

NEW STUDIES OF POLITICAL DECENTRALIZATION IN LATIN AMERICA

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PROCESOS DE DESCENTRALIZACIÓN EN LA COMUNIDAD ANDINA. Edited by Fernando Carrión. (Quito: FLACSO, 2003. Pp. 426. \$10.00 paper.)

DECENTRALISATION AND DEMOCRATIC GOVERNANCE: EXPERIENCES FROM INDIA, BOLIVIA AND SOUTH AFRICA. Edited by Axel Hadenius. (Uppsala, Sweden: Almqvist and Wiksell International, 2003. Pp. 166.)

DECENTRALIZING THE STATE: ELECTIONS, PARTIES AND LOCAL POWER IN THE ANDES. By Kathleen O'Neill. (New York: Cambridge University Press, 2005. Pp. 275. \$70.00 cloth, \$24.99 paper.)

DECENTRALIZATION, DEMOCRATIC GOVERNANCE, AND CIVIL SOCIETY IN COMPARATIVE PERSPECTIVE: AFRICA, ASIA AND LATIN AMERICA. Edited by Philip Oxhorn, Joseph S. Tulchin, and Andrew D. Selee. (Washington, DC: Woodrow Wilson Center Press, 2004. Pp. 351. \$55.00 cloth.)

DESCENTRALIZACIÓN, MUNICIPIO Y GESTIÓN URBANA. By César Pérez. (Santo Domingo: Instituto Tecnológico de Santo Domingo, 2003. Pp. 260. \$25.00 paper.)

The idea of political decentralization has drawn attention and action in Latin America over the past twenty years, for varied reasons. With authoritarian regimes in decline, empowering local communities to choose appropriate public policies for their regions has offered the prospect of deepening democratic governance. Projects to reform the state, in a period of globalization, have often asserted that diffused authority would prove both more efficient and more effective. Local initiatives for development have been more likely to receive increased consideration at a time when sweeping state-led formulas for economic growth have lost prestige.

These five volumes assess decentralizing efforts in selected Latin American nations and are notable, even in a diverse group, for the common ground they share. They differ little in defining decentralization

itself. Using more specialized terms such as “delegation” and “deconcentration” only sparingly, these authors characterize decentralization as (broadly speaking) the diffusion of decision-making powers over specific policy areas, and the resources to implement those powers, from central to local authorities. Virtually all the authors reviewed here assume that redistributing power in this way is potentially constructive, though none is sanguine that maximal gains are likely to be achieved soon. These books and essays also adopt an empirical approach, though they tend to emphasize different sorts of data and some different canons of assessment. Most authors here also recognize the varied forms, pace, sequence, and impact that decentralization processes may display in Latin America. Diffusing political power, these studies argue, may help empower individuals and local communities, or it may cement narrow and undemocratic district authorities. Decision-making authority and financial resources may be redistributed at notably different rates in different nations; a process of decentralization may even be reversed under some circumstances, albeit at some political cost. I assess these volumes comparatively, considering their varied breadth, research styles, findings, and implications. In the case of two of these books, I note their inclusion of cases from beyond Latin America, and I evaluate how evidence from other regions sheds light on decentralization in the Western Hemisphere.

Fernando Carrión has brought together in a single volume a set of judicious and data-rich research papers that were presented at a conference in Quito in late 1999, analyzing decentralization efforts in the Andes since the 1980s. Cosponsors of the conference were FLACSO, the OAS, and the Parlamento Andino. The core of this edited book lies in a set of six country studies: Fabio E. Velásquez reports on Colombia, José Blanes on Bolivia, Alberto Adrianzén and Manuel Dammert (in separate chapters) on Peru, Carlos Mascareño on Venezuela, and Diego Peña Carrasco on Ecuador.

The pattern presented by these authors depicts Colombia and Bolivia as having gone furthest in the Andean region towards decentralization. Colombia progressed primarily through a 1986 law establishing mayoral elections, the new constitution of 1991, and a series of new related statutes, and Bolivia did so through the Law of Popular Participation (1994) and Law of Administrative Decentralization (1995). Colombian elites sought to re-legitimize the national political system, beset by civic strikes in hundreds of mid-size towns. One enduring problem in Colombia, Velásquez reports, is “the interference of the central government in regional and local management,” bringing the nation close to “a model of decentralization that is paradoxically ‘centralist’” (151). The Bolivian government of President Gonzalo Sánchez de Lozada is portrayed as seeking to deflect long-standing pressures for regional autonomy by

empowering hundreds of (individually less influential) municipalities. Peru, by contrast, elected regional governments in 1990, only to have them canceled by President Alberto Fujimori's *autogolpe* in 1992; Dammert describes the Fujimori government as "hyper-centralist" and eager to re-concentrate policy authority and fiscal resources in Lima.

Venezuela's mid-range efforts towards decentralization stemmed largely from the recommendations of a reform commission appointed by President Jaime Lusinchi in 1984. Gubernatorial elections were initiated in 1989, and Venezuelan states could choose which policy functions they wished to assume from the central government. Mascareño expresses concerns over whether decentralization would prosper under the personalist President Hugo Chávez, very recently elected at the time he was writing. Peña Carrasco, rounding out the pattern, describes Ecuadoran legislative plans and commitments for decentralization as having outrun execution. The sources of resistance to applying decentralizing measures, he writes, reside in "the interests of the bureaucracy, the networks (*gremios*) of privileges, the lack of fiscal incentives and the scarcity of social pressure [for decentralization]" (324). Carrión's compilation also usefully includes brief comments from a number of Andean politicians on decentralization, and a thoughtful chapter by the editor that seeks to situate national decentralization processes in the context of transnational integration efforts in the Andean region.

There is a marked tendency among the authors in Carrión's edited volume to focus on legal proposals, provisions, and alterations, while the essays include relatively little specific evidence on policy implementation under decentralization and almost nothing in the way of local-level case studies. Velásquez's essay on Colombia describes legislative measures in almost mind-numbing detail, and Blanes tantalizingly mentions—but does not really describe—community studies he has conducted in Sucre and Cochabamba. Mascareño's chapter on Venezuela is a welcome exception to this generalization: it seeks to measure the impacts of decentralization on state-by-state policy outcomes in health and education, noting some important progress in combating infant mortality. The chapter also reports on an elite survey showing notable support for empowering local authorities. Before one becomes too critical of a law-centered research style, however, it may be well to recall Albert Hirschman's observation that Latin American constitutions are often "aspirational" documents, constructively pointing the way to desired goals. The task of pressing for legal and constitutional changes also quite often serves as a rallying-point or catalyst to identify and inspire the advocates of decentralization in Latin American nations.

Decentralizing the State, by Kathleen O'Neill, is a notably well-conceived and carefully researched study, concentrating on the same

Andean nations and time period as the contributors to Carrión's book. O'Neill agrees that Colombia and Bolivia have decentralized most, Venezuela somewhat, Ecuador hardly at all, and that Peru recentralized under Fujimori. This book's key—and formidable—additional contribution is its crisp political analysis, contending that parties are key actors in decisions on decentralization and that they are most likely to decentralize in a specific situation. That set of circumstances occurs when:

the party in power believes it cannot hold on to power that is centralized in the national government but believes it has a good chance of winning a substantial portion of decentralized power through subnational elections. Decentralization distributes power at one moment in time to the venues where a party's political allies are most likely to win in future contests. Thus, decentralization can be seen as an electoral strategy to empower political parties with reasonably long time horizons. (5)

O'Neill presents detailed case studies to demonstrate why the Conservatives in Colombia under Belisario Betancur (1982–1986) and the Nationalist Revolutionary Movement (MNR) in Bolivia after the 1993 election decided to decentralize, making use of short-lived national power to channel future political resources into local settings where electoral victories were viewed as more attainable over the long haul. This author's analysis also strongly suggests why other relevant decisions were probably made: e.g., why Venezuela's Christian Democratic Party (COPEI) did not act to disperse power when it held the presidency 1968–1973 or 1978–1983, and why Alberto Fujimori, whose party was remarkably weak in voting for local offices, wanted to re-gather power in 1992.

In the concluding chapters, O'Neill relates the model to Latin American nations beyond the Andes. In Argentina and Chile in the 1980s and 1990s, she asserts, parties took into account not just their local and national electoral chances, but also citizens' desire to restore decentralized institutions that had been weakened by intervening authoritarian regimes. In the case of Mexico, the author interprets decentralization under the Institutional Revolutionary Party (PRI) after 1982 as "a controlled opening from above caused by pressures from below" (230). She speculates that the then-dominant "revolutionary" party may have sought to strengthen its national legitimacy, to grant local civil society a voice without real decisive power, and/or to prepare a line of retreat to regional redoubts in case of a national defeat.

Decentralizing the State adopts a fruitfully eclectic methodological style, using varied approaches that include formal modeling, statistical testing, careful small-*n* comparisons, analysis of voting results at different levels, and elite interviews. Field research was carried out in both Colombia and Bolivia, and O'Neill has a good eye for the telling quote

that vividly underscores analytic observations. One area, however, where she may have overlooked significant potential evidence involves the possible influence of international financial institutions (IFIs) and lending nations on decentralization policies. To test for IFI leverage in favor of decentralization, she examines whether decentralization decisions occurred during periods when (according to a variety of measures) pressure on specific nations from external creditors was high. No significant correlation is found between these variables, even when lagged data are considered. However, the influence of outside lenders and aid donors may be subtler and may take hold over a longer term, channeled largely through the education of local technocrats and aid missions' efforts at elite-level persuasion. These effects, perhaps influencing the specific form more than the fact of decentralization, might well not be captured by shorter-term quantitative checks.

Neither O'Neill nor most of the contributors to Carrión's volume emphasize the implementation or impact of decentralization policies, but those are the central concerns of Axel Hadenius and his colleagues in *Decentralisation and Democratic Governance*. "If the intention of the transfer of decision-making capacity and appropriate resources to popularly elected local bodies is to provide a foundation for successful democratic decentralisation," writes Hadenius, "such reforms must be accompanied by efforts to improve the quality of governance among the bodies in question" (3). To identify and suggest such refinements, this book brings together detailed field studies in nations on three continents. The Latin American case is Bolivia, analyzed in a chapter by David Altman and Rickard Lalander, who conducted well-aimed (if brief) field studies in 2002. They visited the municipalities of Cliza and Tarata in the Department of Cochabamba as well as Porongo in Santa Cruz. Their studies accord with those of both Blanes and O'Neill in tracing the 1994 Popular Participation Law to fairly narrow elite political interests, translated into legislation with little grassroots consultation. Although the reform transferred extensive resources to local government entities, Altman and Lalander catalog many of its impacts negatively: national political parties directed revenue-sharing to their own local ends; corruption was commonplace, including the building of pointless public works; and too often local political cultures of confrontation were bolstered. These reports of shortcomings take on additional vividness in light of Bolivian events in 2005, when biting criticisms of decentralization-in-practice helped to mobilize the societal protests that forced President Carlos Mesa Gisbert to resign.

Hadenius's case studies on India (by George Mathew and Anand Mathew) and South Africa (by Robert Cameron) also depict decentralizing reforms that fell far short of idealistic dreams. In India, political elites at both state and federal levels sought to undermine and limit

local institutions of self-government, which they had been obliged to create under “unrelenting” grassroots pressure in the early 1990s. In South Africa, the National Party embraced decentralization just as it was about to lose control of the central government when apartheid was abolished (a pattern that concurs well with O’Neill’s Andean model). After 1996, the governing African National Congress established strong party control over new local authorities, largely by dominating the nominations process. Corruption on the part of local officials, under this system of local-national relations, was often condoned. Cameron describes two cases of malfeasance by mayors, one of which ended with the culprit being removed but given an ambassadorship, and the other with the errant leader winning designation as premier of the province!

The emphasis in Hadenius’s studies on corruption and on continued “shadow” central control through political parties serves as a sobering supplement to the occasionally high-flown legislative schemes that form the central focus of many chapters in Carrión’s volume. Altman and Lalander suggest partial remedies for the ills they diagnose in Bolivia, including allowing nonparty candidacies for local mayor; freeing the official local “vigilance committees” from the requirement to consult the national Senate (!) before vetoing a shady local spending plan; and conducting public-information campaigns on decentralization via the electronic media rather than in print, in a nation where illiteracy is common. In effect, they recommend that decentralization be deepened socially and pluralized politically in order to counter some of the vices that beset Bolivia’s 1994 reform. Drawing lessons from the volume as a whole, editor Hadenius observes:

... the advancement of democratic governance is a two-way process. Different forms of control—from above and from below—need to be at work. To be effective, the two spheres of control should be interlinked and mutually reinforcing. (9)

The Woodrow Wilson International Center for Scholars, undertaking a global survey of decentralization programs, commissioned papers from twelve scholars and hosted a Washington conference early in 2001. This enterprise has produced a wide-ranging and thoughtful edited volume, *Decentralization, Democratic Governance, and Civil Society in Comparative Perspective: Africa, Asia and Latin America*. The project’s focus was deliberately broad, addressing “what has been achieved, what remains to be done, and the identification of the principal actors and issues involved in decentralization” in Mexico, Chile, South Africa, Kenya, the Philippines, and Indonesia (21). Both national forces and local processes are dealt with, “in order to understand better the impact of decentralization on democratic governance” (x). This volume, unlike O’Neill’s book, does not set out to develop and test a rigorous

but limited theory of decentralization. Instead, the key strengths of the Wilson Center study lie in its global range, careful reportage, and the insightful introductory and concluding chapters by the editors.

The two Latin American cases included here are complex, so it is as well that each is examined in two included chapters: Yemile Mizrahi and Leticia Santín del Río analyze Mexican events, while Claudia Serrano and María Elena Ducci investigate Chile. Mizrahi chronicles, as her chapter's title states, "Twenty Years of Decentralization in Mexico: A Top-Down Process." The PRI's goal in partially decentralizing between 1982 and 2000, she writes, was to preserve the party's hegemony by improving its policy performance at the grass roots. She laments that resources were decentralized while national administrators retained effective policy control over functions including education and health, and she notes that opposition parties actually gained some leverage by pressing to extend the decentralization measures that the PRI had hoped would cement its dominance. Santín del Río stresses the relationships among the national state, Mexican civil society, and local governments, showing that the latter two groups pressured the central government to yield some policy control. Democratizing trends, in effect, helped to spur decentralization, rather than the reverse.

Chilean decentralization, as analyzed in this volume, sprang from the interest of the Pinochet regime (1973–1990) to disperse administrative action away from Santiago, without yielding control over money or policies. A series of thirteen multi-province regions were established, whose executives (*intendentes*) were presidential appointees; the dictatorship also de-concentrated the health and education sectors to municipal office-holders, while providing less funding and imposing centralized policy constraints. The restored democratic regime since 1990 has reinstated municipal elections, while maintaining central executive control in the regions. The Chilean case highlights an issue that has cropped up in many national cases of decentralization: if power (even nominally) is to be re-distributed away from the central authorities, exactly which subnational entity should be the recipient of that power? The answer is often heavily influenced by whether regional or municipal authorities appear more pliable, in the calculations of national political elites.

Two findings from the non-Latin American cases in this anthology especially catch this reader's eye. Co-authors Steven Friedman and Carolina Kihato report that post-apartheid South Africa's choice of a "concurrent" form of federalism (similar to that utilized in Germany) was influenced in part by advice to the African National Congress from Germany's Freidrich Ebert Stiftung. Future research, as I suggested earlier in discussing O'Neill's monograph, might well show that specific modes of decentralization may be shaped in this manner by the counsel of outside organizations. On another theme, Gilbert M. Khadiagala

and Winnie V. Mitullah depict Kenya's national state in the 1990s as a "lame leviathan," so economically and administratively ineffective that the nation experienced "decentralization by default" (199, 200). There is an echo here of the comment reportedly made recently by a national policymaker in a financially hard-pressed Central American country: "we decentralize the jobs we can't perform."

Philip Oxhorn's well-crafted introduction to this volume stands out for its openness to many patterns and outcomes in decentralization processes and for its recognition of a perhaps unresolvable tension between pluralist and communitarian visions of local politics. Andrew Selee and Joseph Tulchin, in their concluding chapter, stress that there is no necessary relationship between decentralization and improved democratic governance. They propose three factors that "appear to account for the variance in outcomes": the motivations of key actors, the institutional arrangements employed, and "the uneven texture of state-society relations [that] conditions the effects of decentralization on democratic governance within countries" (296). Selee and Tulchin also observe that too little is known about why some subnational governments are effective in advancing democracy while others are not.

The sources of successful municipal democratization, as it happens, form one of the recurring themes in César Pérez's idiosyncratic volume, *Descentralización, municipio y gestión urbana*. Pérez is a leading Dominican urban sociologist, whose research contributes a welcome focus on the Caribbean region, and on a nation whose limited moves towards decentralization have been understudied. This book brings together varied writings of the author from the end of the 1990s and the early part of the new century—consulting reports, sketches for new legislation, and short pieces that may well have been drafted as newspaper columns. Their richness is accompanied (and slightly limited) by an almost complete lack of information on when and why they were originally prepared.

Most interesting for this reader are Pérez's studies of politics in the province of Salcedo, in the Dominican Republic's fertile central valley known as the Cibao. Though the center-left Dominican Liberation Party (PLD) had only one elected council member in Salcedo in the late 1980s, militants from that party began a public health project—linking public and private resources—that attracted positive public attention. The PLD's leader in Salcedo was Jaime David Fernández Mirabal, a medical doctor and nephew of three politically-active sisters who had become national icons as martyrs to the Trujillo dictatorship in 1960. The party's presidential candidate did very well in the 1990 election, which helped win municipal control for the PLD in Salcedo and Tenares, a neighboring town. Creating and utilizing a new Provincial Technical Office, Fernández Mirabal and his backers carried out a good many

projects in housing, school construction, water supply, and other fields, emphasizing contacts and alliances with grassroots organizations. The prominence of Salcedo's reforms helped propel Fernández Mirabal into national politics; he was elected as vice-president in 1996. However, in Salcedo itself, in 1994 a traditional clientelist party won control in both *municipios*, and popular organizations became markedly less active; many of the "Salcedo innovations" were shelved or abandoned. Drawing lessons from this case, Pérez observes:

Regardless of the difficulties that Salcedo's experiment encountered, it demonstrated that communities, when they unite around projects of political and social development, become the best resource to produce favorable changes in local communities, as well as development. But [Salcedo's experience also showed] that no project of decentralization is viable if it is executed outside a [favorable] national political context, and without an agreement among the parties for such purposes. (60)

Pérez also emphasizes how innovative and development-minded local governments may benefit by collaborating with one another, producing administrative economies of scale in a setting where financial resources are perennially meager.

With the exception of Fernando Carrión's introduction to his edited book, Pérez is the only author among those reviewed here who extensively discusses the links between decentralization and political entrepreneurship among mayors and provincial governors, and decentralization as a spur to political recruitment. Yet if Hadenius's call for "different forms of control—from above and from below" is to be answered, more should be learned about how political incentives might be improved to build and sustain vigorous local political leadership. Just as Pérez's book was being published, the Dominican Republic instituted modest new decentralizing measures: expanding revenue-sharing to local governments, splitting municipal from presidential elections, and dividing a formerly-unified capital city into five (theoretically) co-equal municipalities. In years to come, more studies of local political leadership in the modestly revised Dominican setting may well be forthcoming.

Several of the astute political analysts whose work I have reviewed sound notes of pessimism about the quality and future of Latin American decentralization programs, especially in the Andes. Lautaro Ojeda Segovia, assessing the laws establishing all five Andean decentralization programs, observes: "two phenomena stand out: formalism and legalistic exaggerations, together with the slight importance that the majority of politicians and rulers gives, in practice, to observing the [decentralizing] norms" (Carrión, 69). Although she remarks that diffusing power to local levels is often popular, O'Neill worries that the current sharp decline of institutionalized political parties may

undermine decentralization efforts. "Debates over the fiscal and democratic benefits that decentralization might bring," she writes, "may soon become a quaint memory as the forces underpinning decentralization dissipate" (13).

Further local-level studies of decentralization may help us grasp how well-founded these worries may be. Additional well-designed, careful, and comparable research on cities, towns, and regions would build upon the advances already made in cataloging legislative changes and assessing party strategies at the national level. Though decentralization laws have sometimes (as in Colombia and Mexico) been prompted by popular pressures, they have always been prepared by national political elites with motives that may well be mixed. The cascade of legislation that is often involved sometimes promises more local autonomy than it delivers, and revenue-sharing is notoriously subject to intricate definitions of base amounts, earmarking, and rates of transfer that may work against local government entities. As has been seen, national political parties and bureaucracies may try strenuously to maintain centralized control of a "decentralized" system, from behind the scenes. Community and district studies, exemplified by Ducci's essay on the Chilean regions, Altman and Lalander on Bolivian towns, and Pérez on Salcedo, can specify how nationally-designed projects interact with local leaders, voters, and priorities. Such research might provide a deeper understanding of why decentralization programs fare differently in different settings, evaluating the roles of legal design, financial flows, political motivations, calculations, and career patterns.

One specific strategy for local research that might economize on resources—and even aid decentralization efforts indirectly—would be to examine reported local "success stories" rigorously. In many Latin American nations a short list of communities is often reputed to have advanced farther than others in creating or utilizing decentralization schemes. (Both Hadenius's team in Bolivia and Pérez in the Dominican Republic utilized this approach, in part.) Are these accounts correct? If so, what has helped those communities to thrive? Grassroots political entrepreneurs may be devising new stratagems that serve local interests more faithfully, while advancing those same local politicians' interests and careers. Identifying and describing such patterns may also prove constructive in a practical sense. Well-crafted analyses of local accomplishments may help spread fruitful innovations, creating a positive dynamic within the complexity of Latin American decentralization programs.