated and in some cases have

become extremely expensive. The transition phase between eligible members and candidate aspirants also presents a problem. Public opinion polls demonstrate that women are increasingly uninterested in entering the political realm. Lisa Young, of the University of Calgary, noted that only one-third of the members of the five principal political parties of the country are women. Of this percentage, only one-third are younger than 30. Young concluded that in Canada, it is more important to focus on recruiting and training potential leaders than providing money to candidates.

### **Latin America**

Latin America made significant progress in gender equality in the 1990s. Representation of women in the legislative branch increased from nine to 15% in lower houses and from five to 12% in upper houses. Laura Velasquez, author of the gender chapter of the OAS study, mentioned that several parties have modified their statutes to provide them between 30 and 40% representation in leadership positions in Argentina, Brazil, Chile, Costa Rica, El Salvador, Mexico, Nicaragua, Peru, Venezuela and Paraguay. At the same time, ten of the 18 Latin American countries have passed quota laws and in countries such as Costa Rica and Panama, legislation regarding financing and training for women candidates has been promoted. However, Daniel Zovatto indicated that two trends in the region adversely affect the political participation of women in the midterm. First, while open primaries promote the democratization of the nomination process inside parties, by making the election process more expensive they negatively affect vulnerable groups such as women. Secondly, the adoption of a "preferential vote" system instead of closed lists negates the effectiveness of quota laws by increasing costs and competition among party members. The offsetting combination of increased democratization and promotion of gender equality has a noticeable impact and has become well established in Brazil, Colombia, the Dominican Republic, Peru, and Panama.

### **English Speaking Caribbean**

In the English-speaking Caribbean the average participation of women in parliament averages 13.5%, varying from seven to 25%. There are no quota laws and the electoral systems vary from proportional representation and single-member districts with a first-past-the-post system. The small size of the countries has a significant effect on the political life and electoral process. Although money continues to be a determining factor in electoral success, the type of expenditures varies significantly from those in Latin and North America. For example, due to the small district sizes, it is common that parties and candidates spend more on receptions, dances, transport, posters and food than on media. Participants indicated that women in the Caribbean face similar obstacles that impede access to financing, such as discrimination by party leaders and political contributors. In the Caribbean, however, there is very little awareness or information on political financing for women. As such, it is important to incorporate this perspective on future research and activities concerning political party and campaign financing in the Caribbean.

## **THE IMPORTANCE OF EARLY MONEY: THE CASE OF EMILY'S LIST**

Sheila O'Connell explained that EMILY's List "was born in 1986 with the mission to provide early money to women candidates." Based on a extensive network of contacts, the organization provides periodic information profiles of aspiring candidates and sends to its members lists of six to eight candidates for consideration. EMILY's List "bundles" the money from its membership and makes it available to the respective campaigns. This organization has had substantial success in a relatively short period of time. Raising approximately US \$22 million during the last election cycle, it has increased its donors from 300 to 73,000 and has become the largest political action committee in the country. EMILY's list has supported the campaigns of 55 members of the house, 11 senators and 7 governors. EMILY's list has also increased its range of activities, recruiting and training new leaders and conducting applied research in electoral trends and other themes related to political campaigns. The organization plans to create links between candidates and local legislatures with the goal of helping women overcome barriers to beginning of their political careers.

The requirements to receive support from EMILY's list are simple, but strictly enforced. Aspiring candidates must be Democrats, advocates of reproductive rights and most importantly, have a viable chance of winning. "We say 'no' more often than we say 'yes', but we do this with the conviction that we can not waste scarce resources in our search to increase the number of women elected to important positions," explained O'Connell. She admitted that unequivocally supporting the nomination of women candidates in the primaries has generated tense relations with the Democratic Party. O'Connell sustains, however, that fundraising for women during the primaries does not threaten to replace the work of the party. EMILY's List seeks only to help make more equitable rules of the game and increase political competition.

Is it possible to export this model to Latin America and the Caribbean? Participants considered political parties and electoral systems to be the predominate obstacles in its application. Ligia González from the Political Management Program in Guatemala stated in countries such as those in Latin America where the political process is managed through systems of proportional representation with closed lists, money is not the fundamental obstacle to political participation. Rather it is the strength of political parties to nominate candidates on the lists. Jessica Odle, a former Senator in Barbados, added that an experience like EMILY's List would not be successfully replicated in a political environment like that of Barbados, if one takes into account the size of the country and the disrespect of politics held by the public. "If its about funding women candidates, it is more likely that citizens would give through an independent entity like the National Organization for Women, than to the two traditional political parties."

In spite of the obstacles, there are a number of proposals to adapt the idea of early money to other regions. Laura Velásquez, an Argentine consultant, recommends that in countries like Brazil, where the transition to the preferential vote has been made, early money would offer definitive support to viable candidates in the primaries. Likewise, she suggested that other incentives be offered, such as in-kind contributions, micro-credits,

collaboration and solidarity among women. For example, Judith Lobos, an OAS electoral consultant, highlighted the case of Nineth Montenegro, a member of Congress in Guatemala. Due to lack of financial resources, Montenegro conducted a door-to-door campaign. Not only did she win a seat in Congress, but she was the candidate with the most votes in all of the country. In countries where elections are not as costly as in the United States, small amounts of resources, not necessarily monetary, can make a big difference, added Elizabeth Spehar.

## **EFFECTS OF FINANCING ON GENDER EQUALITY**

According to Julie Ballington of International IDEA, financing negatively affects the participation of women in recruitment and nomination as well as the electoral campaign itself. The high costs of primary elections, the difficulty for women to gain access to donor networks, and psychological barriers generated by men-dominated societies are all dissuading factors. Likewise, women are confronted with the difficulty of covering indirect costs such as family obligations that are inherent in conducting a long campaign and maintaining political support. In some countries, such as the United Kingdom and Canada, legislation allows parties to consider expenditures on childcare as legitimate campaign expenses.

Financing campaigns present formidable obstacles. Theoretically at least, there is greater pressure to raise money in candidate-centered systems than in countries with proportional representation where parties are the focus. There is increasing evidence that indicates that financing affects the participation of women regardless of the electoral system or the role of the party. In party primaries, candidates must conduct parallel campaigns, one to win votes and the other to raise funds. In the case of party lists, many parties require the candidate to provide their own resources to demonstrate viability or to ensure a favorable position on the list. The power of incumbency in many countries, such as the United States adversely affects equitable competition, probably to the disproportionate detriment of women since most incumbents are men. In 1992, "The Year of the Woman", EMILY's List spent US \$6.2 million dollars increasing women's representation in women from two to six percent in the Senate and from six to 11% in the House of Representatives. These statistics illustrate that incumbents—the majority of which are men—have a decided advantage over the aspiring candidates.

Based on the above statistics, Ballington suggested that where women are unable to raise an equal amount of funding as men, spending limits should be promoted, campaigns should be limited and donor networks should be promoted for women. Additionally, public financing could serve to promote gender balance if political parties were required to invest a certain percentage in women candidates. Likewise, public funding could be earmarked for recruitment and training and free media. She added that reform should also take place in political parties. Parties should promote the participation of underrepresented sectors such as women and help make them viable candidates. Finally, quotas should be considered, especially in areas where obstacles to participation such as financing are prevalent.

## **FUNDRAISING FOR PARTIES AND CAMPAIGNS: A VIEW FROM THE TRENCHES**

Leslie Byrne, State Senator from Virginia asserted that “raising money is the art of convincing people to believe in you. When you convince a citizen to contribute a dollar, you are given the assurance that that person will also give you their vote. Their contribution—seemingly marginal—will be equally as important as that of large donors.” She thus concluded that the challenges of fund raising should not be viewed only as a barriers, but an opportunity to persuade new voters and bring together support from underrepresented sectors. According to Senator Byrne, this strategy has helped her raise four million dollars in her 16 years of political life and consolidate a solid base in her district.

Senator Byrne’s experience contrasts with that of Jessica Odle, former candidate for the House of Assembly and former member of the Senate from the Barbados Labor Party. In Odle’s opinion, candidates for parliament face a wide variety of limitations related to one’s socioeconomic background, the manner in which party apparatus functions and the distortions created by regulatory systems. In Barbados, women occupy only four of the 30 legislative seats. According to Odle, “the fact that the four women in the House of Assembly come from the middle and upper class, have high levels of education, are single, divorced or have no children, gives one an example of the perceived criteria for women seeking office.” The situation is exacerbated by a party system that allows for party leaders to control the nomination process and the weak laws and institutions dealing with political financing. In Barbados, spending limits are imposed on candidates, but not parties and candidates are required to report within a specific time period. This contradiction makes it difficult to trace if what has been received and spent by candidates truly corresponds with what has been reported.

Ambassador Sofía Leonor Sánchez, revealed that in the Dominican Republic political parties have shown great resistance to promoting the participation of women in party leadership. The clearest example of this resistance is seen in dismantling of a law imposing spending quotas in the last few years. After having approved a minimum participation rate of 33% for women in both chambers of congress as well as city councils, the Electoral Tribune changed the system of closed lists to one of open tickets with preferential vote. “The practical effect of this legislation promoted by the parties, was the fall of the quota laws, obligating women to run expensive campaigns in search of votes at the base of the districts.” Even when the single list was still in effect, political parties usually fulfilled the 33 % requirement with women lacking electoral viability. Ambassador Sánchez concluded that in the Dominican Republic urgent and profound reform of the internal functioning of political parties is necessary. If this reform is not implemented, financing and institutional mechanisms will continue to obstruct the path to greater political participation of aspiring women candidates.

## **CONCLUSIONS AND RECOMMENDATIONS FOR COMPARATIVE STUDY**

- Political financing and gender equality are not variables independent of each other. Any analysis should be closely linked to electoral regimes, parties systems and forms of governments.
- The political participation of women should be viewed as a process with multiple stages. It is important to illustrate how financing issues affect each stage of the process—from stage one, being a citizen eligible to run for political office, to the final stage of achieving a political office—and what corrective measures can promote greater gender balance.
- Financing should be studied in terms beyond a simple monetary interpretation. Hidden or indirect costs, in-kind contributions, micro credits and seed money are equally as important as large flows of money.
- The success of EMILY’s List demonstrates that the multidimensional and diverse nature of obstacles to women's political participation requires prioritizing areas that need attention. Such prioritization will enable the effective use of limited resources and maximize the impact. In the United States, for example, it was decided to target the problem of financing with an early money strategy. In other countries priorities might include integrating women in closed party structures, addressing regulatory distortions or encouraging the recruitment of women leaders.
- It is also pertinent to study in greater depth the dislike or apparent lack of interest in political activity of women. Preliminary interviews and studies in the United States, Canada, and Latin America show that these feelings could also be an important factor in the explanation of low participation rates of women.
- It is necessary to emphasize the value of motivational and awareness campaigns for women in politics. As Dr. Mandel mentioned, many women participate in the political process only when they receive external motivation to do so.
- Finally, the many efforts of distinct organizations working with issues of gender equality and finance should be coordinated. Examples of programs currently in operation are: Global Action Plan of the National Democratic Institute, “Win with Women: Strengthening Political Parties”; the United Nations has several mandates it is fulfilling under the direction of the Development Fund for Women; and the Inter-American Commission of Women has carries out several initiatives.