

**Institute of Social Studies**

***GRADUATE SCHOOL OF DEVELOPMENT STUDIES***

**The Implications of the Popular Participation Law on Local Governance  
Conditions in the Bolivian Municipalities**

*A research paper presented by*

**Alejandra Inés Bustamante Antezana**

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**Members of the Examining Committee**

**Prof. A.H.J. Helmsing  
Dr. Dan Smit**

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**Enquires:**

***Postal Address:***

**Institute of Social Studies  
P.O. Box 29776  
2502 LT, The Hague  
The Netherlands**

**Telephone : -31-70-4260460**

**Telefax: -31-70-4260799**

**e-mail: [postmaster@iss.nl](mailto:postmaster@iss.nl)**

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***Location:***

**Kortenaerkade 12  
2518 AX, The Hague  
The Netherlands**

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## Section 1: Introduction

The purpose of this document is to provide a comprehensive overview of the project's objectives, scope, and timeline. This document is intended for the project team and stakeholders. It will outline the key goals, deliverables, and milestones of the project. The project is expected to be completed by the end of the year. The project manager will be responsible for ensuring that the project is completed on time and within budget. The project team will consist of several members, each with specific roles and responsibilities. The project will be managed using a structured approach, with regular communication and reporting. The project will be subject to regular reviews and updates. The project will be completed by the end of the year. The project manager will be responsible for ensuring that the project is completed on time and within budget. The project team will consist of several members, each with specific roles and responsibilities. The project will be managed using a structured approach, with regular communication and reporting. The project will be subject to regular reviews and updates.

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## ABBREVIATIONS

|              |   |
|--------------|---|
| <b>CSOs</b>  | Civil Society Organisations   |
| <b>DLG</b>   | Democratic Local Governance   |
| <b>PPL</b>   | Popular Participation Law   |
| <b>LAD</b>   | Law of Administrative Decentralisation                              |
| <b>TBOs</b>  | Territorial Base Organisations                                      |
| <b>VCs</b>   | Vigilance Committees  |
| <b>PDMs</b>  | Municipal Development Plans   |
| <b>AOPs</b>  | Annual Operational Programs   |
| <b>LGs</b>   | Local Governments   |
| <b>HPs</b>   | High Performers   |
| <b>LPs</b>   | Low Performers  |
| <b>MNR</b>   | Movimiento Nacionalista Revolucionario                              |
| <b>EU</b>    | European Union  |
| <b>UNDP</b>  | United Nations Development Programme                                |
| <b>USAID</b> | The United States Agency for International Development              |
| <b>VPEPP</b> | Viceministerio de Planificación Estratégica y Participación Popular |



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# 1. Introduction

## 1.1 Justification

Decentralisation is considered a crucial element to achieve good governance, being participation, transparency, accountability and equity the main characteristics of it. However, decentralisation is just one of the elements of good governance, other aspects are part of this process, such as democracy, civil society organisations, formal grievance procedures and institutional networks. In the Bolivian case, the Popular Participation Law (PPL) generated the legal framework for a more active participation of the population in the local development process, formalising and amplifying the participation and social control processes. The PPL meant the most important redistribution phenomenon during the last years in Bolivia, not only of responsibilities but also of resources and rights between the local governments and -what makes it even more special- the civil society. However as any radical change, the Bolivian decentralisation process is still a mix between achievements and failures.

In order to integrate the civil society organisations in formal mechanisms of participation and accountability, the PPL created two forms of civil society representation, the Territorial Base Organisations (TBOs) and the Vigilance Committees (VCs). The TBOs are all kinds of territorial organisations that have legitimacy of representation in the area, like indigenous communities, peasants unions, neighbourhoods organisations and others. The TBOs were defined as the target group of the law. In addition, the most important mechanism of accountability created by the PPL were the Vigilance Committees (VCs). The VCs are elected by the local TBOs and constituted by one TBO representative per canton or district. They acquire the right to supervise the conduct of local governments.

The last 'Study of the Evaluation of Municipal Institutional and Management Capacity' of the Viceministerio de Planificación Estratégica y Participación Popular (VPEPP), identified the elements that condition the municipal capacities, between the most relevant they found:

- The political-party composition of the councils, where high levels of fragmentation were found negative for the performance of the municipal councils
- The high and fast rotation of the mayor as a result of a bad use of the 'voto constructivo'<sup>1</sup>
- The institutional relationship between the council and the executive body

- The composition and the capacity of the Vigilance Committees VCs
- The Municipal Development Plan (MDP) and the way it was elaborated

These factors have a strong political and participatory core, both basic components of local governance. The relevance of these factors in the results of the implementation of the PPL is without doubt important.

Accordingly, the research paper will attempt to explain to what extent the PPL in Bolivia has created the conditions of good governance, through the implementation of formal mechanisms of participation and accountability. Regarding this purpose, a contribution for better understanding of the relationship between decentralisation and local governance is the ultimate desired contribution of the paper.

## 1.2 Definition of the Research Questions

The research question that guides the analysis of the research paper has been defined as follows:

**To what extent the creation and implementation of mechanisms of accountability, transparency and participation generated through the PPL in Bolivia has created the conditions for good governance in the Bolivian municipalities?**

In order to contribute to the answer of the research question other sub-questions that guide the research has been formulated, these are:

1. Which are the characteristics of the Bolivian decentralisation process?
2. Which are the actors that lead the participation processes and the mechanisms of accountability and which are their roles?
3. How was the implementation process of the PPL? Which were the main limitations and advances in the process after 8 years of its promulgation?
4. To what extent the performance of the local governments in terms of public investments execution has been a result of good local governance inputs?

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<sup>1</sup> The 'voto constructivo' is the capacity that the council has in order to change the mayor after an annual evaluation of his/her government.

### **1.3 Description of the content**

The content of the paper has been organised in four parts. The first one is the theoretical framework, where the concepts of decentralisation, local governance, accountability and participation shaped its basic content. The description of the contextual part is the second part of the research, in which the main components of the two principal decentralisation reforms, the Popular Participation and the Administrative Decentralisation Laws, are explained and characterised.

The third part of the research is the analytical part, in which the analysis of the variables is divided in three levels: the first one correspond to what it is defined as the 'local governance inputs', identified in this case as the mechanisms of participation and accountability created by the PPL. Next, an intermediate level is defined as the 'local government potentialities', referred mainly to three types of potentialities: the political, the administrative potentiality and the capacity to act with transparency. Finally, the third level correspond to the 'public administration outputs' or the supply side, represented by the performance of the local governments in terms of public investment executed.

### **1.4 Methodology**

The research is based in the study of a sample of municipalities that represent almost the 20% of the universe, meant in the case of Bolivia, a sample of 62 municipalities out of 314. The main criteria for the selection of the sample was the preliminary qualification of local government's performance in terms of the evolution of the public local investments executed between 1994 and 2000. Regarding to this, the sample is sub-divided in two samples, one that includes the cases of apparent 'low' local government performance and the second, compound by the cases of apparent 'high or good' local government performance.

The purpose of the analysis is to try to determine if this apparent 'good' and 'bad' local government performance is consequence of good or bad local governance conditions. In other words, to analyse the relationships between the local governance inputs and the public administration outputs in the Bolivian municipalities.

### **1.5 Limits of the Research**

In the Bolivian case fortunately after the implementation of the PPL, a great effort to enrich the knowledge of this new process has been a continuous concern for the national institutions,

as the Viceministerio de Participacion Popular. Therefore, now it is possible to rely on comprehensive municipal databases and papers about the theme for further researches. Considering this advantage is that I intend to analyse the local governance process in Bolivia based in the analysis of secondary data sources. Logically, this has big limitations for a deeper analysis of the local governance processes, thus the goal of the research is to try to identify the evidences of good or bad local governance practices but will not try to analyse the peculiarities of each case.

## 2. Theoretical Framework

*Local governance can be considered as the missing link between decentralisation and local development (Nijenhuis, 2002).*

Decentralisation has become a central issue in development and in the development debate (Helmsing, 2001). Earlier, the decentralisation processes were mostly restricted to the public administration institutions, as a way to achieve higher efficiency, due to the crisis of the centralised developmental state. In the last years decentralisation has been extending its dimensions, opening bigger room for civil society- and private sector participation. Decentralisation has ceased to be a local-government affair and has turned into a local-governance issue (Helmsing, 2001). Given the evolution in the decentralisation processes, in which the interaction of the public with the private and civil society organisations is a key element, local governance has become an important dimension of decentralisation.

### 2.2 Governance

Governance is based on a new style of government, different from the hierarchical control and characterised by a bigger co-operation and by interaction between the state and the non-statal actors. Governance is an umbrella concept, which has given birth to a wide range of theories and conceptual frameworks, expressing processes in which the three main components of a society interact: the state, the private sector and the civil society.

According to the 'Sustainable Urban Development' report (E.U. Oct, 1999), governance refers to the system of decision making in a town or a city and embraces local- and central government, civil society organisations and the private sector; where five main components are crucial in order to achieve good governance, these are:

- Decentralisation, meant as getting closer to the people
- Democracy, representation and legitimacy of local government
- Accountability, corruption and transparency
- The rule of law and human rights
- Civil society participation

On the other side of the coin, and maybe an easier way to understand the concept of governance is to understand what 'bad governance' is, this has been associated with an excessive concentration of decision making-authority and closed decision making processes;

unstable and unpredictable legal framework; excessive rules and regulations; unclear definitions between public and private resources and interests (European Union, 1999).

An important point that has to be emphasised, is that governance does not only refer to government organisations and their performance, but it basically refers to the way that the three actors identified interact in terms of governance.

### **Governance, some definitions**

The term used as "good governance" has typically meant concern about civil service reform; the encouragement of efficient governmental organisation and the strong encouragement of transparency and accountability in government. This include the conduct within a country of free and fair elections; the existence of a reasonably well organised and competitive party system; a delineation of, respect for, and protection of basic liberties and human rights within the society; and the encouragement, support and active participation of a vigorous civil society and, in particular, strong interest groups  
(Rosenbaum, 1999)

"Governance concerns the relationship between the state and society, between the rulers and the ruled, the government and the governed"  
(Halfani, quoted by Nijenhuis, 2002)

As development paradigm, the concept of governance has been related to the local level, decentralisation processes and democracy. Local governance is the sum of the many ways in which individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting on diverse interests may be taken. It includes formal institutions and regimes empowered to enforce compliance. As well as informal arrangements that people and institutions either have agreed to or perceived to be in their interest

(The Commission on Global Governance, quoted by Barten, Perez, Espinoza & Morales, 2002)

"Governance is the exercise of political, economic and administrative authority in the management of a country's affairs at all levels. Governance is a neutral concept comprising the complex mechanisms, processes, relationships and institutions through which citizens and groups articulate their interests, exercise their rights and obligations and mediate their differences"  
(UNDP, quoted by European Union, 1999)

According to UNDP, governance has three bases: "Economic, participatory and administrative. Economic governance includes decision-making processes that affect a country's economic activities and its relationships with other economies. It clearly has major implications for equity, poverty and quality of life. Political governance is the process of decision-making to formulate policy. Administrative governance is the system of policy implementation. Encompassing all three, good governance defines the processes and structures that guide political and socio-economic relationships

(UNPD, quoted by Barten, Perez, Espinoza & Morales, 2002)

There is neither a universal concept nor a unique model of good governance. Governance processes will find different conditions and environments not only in different countries, but also in different cities within the same country. However, there are some conditions that can enhance the government in different situations, for instance, a vigorous democratic system and a dynamic, transparent and efficient local government.

Good governance is characterised by being participatory, legitimate and acceptable for the people, transparent, flexible, accountable and effective and efficient in the use of the resources oriented to the delivery of services. It is considered to be 'good' when four conditions are met: accountability, transparency, participation and equity (Nijenhuis, 2002). In this sense, participation and representation of women, ethnic, religious or political minorities in local elections should be seen as an important criteria of good governance (European Union, 1999).

### 2.1.1 Democratic Local Governance

The increasing attention paid to both decentralisation and governance led to focus on the role of local government, since this government level is viewed as the most responsive to a population's demands, being the best suited to achieve good governance and stimulate local development (Nijenhuis, 2002).

The major promise of democratic decentralisation, or democratic local governance (DLG)<sup>2</sup>, is that by building popular participation and accountability into local governance, government at the local level will become more responsive to citizen desires and more effective in service delivery. DLG comprises a number of aspects in addition to participation and accountability; performance in service delivery, resource allocation and mobilisation, and degree of power devolution are among the most important ones. But what makes DLG different DLG from earlier forms of decentralisation is the inclusion of: Participation is to give citizens a meaningful role in local government decisions that affect them, while accountability means that people will be able to hold local government responsible for how it is affecting them (Blair, 2000).

DLG has been advocated for what it is and for what it does, as a process or as an end in-itself and as means to further ends in this case outputs of DLG. On the process side, through participation DLG promises to increase popular input what local government does, and through accountability it bids to increase popular control over what local government has done or left undone. On the output side, DLG finds its justification largely in the ideas that it can improve local service and that for a good number of donors it can contribute significantly to poverty reduction as well (Blair, 2000).

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<sup>2</sup> Sometimes different donors have developed their own concept of good governance; in this case DLG has been introduced by UNDP.

### The two sides of Democratic Local Governance

| Democracy (inputs) | Public Administration (outputs) |
|--------------------|---------------------------------|
| Politics           | Management                      |
| Participation      | Service Delivery                |
| Demand side        | Supply side                     |
| Decision-making    | Policy implementation           |
| Civic Education    | Institution building            |

Source: USAID, 1998

The central and perhaps the most powerful element of good governance in this context is accountability, which in turn has political, administrative and legal dimensions.

Participatory governance aims to overcome the problem of asymmetric and non-easily accessible information by introducing maximum transparency and sharing of information in a process that includes all stakeholders and leads to joint decision making wherever feasible. Since information is not just a technical matter, there is also a socio-political dimension. The fact that various kinds of information are held and supplied by various kind of stakeholders in a participatory process increases the chances of them taking ownership (Shneider, 1999).

Democratic local governance could be interpreted equally as a revolutionary factor or as required complement neoliberal policies. On the other hand, the concept could generate expectations in relation to the local level as a solution to development problems, the building of democracy and the safeguarding of governance. This illusion could lead us to underestimate the impact of macroeconomic factors on the feasibility of development, as well as the determining role of the social order on the governance of the country (Barten, Perez, Espinoza & Morales, 2002).

## 2.2 Accountability

Accountability is not only a crucial element of good governance, but also a necessary condition for it. Said in a simple words, accountability was defined by Burki as 'who is responsible for what'. What accountability seeks, is to enhance transparency in the actions and decisions taken by the governments. In order to achieve this transparency, access to information that allows stakeholders to have knowledge about the uses of the resources managed by the governments is very important.



Good governance implies among other things responsive government. Elected and appointed officials in all branches of local government and state agencies acting at the local levels, should be responsible for and accept criticism of their acts. Incompetence, failure, deceit, patronage, nepotism and mechanisms for holding elected and appointed officials accountable to stakeholders in the city (European Union, 1999).

UNDP definition considers accountability as 'the requirement that officials answer to stakeholders on the disposal of their powers and duties, act on criticisms or requirements made of them, and accept some responsibility for failure, incompetence or deceit' (quoted by Nijenhuis, 2002).

Accountability takes various forms; Polidano and Hulme distinguish between administrative and political accountability. Administrative refers to control within the government institutions and includes input-oriented control (human resources, financial) and output-oriented (service delivery). Political accountability refers to direct responsiveness to civil society: government employees must be responsive to directly elected representatives, who in turn must be open and straight with the open public (Nijenhuis, 2002).

Blair distinguishes six mechanisms of public accountability (each of them with different relevance) these are democratic elections, strong civil society organisations, the media, formal grievance procedures, and public opinion surveys and public meetings. Blair defines, and to certain extent, assesses these mechanism as follows:

- **Elections** can be powerful tool for accountability because opposition's political parties make for a powerful engine for enforcing accountability. However, this scenario requires a strong party system at the local level, which is often not the case.
- **Civil Society** is usually defined as organisational activity between the individual, the family and the state. Its democratic role is to advocate for constituencies, to act as watchdog over the state, and to support political competition. Strong civil society is essential for public accountability.
- At the macro level **the media** have two basic roles. The most important is to make political news public. Only people that know what is going on, good and bad can they hold their government accountable. Without vigorous media to spread it, political news remains the property of inside few. The media's second role is to help uncover government misdeeds. Though at the local level this role become more unrealistic.

- **Formal grievance procedures**, refers to formalise mechanisms through which the population can complain and denounce irregularities in the public administration. This is the case of the Vigilance Committees in the Bolivian case.
- **Public opinion surveys** another instrument of accountability by building local capacity to design and conduct them. But quite restrictive for developing countries.
- **Public meetings** are another way to insert civic opinion into local governance.

Some of these instruments (media, surveys) exist independently of the local governance structure, while others (local elections, public meetings and formal procedures) exist only as a part of them.

According to Blair conclusions a number of approaches can work, there is no 'one best way' to promote accountability. Also, for accountability to be effective, several instruments must take root and succeed. Many of these approaches will take a long time before they function properly, and indeed may never do so fully. There is no apparent sequencing of appropriate mechanisms.

Decentralisation can be seen as the instrument for achieving this conditions, since decentralisation, particularly democratic decentralisation contribute to transparency and accountability at the local level.

### 2.3 Decentralisation

Decentralisation cannot be easily defined, since it is a process that involve several aspects, such as financial, political and administrative; however in a simple way, decentralisation can be understood as a process opposite to centralisation.

Decentralisation is a complex process, not only because its multiple dimensions but also because its different forms. Three main forms of decentralisation have been defined: deconcentration, delegation and devolution. According to Litvack, these concepts refer to three different situations, described as:

Deconcentration, occurs when the central government disperses responsibilities to certain services to its regional branch offices. This does not involve any transfer of authority to lower

levels of government and is unlikely to lead to the potential benefits of pitfalls of decentralisation.

Delegation refers to a situation in which the central government transfers responsibility for decision making and administration of public functions to local governments or semiautonomous organisations, that are not wholly controlled by central government but are ultimately accountable to it. This form of decentralisation can be characterised as a principal-agent relationship with the central government as the principal and the local government as the agent.

Devolution, a more extensive form of decentralisation, refers to a situation in which the central government transfers authority for decision-making finance and management to quasi-autonomous units of local government. Devolution usually transfers responsibilities for service to municipalities that elect their own mayors and councils, raise their own revenues, and have independent authority to make investment decisions. In a devolved system, local governments have clear and legally recognised geographic boundaries over which they exercise authority and within which they perform public functions (Litvack, 1997).

A fourth form of decentralisation is also recognised (sometimes considered as delegation); this is the economic decentralisation, also called 'market decentralisation' and is referred as the situation in which functions and responsibilities are transferred to the private sector. Privatisation and deregulation are used to transfer former governmental functions to enterprises, community groups, co-operative and other NGOs. It can imply that services are entirely provided by enterprises, or through public-private partnerships (Nijenhuis, 2002).

In relation to these definitions, two important conclusions can be drawn. One is that decentralisation attempts to achieve different objectives, and second, that it can use different instruments. Both, instruments and goals have common character; these instruments are fiscal, political and administrative and they define the extent to which intergovernmental relations are deconcentrated, delegated or devolved

Fiscal decentralisation is about the definition of who sets and collects what taxes, who undertakes which expenditures, and how any 'vertical imbalance' is rectified.

Political decentralisation has the purpose of seeking for a better accountability from the political authorities towards the society, to improve the popular participation and representation. It refers the extent to which political institutions map the multiplicity of citizen interests onto policy decisions.

Administrative decentralisation, is concerned with how political institutions, once determined, turn policy decisions into allocative (and distributive) outcomes through fiscal and regulatory actions (Litvack, 1997).

Why decentralisation? There are certain factors considered, as positive effects of decentralisation like the decentralisation, and therefore the fragmentation of the power, also decentralisation enhances and creates additional space for civil society by generating more options of participation in civil society organisations. Another possible benefits of decentralisation are an increased flexibility in the responses of the local authorities of the demands of the local population, and inversely, local people tend to respond more positively to a government that is closer to them (Rosenbaum, 1999). Additionally, the more government is decentralised and the stronger the local governance capacity, the more opportunities in essence, the more arenas are provided for the emergence of civil society institutions (UNDP, 1996).

However, decentralisation also has potential problems, as the same Rosenbaum suggests: "Just as opening up more venues for individual actions creates more possibilities for people to behave well, it also provides, more possibilities to behave poorly". For instance, in regard to fiscal matters, the danger of irresponsibility is particularly great if local governments do not have the responsibility for raising their own revenue. Individuals who do not have to be accountable for the imposition of taxes and fees, as result of simple human nature, are likely to be less accountable in terms of how they expend the resources available to them. Another related potential problem is that local entities, even when well intentioned and responsive, are in fact likely to have a narrower perspective in terms of issues of broad public policy and well-being than larger units of government.

As can be seen, the debate about the pros and the cons of decentralisation is still relevant. But exist different reasons why decentralisation is becoming a world-wide process, like the weaknesses of the centralised state in relation to the provision of public services. The failure of the state to provide public services has had as a result two situations, on one hand an increased emphasis in privatisation processes, and on the other, an increase of the role of the civil society, in particular NGOs and community-based organisations. Another justification, a political reason, is the need to bring economic and political systems closer to the people, in some cases as a strategy for the preservation of the national political system in itself.

Finally, it is important to consider that there are many factors that affect the actual form of decentralisation adopted in any country. Several factors influence the nature of decentralisation in each case, like: the number of sub-national units, the wealth and sizes of each unit, the distribution of functions, the nature of the 'common' institutions, the constitutions, the technical characteristics and public objectives of certain public goods, the current political situation, between the most important (Litvack, 1997).

## **2.4 Participation**

Decentralisation and participation to some extent support each other. On one hand, participation increases the involvement of the civil society in decision-making processes in areas that affect their interests and therefore strengthens an effective decentralisation. On the other, decentralisation enhances participation especially through democratisation, in other words, decentralisation contributes to more democratic of municipal governance, by facilitating local participation in municipal decision-making.

The processes of participation refer the ways in which poor people exercise voice through new forms of inclusion, consultation and/or mobilisation designed to inform and to influence larger institutions and policies (Cronwall, 2002). There is a focus on both, a more active and engaged civil society, which can express demands of the citizenry, and more responsive and effective state, which can secure the delivery of needed public services. Citizenship as participation can be seen as representing an expression of human agency in the political arena broadly defined; citizenship as rights enables peoples to act as agents (Lister, 1998)

But, what is civil Society and what does it represent? Civil society represents individuals and organisations, formally organised or not, who interact in different spheres of social, economical and political life bounded by formal and informal norms and regulations. Its protects rights and interests of citizens and they organise and mobilise the poor and other disadvantaged groups.

Through Civil Society Organisations (CSOs), citizens interact with state organisations demanding more accountability and responsiveness. They are a basic source of information about citizens' demands, needs and expectations. CSOs provide the skills and institutions to socially monitor the way in which government is conducted and the private sector develops its activities. (European Union, 1999). At the local level, a growing emphasis on the co-production and co-management of services has also served to create new spaces for

citizen involvement, as the 'owners' –and to some extent the 'makers and shapers', rather than simply 'users and choosers'- of services (Cronwall & Gaventa, 2002).

This type of participation is generally referred to as political participation, and it can be direct or indirect. Indirect political participation refers to the ability to elect representatives and can also be defined as representative participation. Direct political participation means the actual sharing of the population in local decision-making processes and the process of planning, formulating and implementing public policy, through legally recognised mechanisms. This assumes direct interaction and its institutions as equal partners (Nijenhuis, 2002).

Participation also can be understood as a condition for achieving accountability, since suppose the inclusion of the population in the decision-making process as a result of a democratic decentralisation. Participation in decision-making is central to enabling people to claim their rights and at the same time enhance their organisations.

### 3. CONTEXTUAL FRAMEWORK

*Decentralising key authorities and functions of governance from the centre to regions, districts, municipalities and local communities, is an effective mechanism for enabling people to participate in governance... Is therefore a major determinant of whether a nation is able to create and sustain equitable opportunities for all of its people (Mr. Chabir Cheema, UNDP 1996)*

#### 3.1 Bolivia and its Diversity, some facts about the country

The decentralisation reforms that radically changed the Bolivian public administration system and the traditional relationship between the civil society and the public sector, obviously were not implemented in a vacuum. The understanding of over which conditions the decentralisation reforms were implemented is a key element for a deeper evaluation of these reforms. Therefore, just a brief view of the facts that better describes Bolivia and the Bolivian socio-economic situation is what follows as an introduction to this chapter.

| Country's facts                       |                                  |
|---------------------------------------|----------------------------------|
| Extension:                            | 1,098,571 sq. Km                 |
| Population:                           | 8,274,325                        |
| Population Density:                   | 7.53 inhabitants per sq. Km      |
| Percentage Rural population:          | 38%                              |
| Percentage Urban population:          | 62%                              |
| Structure of the population in years: |                                  |
| 0-14 years:                           | 37.8%                            |
| 15-64 years:                          | 57.7%                            |
| > 65 years :                          | 4.5%                             |
| Indigenous population:                | 4,2 million (>50% of total Pop.) |
| Ethnic groups:                        | 37 groups                        |
| Infant mortality:                     | 57.52 deaths/1,000 live births   |
| Life expectancy:                      | 64 years                         |
| Illiteracy Rate:                      | 12.93%                           |
| Urban illiteracy:                     | 6.24%                            |
| Rural illiteracy:                     | 25.17%                           |
| Population below poverty line:        | 70%                              |

Sources: The World Fact Book 2002 [www.cia.gov](http://www.cia.gov)  
 Instituto Nacional de Estadística [www.ine.gov.bo](http://www.ine.gov.bo)

### 3.2 The Bolivian model of Decentralisation

Traditionally, the Bolivian political and administrative organisation in Bolivia has been highly centralised and constructed from a top-down perspective. The central government has been the source of authority, delegating limited responsibilities and resources to centrally appointed departmental officials (prefects). However in the last eight years radical changes towards the most pure form of decentralisation (devolution), has been implemented, shifting this traditional pattern. These reforms changed especially the role and the importance of the municipalities in the local development processes.

There are four main components in the Bolivian legislation that shape the legal framework on which the decentralisation and participation reforms in Bolivia are based, these are:

- **The Political Constitution of the State**<sup>3</sup>, in which Bolivia is defined as a unitary country with two levels of government, the national and the municipal. In addition, the first article of the Constitution declares Bolivia as a free, sovereign, multiethnic and multicultural country, showing respect to the multiethnic diversity as an elemental key for participation.
- The **Popular Participation Law (PPL)**, that basically transfers resources and responsibilities to local level governments and recognises community organisations according to their uses and customs, giving them a legal status for participation.
- The **Law of Administrative Decentralisation (LAD)**, which transfers and delegates technical and administrative responsibilities to the departmental level of the executive power: the prefectures.
- Additionally to these reforms, the **Law of Municipalities** re-organises and ratifies the Municipio (municipality), as the territorial basic unit of the public policies.

The decentralisation process in Bolivia at the municipal level is indeed political (amplify jurisdictions, recognise equality, transfer taxes), economic (allocate resources) and administrative (transfer responsibilities). In the departmental level, a delegation of technical-administrative responsibilities not exclusive from the national executive power is implemented. As a result, a peculiar deconcentration, which includes planning capacities, programming and orientation of departmental investments takes place (VPEPP, 2000).

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<sup>3</sup> Which last reform was made in February of 1995, under the former presidency of Gonzalo Sanchez de Lozada. Two months later the Popular Participation reform was implemented.



### 3.2.1 The Popular Participation Law (PPL)

#### *Historical Background*

Since 1982, when the democracy was re-established in the country after a long period of dictatorial regimes, a continuous mobilisation demanding the decentralisation of the Bolivian public administration was initiated. These mobilisations were led especially by urban civic associations called 'Comites Civicos' that pursued the 'federal decentralisation' of the country.

An additional influence was the strengthening of the political participation of some indigenous groups, as it was the Katarista movement in the region of the Andes. It is important to notice, that even though the national revolution in 1952 gave political power to the labour class and the peasant population through the land reform, the nationalisation of the mines and the universal vote, forty years later the socio-economic situation in the indigenous population was practically intact (Gascó & Navarro, 2002)<sup>4</sup>. Furthermore, the distribution of the public resources had a strong urban bias, since the 91% of the national resources were concentrated in the capital cities of the departments, giving just the remaining 9% to the rural areas.

However, the implementation of the PPL was not only originated as an answer for these demands, but also as a consequence of a global decentralisation trend. Actually, the PPL was a part of an ambitious structural changes proposed by the government of Gonzalo Sanchez de Lozada (MNR), between 1993 and 1997. The package of reforms implemented by this government was called 'Plan de Todos' (Everyone's plan), which main purpose was to consolidate the shift of the Bolivian economy towards a free market economy. The most important of these reforms were: The Educational Reform, the Capitalisation Law (Bolivian privatisation version), the Pension's System Reform, reforms to the Constitution, the Popular Participation Law and the Law of Administrative decentralisation.

Therefore the decentralisation in Bolivia was not only the result of the political pressure but it was also a strategy to improve the administrative efficiency of the public sector (Gascó & Navarro, 2002).

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<sup>4</sup> It was precisely the leader of the Movimiento Revolucionario Tupak Katari de Liberación (MRTKL), Victor Hugo Cárdenas, who participated in the government of the Movimiento Nacionalista Revolucionario (MNR) -the party that implemented the PPL- as Vice-president, becoming the first indigenous Vice-president in the country's history.

### *A government's initiative*

In 1994 the PPL was approved, and it represented the deepest decentralisation process in the country's history. The PPL was since its birth an initiative of the President and with no relationship with any kind of specific social demand. The PPL was an initiative that was born in the central power, from the national government and the President of the Republic. The government's advisers argued that it was not possible to start a referendum process given the lack of agreement that the previous decentralisation reform in 1992 had (Blanes, 2001).

Afterwards, the national debate focussed on the departmental decentralisation, demanded by the Comités Cívicos for several years, against the municipal decentralisation. One year later, with a big internal discussion within the government and the civil society the LAD was approved.

### *The Law*

In terms of numbers, the impact of Bolivia's Law of Popular Participation is impressive. The municipal elections of 1995 –the first elections held after its promulgation- brought power a huge wave of new local councillors and mayors, a third of which turned out to be peasants or indian decent. In 1993, a year before the law took off, the Bolivian government transferred a meagre U\$52 million to the municipalities; in 1997 the amount was U\$ 184 million. The most dramatic change took place in the rural areas. While rural municipalities had received U\$4 million from central government in 1993, in 1997 they received U\$ 112 million (quoted by Goudsmit & Blackburn, 2001).

But, the PPL not only represented the decentralisation of the public administration towards de localities, but also the implementation of a new mechanisms of participation of the population in the socio-economic development of the municipalities.

The PPL has three clear objectives:

1. To strengthen the political and economic instruments in order to improve the representative democracy incorporating citizen participation
2. To try to improve the quality of life for the Bolivian population through a fairer distribution of the national resources and improving the administration of the public resources
3. To integrate the indigenous population, peasant communities and neighbourhood organisations in the legal, economic and political processes of the country

As previously mentioned, until 1993 redistribution of the public resources in Bolivia was absolutely unequal and unfair, the 85% of the resources remained in the capital cities of the so called 'eje central'<sup>5</sup>, 6% in the capitals cities of the departments, leaving just the 9% of the resources to be distributed between the rural municipalities. The PPL determined a new distribution system of the resources based on the criterion of allocation per capita. This created an opposite trend of the distribution of the resources, now the 64% of the resources go to the rural areas, the remaining 36% to the urban centres (Campero & Gray Molina, 2001).

The main features of this reform are:

- ◆ The transfer of the planning process responsibilities to the municipalities, allowing the allocation of the economic resources of the municipality in projects prioritised by the local actors, through the participation of the Territorial Base Organisations (TBOs). Consequently, the planning process responds mainly to the territorial organisation of the population.
- ◆ The decentralisation of the economic resources through the implementation of a sharing tax system (coparticipación tributaria). As a result, the municipalities have now resources that help them to implement local projects according to their necessities.
- ◆ The decentralisation of local development responsibilities, like education, health, culture, sports, water supply and sanitation.

In order to achieve these objectives, the PPL uses two main instruments: An administrative decentralisation over a municipal base and the tax redistribution of the national tax resources between the local level. Specifically, it determines the redistribution of the 20% of the national fiscal revenues between all the municipalities according to their population. The local governments in order to receive these revenues have to elaborate an Operative Annual Program (OAP) as the base of the local development strategies. The OAP has to gather the main demands of the population and it also has to be approved by the TBOs and the VCs.

According to these aspects, the PPL represents a commitment of the government to expand democratic governance at the local level. Since this new regulatory body establishes a local political arena and provides significant resources to be managed at the local level through a broadly participatory process (Blair, 1997).

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<sup>5</sup>

La Paz, Cochabamba and Santa Cruz

In general terms the PPL pursue a re-structuration of the Bolivian state, putting emphasis in the construction of a new decentralised model that promotes the democratic governance through the transfer of resources and responsibilities, participatory planning and social control (Gascó & Navarro, 2002)

### *The local governments (LGs)*

The main Bolivian local structure is the municipality, the LPP created 311 'new' municipalities, that are quite different from the existing municipalities and are designed to coincide with the provincial sections, the subdivisions of the provinces, that together form the departments<sup>6</sup>.

The administration of the municipality is exercised by the municipal government. The municipal government is formed by the Mayor, the top executive authority and by the municipal council, the representative, deliberant, normative and controlling body (Gascó & Navarro, 2002).

The short terms, the LGs have:

- The right to have free elections of their authorities
- The power to create, collect and invest resources
- The power to dictate regulations and resolutions, determining in this way the local policies and strategies
- The responsibility to plan and execute all juridical, administrative, technical, economic, cultural and social management
- The responsibility to provide the infrastructure and material necessary for the function of the health and educational services, as well as the right to supervise the performance of the health and educational authorities in the municipality.
- The responsibility to administrate and provide the infrastructure and resources for the development of cultural and sportive activities in the municipality.
- To promote the rural development through the provision of basic infrastructure as rural roads and irrigation infrastructure

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<sup>6</sup> Bolivia is politically divided in nine departments.

As can be noticed, through the implementation of the PPL, the municipal governments gain a central role in the development process. Now they have the opportunity to play a more active role than in the past, when the local governments were partially absent in the local development process. In essence, the Popular Participation puts the bases of legitimisation of the state power at the local level in a politic, economic and social sense. Never before had local people participate so explicitly in the local development.

### *The Territorial Base Organisations (TBOs)*

The PPL defines the TBOs as the target group of the law. All kinds of territorial organisations that have legitimacy of representation in the area (indigenous, peasants, neighbourhoods and others) can be recognised as TBOs. Thus, the TBOs tend to be pre-existing community territorial organisations that were recognised as the representatives of a given area. It is through the TBOs that the people gain representation and voice at the local level, since the TBOs acquired a number of rights and responsibilities that allow the communities being active actors in the local development process.

In the first years of the PPL around 12000 peasant's organisations in the rural areas and some 3500 organisations in the urban areas were recognised as TBOS (Campero & Gray Molina, 2001).

The TBOs have:

- The right to propose, control and supervise the implementation of projects, in the areas of health, education, sanitation, culture, infrastructure, sports and urban and rural development in general. The main instrument for this is the participatory municipal planning, in which the TBOs are obligated to participate.
- The right to propose the ratification or change of the local authorities in the sectors of education and health.
- The right to have free access to the information about the resources of the popular participation
- The obligation to participate in the identification, prioritisation and co-operation in the implementation of development projects in their localities, through the participatory planning processes.
- To inform and 'rendir cuentas' (inform about the uses of the budget) to the community about the actions that they take as its representatives.

It is also through the TBOs that the people's organisations are included in the local development planning. As a result the popular participation reform promote the participatory planning, as mechanism for the integration of the main demands of the population.

In other words, TBOs consist of leadership committees who are responsible for calling public meetings and organising the participant community decision-making, which forms the basis of the annual development plans to be funded from tax revenue channelled through the LPP. Hence, the theoretical essence of the PPL is a participatory development in which local people decide upon their own community development strategies, using their own tax revenue to fund participatively planned development priorities (Clisby, 1998).

The PPL seeks to be the link between the representative and the traditional participatory systems, like ayllus<sup>7</sup>, cabildos, or peasant's organisations. Formally the main vehicle for this is the Vigilance Committee, they are elected by the local TBOs and constituted by one TBO representative per canton or district.

#### *The Vigilance Committees (VCs)*

To promote popular control over the municipalities the PPL institutes so-called Vigilance Committees. The VCs have been designed to be the nexus between social-territorial organisations and the municipal administration.

The PPL established the VCs as a mechanism to enable local civil society and to supervise local public power (the municipal government). Every municipality should have a VC consisting of delegates from the TBOs in each canton. From the viewpoint of municipal institutionality the VC is the only legitimate organ that may exercise such monitoring and control functions, the VCs are instituted as the privileged channel of inter-mediation between civil society and the municipal government (Orellana, 1999).

Accountability is the main purpose for the creation of the VCs, since they acquire the right to supervise the conduct of local governments. The main role of the VCs are:

1. To oversee that the municipal resources of the co-participation (national transfers) would be equitably invested between the rural and the urban population.
2. To control that the administrative expenses of the LGs do not exceed the 15% of the co-participation resources.

3. The VCs also have voice over the formulation and the implementation of the Annual Operational Programs (AOP) and Municipal Development Plans (MDP) and the use of the municipal budget.

The establishment of control mechanism over the co-participation funds also allows VCs to initiate a complaint process through the executive branch. If certain criteria are met in this process, complaint go to national Senate and if the Senate upholds the VCs complaint the municipality's funds may be cut.

#### *The 8 years of the PPL, achievements and difficulties*

The PPL, has meant for Bolivia the deepest re-definition of its public administrative structure and shift in the traditional relationship between the State and the society. So far, after more than 8 years since its implementation, the main objectives of the PPL have, in general terms, been achieved. Now we can recognise, a more equal distribution of the public resources between the rural and the urban areas, stronger local democratic practices and especially a bigger integration of civil society organisations, that in the past were practically marginalised.

However, results naive to believe that such a change has been an easy process in a very diverse and fragmented society as the Bolivian. Even now, more than one misunderstanding about what the LPP is about still exist, therefore it does not result hard to believe the big complexity of the implementation of this reform. Just to illustrate the complexity of the implementation of the PPL, I will mention some of the most relevant difficulties:

#### *The legal recognition of civil society organisations as TBOs*

For all kinds of civil society organisations the acquisition of 'legal personality' is the basic condition for being recognised as TBOs, and therefore acquire the rights transferred by the law to this organisations. The Legal personality is awarded through a document that certifies that a community or an association of communities has complied with a series of formal pre-requisites for recognition by the State. The TBOs that acquired legal personality before the issuing of this law can demand the recognition of it in the competent prefecture or sub-prefecture.

But how easy was it for all these kinds of organisations to acquire a legal personality?

To obtain the certificate a lengthy bureaucratic procedure has to be followed, at the end of which a sort of diploma is awarded. It includes the number of the prefectural resolution, the number of the municipal resolution as well as the registration number. It is signed by the Prefect, the Sub-prefect and the General Secretary of the sub-prefecture.

Most of the difficulties in this process has been faced by the rural communities, not only for logical difficulties, such as lack of information, difficult access to the adequate means or in some cases lack of education, but also because the obstruction of the local elite. Municipal governments and sub-prefectures are among the authorities involved in the procedure for the recognition and they can bring many obstacles in the course of certification if they consider this as a threat to their power.

The difficulties for these groups start when the State demands a certificate of peasant or indigenous identity to apply for a legal recognition. For instance in Santa Cruz, municipal governments and sub-prefectures have in many cases denied legal personality to indigenous community associations on the argument that each of the associates should first obtain its certificate as an indigenous community. Prior 1994 reform of the Constitution, indigenous communities had not been recognised as such as the earlier legal framework did not envisage indigenous peoples as subjects of rights. The state equated indigenous peoples with peasants and as a consequence, if legal personality was applied for it would be granted under the Civil Code in the quality of peasant community, union or association. Since this was the only way to obtain to legal recognition many indigenous communities were classified as peasant communities. With the promulgation of the PPL rectification classification according to their own identity became possible. The procedure is complicated and costly, particularly because its lead to conflicts with local power groups encrusted in official agencies (Orellana, 1999).

As a consequence, until now several civil society organisations that posses the legitimacy of the populations they represent, have not acquired their legal personality yet. Social organisations that lack legal recognition lose their legitimacy in the eyes of institutional actors and as a consequence they will also lose legitimacy in the eyes of other social actors.

#### *About the Vigilance Committees*

The VC was one of the most outstanding elements created by the PPL, but it was difficult to implement them as real representative mechanisms of the civil society. Quickly, the VCs



became an isolated and bureaucratic mechanism, easily influenced by the mayor and exposed to corruption (Blanes, 2001).

Certainly the VCs are a creation of the PPL, thus the extent that the VCs are representative of the population that they must represent tend to be weak. In contrast to the TBOs, that were created based on existing civil society organisations, the VCs were created to fill a gap in the relationship between the civil society and the public administration. Therefore, the VCs are a figure without precedent in the Bolivian case, aspect that generated several confusions and conflicts in the creation, election and functioning of the VCs.

The possibilities for cooptation, subordination or instrumentalisation of the VCs by the official parties through clientelism or prebends loom large. In fact, by now it has become clear that in many municipalities the VC, if functioning at all, are mere appendices of the political parties that compound the municipal governments. Not surprisingly, in various cases the VCs were surpassed by social protests and demonstrations that led to the dismissal of the mayor or forced him to redirect policies and programs (Orellana, 1999). The strengthening of the VCs is a key issue for the success of the PPL.

Finally, as Gascó and Navarro summarise, these are some of the restrictions and difficulties that the TBOs and the CVs has had:

1. Around 70% of the indigenous organisations do not have legal personality yet.
2. It was also estimated that 30% of the indigenous population does not have ID
3. The politisation of the TBOs and VCs, especially in the urban areas
4. In some cases conflicts between the VCs and the municipal councils exist because both organisations exercise functions of control of the LGs
5. In addition, other kind of conflicts between the LGs and the TBOs also exist, since the TBOs has to be recognised by the LGs in order to get legal personality. Sometimes, due to the political party or oligarchic interests of the LGs the legalisation process of the TBOs has been interrupted.
6. The lack of technical and political capacity, mainly in the level of VCs, given their control role. The members of the VCs are not precisely selected by their capacities
7. The lack of resources for the VCs basic expenses. This situation has create in several cases a 'kind of alliance' between the VCs and the LGs, what it was not the idea of the creation of the VCs in first term (Gascó & Navarro, 2002).

### 3.2.2 The Law of Administrative Decentralisation (LAD)

The LAD is the legal framework that establish the administrative decentralisation of the Executive Power towards the regional (departmental) level, and it basically consists in the transfer and delegation of technical administrative competence non exclusive of the central government. The prefect is the maximum authority representative from the central government in the region (departamento) and the President appoints he or she. It is important, however, to note that the prefecture is a departmental administrative instance and not a departmental government.

The LAD aims at restructuring the departmental level in accordance with the new political-administrative municipal structure. The LAD also establishes the departmental administration, which is characterised by a sectoral division. This departmental administration is responsive for several functions concerning roads, rural electricity the production infrastructure and technical assistance. (Nijenhuis, 2002).

On the other hand, the departmental council representatives are representatives of the provinces that are nominated by the municipalities. The council has the right to approve the projects and programs included in the departmental plan as well as the annual budget of the prefecture, to enable the relationship between the municipalities and the prefecture and to control the actions of the prefect and emit a censure vote if it is considered necessary<sup>8</sup>.

The LAD is just a form of functional decentralisation, since they do not have an own legal personality because it is an administrative body subordinate to a central power. The prefecture is part of the central government and it is subordinate to a vertical relation. What in last term LAD pursues is to unite the actions of the executive power giving certain flexibility to their execution, that is why they do not have 'legal personality' nor the departmental council has political faculties. In other words, the main mission of the prefecture is to be the articulator between the two levels of government, the national and the local.

### 3.3 Characterisation and evaluation of the Bolivian decentralisation process

The Bolivian decentralisation process can be seen as mix between devolution and delegation processes. On one hand, it is a devolution process because through the PPL not only administrative but political and economic power are transferred to the municipalities, giving

them considerable autonomy as a second level of government. On the other hand the Bolivian model is also a delegation process, because technical-administrative competence are transferred to the departmental level through the implementation of the LAD. As a result, exist two levels of government, national and municipal and three levels of administration, national, departmental and municipal.

The delegation towards the departmental level had a basic purpose to give this level the conditions for being a nexus between the two levels of government. However, LAD to some extent has also been considered as a way of mitigating the radical devolution process towards the municipal level, for several reasons:

- The prefect is not elected, but appointed by the president.
- The new department council functions are basically advisory, meaning that they have no power to legislate nor make use of veto.
- The departments are responsible for training local officials, providing matching grants to municipalities, and meeting selected payrolls. Collectively, these account for considerable fund raising. All this can provide basis for departmental intervention in municipal affairs.
- The prefectures largely using donor-provided resources, the departments now manage specialised funds to invest in areas like housing and education.

Another aspect that to some extent can be considered as a weakness of the process is the decentralisation of health and education services. At the beginning of the implementation of the PPL most of the municipal authorities refused to receive the complete responsibility for the provision of these services. As a result a co-responsibility system was established. Now the municipalities are responsible for the provision of the basic infrastructure and equipment of those services, the prefecture is responsible for the personnel administration, while the national government is responsible for the design of the national norms and programs. At first glance, this decision appears beneficial for the municipalities, but this has a cost, the professionals could look at their line superiors for assignments and career advancement at the national level, thus Where their loyalties lie? (Blair, 1997).

An important criticism of the Bolivian decentralisation process is that even though participation is a crucial element of the Bolivian devolution process, the implementation of the law was in last term a top down process, since the law was designed by a group of experts.

<sup>8</sup>

However, the President can accept or deny this censure vote, in other words he still has the last decision.

Therefore, it has been argued that a law cannot enforce participation, as participation is a society-driven process (Nijenhuis, 2002). As a consequence, it can logically be expected that this is indeed a long-term process, since it involves a slow assimilation period.

Furthermore, the creation of the TBOs had an important deficiency because in some cases representative civil society organisations were excluded since they did not qualify as TBOs. This is the case for instance of worker unions, productive organisations and women's organisations that were disqualified from being recognised as TBOs because they are mainly sectoral organisations and do not have a territorial basis. This feature, apart from being discriminatory to certain extent, (specifically in the case of women's organisation), also has negative consequences in terms of policy implementation and co-ordination between the different stakeholders.

Unfortunately the connection role of the prefectures has been very weak, not only caused by the lack of qualified human resources and the lack of understanding of the new regulations, but also for the high political interference within the prefectures.

## 4. Local Governance Inputs and Outputs: A logical relationship?

*The major promise of democratic decentralisation, or democratic local governance, is that by building popular participation and accountability into local governance, government at the local level will become more responsive to citizen desires and more effective in service delivery (Blair, 2000).*

### 4.1 Introduction of the case

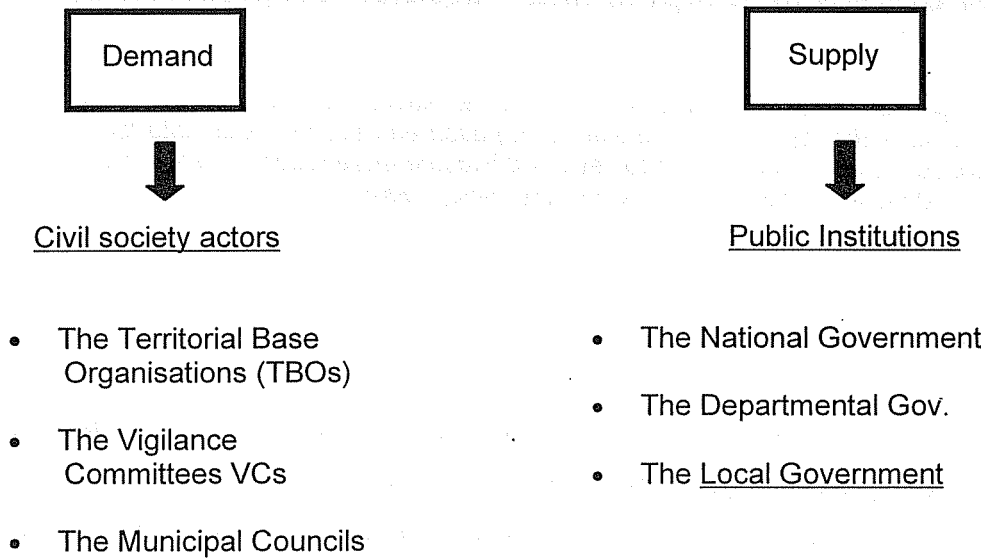
A more responsive and therefore a more effective local government is indeed the most desirable result of good local governance. But to what extent is this a logic relationship? An effective LG is always the result of an ideal local governance situation? Or, in other words, do good conditions of local governance always lead to effective LGs? The idea behind this research is to try to find out to what extent this relation has always been a logic relationship, in other words: **If good conditions of local governance has been transformed into good results in public administration outputs in the Bolivian municipalities.**

### 4.2 Methodology

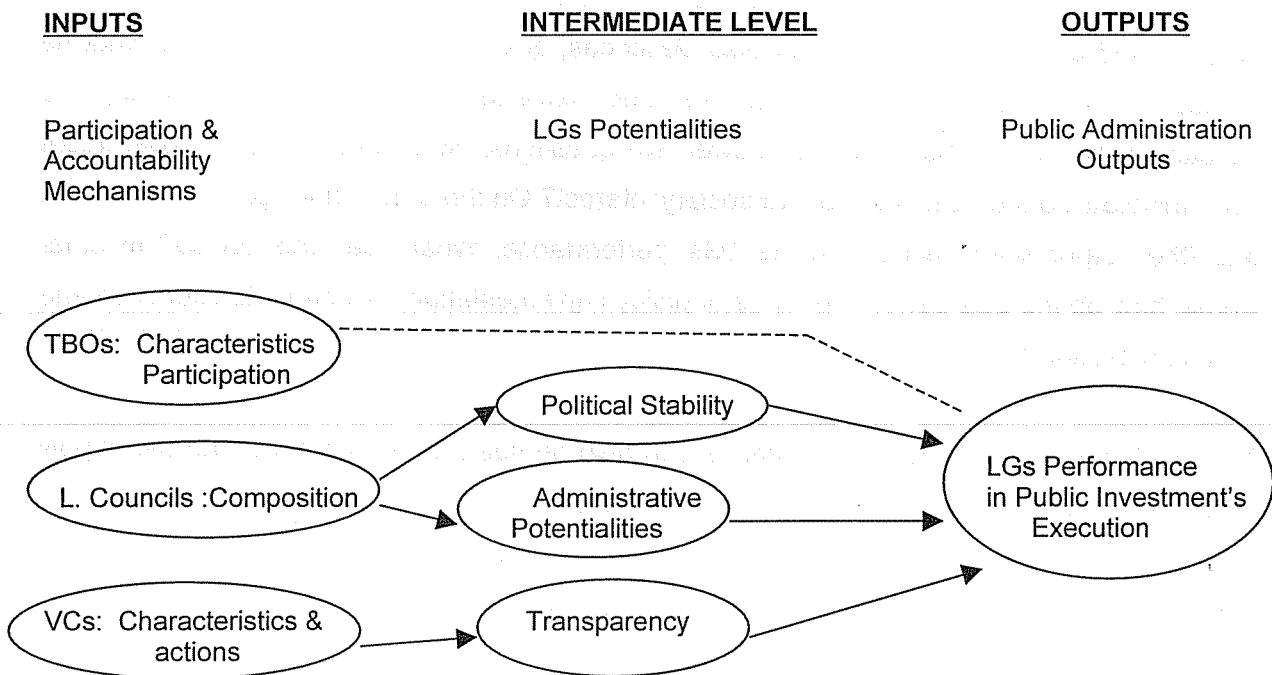
Governance can be understood, and therefore analysed from two points of view: as a process and as an end in itself. As Blair describes, governance as a process -or what he names the input side- basically respond to three elements: participation, transparency and accountability. As well as it tries to answer two questions: How does the local government act? and How do the LGs and the civil society interact? On the other hand, governance as an end (the output side), focuses in the LGs' performance. What does the LG do? In other words, how do the LGs perform in terms of policy implementation, investments execution and service provision?

The input- and output side of governance can also be seen as the demand and the supply side, the demand being the input side and the supply the output side of the process. The identification of the actors that are part of each side can better illustrate the relationships between the actors involved in the governance processes in Bolivia, these are:

### The actors of the Popular Participation



In order to analyse the local governance conditions in the Bolivian municipalities, an adaptation of Blair's scheme<sup>9</sup> has been made, introducing an intermediate level, denominated as LGs potentialities. Following this scheme the variables and indicators of the research for each level were identified, giving as a result the following scheme for the analysis.



<sup>9</sup> See theoretical framework Pg. 8

The research is based in the analysis of a sample of municipalities that represent almost the 20% of the universe, meant in the case of Bolivia, a sample of 62 municipalities out of 314. The main criteria for the selection of the sample was the preliminary ranking of local government's performance in terms of the evolution of the 'public local investments per capita', executed between 1994 and 2000<sup>10</sup>.

According to this, the sample was divided in two groups with the same number of cases (31 cases in each group), these have the following characteristics:

- The first one is composed by the municipalities that showed the best or the highest performance level in terms of the growth rate of the public investments per capita between 1994 and 2000. This group has been labelled as the 'high performers'(HPs).
- The second group is made up of the opposite cases, labelled as the 'low performers' (LPs), and obviously include all the municipalities that had the lowest or the worst performance in terms of the growth rate of the same variable.

Two levels of analysis have been defined. The first one, is the analysis within the two groups, in order to characterise them and analyse the main patterns of each group. The second level, is a comparative analysis of the variables between the two groups, with the purpose of analysing the main contrasts and similarities between them groups and then try to draw some conclusions.

However, before going into the analytical part in itself, it is necessary to introduce the variables of the analysis. In a most generic sense, the specific mechanisms of participation and accountability created by the PPL and some other complementary instruments.

#### **4.3 Participation and accountability mechanisms for local governance in Bolivia**

In order to fulfil its objective of integration of the civil society in the decentralisation process of the public sector as an active actor, the PPL created certain mechanisms of participation and accountability. The creation of the TBOs and the VCs are in itself the generation of participatory and accountability channels, the understanding of the roles of these actors, as well as the local government's one, is a fundamental aspect for the understanding of the Bolivian decentralisation process.

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<sup>10</sup> Even though this can be considered as a 'weak' or 'insufficient' indicator of the LGs performance, the lack of more comprehensive and specific data about the LGs performance of the whole universe of the Bolivian municipality was the main reason to select this indicator of LGs performance. Despite its limits, this still can be considered as a good indicator of LGs performance giving the period of time and the comprehensive information.

In addition, other mechanisms of participation and especially accountability were created since the implementation of the law, the knowledge about these mechanisms is also a key element for the analysis of the local governance process that is currently taking place in the Bolivian municipalities.

#### 4.3.1 Participatory mechanisms

Although, the enhancement of participation was the aim of the PPL, this process took long time to start to work, because the law demanded the creation of new forms of civil society representation, like TBOs and VCs. Therefore, the participation process could not start until all the TBOs had been registered and until the members of these organisations started to have a basic knowledge of the participatory processes

It is possible to recognise two main mechanisms of participation. The first one, is the direct democratic elections of the local governments authorities and the second is the implementation of the participatory municipal planning in order to formulate the Municipal Development Plans every five years.

##### *Local democracy and elections*

The nature of the PPL in Bolivia, as a process of devolution at the municipal level, is indeed political, because it strengthened the democratic participation of the people. Even though, the first municipal elections took place already in the year 1987, this had a urban bias, since the big bulk of the resources were captured by the main cities of the country, making the elections of municipal authorities in the rural areas almost an irrelevant theme. Therefore, the PPL through the redistribution of resources, responsibilities and especially political power towards the localities, initiate a new era in the democratic history of the country, in which the municipalities become self-governing, with local leaders elected by popular vote.

The councillors are elected for universal vote, directly and secretly for a five year period, according to the population proportional representation. The mayor is elected automatically if the candidate gets the absolute majority of the valid votes. If none of the candidates gets this proportion of votes, the municipal council elects the mayor between the two first candidates in the elections. Therefore, the formation of coalitions to form a government is a common characteristic in the Bolivian municipalities (Gascó & Navarro, 2002).



Bolivia has a competitive multi-party system, that can be a good start in democratic terms because it does not restrict the democratic participation of the population into few political parties. But a multi-party system can also have negative consequences, since a highly fragmented political system tend to be more complex.

The role of the political parties in the municipal elections is essential, because the law does not allow the participation of parties exclusively local nor independent candidates. As a consequence, several times the candidates are selected more for his/her influence within the party he/she represents than for his/her local representativity. In addition, the political parties use the LGs as a base to consolidate their national power starting from the localities. Logically, the autonomy of the local governments are limited by the strong influence of the national parties (Gascó & Navarro, 2002).

Despite the importance of the existence of a democratic system as a part of the local governance process, the participation of the people in the municipal elections will not be considered for the analysis, because in the case of Bolivia the vote is compulsory, therefore, diminishes the relevance of the participation of the people in the elections as an indicator.

#### *Participatory municipal planning*

The introduction of the PPL meant the introduction of a new development device, namely that of participatory planning. Within this process, several phases can be discerned: the population can express their demands and set priorities, and on the basis these priorities a strategy is formulated, which should be the starting point of the annual municipal investment plans (Nijenhuis, 2002).

The participatory planning is an instrument that seeks to incorporate civil society demands in to the Municipal Development Plans (MDPs). At the same time, the MDP is supposed to be the main guide for the design of the operational programs of the local governments and in this way be an instrument to concrete peoples demands. However, the participation of the TBOs is just one part of the planning cycle and unfortunately normally not the most decisive one. The lack of experience of all the actors involved in this process - TBOs, VCs, LGs, and government facilitators- plus the limited time to prepare the plans, caused that in most of the cases the plan ended being made by external people, like consultancy agencies, NGOs or others.

In addition, in most of the cases the PDMs was used just to fulfil a requisite demanded by the law, and not as a guide for the LGs decision making process, reproducing the experiences of the blueprint planning. Sadly, the result has to often been that both the Municipal Council and the Vigilance Committee perceive the final text of the PDM to be a foreign product (Goudsmit & Blackburn, 2001).

#### 4.3.2 Accountability Mechanisms

If participation was the aim of the LPP accountability was surely an important purpose. The single creation of the VCs correspond to this purpose, since the main role of the VCs members is to control the right use of the funds of the co-participation transfers. However, other mechanisms besides the ones implemented by the PPL, were created in order to strength the accountability systems within the public sector. These are essentially the implementation of accountability forms between public institutions or within the same institution.

##### *The 'constructive vote of censure'*

The constructive vote of censure is the faculty that allows the municipal council to change the Mayor with the three fifth of the votes of the council members. The 'constructive vote of censure' can be applied after one year of the local government period started, when the council makes an evaluation of this first year; this practice is repeated each year, the mayor can be rectify or changed if the 'constructive vote of censure' is applied. The reasons that can make the 'constructive vote of censure' being applied, are the cases in which the councillors find that:

- the Mayor incurred in malversation of the municipal resources,
- the Annual Operational Program (AOP) was not fully executed because the inefficiency or lack of interest of the Mayor
- the report of the budget execution has not been presented
- any other administrative irregularity

These are the formal reasons that can originate a change of Mayor, however the implementation of this faculty has shown that in several cases the application of the 'voto constructivo de censura' has been made due political and personal interests, creating in some cases great political instability.

### *Cases of 'complaint'*<sup>11</sup>

The 'complaint' (denuncia) is the mechanism that allows the VCs to initiate a complaint process through the executive branch of the central government. In cases where the members of the VCs consider that the resources of the co-participation are been misused, if the municipal government is not executing the AOP or any other irregular actions. If the executive branch considers this 'complaint' valid, the complaint goes to the national Senate and if the Senate upholds the VCs complaint the municipalities' funds may be cut. The 'complaint' can be understood in Blair words as a 'formal mechanisms of grievance'.

### *Auditing*

A public auditing is defined as an objective, independent, impartial, systematic and professional examination of the financial, administrative and operative activities executed by a public entity (Contraloria General de la Republica, 2002)<sup>12</sup>. The purpose of the auditing is to improve the administrative and internal control systems within the public institutions, in order to make more effective and efficient the operations executed by these entities. Naturally, the auditing at the same time promotes accountability in the public sector institutions.

In Bolivia, the 'Contraloria General de la Republica' (CGR) is the body in charge of the control of the public institutions in terms of fulfilment of two main aspects, the legal procedures and the accounting norms. Therefore the CGR is the authorised regulatory body to elaborate to the auditing to the public institutions.

If an audit detects some irregularities in the work of a public institution, and also identifies the reason for these, the irregularities are classified as 'responsibilities'. The most common are:

- **Administrative responsibility**, is when the action or omission is against the administrative and judicial regulations and against the norms of behaviour of the civil servant.
- **Civil responsibility** is when the action or omission of the civil servant or any other person causes economic damage to the state.

<sup>11</sup> Unfortunately the lack of access to official data referred to the cases of 'denuncia', has made impossible the inclusion of this variable in the analysis. However it is still important to mention it as one of the most innovative mechanisms created by the PPL.

<sup>12</sup> Contraloria General de la Republica de Bolivia. Auditorias, <http://www.cgr.gov.bo>

- **Penal responsibility** is when the action or omission of the civil servant and other persons is part of the code of laws.

According to an Auditing Report of the Local Governments made by the CGR, the most frequent causes of civil responsibility found in the municipalities were:

- The payment of 'salaries and benefits' to members of the local council for sessions they did not attend
- Incorrect expenses in food, drinks and other items
- Arbitrary appropriation of public goods
- The non accomplishment of work contracts
- Payments of tickets and viaticum without the corresponding documentation

The auditing are useful instruments to identify cases of corruption, especially through the civil responsibility form, which also helps to estimate the economic damage caused by that.

#### 4.4 The Variables

##### 4.4.1 The local governance inputs

The variables that are part of the input side of the local governance, also denominated as the demand side, are basically two: the participatory potentialities of the TBOs and the fragmentation level of the municipal council.

1. The '**participatory potentialities of the TBOs**' refers basically to the conditions that at least formally, can facilitate the participation of the TBOs in the processes of participation. The indicators that have been selected for this purpose are two, the first one, is number of TBOs per each 1000 inhabitants, and the second is the relationship between the number of TBOs and the extension of the municipalities in square kilometres. The assumption behind this indicator, is that a bigger density of TBOs can facilitate the opportunities of participation, and in last term enhance the relationships between the civil society organisations and the LGs.
2. What it is denominated as '**fragmentation level of the municipal council**' is basically the relation between the number of parties represented in the municipal council and the

total number of councillors<sup>13</sup>. The reason to include this indicator is based in the assumption that higher levels of fragmentation in the municipal councils can make difficult the performance of the local governments and at the same time can create greater political instability in the local governments.

#### 4.4.2 The intermediate governance outputs

An intermediate level between the inputs and the outputs of the local governance process has been defined, in order to understand deeper the interrelationship between the input and the output side of the local governance. This intermediate level refers essentially to the potentialities of the local government as administrative body, and it is compound by the political and the administrative potentialities and the transparency level of the administration of the public resources.

1. The number of changes of mayor as a consequence of the application of the 'constructive vote of censure' is considered as indicator of the **political stability** of the local governments. The incapacity of permanence of the head of the local government, as it is the Mayor, generates collateral problems, as the interruption of the implementation of the annual investments programs and changes in personnel<sup>14</sup>, problems that can affect the local government performance. Without forgetting the consequences of this situation over the credibility of the political system on the population.
2. In order to evaluate the '**administrative potentialities**' of the local governments, two main indicators were identified. One is the proportion of the municipal workers in relation to the population of the municipality, in other words, the number of municipal employees per each 1000 inhabitant. The second one, is the proportion of the professional employees of the local government in relation with the total number of municipal workers<sup>15</sup>. From these two indicators a third one was calculated, a composed indicator that not only shows the number of municipal workers in relation with the population but also the quality of them in terms of professional workers<sup>16</sup>. In order to assess these indicators there are basically two criteria, the first one assumes that a higher proportion of municipal workers is an advantage for the performance of the LGs. The second one is

<sup>13</sup> The formula used to calculate this level of fragmentation was: 'Number of parties represented in the local council divided by the total number of councillors, being naturally '1' the highest level of fragmentation.

<sup>14</sup> A common practice in the Bolivian public administration as a result of changes in the hierarchical positions.

<sup>15</sup> Number professionals divided by the total number of employees.

<sup>16</sup> Proportion of workers per 1000 inhabitants multiplied by the proportion of professional workers.

more obvious, a higher proportion of professional workers will mean better quality in the LGs' human resources.

3. The indicators about **transparency** have as origin an auditing report made by the CGR on 229 municipalities within the 314 and between 1994 and 2001. As it is the purpose of all the auditing, the report identified the different kinds of responsibilities found in the municipalities that were audited. Like it was explained earlier the identification of the 'civil responsibility' is the form in which the economic damage caused by corrupt behaviour is identified and calculated. Thus, the economic damage caused by civil responsibility is considered for the purposes of the research as an indicator of **transparency**. Two types of damage were calculated, the economic damage per capita and the economic damage per councillor.

#### 4.4.3 Local governance or public administration outputs

What it is expected as effect of good local governance conditions is naturally to obtain some outputs of this process. The output side of the local governance is in essence the output of the public administration actions, represented by the public investments and service delivery.

As it was mentioned earlier, the lack of comprehensive information of all universe of Bolivian municipalities has restrict the analysis of the LGs performance to one indicator: The growth rate of the public investments per capita executed in the period 1994 –2000. In spite of the limitations of this indicator, it can still be a good approach for the assessment of the LGs performance.

#### 4.5 **The Main findings**

As it was mentioned in the introduction of this chapter there are two levels of analysis, the first one is the analysis within the two groups, the HPs and the LPs. The second one is a comparison between these two groups in order to identify the main similarities and contrast between them in order to detect the main features of the local governance process in Bolivia.

#### 4.5.1 The first level

##### *The High Performers*

The so-called HPs is the group that showed the best levels of public investment executed in the period 1994–2001, with a growth rate per capita of 12.20 U\$<sup>17</sup>.

In Bolivia, a common classification of the municipalities has been the classification of them according to their size population. Four categories has been defined:

- Category A, municipalities with population between 1 and 4999 inhabitants.
- Category B, between 5000 and 14999 inhabitants.
- Category C, between 15000 and 49999.
- Category D, with more than 50000 inhabitants.

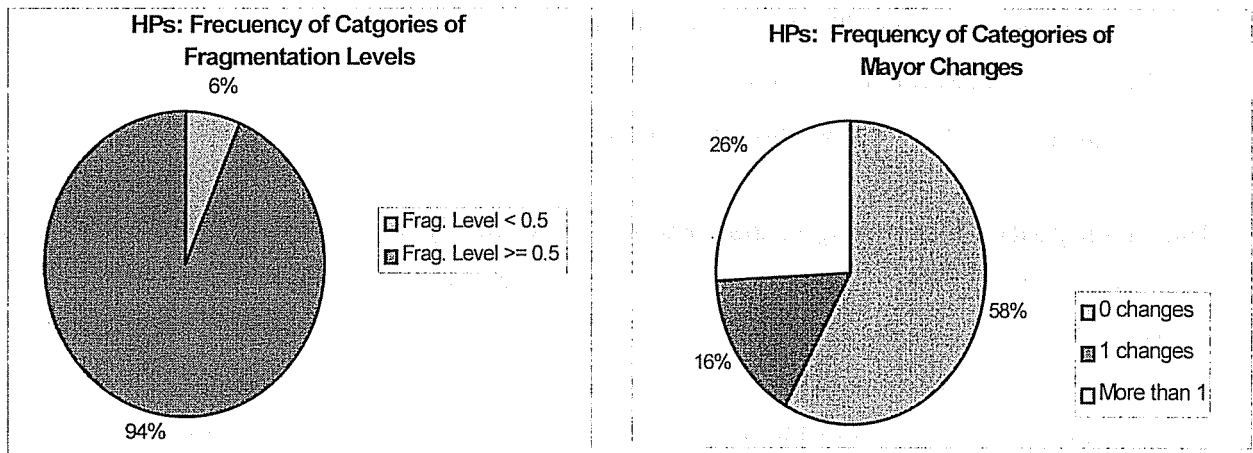
The municipalities that belong to the HPs group are mainly municipalities category B (55%) and category C (32%), the remaining 13% of the municipalities are category A. The municipalities category D are not represented in this group, in other words, none of the big urban centres had a high LG performance in this period. As expected, the total number of inhabitants that can feel satisfied with the performance of their LGs will not be bigger, for instance the total population of the HPs municipalities only represents the 5.1% of the Bolivian total population. Another logical conclusion is that most of these municipalities are essentially rural localities.

Like it was noted in the introduction of the research, the last 'Study of the Evaluation of Municipal Institutional and Management Capacity' of the VPEPP, identified as a negative element for the performance the high levels of fragmentation of the municipal councils. However, according with the findings of our HPs sample, the levels of fragmentation of these municipalities were certainly high considered that the average level of fragmentation of this group was 0,76. Although this level can still be acceptable, what it is notorious is the number of municipalities that had a fragmentation level higher or equal 0,5, these represent the 96% of total of municipalities of the sample. In conclusion, a high level of fragmentation of the municipal council was not in this case a determinant factor for the LGs performance.

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For further information see the Statistical Annex enclosed

Assuming that a highly fragmented council is more likely to create greater political instability in the LGs in terms of Mayor changes, we can expect a great rotation of Mayors between the HPs municipalities. The average number of changes of Mayor in the HPs was 1, in other words, this can be interpreted as that each municipality had in average one change of mayor in the period. Nevertheless, the distribution of the municipalities between the ones that did not have any change (58%), the ones that had just one change (16%) and the ones that had more than one change (26%), shows us that the 'constructive vote of censure' as a mechanism of accountability was not misused, except in some municipalities. Therefore, it does not exist a clear relationship between the fragmentation level of the councils and the application of the 'constructive vote of censure'.



Concerning with the transparency indicators, the economic damage caused by civil responsibility, the HPs had an economic damage per capita of 0,96 U\$ and an economic damage per councillor of 2203 U\$. Though, one third of the HPs were affected by this factor within this third, two cases are outstanding, the LGs of Mecapaca and Corocoro; that together represent the 67% of the total economic damage of the sample. In conclusion, with some exceptions, the HPs did not really suffer from the economic damage caused by civil responsibility, as it is expected in cases of LGs with good performance.

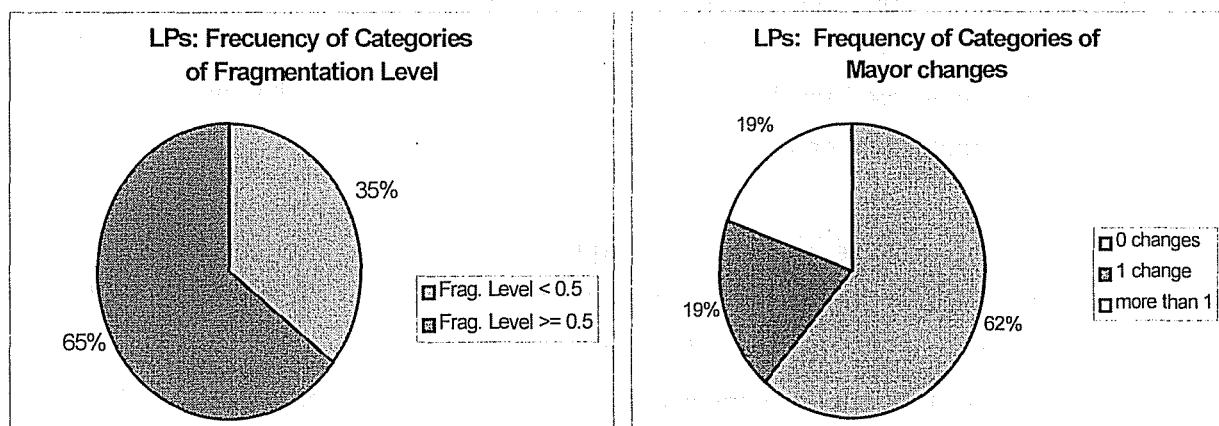
### *The Low Performers*

In relation with the distribution of the LPs municipalities according their population size, they show a different pattern in comparison with the HPs. The largest group are the municipalities category A (52%), the municipalities B and C represent each of them the 19%, while the biggest municipalities (D), represent the 10% of the sample. But how much population is affected by a poor LGs performance? The low performers include two of the biggest cities in



the country, Santa Cruz and El Alto, increasing the number of inhabitants affected by poor LGs, thus the LPs represent the 26.6% of the Bolivian total population, a number five times bigger than the HPs population proportion.

If for the HPs the fragmentation level of the councils was not a real problem for their performance, for the LPs a smaller fragmentation level was neither an advantage. In average the fragmentation level of the LPs municipal councils was 0,6, being the municipalities with a fragmentation level bigger or equal 0,5 the 65% of the sample. As it was assumed, this slightly smaller fragmentation level in the municipal councils would create more political stability, however for the LPs the proportion of municipalities with no Mayor changes (62%) in the period was just little bit bigger than for the HPs that had a great fragmentation level.



Source: Viceministerio de Planificación Estratégica y Participación Popular. <http://www.municipio.gov.bo>

Therefore, as in the case of the HPs, the LPs do not show either a clear relationship between the fragmentation level of the council and the political stability of the LGs.

Regarding to the transparency level for the LPs, the average economic damage per capital for these municipalities was 2,6 U\$, while the economic damaged per councillor was 14131 U\$, much bigger quantities than for the HPs. In addition, the number of municipalities affected by this factor represents the 42% of the total municipalities of the sample. However, between all the LPs that were affected by this economic damage, the municipality of El Alto is a remarkable case, since the economic damage caused in this municipality represented the 70% of the total economic damage of the LPs. Furthermore, the 95% of the economic damage of the sample were originated in all the big urban centres of the sample (Tarija, Santa Cruz and El Alto). Considering that these cities agglutinate a big bulk of the LPs

population this feature is still notable, thus the LPs municipalities have been affected by non-transparent behaviours in their LGs.

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#### 4.4.2 The second level

##### *Participation potentialities*

What about the capacity of representation of the population in terms of number of TBOs and its relationship with the population size? The purpose of this observation is to detect if the LGs performance has been influenced by their population representation potentialities, in terms of the proportion of inhabitants represented by them. Surprisingly the proportion of TBOs per each 1000 inhabitants in the LPs (6.19 TBOs per each 1000 inhabitants) is bigger than in the HPs (3.38). However, in the case of the average square kilometres per each TBO, the HPs shown bigger density of TBOs than the LPs. This can be considered an advantage in the case of a country as Bolivia, where just the 5% of roads has asphalt and still several rural towns can just be reach using horses, donkeys or llamas . From these observations two conclusions can drawn.

- ◆ On the first hand, can be concluded that quantity (high proportion of TBOs) does not always mean quality in terms of representation and participation. There are other factors that can be more relevant for the effectiveness of the participation of the society than this, for instance, the level of consolidation of the civil society organisations that were recognised as TBOs.
- ◆ On the other, the limitations of the means of communication can be considered as a difficulty for the participatory processes. As Nijenhuis, in her research about the link between the local governance and local development in six Bolivian municipalities, has found, accessibility is a key element for local governance. Accessibility, influences the knowledge of the population about general aspects of the PPL, as well as the level of assistance to meetings.

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Nonetheless, these indicators have to be seen with carefulness, since as it has been mentioned in chapter II, the recognition of the legal personality of the TBOs was a difficult process. Therefore the available data probably is not completely revealing the real facts.

### *Transparency*

Regarding to what it was defined as transparency indicators, the economic damage caused by civil responsibility, showed that the average economic damage per capita of the HPs was 0.96 U\$ dollars while in the case of the LPs was almost three times bigger (2.59 U\$). In addition, the average values of the economic damage per council reinforce this pattern, being the difference between the groups even bigger, for instance the economic damage per council in the HPs was 2202U\$ per councillor while in the LPs' this amount was 14130U\$, more than six times bigger.

According to these indicators, it is evident that the lack of transparency in the use of the LGs resources has a negative influence over the performance of the LGs. Nevertheless, the final conclusions of the Report of the Municipal auditing made by the CGR, says that the use of the municipal resources by the LGs is more effective and transparent than more people think, since just the 3.2% of the total transfers of the 'co-participacion' where lost due civil responsibilities. Therefore, to some extent the implementation of the PPL, did not only meant the 'decentralisation of the corruption', as some people argued after its promulgation, however the fact that this is a negative factor for the performance of the LGs cannot be ignored.

### *Political Stability*

As it was mentioned earlier, two indicators of political stability were selected, the number of changes of mayors caused by the application of the 'constructive vote of censure' and the fragmentation level of the municipal councils.

In the case of the LPs the average number of changes of mayor was 0.9 and for the HPs it was 0.97. Even though, both values are almost equal, what calls our attention is that the HPs has a value a bit bigger than the LPs, because what we are assuming in this case is that the LPs will tend to be more influenced by higher levels of political instability than the HPs, but this seems to not be the case in the Bolivian municipalities.

On the other hand, comparing the fragmentation level of the political council between these two groups we find that the fragmentation level in the HPs is bigger than the fragmentation level in the LPs, 0.76 against 0.57<sup>18</sup>. In other words, between these two groups, the HPs

<sup>18</sup>

Remember that the highest level of fragmentation is 1.

municipalities have the most fragmented situations in their municipal councils, which can be considered as a negative influence for the performance of the local governments.

Two conclusions can be drawn from this observation. The first one, is that in this case the LGs' performance has not been really affected by the frequency of changes of mayors. And the second one, is that the fragmentation levels of the municipal councils did not have a clear relationship with the frequency of rotation of Mayors.

#### *Administrative potentialities*

The results of the comparative analysis between the indicators chosen as indicators of 'administrative potentialities' of the municipalities are also quite peculiar. As it can be remembered we had two main indicators and a third one, a pondered indicator of both. The first one is the proportion of workers per 1000 inhabitants, assuming that as much workers as better administrative potentiality of the local governments. For the HPs, this proportion showed an average value of 1.3 municipal workers per 1000 inhabitants, while the LPs showed an average value almost two times bigger than in the first case, 2.67.

The second indicator was the proportion of professionals employees in relation of the total number of municipal workers, in other words, the percentage of professionals employed in the local governments. In the case of the LPs the average proportion of professional workers was 9%, while in the case of the HPs this proportion was 11%. If we assume that a high proportion of the high-qualified workers (professionals), will have as a result better outcomes in terms of public administration, it can be seen that the HPs have been benefited from having more qualified workers.

Logically, following this pattern the third indicator shows that the LPs municipalities have better administrative potentiality in terms of quantity and quality of the municipal workers, 0.29 for the LPs against 0.16 for the HPs, but this is essentially due the difference in quantity of workers than in quality.

#### **4.6 Data analysis conclusions**

This analysis of the Bolivian local governance situation has sought to determine if this apparent 'good' or 'bad' local government performance is consequence of good or bad local

governance conditions. Is it evident that the good performance of the HPs has been the result of proper local governance conditions<sup>19</sup>?

In order to evaluate the local governance conditions of the Bolivian municipalities certain criteria or hypothesis have been established. For some of the indicators these criteria are logic (for instance in terms of transparency), but for others the establishment of these criteria is more complex and ambiguous. What can be good in some situations can turn out to be negative in others. As a consequence, to think over the validity of certain hypothesis or the obviousness of certain relationships is sometimes necessary.

Which are these hypothesis and which are the conclusions of the findings of the analysis?

*Hypothesis 1: A big TBOs density in terms of population and sq. km is positive because it can facilitate the participation process*

About the density of the TBOs in relation to the population, the results have shown that the HPs have a smaller density than the LPs. Based on this evidence this hypothesis has proved wrong, in other words, a bigger amount of TBOs has not been a determinant factor for the effectiveness of the participation processes.

But on the other hand, regarding to the average number of square kilometres per TBO, the HPs had a bigger density of TBOs than the LPs, therefore the first hypothesis can be considered valid according to this indicator. The difficulties in terms of physical communication matters greatly in the case of the Bolivian municipalities.

*Hypothesis 2: A low fragmentation level in the local council is positive*

As mentioned earlier, according to one study of VPEPP, the political-party composition of the councils, where high levels of fragmentation were found was negative for the performance of the municipal councils. In spite of this conclusion, this analysis has shown that the fragmentation level of the municipal councils has not really had negative consequences for the performance of the LGs, since the fragmentation level of the HPs was bigger than of the LPs.

<sup>19</sup>

And vice versa: Is it evident that the poor performance of the LPs has been a consequence of weak local governance conditions?

Given this result, this hypothesis needs somehow to be re-considered: Is a high fragmentation level of the municipal council really a negative condition for the performance of the LGs? Or, a high fragmentation level can, in most of the cases, improve the responsiveness of the municipal council, given a higher level of competition between its members? Certainly, an absolute answer can not be given, in some cases a high fragmentation level can be a serious problem for the performance of the LGs, but in others it can be just the opposite.

*Hypothesis 3: Moderate changes of Mayors is a positive element*

Before going into the findings about this factor, it is appropriate to mention another assumption about the relationship between this indicator and the previous one. This is that, *high fragmentation levels in the municipal council increases the chances of changes of Mayors through the application of the 'constructive vote of censure'*. Well, as it was already mentioned, the results has shown that it does not exist a clear relationship between these two indicators, weakening this assumption. In addition, the differences between the average frequency of changes between the HPs and the LPs was not relevant at all.

Two things can be concluded from these observations. The first one, is that the fragmentation level of the municipal councils is not an explanation for the changes of mayors, as it was assumed. The second one, is that the frequency of rotation of mayors apparently did not influence the performance of the Bolivian LGs.

*Hypothesis 4: High municipal workers' density and high workers quality is positive*

To consider a high density of municipal workers as a positive aspect for the LGs performance, can certainly be discussed. This hypothesis was defined taking into account the situation of several rural LGs where the number of municipal workers seemed really short (no more than 5 workers), considering the new and broad responsibilities of the Bolivian LGs. However the results corroborated the weaknesses of this assumption, quantity is not equal to quality, since the density of municipal workers of the LPs was almost twice as big as for the HPs. Thus, despite the restrictions imposed by the law about the use of the co-participation resources in administrative expenses, it seems like the poor LGs performers had a lack of effectiveness in the use of their human resources more than a lack of them.

The assessment of the second indicators relies on a more logical assumption, a higher number of professional workers will improve the performance of the LGs. This assumption

was confirmed by the data, the HPs had a higher proportion of professional workers, although these difference was not big.

*Hypothesis 6: The absence of economic damage is favourable for the LGs performance*

The lack of transparency in the management of the LGs is naturally negative and can impose serious consequences for the performance of the LGs. This relationship was confirmed by the analysis of the data, as has been shown, the LPs suffered much more from the economic damage caused by civil responsibility than the HPs. Therefore, the irresponsible use of the LGs' resources had indeed affected their performance.

Finally, to summarise and answer the question that leaded the analysis, it is clear that the performance of the LGs has responded to ambiguous conditions of local governance. Perhaps, the limitations of the indicators could have influenced these findings, making it difficult to establish apparent and obvious relationships. However, the evidences that were found reveals indeed the deep complexity of the local governance processes and its conditionalities.

Obviously, any case is peculiar and respond to particular situations, especially referred to local governance. In the particular case of Bolivia, there are some important differences between municipalities that determined the level of 'assimilation' of the PPL and also influence their local governance situation. These differences are for instance, the level of heterogeneity within the municipalities, the different cultural and ethnic backgrounds<sup>20</sup>, the territorial characteristics (high land, valley and tropical), the capacity of organisation of the society and the institutional capacity. As some authors coincide, there is not only one formula for local governance, what can work in some situations can be useless in others. The attempt made by the PPL, through the implementation of these mechanisms is one way to approach the implications of local governance, their impacts have been different in each case.

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<sup>20</sup> Remember that in Bolivia there are 37 ethnic groups.

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## 5. CONCLUSIONS

Good governance is characterised by being participatory, legitimate, transparent, flexible, accountable and effective in the use of the resources oriented to the delivery of services. According to this definition the research question that led the research was defined as: **To what extent the creation and implementation of mechanisms of accountability, transparency and participation generated through the PPL in Bolivia has created the conditions for good governance in the Bolivian municipalities?** In other words: Has the PPL established the basis to develop the appropriate conditions to achieve good governance?

Compared with the situation in the Bolivian municipalities before 1994, the only implementation of the PPL has become an advance in terms of local governance. Not only, because the PPL was the most important re-distribution reform in the last 50 years of Bolivian history<sup>21</sup>, but especially because it reduced the gap between the civil society and the LGs. The only creation and formalisation of mechanisms of participation and accountability, is in itself an advantage of the popular participation process. Nevertheless, the results of the implementation of these reforms have been ambiguous and uneven, as we could notice in the empirical analysis of the research. The objective of this chapter is to try to find the possible explanations to the complexities of the local governance situation in Bolivia.

One of the biggest challenges of the data analysis in this research was to try to find some common trends in the local governance conditions of the Bolivian municipalities. It can be considered that, this ambitious -if not bold- objective was partially achieved, some trends in the logic of the Bolivian local governance could be identified, these are:

- The lack of transparency in the use of the LGs resources affects the performance of the LGs in a negative way.
- A high density of municipal workers in relation to the local population is not a clear advantage for the LGs performance
- A bigger proportion of professional workers in the LGs can be an advantage for the performance of the LGs
- There is no clear relationship between the fragmentation level of the municipal councils and the frequency of rotation of mayors.
- The frequency of changes of mayors apparently did not influence the performance of the LGs. The application of the 'constructive vote of censure' has been strongly criticised,

being considered as the main cause for the local governance problems. However, the results of this analysis, plus findings of other researchers, shows that it is not clear if this mechanisms has really been misused.

Obviously, these statements can still be discussed, as all attempt to find 'general trends', they will tend to hide more complex situations. But, to discuss the reliability of them is not aim for further analysis, this is just one approach to the study of the local governance in Bolivia, many others may exist. More important is to go beyond these findings, and try to recognise which are the limits of the accountability and participatory mechanisms created by the PPL, in order to establish the basis for local governance.

In this respect, the following aspects are identified as the most relevant:

- The creation of the **TBOs**, based in the existence of traditional community organisations, was a good aim of the PPL. However, besides the logic difficulties<sup>22</sup> of the implementation of the TBOs, the PPL had certain limitations in its own proposal. These are:
  - The exclusion of non-territorial organisations -like producers associations- as formal actors in the participatory municipal planning process, has become a serious difficulty for the interaction between the LGs and the civil society. This disadvantage is particularly relevant in the case of the urban areas where normally the non-territorial organisations have a key role in the local development process.
  - The weaknesses of the participatory planning as a method in itself, and as the main channel of participation of the TBOs, has reduced the participation of the TBOs to the demands definition phase. The lack of participation of the TBOs in other stages of the participatory planning process –such as the revision of the plan, the monitoring and evaluation- has in several cases created scepticism between the members of the TBOs. Who do not see their demands reflected in the projects implemented by the LGs. In addition, the poor preparation of the members of the TBOs, that in several cases lack basic levels of education, has become another difficulty.

The TBOs in most cases enjoy a great legitimacy as representatives of the civil society, the loss of credibility of these actors is a key element that cannot be underestimated.

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<sup>21</sup> If not, of all its history  
<sup>22</sup> Sometimes not that logic

- The **VC** was one of the most innovative creations of the PPL, however it is also one of the mechanisms that holds the biggest limitations in order to achieve its purposes. The most relevant of these are:
  - The lack of technical and political capacity of their members is an important limitation for the right use of the VCs as mechanisms of accountability
  - Also, the lack of resources for the VCs basic expenses, has not only created limitations for their function, but also created a somewhat negative proximity between the VCs and the LGs
  - Thirdly, the experience has shown that the VCs tend to suffer a lack of legitimacy, not only because of misunderstandings regarding the objective of this mechanism, but also because of the proximity between the VCs and the LGs. The responsibilities of the VCs make them stand closer to the LGs than to the TBOs, who they represent at the end. This situation, together with the lack of precedent experiences in this respect, has in some cases provoked the 'appropriation' of the VCs from local power groups, who uses the VCs for their own purposes. All these elements, have with no doubt damaged the original reason behind the creation of the VCs.
- Democracy is one of the most important ways of participation of the population. In a country like Bolivia, with a young democracy, there are still a long way to go in order to achieve a mature democratic system. In the case of the **local democracy**, the experience is even shorter, thus the political maturity of the local societies is also short. In addition, given the political decentralisation implemented through the PPL, the political parties have a major role in the local development. In most of the cases, this derived in an over-politisation of the actions of the civil society and their leaders. The Bolivian party system does not allow the participation of local parties or independent candidatures in the local elections, limiting the possibilities of local groups. Logically, the national parties saw in the PPL an unique opportunity to expand their influence all over the country. As a consequence, a relation of dependency between the local political representatives and the national political leaders has emerged. This situation tends to be negative for the local governance.
- The previous observation is a good introduction to the next point. This is the level of independence achieved by the municipalities after the implementation of the PPL. Even though, the PPL can be considered a process of devolucion towards the local, a view of

this experience shows that this is still an incomplete process. The vertical influence from the national and departmental level over the municipal level, is a key element for the local development of the municipalities. As mentioned in the second chapter, the connection role of the prefectures is weak, not only in terms of the regulations, but also in terms of the influence of the political relationships between the municipalities and the prefectures.

- However, it would be unfair to believe that it is only the imposition of the central over the local power that creates this situation. The traditional top-down relationship between the national and the local levels, as well as the remains of the 'welfare state' vision, has enhanced the persistence of 'clientelar' and paternalistic relationships between the society and the public administration. In other words, at the local level there still persist a passive attitude from the local governments, as well as from the civil society organisations. This is also a very important element in order to understand the Bolivian popular participation process. Especially if we consider that: 'A vigorous local government system is essential to the flourishing of civil society and a strong civil society is equally critical to the existence of vibrant, creative, democratic local government (UNDP, 1996)'.
- Regarding to this last statement, it is important also to observe the level of consolidation of the LGs. The general trend in the municipalities since the implementation of the PPL, has been to follow the mandates of the law and the new regulations, in order to fulfil the necessary requirements set by the government to receive the 'co-participation' transfers. This situation has to certain extent weakened the consolidation of the LGs as a level of government, limiting their role in the administrative sphere.

Finally, the answer to the question if the PPL has created the basis for the development of conditions of local governance, is 'Yes, but not in the magnitude it was expected'. The mechanisms that have been implemented can still be, and have to be, improved. The PPL as a framework for devolution and participation, has achieved great successes, especially if we consider that at the end it was a vertical and centralist reform. The results of its implementation has been diverse, as diverse as the conditions of the different Bolivian municipalities. More interrogations are open now open like: How suitable these mechanisms have been for most of the cases? Is the lack of maturity of the civil society the weakest element of this reform?

The consolidation and improvement of the popular participation is now a clear necessity for the future of the Bolivian local development processes. The lack of consolidation of the PPL, plus the over-politisation that this process has suffered, have to certain extent harmed the credibility of the people and thus the legitimisation of the PPL organisations (TBOS, VCs and LGs). This is an aspect that cannot be ignored for future attempts of improvement of the PPL. I believe now it is time to recognise that the 'learning' process of the PPL has reached its limits and that the consolidation of this process is an urgent necessity.

Nevertheless, two things are clear after 8 years of popular participation. The first one, is that the PPL is still an incomplete process, especially in terms of local governance, which basis are still very weak. The second one, is that the popular participation is an irreversible process of decentralisation in the case of Bolivia, given the big step it meant. Therefore, its improvement is an essential element, not only for the future of the local development, but also for the whole nations development.

winter 2002

1. The first part of the document is a list of the names of the authors of the various chapters. The names are listed in alphabetical order of the last name.

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2. The second part of the document is a list of the titles of the various chapters. The titles are listed in alphabetical order of the first word.

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3. The third part of the document is a list of the titles of the various sections. The titles are listed in alphabetical order of the first word.

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4. The fourth part of the document is a list of the titles of the various subsections. The titles are listed in alphabetical order of the first word.

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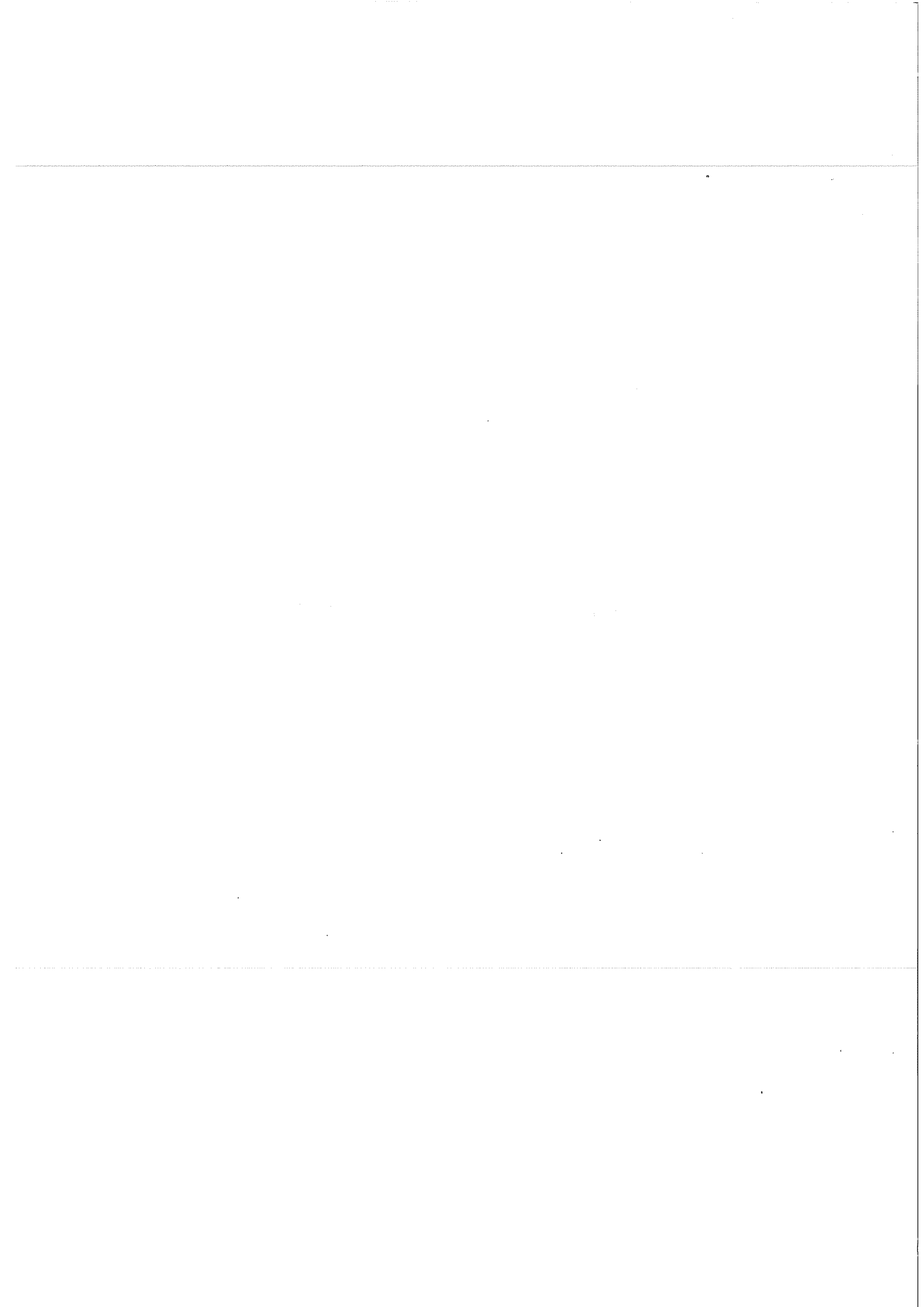
5. The fifth part of the document is a list of the titles of the various subsubsections. The titles are listed in alphabetical order of the first word.

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6. The sixth part of the document is a list of the titles of the various subsubsubsections. The titles are listed in alphabetical order of the first word.

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## **ANNEXES OF STATISTICS**





## Bolivian 'High performer' Municipalities: Governance Database

| No                     | Municipality          | L. Gov. Performance               |                                | Transparency              |                         | Political Stability                       |  | Administrative Potentialities                 |                                      |  |
|------------------------|-----------------------|-----------------------------------|--------------------------------|---------------------------|-------------------------|---|--|---|--------------------------------------|--|
|                        |                       | Growth Rate Inv. executed per cap | Economic damage per capita U\$ | Eco. Damage per councilor | Number of mayor changes | Level of Fragmentation Municipal Council* | No. Municipal workers per c/1000 htes. | Relationship between Profesionals/m.workers** | Municipal Workers Quality & Quantity |  |
| 1                      | Pocona                | 29,18                             | 0                              | 0                         | 0                       | 0,6                                       | 0,59                                   | 0,125   | 0,07                                 |  |
| 2                      | Arampampa             | 24,00                             | 3,51                           | 2967                      | 0                       | 0,8                                       | 1,23                                   | 0,17  | 0,21                                 |  |
| 3                      | Caracollo             | 22,33                             | 0                              | 0                         | 2                       | 0,8                                       | 1,01                                   | 0,1   | 0,10                                 |  |
| 4                      | Villa Azurduy         | 20,13                             | 0                              | 0                         | 3                       | 0,6                                       | 1,67                                   | 0,1   | 0,17                                 |  |
| 5                      | Gutierrez             | 15,73                             | 0                              | 0                         | 3                       | 0,8                                       | 1,84                                   | 0,19  | 0,35                                 |  |
| 6                      | Tarata                | 15,38                             | 0                              | 0                         | 1                       | 0,8                                       | 2,29                                   | 0,05  | 0,11                                 |  |
| 7                      | Puna                  | 15,06                             | 0                              | 0                         | 1                       | 0,7                                       | 0,72                                   | 0,16  | 0,12                                 |  |
| 8                      | Eucaliptus            | 14,78                             | 0,37                           | 398                       | 0                       | 0,8                                       | 1,47                                   | 0,125   | 0,18                                 |  |
| 9                      | Tomina                | 14,72                             | 0                              | 0                         | 0                       | 0,8                                       | 1,66                                   | 0,2   | 0,33                                 |  |
| 10                     | Inquisivi             | 14,47                             | 0                              | 0                         | 3                       | 1   | 0,68                                   | 0,18  | 0,12                                 |  |
| 11                     | Puerto Carabuco       | 12,85                             | 0                              | 0                         | 0                       | 0,8                                       | 0,46                                   | 0,125   | 0,06                                 |  |
| 12                     | Ayopaya               | 12,55                             | 0                              | 0                         | 0                       | 0,7                                       | 1,68                                   | 0,02  | 0,03                                 |  |
| 13                     | Vitichi               | 11,45                             | 0,41                           | 920                       | 0                       | 0,8                                       | 1,33                                   | 0,06  | 0,08                                 |  |
| 14                     | Coro Coro             | 11,44                             | 8,96                           | 21170                     | 1                       | 1   | 0,68                                   | 0   | 0,00                                 |  |
| 15                     | Betanzos              | 11,40                             | 0,49                           | 2219                      | 0                       | 0,4                                       | 0,96                                   | 0,06  | 0,06                                 |  |
| 16                     | Mecapaca              | 10,81                             | 10,54                          | 24840                     | 5                       | 1   | 1,7                                    | 0,05  | 0,09                                 |  |
| 17                     | Quiabaya              | 10,39                             | 0                              | 0                         | 3                       | 0,8                                       | 1,16                                   | 0   | 0,00                                 |  |
| 18                     | Villa de Yocalla      | 9,58                              | 0,53                           | 851                       | 0                       | 1   | 0,62                                   | 0,2   | 0,12                                 |  |
| 19                     | "Colcha ""K""         | 9,15                              | 0                              | 0                         | 0                       | 0,8                                       | 0,52                                   | 0,2   | 0,10                                 |  |
| 20                     | Puerto Gonzalo Moreno | 9,11                              | 0                              | 0                         | 0                       | 0,4                                       | 2,62                                   | 0,1   | 0,26                                 |  |
| 21                     | Puerto Perez          | 8,71                              | 0                              | 0                         | 3                       | 1   | 1,92                                   | 0,06  | 0,12                                 |  |
| 22                     | Colquechaca           | 8,44                              | 0                              | 0                         | 0                       | 0,6                                       | 1,62                                   | 0   | 0,00                                 |  |
| 23                     | Ocuri                 | 8,42                              | 0,98                           | 3623                      | 1                       | 0,6                                       | 0,54                                   | 0,1   | 0,05                                 |  |
| 24                     | Santivanez            | 8,34                              | 1,64                           | 2104                      | 3                       | 0,8                                       | 2,5                                    | 0,625   | 1,56                                 |  |
| 25                     | Omereque              | 8,02                              | 0                              | 0                         | 0                       | 0,8                                       | 0,82                                   | 0   | 0,00                                 |  |
| 26                     | Guaqui                | 7,75                              | 0                              | 0                         | 0                       | 1   | 1,06                                   | 0   | 0,00                                 |  |
| 27                     | Challapata            | 7,41                              | 0,04                           | 200                       | 1                       | 0,8                                       | 1,19                                   | 0,17  | 0,21                                 |  |
| 28                     | Padilla               | 6,93                              | 0                              | 0                         | 0                       | 0,6                                       | 2,23                                   | 0,11  | 0,24                                 |  |
| 29                     | Las Carreras          | 6,85                              | 0                              | 0                         | 0                       | 0,6                                       | 1,69                                   | 0,11  | 0,18                                 |  |
| 30                     | Cotagaita             | 6,55                              | 0                              | 0                         | 0                       | 0,6                                       | 1                                      | 0,083   | 0,08                                 |  |
| 31                     | Pocoata               | 6,30                              | 2,23                           | 8987                      | 0                       | 0,8                                       | 0,7                                    | 0,071   | 0,05                                 |  |
| <b>Average Values:</b> |                       | <b>12,20</b>                      | <b>0,96</b>                    | <b>2202,55</b>            | <b>0,97</b>             | <b>0,8</b>                                | <b>1,30</b>                            | <b>0,11</b>                                   | <b>0,16</b>                          |  |

Source: Viceministerio de Planificacion Estrategica y Participacion Popular (VPPE)

\* Number of parties in the municipal council / Total number of councillors

\*\* Number of professionals / Number of municipal workers

## Bolivian 'Low performer' Municipalities: Governance Database

| No                     | Municipality            | L. Gov. Performance               | Transparency                    | Political Stability       |                         | Administrative Potentialities          |  |  |                                      |
|------------------------|-------------------------|-----------------------------------|---------------------------------|---------------------------|-------------------------|--|--|--|--------------------------------------|
|                        |                         | Growth Rate Inv. executed per cap | Economic damage per capita \$us | Eco. Damage per councilor | Number of mayor changes | Level Fragmentation Municipal Council* | No. Municipal workers per c/1000 htes. | Relationship between Professionals/m.workers** | Municipal Workers Quality & Quantity |
| 1                      | Moco Moco               | -0,71                             | 0,2                             | 480                       | 3                       | 1,0                                    | 1,07                                   | 0,077  | 0,08                                 |
| 2                      | Mairana                 | -0,72                             | 0,17                            | 264                       | 4                       | 0,8                                    | 2,84                                   | 0,09   | 0,26                                 |
| 3                      | Huachacalla             | -0,73                             | 1,10                            | 363                       | 1                       | 0,8                                    | 0,61                                   | 0  | 0,00                                 |
| 4                      | San Ignacio             | -0,73                             | 0                               | 0                         | 1                       | 0,4                                    | 2                                      | 0,108  | 0,22                                 |
| 5                      | Villazon                | -0,74                             | 0                               | 0                         | 0                       | 0,6                                    | 2,78                                   | 0,029  | 0,08                                 |
| 6                      | Pasorapa                | -0,78                             | 0                               | 0                         | 0                       | 0,8                                    | 1,29                                   | 0,166  | 0,21                                 |
| 7                      | Santa Cruz de la Sierra | -0,78                             | 0,45                            | 46219                     | 0                       | 0,4                                    | 1,16                                   | 0,12   | 0,14                                 |
| 8                      | Samaipata               | -0,78                             | 5,58                            | 10870                     | 1                       | 0,8                                    | 1,95                                   | 0,157  | 0,31                                 |
| 9                      | Camiri                  | -0,79                             | 0                               | 0                         | 0                       | 0,6                                    | 2,59                                   | 0,11   | 0,28                                 |
| 10                     | Bella Flor              | -0,80                             | 0                               | 0                         | 0                       | 0,2                                    | 2,6                                    | 0,16   | 0,42                                 |
| 11                     | Puerto Suarez           | -0,80                             | 0                               | 0                         | 0                       | 0,8                                    | 2,93                                   | 0,017  | 0,05                                 |
| 12                     | Tarija                  | -0,81                             | 4,01                            | 55960                     | 0                       | 0,3                                    | 4,47                                   | 0,064  | 0,29                                 |
| 13                     | Gral. Saavedra          | -0,82                             | 0,08                            | 265                       | 0                       | 0,8                                    | 1,81                                   | 0,06   | 0,11                                 |
| 14                     | San Pedro de Quemes     | -0,82                             | 0                               | 0                         | 1                       | 0,8                                    | 3,68                                   | 0,33   | 1,21                                 |
| 15                     | El Choro                | -0,82                             | 0,53                            | 605                       | 0                       | 0,6                                    | 0,53                                   | 0  | 0,00                                 |
| 16                     | El Alto                 | -0,83                             | 5,03                            | 288957                    | 4                       | 0,3                                    | 1,13                                   | 0,098  | 0,11                                 |
| 17                     | Porvenir                | -0,83                             | 18,88                           | 14020                     | 0                       | 0,6                                    | 5,39                                   | 0  | 0,00                                 |
| 18                     | Alalay                  | -0,84                             | 0                               | 0                         | 0                       | 0,6                                    | 1,83                                   | 0,33   | 0,60                                 |
| 19                     | Turco                   | -0,84                             | 0                               | 0                         | 3                       | 1,0                                    | 1,31                                   | 0  | 0,00                                 |
| 20                     | Chacarilla              | -0,86                             | 0                               | 0                         | 0                       | 0,6                                    | 4,47                                   | 0  | 0,00                                 |
| 21                     | San Matias              | -0,89                             | 0,82                            | 1745                      | 1                       | 0,8                                    | 1,76                                   | 0,09   | 0,16                                 |
| 22                     | San Rafael              | -0,91                             | 0                               | 0                         | 0                       | 0,4                                    | 2,79                                   | 0,07   | 0,20                                 |
| 23                     | Cruz de Machacamarca    | -0,92                             | 0                               | 0                         | 0                       | 0,2                                    | 3,45                                   | 0  | 0,00                                 |
| 24                     | Nazacara de Pacajes     | -0,92                             | 0                               | 0                         | 0                       | 0,4                                    | 7,49                                   | 0,5  | 3,75                                 |
| 25                     | Chimore                 | -0,92                             | 0                               | 0                         | 0                       | 0,4                                    | 1,24                                   | 0,05   | 0,06                                 |
| 26                     | Belen de Andamarca      | -0,97                             | 0                               | 0                         | 0                       | 0,6                                    | 1,29                                   | 0  | 0,00                                 |
| 27                     | Vila Vila               | -0,98                             | 0                               | 0                         | 1                       | 0,8                                    | 1,09                                   | 0,2  | 0,22                                 |
| 28                     | La Rivera               | -0,99                             | 0                               | 0                         | 0                       | 0,8                                    | 5,13                                   | 0  | 0,00                                 |
| 29                     | Sabaya                  | -0,99                             | 43,57                           | 18075                     | 3                       | 0,8                                    | 1,07                                   | 0  | 0,00                                 |
| 30                     | Warnes                  | -0,99                             | 0,17                            | 712                       | 8                       | 0,4                                    | 2,98                                   | 0,1  | 0,30                                 |
| 31                     | Yunguyo del Litoral     | -1,00                             | 0                               | 0                         | 0                       | 0,4                                    | 9,05                                   | 0  | 0,00                                 |
| <b>Average Values:</b> |                         | <b>-0,83</b>                      | <b>2,59</b>                     | <b>14130,81</b>           | <b>0,90</b>             | <b>0,6</b>                             | <b>2,67</b>                            | <b>0,09</b>                                    | <b>0,29</b>                          |

Source: Viceministerio de Planificacion Estrategica y Participacion Popular (VPPE)

\* Number of parties in the municipal council / Total number of councilors

\*\* Number of professionals / Number of municipal workers

## Bolivian 'High Performer' Municipalities: Territorial Base Organisations Density

| No                     | Municipality          | Category | Population 2001 | Population/ 1000 | Extension Km2 | Number of TBOs | Proportion No. Inhab per TBO | Proportion No Km2 per TBO | No TBOs per each 1000 |
|------------------------|-----------------------|----------|-----------------|------------------|---------------|----------------|------------------------------|---------------------------|-----------------------|
| 1                      | Pocona                | B        | 13488           | 13,488           | 1397          | 31             | 435,10                       | 45,06                     | 2,30                  |
| 2                      | Arapampa              | A        | 4859            | 4,859            | 323           | -              | -                            | -                         | -                     |
| 3                      | Caracollo             | C        | 19860           | 19,86            | 2594          | 14             | 1418,57                      | 185,29                    | 0,70                  |
| 4                      | Villa Azurduy         | B        | 11349           | 11,349           | 2852          | 36             | 315,25                       | 79,22                     | 3,17                  |
| 5                      | Gutierrez             | B        | 11393           | 11,393           | 2009          | 19             | 599,63                       | 105,74                    | 1,67                  |
| 6                      | Tarata                | B        | 8715            | 8,715            | 303           | 41             | 212,56                       | 7,39                      | 4,70                  |
| 7                      | Puna                  | C        | 41775           | 41,775           | 3547          | -              | -                            | -                         | -                     |
| 8                      | Eucaliptus            | B        | 5424            | 5,424            | 356           | 12             | 452,00                       | 29,67                     | 2,21                  |
| 9                      | Tomina                | B        | 9060            | 9,06             | 716           | 30             | 302,00                       | 23,87                     | 3,31                  |
| 10                     | Inquisivi             | C        | 16143           | 16,143           | 3876          | 77             | 209,65                       | 50,34                     | 4,77                  |
| 11                     | Puerto Carabuco       | C        | 17517           | 17,517           | 686           | 22             | 796,23                       | 31,18                     | 1,26                  |
| 12                     | Ayopaya               | C        | 26825           | 26,825           | 1743          | 85             | 315,59                       | 20,51                     | 3,17                  |
| 13                     | Vitichi               | B        | 11298           | 11,298           | 2069          | 40             | 282,45                       | 51,73                     | 3,54                  |
| 14                     | Coro Coro             | B        | 11813           | 11,813           | 1139          | 60             | 196,88                       | 18,98                     | 5,08                  |
| 15                     | Betanzos              | C        | 36308           | 36,308           | 1382          | 4              | 9077,00                      | 345,50                    | 0,11                  |
| 16                     | Mecapaca              | B        | 11782           | 11,782           | 654           | 50             | 235,64                       | 13,08                     | 4,24                  |
| 17                     | Quiabaya              | A        | 2580            | 2,58             | 74            | 30             | 86,00                        | 2,47                      | 11,63                 |
| 18                     | Villa de Yocalla      | B        | 8046            | 8,046            | 690           | 2              | 4023,00                      | 345,00                    | 0,25                  |
| 19                     | "Colcha ""K""         | B        | 9645            | 9,645            | 16528         | 20             | 482,25                       | 826,40                    | 2,07                  |
| 20                     | Puerto Gonzalo Moreno | A        | 3810            | 3,81             | 1,571         | 40             | 95,25                        | 0,04                      | 10,50                 |
| 21                     | Puerto Perez          | B        | 7830            | 7,83             | 0,66          | 30             | 261,00                       | 0,02                      | 3,83                  |
| 22                     | Colquechaca           | B        | 8020            | 8,02             | 140           | 18             | 445,56                       | 7,78                      | 2,24                  |
| 23                     | Ocuri                 | C        | 18516           | 18,516           | 1258          | -              | -                            | -                         | -                     |
| 24                     | Santivanez            | B        | 6402            | 6,402            | 386           | 33             | 194,00                       | 11,70                     | 5,15                  |
| 25                     | Omereque              | B        | 6071            | 6,071            | 906           | 17             | 357,12                       | 53,29                     | 2,80                  |
| 26                     | Guaqui                | B        | 7552            | 7,552            | 296           | 19             | 397,47                       | 15,58                     | 2,52                  |
| 27                     | Challapata            | C        | 24370           | 24,37            | 1956          | 78             | 312,44                       | 25,08                     | 3,20                  |
| 28                     | Padilla               | B        | 12562           | 12,562           | 1347          | 54             | 232,63                       | 24,94                     | 4,30                  |
| 29                     | Las Carreras          | A        | 3556            | 3,556            | 1074          | 17             | 209,18                       | 63,18                     | 4,78                  |
| 30                     | Cotagaita             | C        | 24025           | 24,025           | 6910          | 7              | 3432,14                      | 987,14                    | 0,29                  |
| 31                     | Pocoata               | C        | 20116           | 20,116           | 1950          | 19             | 1058,74                      | 102,63                    | 0,94                  |
| <b>Average Values:</b> |                       |          | <b>420710</b>   |                  |               |                | <b>944,12</b>                | <b>124</b>                | <b>3,38</b>           |

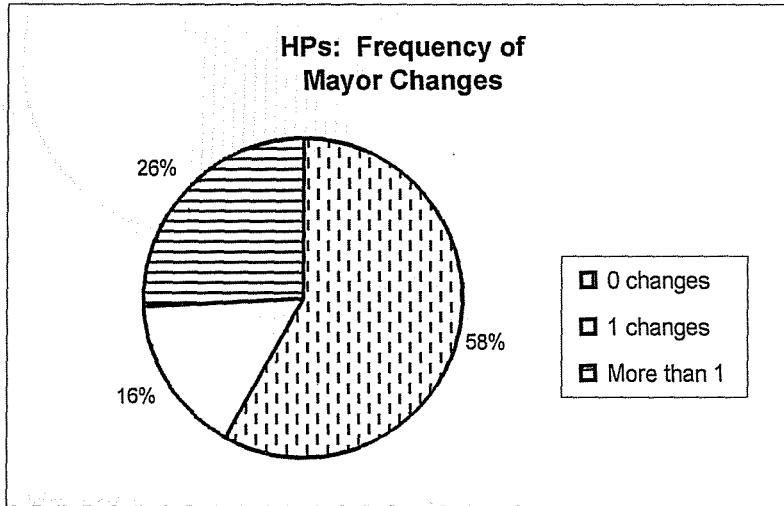
Source: Viceministerio de Planificacion Estrategica y Participacion Popular (VPPE)

### Bolivian 'Low Performer' Municipalities: Territorial Base Organisations Density

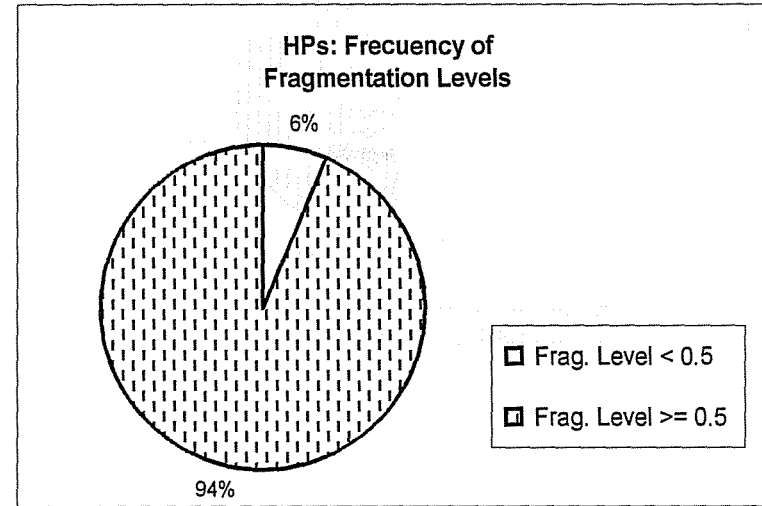
| No                     | Municipality            | Category | Population 2001 | Population/ 1000 | Extension Km2 | Number of TBOs | Proportion No. Inhab per TBO | Proportion No Km2 per TBO | No. TBOs per each 1000 |
|------------------------|-------------------------|----------|-----------------|------------------|---------------|----------------|------------------------------|---------------------------|------------------------|
| 1                      | Moco Moco               | B        | 12177           | 12,177           | 412           | 123            | 99,00                        | 3,35                      | 10,10                  |
| 2                      | Mairana                 | B        | 7747            | 7,747            | 505           | 17             | 455,71                       | 29,71                     | 2,19                   |
| 3                      | Huachacalla             | A        | 1650            | 1,65             | 32            | 2              | 825,00                       | 16,00                     | 1,21                   |
| 4                      | San Ignacio             | C        | 41412           | 41,412           | 48065         | 99             | 418,30                       | 485,51                    | 2,39                   |
| 5                      | Villazon                | B        | 8918            | 8,918            | 2260          | 66             | 135,12                       | 34,24                     | 7,40                   |
| 6                      | Pasorapa                | A        | 4659            | 4,659            | 2026          | 26             | 179,19                       | 77,92                     | 5,58                   |
| 7                      | Santa Cruz de la Sierra | D        | 1135526         | 1135,526         | 1407          | 380            | 2988,23                      | 3,70                      | 0,33                   |
| 8                      | Samaipata               | B        | 9739            | 9,739            | 1670          | 35             | 278,26                       | 47,71                     | 3,59                   |
| 9                      | Camiri                  | C        | 30897           | 30,897           | 1087          | 59             | 523,68                       | 18,42                     | 1,91                   |
| 10                     | Bella Flor              | A        | 2305            | 2,305            | 5201          | 11             | 209,55                       | 472,82                    | 4,77                   |
| 11                     | Puerto Suarez           | C        | 20103           | 20,103           | 22732         | 30             | 670,10                       | 757,73                    | 1,49                   |
| 12                     | Tarija                  | D        | 153457          | 153,457          | 2078          | 104            | 1475,55                      | 19,98                     | 0,68                   |
| 13                     | Gral. Saavedra          | C        | 16592           | 16,592           | 243           | 20             | 829,60                       | 12,15                     | 1,21                   |
| 14                     | San Pedro de Quemes     | A        | 815             | 0,815            | 4364          | -              | -                            | -                         | -                      |
| 15                     | El Choro                | A        | 1748            | 1,748            | 1684          | 11             | 158,91                       | 153,09                    | 6,29                   |
| 16                     | El Alto                 | D        | 649958          | 649,958          | 447           | 255            | 2548,85                      | 1,75                      | 0,39                   |
| 17                     | Porvenir                | A        | 3713            | 3,713            | 1496          | 22             | 168,77                       | 68,00                     | 5,93                   |
| 18                     | Alalay                  | A        | 4931            | 4,931            | 582           | 15             | 328,73                       | 38,80                     | 3,04                   |
| 19                     | Turco                   | A        | 3818            | 3,818            | 3234          | 13             | 293,69                       | 248,77                    | 3,40                   |
| 20                     | Chacarilla              | A        | 1566            | 1,566            | 371           | 24             | 65,25                        | 15,46                     | 15,33                  |
| 21                     | San Matias              | B        | 13073           | 13,073           | 32030         | 28             | 466,89                       | 1143,93                   | 2,14                   |
| 22                     | San Rafael              | B        | 5017            | 5,017            | 8062          | 12             | 418,08                       | 671,83                    | 2,39                   |
| 23                     | Cruz de Machacamarca    | A        | 869             | 0,869            | 678           | -              | -                            | -                         | -                      |
| 24                     | Nazacara de Pacajes     | A        | 267             | 0,267            | 29            | 19             | 14,05                        | 1,53                      | 71,16                  |
| 25                     | Chimore                 | C        | 15264           | 15,264           | 3416          | 65             | 234,83                       | 52,55                     | 4,26                   |
| 26                     | Belen de Andamarca      | A        | 1548            | 1,548            | 1115          | 2              | 774,00                       | 557,50                    | 1,29                   |
| 27                     | Vila Vila               | A        | 4591            | 4,591            | 750           | 26             | 176,58                       | 28,85                     | 5,66                   |
| 28                     | La Rivera               | A        | 390             | 0,39             | 187           | 2              | 195,00                       | 93,50                     | 5,13                   |
| 29                     | Sabaya                  | A        | 4684            | 4,684            | 3718          | 11             | 425,82                       | 338,00                    | 2,35                   |
| 30                     | Warnes                  | C        | 41570           | 41,57            | 1216          | 65             | 639,54                       | 18,71                     | 1,56                   |
| 31                     | Yunguyo del Litoral     | A        | 221             | 0,221            | 124           | -              | -                            | -                         | -                      |
| <b>Average Values:</b> |                         |          | <b>2199225</b>  |                  |               |                | <b>571</b>                   | <b>193</b>                | <b>6,19</b>            |

Source: Viceministerio de Planificacion Estrategica y Participacion Popular (VPPE)

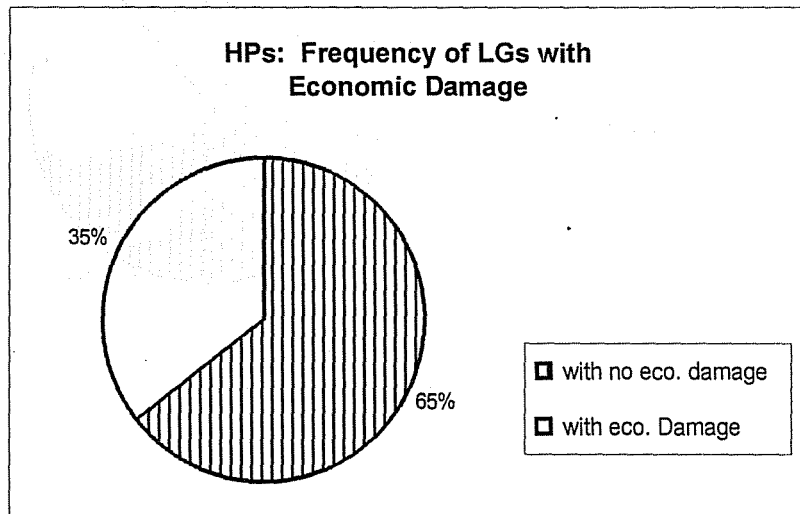
## Bolivian 'High Performer' Municipalities: Governance Indicators



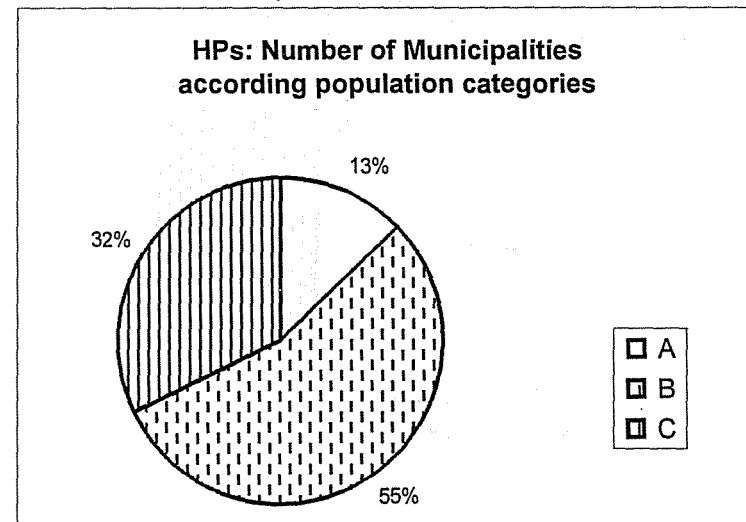
Source: Viceministerio de Planificación Estratégica y Participación Popular VPPE



Source: Viceministerio de Planificación Estratégica y Participación Popular VPPE

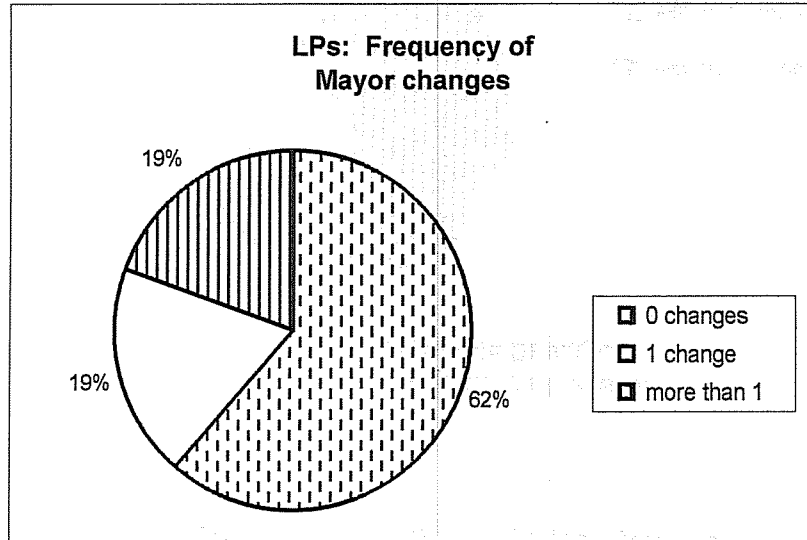


Source: Viceministerio de Planificación Estratégica y Participación Popular VPPE

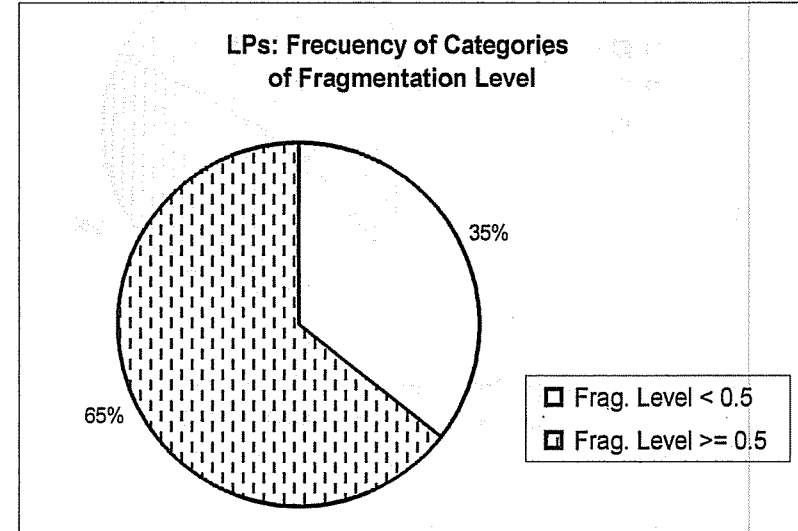


Source: Viceministerio de Planificación Estratégica y Participación Popular VPPE

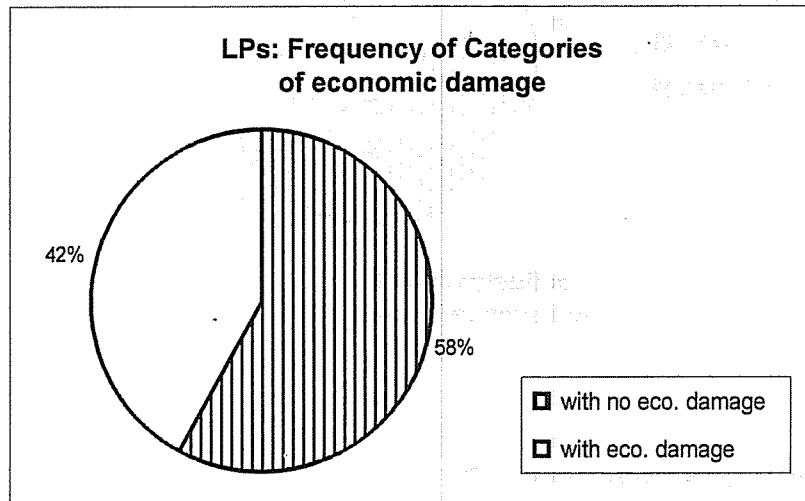
## Bolivian 'Low Performer' Municipalities: Governance Indicators



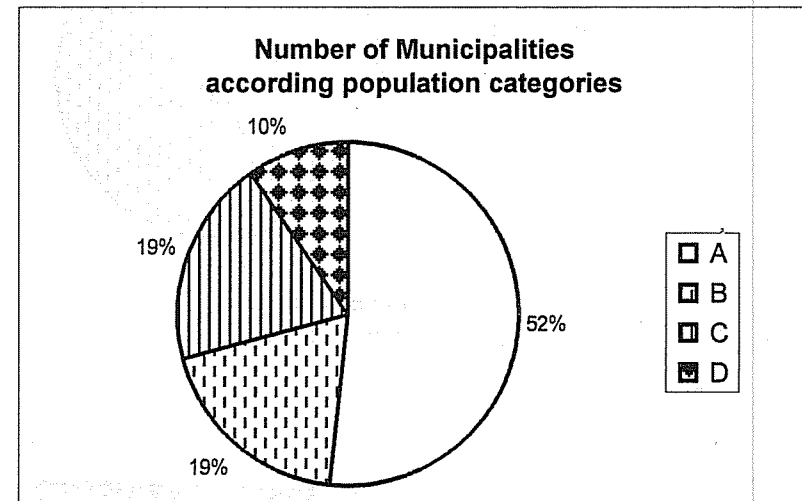
Source: Viceministerio de Planificación Estratégica y Participación Popular VPPE



Source: Viceministerio de Planificación Estratégica y Participación Popular VPPE



Source: Viceministerio de Planificación Estratégica y Participación Popular VPPE



Source: Viceministerio de Planificación Estratégica y Participación Popular VPPE

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